



ANCOM LOGISTICS BERHAD

[196601000150 (6614-W)]
Incorporated in Malaysia

ANNUAL
REPORT
2024



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CORPORATE INFORMATION

BOARD OF DIRECTORS

DATO' ABDUL LATIF BIN ABDULLAH

(Non-Independent Non-Executive Chairman)

DATO' SIEW KA WEI

(Executive Vice Chairman)

TAN SRI DATUK DR. AMPIKAIPAKAN A/L S. KANDIAH

(Independent Non-Executive Director)

DATUK MOHD FARID BIN MOHD ADNAN

(Independent Non-Executive Director)

DATUK LEE CHEUN WEI

(Non-Independent Non-Executive Director)

DATO' MOHAMMAD MEDAN BIN ABDULLAH

(Independent Non-Executive Director)

DATIN JOANNE MARIE LOPEZ

(Independent Non-Executive Director)

AUDIT COMMITTEE

TAN SRI DATUK DR. AMPIKAIPAKAN A/L S. KANDIAH *(Chairman)*

DATUK MOHD FARID BIN MOHD ADNAN *(Member)*

DATUK LEE CHEUN WEI *(Member)*

DATO' MOHAMMAD MEDAN BIN ABDULLAH *(Member)*

REMUNERATION & NOMINATION COMMITTEE

DATIN JOANNE MARIE LOPEZ *(Chairman)*

DATUK MOHD FARID BIN MOHD ADNAN *(Member)*

DATO' MOHAMMAD MEDAN BIN ABDULLAH *(Member)*

COMPANY SECRETARIES

CHOO SE ENG *(MIA 5876)*

STEPHEN GEH SIM WHYE *(MICPA 1810)*

REGISTERED OFFICE

Unit C508, Block C, Kelana Square
Jalan SS7/26, Kelana Jaya
47301 Petaling Jaya
Selangor Darul Ehsan
Malaysia
Tel. : (603) 7805 1817 / 3817
Fax : (603) 7804 1316
Email : sgeh@gswconsultants.com.my

BUSINESS ADDRESS

No. 2A, Jalan 13/2, Seksyen 13
46200 Petaling Jaya
Selangor Darul Ehsan
Malaysia
Tel. : (603) 7495 5000
Fax : (603) 7495 5088

SHARE REGISTRAR

Tricor Investor & Issuing House Services Sdn. Bhd.

Office

Unit 32-01, Level 32, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Malaysia
Tel. : (603) 2783 9299
Fax : (603) 2783 9222
Email : is.enquiry@my.tricorglobal.com

Customer Service Centre

Unit G-3, Ground Floor, Vertical Podium
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Malaysia

AUDITORS

BDO PLT, Chartered Accountants

STOCK EXCHANGE LISTING

ACE Market of Bursa Malaysia
Securities Berhad
(Stock Code : 0048)

PRINCIPAL BANKERS

OCBC Bank (Malaysia) Berhad
AmBank (M) Berhad

SOLICITORS

Chong, Ng & Yap

DOMICILE

Malaysia

WEBSITE

www.ancomlogistics.com.my

FIVE-YEAR HIGHLIGHTS

	2024 RM'000	2023 RM'000	2022 RM'000	2021 RM'000	2020 RM'000
Revenue	31,442	30,564	29,949	30,477	30,930
(Loss)/Profit before taxation	(1,856)	1,219	249	2,258	2,067
(Loss)/Profit for the financial year	(2,942)	502	(618)	1,390	631
Effective percentage rate of tax	>100%	59%	>100%	38%	69%
Net (loss)/profit attributable to owners of the parent	(3,741)	(385)	(1,717)	382	(360)
ASSETS EMPLOYED					
Property, plant and equipment	31,230	18,781	18,246	18,069	21,403
Right-of-use assets	4,427	4,502	4,709	9,310	10,296
Investments	-	-	2,219	2,219	1,802
Other non-current assets	3,449	-	-	-	-
Current assets	14,665	20,890	23,025	23,817	15,813
TOTAL ASSETS	53,771	44,173	48,199	53,415	49,314
FINANCED BY					
Share capital	23,664	23,664	23,664	23,664	23,664
Reserves	8,526	8,526	8,526	8,526	8,526
Accumulated losses	(14,563)	(10,822)	(10,437)	(8,720)	(9,102)
	17,627	21,368	21,753	23,470	23,088
Non-controlling interests	7,825	7,418	6,531	6,412	7,245
TOTAL EQUITY	25,452	28,786	28,284	29,882	30,333
Non-current liabilities	15,985	4,233	4,702	6,714	10,082
Current liabilities	12,334	11,154	15,213	16,819	8,899
TOTAL EQUITY AND LIABILITIES	53,771	44,173	48,199	53,415	49,314
SHAREHOLDERS' INTERESTS					
(Loss)/Profit per ordinary share - sen	(0.79)	(0.08)	(0.36)	0.08	(0.08)
Net assets per share - sen	3.72	4.51	4.60	4.96	4.88
OTHER INFORMATION					
Depreciation	5,390	5,695	5,686	5,834	5,814
Interest expense	297	432	560	629	649

LIST OF PRINCIPAL OFFICES

ANCOM LOGISTICS BERHAD

No. 2A, Jalan 13/2, Seksyen 13
46200 Petaling Jaya
Selangor Darul Ehsan
Malaysia
Tel : (603) 7495 5000
Fax : (603) 7495 5088

ANCOM NYLEX TERMINALS SDN. BHD.

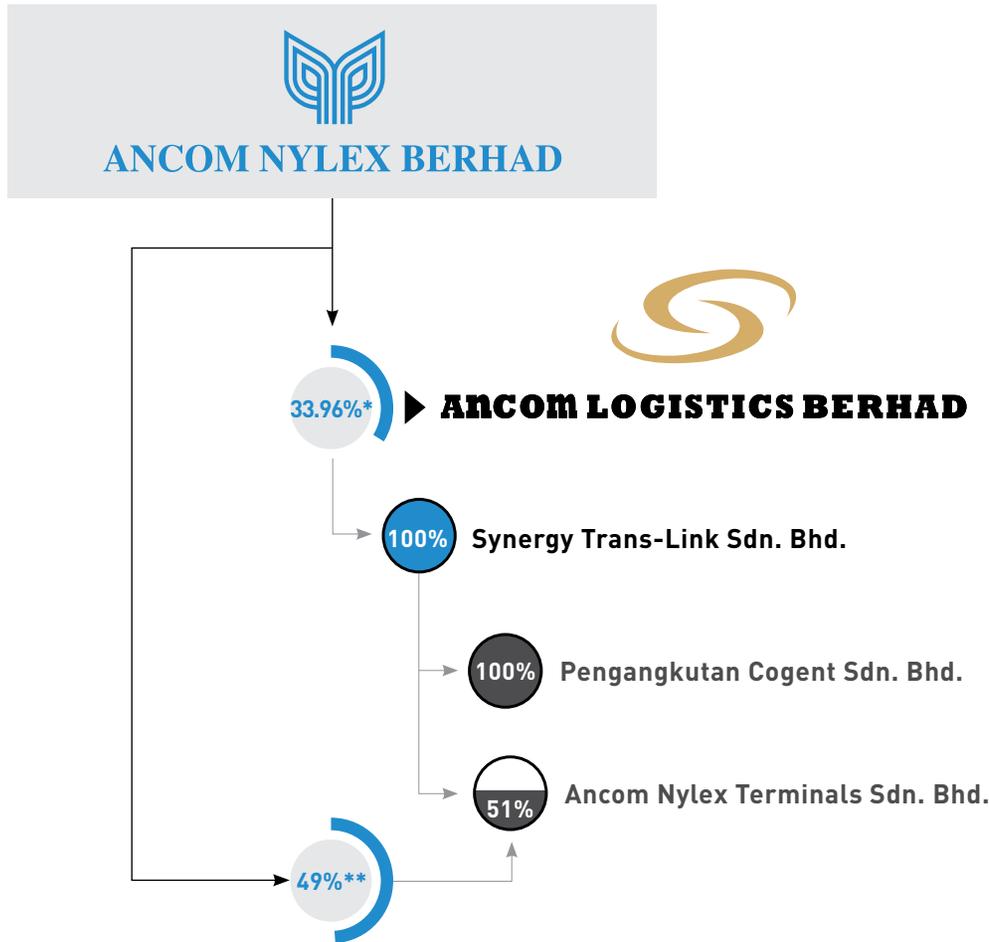
Jeti Petrokimia, Pelabuhan Barat
42920 Pulau Indah, Port Klang
Selangor Darul Ehsan
Malaysia
Tel : (603) 3101 1372
Fax : (603) 3101 1279

PENGANGKUTAN COGENT SDN. BHD.

PTD 149227, Jalan Berjaya 7
Taman Perindustrian Berjaya
81200 Kempas Lama
Johor Darul Takzim
Malaysia
Tel : (607) 558 3131
Fax : (607) 558 1313

CORPORATE STRUCTURE

As at 31 May 2024



Note:

* Direct and Indirect Interest

** Held through CKG Chemicals Pte Ltd, a wholly-owned subsidiary of Ancom Nylex Berhad

BOARD OF DIRECTORS



DATO' ABDUL LATIF BIN ABDULLAH

Non-Independent
Non-Executive Chairman

MALAYSIAN
MALE
AGE 74

Dato' Latif was appointed as Chairman of the Company on 20 August 2004. He was re-designated as Executive Chairman on 1 December 2004 and later as Non-Independent Non-Executive Chairman on 1 June 2006 and on 15 August 2014, as Independent Non-Executive Chairman of the Company. He was later re-designated as Non-Independent Non-Executive Chairman on 17 October 2023.

Dato' Latif obtained the Bachelor of Arts (Hons) degree in International Relations from University Malaya and Master of Science (Marine Law & Policy) degree from University of Wales, United Kingdom. He had also attended the Senior Management Development Program at Harvard Business School. He is a member of Chartered Institute of Logistic and Transport, United Kingdom.

Dato' Latif started his career in 1975 with the Ministry of Foreign Affairs attached to West Asian Desk. He later joined Malaysian International Shipping Corporation Berhad ("MISC") as an Executive and was subsequently promoted to Assistant Manager of its Liner Division. From 1982 to 1992, he was with Perbadanan Nasional Shipping Line Berhad ("PNSL") where he held a number of senior positions and was instrumental in the formation of a number of subsidiaries and joint venture companies which he headed within the PNSL Group. He was the General Manager, Business and Corporate Division of PNSL before joining Mitsui OSK Lines (M) Sdn. Bhd. ("Mitsui OSK") in 1990 as a founder Director and remained as Chairman of Mitsui OSK after his retirement in 2005.

Presently, Dato' Latif is the Chairman of Efficient E-Solutions Berhad.



DATO' SIEW KA WEI

Executive Vice Chairman

MALAYSIAN
MALE
AGE 68

Dato' Siew was appointed as Non-Independent Executive Director of the Company on 17 October 2001. He was re-designated as the Non-Independent Non-Executive Deputy Chairman on 20 August 2004 and later as the Executive Vice Chairman of the Company on 25 January 2011.

Dato' Siew received his secondary and tertiary education in the United Kingdom, first studying in Marlborough College, then completing his tertiary education at Imperial College, London, where he obtained his Bachelor of Science (Hons) degree in Chemical Engineering and Master of Science ("MSc") degree in Operational Research.

Dato' Siew has extensive experience in the field of petrochemicals accumulated over more than 30 years in the local and international sectors.

Dato' Siew was a very active member of the Young Presidents' Organisation ("YPO") from 1993 until 2006. He was Chairman of the Malaysian Chapter of YPO and was Co-Chairman of the first Regional Conference in Kuala Lumpur in 1998. He became a member of the International Board of YPO in 2000 and served until 2003. He was Chairman of YPO's Global Leadership Congress in Beijing in 2003. He was also a past President of the Imperial College Alumni of Malaysia ("ICAAM"), a post he has held from 2008 to 2018 and a past Governor of the Board of Governors of Malborough College of Malaysia.

Currently, Dato' Siew is the Executive Vice Chairman of Ancom Nylex Berhad ("ANB"), the holding company of the Company, and Group Managing Director of Nylex (Malaysia) Berhad, both of which are listed on the Main Market of Bursa Malaysia Securities Berhad.

Dato' Siew is a substantial shareholder of the Company through his direct and indirect shareholding in ANB and his direct interest in the Company.

BOARD OF DIRECTORS



TAN SRI DATUK DR. AMPIKAIPAKAN A/L S. KANDIAH

Independent Non-Executive Director

MALAYSIAN
MALE
AGE 78

Tan Sri Datuk Dr. Ampikaipakan was appointed to the Board on 24 July 2020. He is currently the Chairman of the Audit Committee of the Company.

A graduate from Madras Medical College, India in 1972, Tan Sri Datuk Dr. Ampikaipakan served as a Medical Officer in various government hospitals in Malaysia until 1976. From 1976 to 1978, he was the Medical Registrar at the National Tuberculosis Centre Kuala Lumpur. He then began his postgraduate training at the Brompton Hospital and Royal London Hospital in the United Kingdom, returning to Malaysia to serve as a Consultant Respiratory Physician at the National Tuberculosis Centre. In 1981, he began his own practice and in 1986 he joined Pantai Hospital Kuala Lumpur as a Consultant Respiratory Physician, a position he holds until today.

Tan Sri Datuk Dr. Ampikaipakan was made a Fellow of the Royal College of Physicians ("FRCP"), United Kingdom in 1986. He was also the Founder Secretary and President of the Malaysian Thoracic Society from 1989-1992.

Tan Sri Datuk Dr. Ampikaipakan pioneered the research to document the incidence of Sarcoidosis in Malaysia and presented his findings at the International Sarcoidosis Conference in Paris in 1981.

Tan Sri Datuk Dr. Ampikaipakan was appointed the First Vice-Chancellor of AIMST University from 1996 to 1997 and continued as its founder Chairman until 2009.

Tan Sri Datuk Dr. Ampikaipakan is currently one of the Advisors of the International Advisory Council for Clinical Governance at IHH Healthcare Berhad.



DATUK MOHD FARID BIN MOHD ADNAN

Independent Non-Executive Director

MALAYSIAN
MALE
AGE 62

Datuk Farid was appointed to the Board on 3 May 2021. He is currently a member of the Audit Committee and Remuneration & Nomination ("R&N") Committee of the Company.

Datuk Farid graduated with a Bachelor of Science in Chemical Engineering degree from the University of Tennessee, Knoxville, USA and subsequently obtained a Master of International Business Studies from the University of South Carolina, Columbia, USA.

Datuk Farid has more than 30 years of experience in the oil and gas industry. He started his professional career at Petroliaam Nasional Berhad ("PETRONAS"), holding various senior management positions in various PETRONAS companies since 1985. His last posting was in South Africa where he retired from PETRONAS in 2017.

Datuk Farid served on the Board of MISC Berhad from December 2011 to September 2015, PETRONAS Dagangan Berhad from October 2013 to August 2015, PETRONAS Energy Trading Limited of UK from August 2010 to December 2015 and PETCO Trading Limited, UK, from August 2010 to December 2015.

Datuk Farid is currently an Independent Non-Executive Director of Affin Islamic Bank Berhad.

BOARD OF DIRECTORS



DATUK LEE CHEUN WEI

Non-Independent Non-Executive Director

MALAYSIAN
MALE
AGE 50

Datuk Lee was appointed to the Board on 11 January 2023. He is currently a member of the Audit Committee of the Company.

Datuk Lee graduated with a Bachelor of Arts (Hons) degree in Accounting and Finance from Lancaster University, United Kingdom, and holds a Master of Science in Finance (Distinction) degree from Cass Business School, London. For both degrees, he was awarded full scholarships from the Renong/UEM Group and British Chevening/HSBC respectively.

Datuk Lee started his career in 1997 as a Group Accountant at EPE Power Corporation Berhad ("EPE"), a transmission and distribution engineering company, and was made the Chief Financial Officer of the EPE Group in 2003. He was the Director of Corporate Finance of Tamco Corporate Holding Berhad (former name of the Company) from 2005 to 2009. He joined ANB, the holding company, in 2009 as the Group Chief Financial Officer. In July 2014, he was appointed Managing Director of Ancom Crop Care Sdn. Bhd. ("ACC"), a wholly-owned subsidiary of ANB. In January 2018, Datuk Lee was appointed to his current position as the Group Chief Executive Officer ("CEO") of ANB and was appointed Managing Director of ANB in March 2022 while still holding the position of Managing Director of ACC.

Datuk Lee is a member of the Association of Chartered Certified Accountants and the Malaysian Institute of Accountants.

Datuk Lee is currently the Managing Director/Group CEO and substantial shareholder of ANB.



DATO' MOHAMMAD MEDAN BIN ABDULLAH

Independent Non-Executive Director

MALAYSIAN
MALE
AGE 66

Dato' Medan joined the Board on 30 March 2023. He is currently a member of the Audit Committee and R&N Committee of the Company.

Dato' Medan graduated with a Bachelor of Laws (Hons) ("LLB") degree at the University of Malaya in 1982. He also graduated from the Advanced Management Program at Wharton School, University of Pennsylvania, USA in 2007 and has attended the INSEAD Senior Management Program.

Dato' Medan has more than 30 years' experience in the Oil and Gas industries. He started as a trainee Legal Officer in PETRONAS in 1982. He was General Counsel of PETRONAS Upstream Business sector; Executive Assistant to the President of PETRONAS; Senior General Manager of Group Supply Chain Management; Managing Director/President (Asia Pacific) of Gazprom Marketing & Trading Pte Ltd and Chairman and Director of several PETRONAS Companies. He was the Group CEO of Bintulu Port Holdings Berhad from March 2017 to February 2023.

Dato' Medan is currently the Non-Independent Non-Executive Director of Petroleum Sarawak Berhad and also an Independent Non-Executive Director of Handal Energy Berhad.

Dato' Medan has also been appointed a Board member of MATRADE, the Malaysia's Export Promotion Agency.

BOARD OF
DIRECTORS**DATIN JOANNE MARIE LOPEZ**

Independent Non-Executive Director

MALAYSIAN
FEMALE
AGE 58

Datin Joanne joined the Board on 31 May 2023. She is currently the Chairman of the R&N Committee of the Company.

Datin Joanne graduated with a Bachelor of Economics (Hons) degree majoring in Applied Economics from University of Malaya.

Datin Joanne has more than 30 years of experience in the asset management industry. She retired after 16 years as the Chief Investment Officer of Hong Leong Assurance Berhad ("HLA") where she was managing more than RM20 billion of funds for both the conventional and takaful portfolios for HLA and the Hong Leong group.

Datin Joanne began her career as an Investment Analyst at a merchant bank in Malaysia in 1991 where she occupied various senior positions thereafter, the last being the Head of Asset Management. She was in institutional broking in BBMB Securities Berhad from 1999 to 2000 before managing the equity funds of Manulife Insurance Malaysia Berhad from 2000 to 2006. She was with HLA in 2006 until 2022.

Currently, Datin Joanne is an Independent Non-Executive Director of Nylex (Malaysia) Berhad, a subsidiary of ANB and an Independent Non-Executive Director of Malaysian Reinsurance Berhad.

Notes:

1. There are no family relationships amongst the Directors and/or major shareholders of the Company.
2. The Directors do not have any business interest which conflict with their positions in the Company.
3. None of the Directors has been convicted of any offences other than traffic offences (if any) within the past five (5) years or any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.
4. Other than Dato' Siew Ka Wei who is a substantial shareholder of the Company, through his direct and indirect shareholding in ANB and his direct interest in the Company; and Datuk Lee Cheun Wei, who is a substantial shareholder of ANB, the other Directors do not hold any shares in the Company and its related corporations.

Please refer to the Directors' Report of this Annual Report for the Directors' securities holdings in the Company and its related corporations.

5. Please refer to the Corporate Governance Overview Statement for the Directors' Board and Committees meeting attendances in financial year ended 31 May 2024.

KEY SENIOR MANAGEMENT

DATO' SIEW KA WEI

MALAYSIAN
MALE
AGE 68

Executive Vice Chairman

Please refer to the Board of Directors in this Annual Report for the profile of Dato' Siew Ka Wei

DATUK HASNUL BIN HASSAN

MALAYSIAN
MALE
AGE 62

Deputy Chief Executive Officer ("DCEO")

Datuk Hasnul was appointed as the DCEO of the Company in October 2019.

Datuk Hasnul brings with him vast experience in the corporate sector including several reputable multi-national companies such as Unilever, Johnson & Johnson and British American Tobacco where he developed his marketing and management skills.

After spending 23 years with the multi-national companies, Datuk Hasnul joined BERNAMA as its CEO in 2009. He subsequently joined The Malay Mail as its CEO in 2013. He joined Ancom Nylex Berhad ("ANB"), the holding company of the Company, in 2014 as its Executive Director (Business Development).

Datuk Hasnul obtained his Bachelor of Science degree in Business Administration in May 1984 from Southeast Missouri State University, USA. He subsequently pursued and obtained his Masters of Business Administration degree from Governors State University, USA, in December 1985.

He has no directorship in any public companies or listed issuers.

SABLI BIN SIBIL

MALAYSIAN
MALE
AGE 70

Executive Director - Logistics Division

Sabli was appointed as Executive Director – Logistics Division in May 2023.

He joined Petroliam Nasional Berhad ("PETRONAS") as a Marketing Senior Manager in June 1992 and served in various capacities, the last being Training Senior Manager prior to his retirement in 2009.

Sabli joined ANB as its Human Resource Director in June 2009 after retiring from PETRONAS in the same year. He was later appointed Director of Chemical Integration in December 2011 and later Managing Director/CEO of Genovasi Malaysia Sdn. Bhd., in February 2021. He assumed his present position in May 2023.

Sabli graduated with Master of Business Development from Henley/Brunel University, United Kingdom in 1988. He has a Postgraduate Diploma from Brighton Polytechnic and a Diploma from South Devon Technical College, United Kingdom. He also attended a Senior Management Programme (PETRONAS/INSEAD) and obtained a Certificate in International Management in 1999.

He has no directorship in other public companies or listed issuers.

KEY SENIOR MANAGEMENT

LIM CHANG MENG

MALAYSIAN
MALE
AGE 52

Chief Financial Officer

Chang Meng began his career as an audit assistant with Coopers & Lybrand in 1992 and stay until 2000 with his last position as an Audit Manager. He subsequently joined Setegap Berhad, a construction company and later HLG Securities Sdn. Bhd., a stockbroking company as a Finance Manager.

He joined Tamco Corporate Holdings Berhad (former name of the Company) in 2005 as its Corporate Accounting Manager, and became its Head of Corporate Finance in 2010. He was promoted to Chief Financial Officer of the Company in 2011 and in 2014, he was also appointed as the Chief Financial Officer of ANB.

Chang Meng is a member of the Malaysian Institute of Accountants.

He has no directorship in any public companies or listed issuers.

MOHD YUSOF BIN MUHAMAD DON

MALAYSIAN
MALE
AGE 58

General Manager
– Pengangkutan Cogent
Sdn. Bhd. (“Cogent”)

Mohd Yusof was appointed the General Manager of Cogent, a wholly-owned subsidiary of the Company, in February 2015. Prior to joining Cogent, he was a Senior Manager/Director of Hayara Sdn. Bhd. and Hayana Sdn. Bhd., a solid waste management contractor and a construction materials company respectively, both of which are based in Penang, from 2013 to 2015. Before that, he held various senior managerial positions at Soi Yong Berhad and Koperasi Usaha Bersatu (M) Berhad.

Mohd Yusof holds a Bachelor’s Degree in Industrial Engineering from University of Alabama, Tuscaloosa, Alabama, USA.

He has no directorship in any public companies or listed issuers.

SERENA KHOO

MALAYSIAN
FEMALE
AGE 60

General Manager
– Ancom Nylex Terminals
Sdn. Bhd. (“ANT”)

Serena is currently the General Manager of ANT, a subsidiary of the Company, since October 2017.

She has more than 25 years of experience in the bulk chemical business and logistics. Prior to the current position, she held various positions in Perusahaan Kimia Gemilang Sdn. Bhd. (“PKG”), a subsidiary of ANB, and her last position in PKG was Senior Operations Manager.

Serena holds a Post-graduate Diploma in Business Administration from the University of Central Lancashire, United Kingdom.

She has no directorship in any public companies or listed issuers.

Notes:

1. There is no family relationship between the Key Senior Management with any director and/or major shareholder of the Company.
2. None of the Key Senior Management has any financial interest in any business arrangement involving the Group.
3. Other than traffic offences (if any), none of the Key Senior Management has been convicted of any offence within the past five (5) years and there is no public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

MANAGEMENT DISCUSSION AND ANALYSIS

REVIEW OF FINANCIAL RESULTS AND OPERATING ACTIVITIES

OVERVIEW

Ancom Logistics Berhad ("ALB") is an investment holding company. ALB owns the entire equity interest in Synergy Trans-Link Sdn. Bhd. ("STL"), an intermediate holding company, which in turn owns two (2) operating subsidiaries:

- 100% of Pengangkutan Cogent Sdn. Bhd. ("Cogent"); and
- 51% of Ancom Nylex Terminals Sdn. Bhd. ("ANT").

The core businesses of the Group are:

- bulk chemical land transportation business within Malaysia and Singapore which is operated by Cogent. Cogent has a fleet of chemical road tankers operating primarily out of its main depot in Johor and branches in Kuantan and Westport, Klang.
- under ANT, the Group owns and manages the operations of a chemical tank farm and terminal located in West Port, Port Klang.

FINANCIAL PERFORMANCE

During the financial year under review, the Group faced persistent inflationary pressure as the unfavourable foreign exchange rates caused higher operating costs which had to be absorbed by our business. As a result, our gross profit margins came under pressure and affected our bottom-line.

Despite these challenges, the Group posted a slight improvement in revenue of RM31.4 million in the financial year ended 31 May 2024 ("FY2024") compared to RM30.6 million last year. The demand for our services has increased slightly compared to last year. However, our customers have generally remained cautious due to the persistent weak Ringgit and consumers sentiments in FY2024. Despite higher revenue, the Group posted a loss before taxation of RM1.9 million in FY2024 compared to profit before taxation of RM1.2 million last year. The loss before taxation in FY2024 was primarily caused by the impairment for doubtful debts for other receivables of RM1.9 million compared to RM0.2 million last year.



MANAGEMENT DISCUSSION AND ANALYSIS



LOGISTICS DIVISION

This division comprise the operations of chemical tank farm business of ANT and chemical road transportation business of Cogent. The division posted a higher revenue of RM31.4 million in FY2024 compared to RM30.6 million last year. Despite higher revenue, the division posted a lower segmental profit before taxation of RM2.8 million in FY2024 compared to RM4.0 million last year.

The operations of Cogent's trucking business were affected by higher operating costs during the year. Although revenue increase to RM19.9 million in FY2024 compared to RM18.9 million last year, Cogent faced significantly higher costs of truck maintenance. Generally, the unfavourable exchange rates against Ringgit have resulted in higher cost for truck maintenance. As a result, profit before taxation of Cogent fell to RM0.6 million in FY2024 compared to RM1.3 million last year.

Revenue from the tank farm business was marginally lower at RM11.5 million in FY2024 compared to RM11.7 million last year as there were lower uptake of spot and ancillary income. Profit before taxation from the tank farm business decreased to RM2.2 million in FY2024 from RM2.7 million last year mainly due to higher operating cost and maintenance of the current tank farm facilities.

The construction of additional 10,000 cbm capacity for our tank farm, which commenced in November 2022, is expected to be completed by end of 2024 as we faced delays caused by workers availability. Once construction is completed, the new tanks will be subjected to the necessary inspections and approvals from the relevant authorities for the issuance of Certificate of Completion and Compliance.

Other Division

Included in other division is the results of ALB. The division breakeven with a segmental profit before taxation of RM7,000 in FY2024 compared to a segmental loss before taxation of RM2.4 million last year. The profit before taxation in FY2024 was attributed to receipt of dividend income of RM4.7 million, which if excluded, the division would post a loss before taxation of RM4.7 million for the year. As discussed earlier, ALB made an impairment for doubtful debts for other receivables of RM1.9 million in FY2024.

OUTLOOK AND PROSPECTS

The global economy showed signs of recovery with the International Monetary Fund ("IMF") projecting growth rates of 3.2% in 2024 and 3.3% in 2025. While there are signs of easing on global headline inflations, but global economic headwinds are expected to persist, influenced by US economic performance and interest rates, as well as regional issues, particularly the pace of growth in China. The ongoing trade wars between major economies could continue to restrict growth in smaller economies like Malaysia. On the domestic front, the subsidy rationalisation by the government which is aimed at reshaping the Malaysian economy may result in short-term difficulties, such as faster-than-wage growth in product prices, and this could potentially dampening consumer confidence.

The management shall remain vigilant given the difficult operating environment. The Board will continue to exercise caution in managing the business under these conditions. Nevertheless, management believe that with the additional new tank facilities, we should be able to offer competitive pricing to our customers while increasing our business volume.

SUSTAINABILITY STATEMENT

INTRODUCTION

The Board of Directors (“Board”) is pleased to present our Sustainability Statement for the financial year ended 31 May 2024. At Ancom Logistics Berhad (“ALB” or “Company”) and our subsidiaries (“ALB Group” or “Group”), we are dedicated in fostering sustainable growth by integrating environmental, social, and governance (“ESG”) principles into our business operations. As a company listed on the ACE Market of Bursa Malaysia Securities Berhad (“Bursa Securities”), we recognise our responsibility to contribute positively to the environment, society, and our stakeholders.

The Sustainability Statement 2024 (“SS2024”) has been prepared in accordance with Bursa Securities’ Sustainability Reporting Guide (3rd Edition). We remain committed to uphold the highest standards of integrity, environmental stewardship, and social responsibility, ensuring long-term value creation for all stakeholders.

REPORTING SCOPE AND BOUNDARY

No.	Division	Operating Company
1.	Logistics	Ancom Nylex Terminals Sdn. Bhd. (“ANT”)
2.		Pengangkutan Cogent Sdn. Bhd. (“Cogent”)

Unless otherwise stated, all information disclosed within the SS2024 covers the period from 1st June 2023 to 31st May 2024 (“FY2024”). We have included performance data spanning three (3) years (FY2022-FY2024) where relevant.

LIMITATIONS AND DISCLAIMERS

All data and information disclosed in this SS2024 have been collected from existing management control and official information systems. The Group aims to provide meaningful and accurate disclosures, maintaining the same standards for relevant data from our supply chain.

While we aim for comprehensive data coverage, we acknowledge that there may be gaps in data availability for certain indicators. The Group remains committed to monitoring our data tracking and collection mechanisms to address and resolve these issues in future reporting.

Content within the SS2024 may include forward-looking statements, such as targets, plans, operations, and forecasts. These are based on reasonable assumptions from our current business trajectory. However, as the Group is subject to unforeseen risks, readers must exercise their own due diligence when evaluating these statements.

SUSTAINABILITY STATEMENT

STAKEHOLDER ENGAGEMENT

RELEVANT MATERIAL TOPICS	OUR APPROACH	ENGAGEMENT CHANNEL AND FREQUENCY	
Board			
ALB's Board provides crucial strategic direction and oversight of the Group's sustainability and operational goals.			
Risks: Governance, decision-making, and leadership effectiveness		Opportunities: Can ensure long-term stability and strategic growth through strong leadership and sound governance.	
<ul style="list-style-type: none"> Regulatory Compliance Anti-Corruption 	<ul style="list-style-type: none"> Provide comprehensive and timely information for decision-making Ensure effective corporate governance and risk management practices 	<ul style="list-style-type: none"> Direct Communication Board Meetings Committee Meetings Annual General Meeting ("AGM") 	<ul style="list-style-type: none"> As Needed Quarterly Annually
Workforce (including Management)			
Employees are key to executing our business strategies and driving operational performance.			
Risks: Talent retention, productivity, and labour disputes		Opportunities: Offer chances for innovation, improved performance, and a strong organised culture	
<ul style="list-style-type: none"> Occupational Safety & Health ("OSH") Labour Practices & Human Rights 	<ul style="list-style-type: none"> Offer competitive benefits and remuneration Provide opportunities for professional development and training Foster a positive work environment Maintain feedback through grievance channels and employee engagement surveys 	<ul style="list-style-type: none"> Social Events Internal Communication Training Programmes Employee Commuting Survey 	<ul style="list-style-type: none"> Regularly
Shareholders & Investors			
Shareholders and investors are important for providing the capital we need for growth and business expansion.			
Risks: Financial performance and market volatility		Opportunities: Funding, strategic guidance, and increased market credibility	
<ul style="list-style-type: none"> Regulatory Compliance Anti-Corruption 	<ul style="list-style-type: none"> Provide transparent and regular financial reporting Implement robust corporate governance practices to safeguard investments 	<ul style="list-style-type: none"> Extraordinary General Meeting Bursa Announcements Social Events Meetings Analyst Briefings AGM Annual Report 	<ul style="list-style-type: none"> As Needed Regularly Annually

SUSTAINABILITY STATEMENT

RELEVANT MATERIAL TOPICS	OUR APPROACH	ENGAGEMENT CHANNEL AND FREQUENCY	
Government & Regulatory Officials			
These officials are crucial in ensuring the Group’s compliance with laws and regulations.			
Risks:	Opportunities:		
Regulatory changes and non-compliance penalties	Influence policy development and provide favourable operating conditions		
<ul style="list-style-type: none"> • OSH • Regulatory Compliance • Anti-Corruption • Climate Change & Green Energy Investment • Labour Practices & Human Rights 	<ul style="list-style-type: none"> • Ensure compliance with all relevant laws and regulations • Participate in government events and policy development discussions • Adopting stringent corporate governance and ethical practices throughout operations 	<ul style="list-style-type: none"> In Writing Social Events Regulatory Meetings Conferences and Seminars Audits and Inspections 	<ul style="list-style-type: none"> As Needed Regularly
Customers			
Customers are vital to ALB Group’s business as they drive demand for our products and services.			
Risks:	Opportunities:		
Changing preferences and expectations	Present opportunities for growth and innovation through constructive feedback and loyalty		
<ul style="list-style-type: none"> • Regulatory Compliance • Chemical Management • Anti-Corruption 	<ul style="list-style-type: none"> • Timely product and service delivery within the expected quality • Engage customers for feedback through customer satisfaction surveys • Strengthen internal cybersecurity to protect confidential customer data 	<ul style="list-style-type: none"> In Writing Social Events Meetings 	<ul style="list-style-type: none"> As Needed Regularly
Bankers & Financial Institutions			
Similar to investors, bankers and financial institutions provide an alternative source of financial capital needed for our operations and growth.			
Risks:	Opportunities:		
Credit availability and financial terms	Favourable financing, strategic advice, and financial stability		
<ul style="list-style-type: none"> • Regulatory Compliance • Anti-Corruption 	<ul style="list-style-type: none"> • Maintain open and transparent financial communications • Meet all financial obligations on time • Regularly review and manage financial risks 	<ul style="list-style-type: none"> Meetings and Financial Briefings Credit Assessments Quarterly Financial Reports Annual Report 	<ul style="list-style-type: none"> Regularly Quarterly Annually

SUSTAINABILITY STATEMENT

RELEVANT MATERIAL TOPICS	OUR APPROACH	ENGAGEMENT CHANNEL AND FREQUENCY	
Media The media plays a significant role in shaping public perception and awareness of the Group.			
Risks: Negative publicity and misinformation		Opportunities: Positive exposure, brand building, and effective communication of our achievements and initiatives	
<ul style="list-style-type: none"> Regulatory Compliance Anti-Corruption Community Engagement & Development 	<ul style="list-style-type: none"> Maintain open lines of communication with media representatives Provide accurate and timely information Engage in proactive media relations to build a positive public image 	Press Releases Media Briefings Social Media and Company Website	As Needed
Suppliers These stakeholders are critical for maintaining our supply chain and ensuring the quality of our products and services.			
Risks: Supply chain disruptions and quality issues		Opportunities: Cost optimisation, innovation, and strong partnerships	
<ul style="list-style-type: none"> Regulatory Compliance Chemical Management Anti-Corruption 	<ul style="list-style-type: none"> Develop long-term, mutually beneficial relationships Provide clear and consistent communication regarding quality expectations Procure from responsible and ethical suppliers 	In Writing Social Events Meetings	As Needed Regularly
Local Community Members & General Public They form the social environment in which we exist and provide the Group with the licence to operate without disruption.			
Risks: Social unrest or negative public opinion		Opportunities: Provide opportunities for building a positive reputation and achieving social license to operate through community engagement and support	
<ul style="list-style-type: none"> Regulatory Compliance Waste Management & Effluents Community Engagement & Development 	<ul style="list-style-type: none"> Support local community initiatives through Corporate Social Responsibility ("CSR") programmes Engage in regular dialogues to understand their needs and concerns Minimising potential impacts through responsible and sustainable business practices 	Social Events CSR	Regularly

SUSTAINABILITY STATEMENT

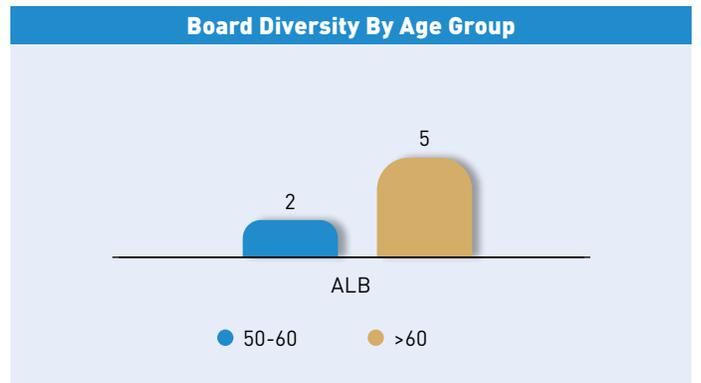
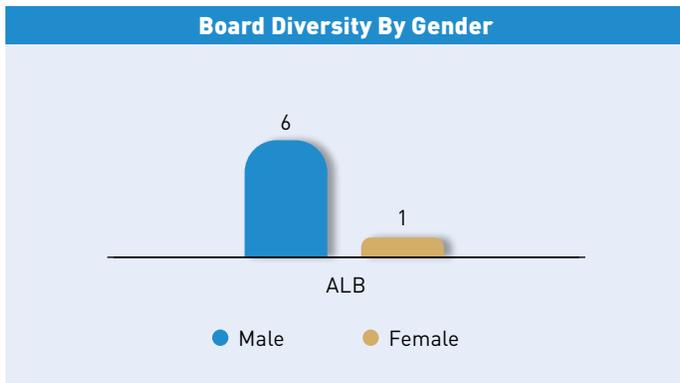
RELEVANT MATERIAL TOPICS	OUR APPROACH	ENGAGEMENT CHANNEL AND FREQUENCY	
Non-Government Organisations (“NGOs”) Representatives			
NGOs advocate for social, environmental, and economic issues that impact the Group’s operations and other stakeholders.			
Risks:	Activism and campaigns that can affect ALB’s reputation and operations	Opportunities:	Collaboration on sustainability initiatives, which can enhance our CSR efforts and build trust with other stakeholders
<ul style="list-style-type: none"> Regulatory Compliance Anti-Corruption Waste Management & Effluents Climate Change & Clean Energy Investment Labour Practices & Human Rights 	<ul style="list-style-type: none"> Collaborate on CSR programmes Participate in periodic meetings and discussions to understand their concerns Share information and reports transparently to build trust 	In Writing	As Needed
		Social Events	
		CSR	Regularly

BOARD COMPOSITION

ALB’s Board is made up of a capable and diverse team of individuals with extensive experience across multiple industries.

The Board comprised one (1) Non-Independent Non-Executive Chairman, one (1) Executive Vice Chairman, four (4) Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director.

The Board diversity of ALB are as follows:



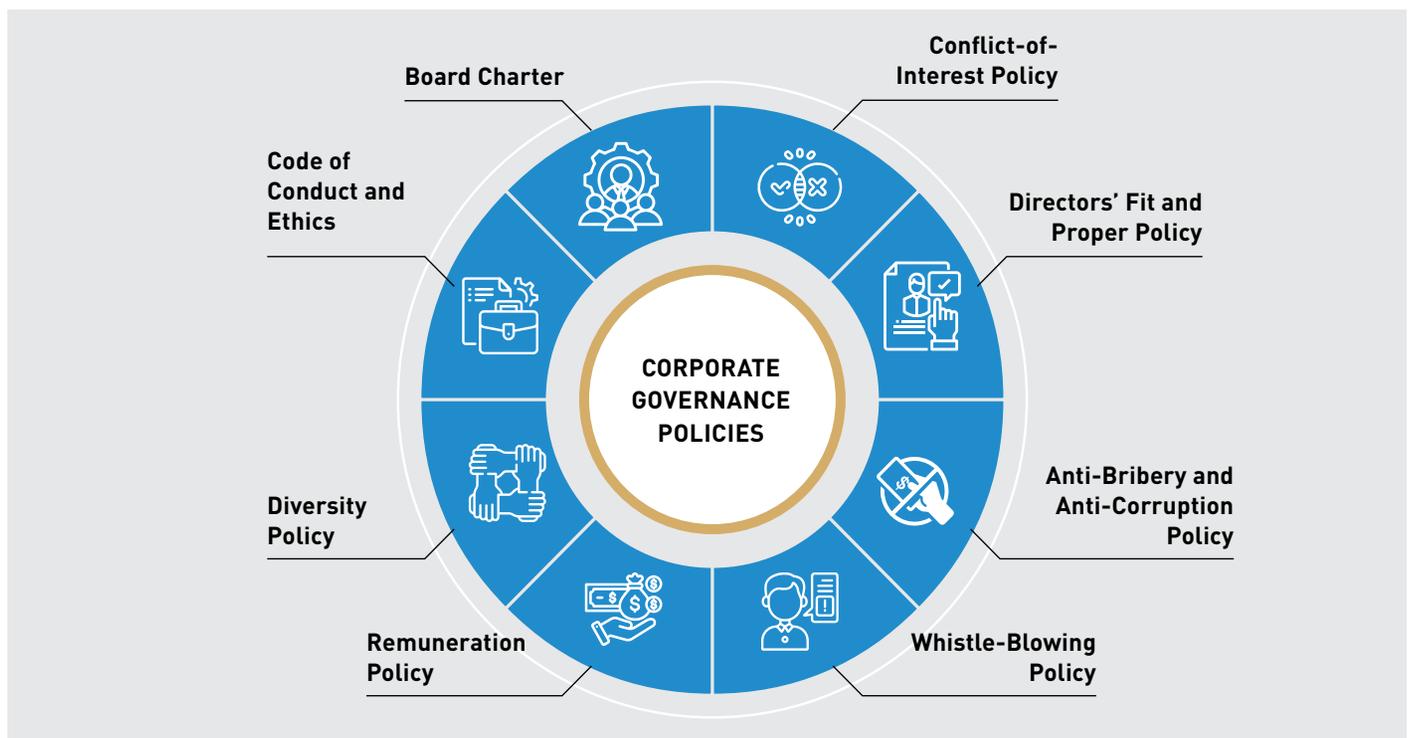
The full profile of ALB’s Board is disclosed in the Board of Directors of this Annual Report.

SUSTAINABILITY STATEMENT

CORPORATE GOVERNANCE POLICIES

Strong corporate values are essential for any organisation. At ALB, we ensure that our business practices remain ethical by implementing several robust policies. These policies are applied Group-wide, fostering a shared commitment among all our subsidiaries to the value ALB places on good corporate behaviour. At the same time, relevant policies are also extended to our suppliers and business partners, promoting integrity throughout the supply chain.

The following are some of the main policies that the Group has implemented:



More information on these and other Group Policies can be found on our website at: <https://www.ancomlogistics.com.my/corporate-governance.php>.

ANTI-CORRUPTION

ALB is committed to conducting our business with fairness, honesty, and transparency. As such, we maintain a strict zero-tolerance policy against any form of bribery or corruption in all interactions involving the Group.

Our Anti-Bribery and Anti-Corruption (“ABAC”) Policy clearly prohibits all employees, including the management and Board, from accepting or giving any gifts or personal favours that could be misconstrued as bribery. Any suspected violations of this rule will be reported to the Chief Integrity Officer (“CIO”) for further investigation. This would be followed by disciplinary actions or even termination.

The ABAC Policy is not limited to our immediate workforce but also extends to our supply chain and business partners. This ensures that the Group remains free from any corruption risks throughout our operations.

In FY2024, there were no confirmed incidents of corruption or any significant fine or non-monetary sanction for non-compliance with laws and/or regulations against the Group’s or any of its Directors and employees.

SUSTAINABILITY STATEMENT

CODE OF ETHICS AND WHISTLEBLOWING

Aside from addressing corruption, ALB also emphasises the importance of ethical business conduct through the Group’s comprehensive Code of Conduct and Ethics. This document, along with the Employee Handbook, is made available to all employees, including new hires, to ensure they understand the Group’s expectations for professional behaviour in the workplace.

To further promote a culture of accountability, the Group has put in place a grievance channel and Whistle-Blowing Policy to allow for anonymous reports of any policy breaches. This includes instances of corruption, fraud, harassment, or other improper workplace conduct.

These whistleblowing reports can be made via the Group’s Whistle-Blowing Form on ALB’s website. Such reports are directly channelled to the CIO and Chairman of the Audit Committee. Upon receiving a report, the CIO conducts an investigation to resolve the issue. Throughout the process, the Integrity Unit will keep the Chairman of the Audit Committee informed of the investigation’s progress. Once an outcome is reached, it shall be reported to the Board for deliberation on further actions to be taken. If necessary, the relevant authorities may be involved during this stage. Depending on legal limitations, the whistle-blower will be kept informed of the outcomes as well.

In FY2024, no such reports were received by the Integrity Unit.

SUPPLY CHAIN MANAGEMENT

ALB’s commitment to sustainability extends beyond our internal operations to include our supply chain, as well as ensuring that all goods and services we procure adhere to the highest standards. To achieve this, the Group adopts a responsible supply chain approach by extending key policies, such as the ABAC Policy, to our suppliers. At the same time, ALB incorporates our Code of Conduct and Ethics into all contracts and agreements with third-party suppliers, contractors, and business partners. This is a crucial step in establishing an Ethical and Environmental Code of Conduct for suppliers that ensure our good corporate governance practices are spread throughout all aspects of our business, including the supply chain.

Apart from ethical governance, we have also begun looking into the environmental and social impacts of our supply chain, particularly in terms of labour and human rights. All members of our supply chain are expected to fully comply with the Malaysian Employment Act (Amendment) 2022 and other relevant national and international labour laws. ALB’s expectations of our suppliers on this matter, in line with our supplier’s Ethical and Environmental Code of Conduct, include:

<p>01 </p> <p>Non-Exploitative/ Discriminatory Workplace</p> <hr/> <p>Adherence to relevant laws that prohibit child labour, forced labour, or discrimination in the workplace.</p>	<p>02 </p> <p>Prioritising a Safe and Healthy Work Environment</p> <hr/> <p>Establishing relevant health and safety policies and procedures to safeguard employee well-being.</p>	<p>03 </p> <p>Fair Remuneration Policies</p> <hr/> <p>Fair remuneration according to local wage requirements, with no forced or uncompensated overtime.</p>	<p>04 </p> <p>Right to Freedom of Association and Collective Bargaining</p> <hr/> <p>The supplier does not actively prohibit their employee’s freedom of association and collective bargaining rights.</p>
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Our commitment to fostering a sustainable and ethical supply chain begins with a social risk assessment for new and existing major suppliers. This is part of our initial due diligence that ensures all suppliers comply with the Group’s standards. Those identified as ‘high risk’ during this process would then be continuously monitored, either formally or informally. If the need arises, physical inspections will also be conducted.

SUSTAINABILITY STATEMENT

DATA PRIVACY AND CYBERSECURITY

ALB is committed to ensuring the privacy and security of confidential data, including the personal data of our customers, workforce, suppliers, and business partners. This commitment is upheld through the Group's comprehensive policy, which details our practices during the collection and use of data in line with the Personal Data Protection Act ("PDPA") 2010. Under this policy, all data collection is conducted with the explicit consent of data owners and used exclusively for internal purposes only. ALB does not disclose this data to any third party except as required by law enforcement authorities.

To safeguard confidential data, ALB employs the latest security measures and protocols. Additionally, all personnel undergo regular training to prevent information security breaches, ensuring they remain up to date with the best practices. The Group also conducts routine internal audits of our control procedures, providing an additional layer of security by continuously monitoring the effectiveness of our internal control systems.

Thanks to these robust data security measures, ALB experienced zero cases of data breaches or leaks in FY2024.

ECONOMIC

As a commercial entity, economic performance is a key indicator of ALB's success and our ability to continue operating. However, we recognise that focusing only on generating financial value is not conducive to building a sustainable business. True value creation occurs when both financial and non-financial considerations are integrated into our business ventures and operations.

These two aspects are deeply interlinked. The various ESG and sustainability initiatives the Group has undertaken over the years would not be possible without financial capital. Greater fiscal returns enable us to distribute more wealth to our stakeholders and support additional sustainability and community-based initiatives. In turn, these initiatives drive improvements and innovation within the Group, ultimately leading to enhanced economic value creation.

ENVIRONMENTAL

At ALB, we recognise that preserving and nurturing Earth's resources is fundamental to our environmental stewardship. We acknowledge that our operations consume natural resources, including energy, water, and raw materials, and produce emissions, waste products, and pollutants. As a responsible corporate entity, we deem these impacts to be material to our business and stakeholders.

Each of our business segments is encouraged to set ambitious targets for operational efficiency, including energy and water usage, as well as their corresponding outputs: greenhouse gas ("GHG") emissions, waste, and wastewater. By maintaining an efficient operational system, we not only reduce our environmental footprint but also achieve significant cost savings.

ENERGY MANAGEMENT

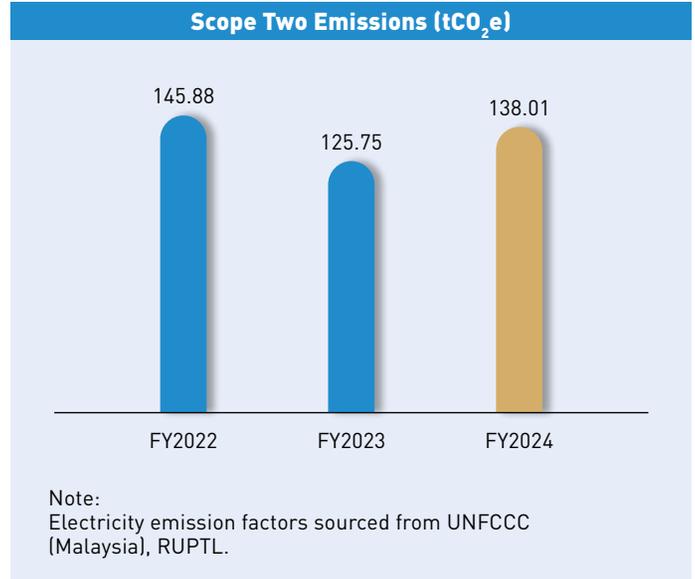
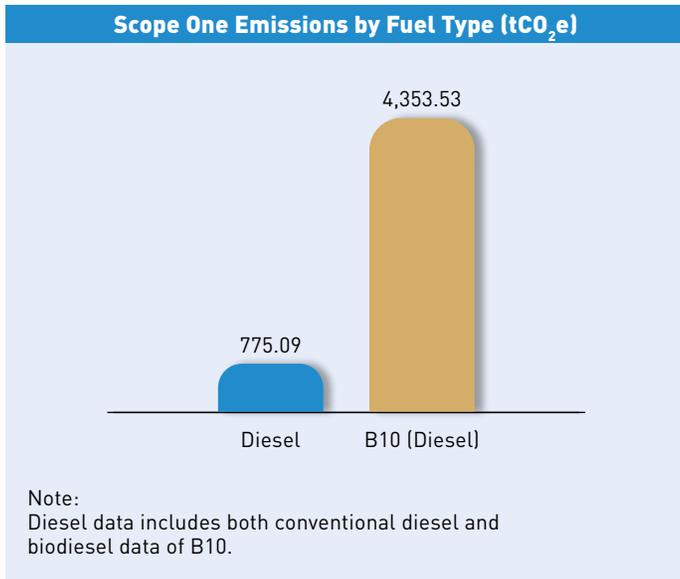
The Group is dedicated to optimising energy consumption and boosting efficiency. In our logistics operations, we are implementing route optimisation technologies to reduce fuel usage and shorten delivery times, contributing to both cost savings and lower carbon emissions. We are also exploring partnerships with suppliers who prioritise sustainable practices, ensuring that our entire logistics chain aligns with our commitment to environmental responsibility.

Carbon Emissions

ALB continues to manage and measure its carbon emissions as part of its Carbon Management Plan, which is integral to our broader climate change management strategy. We use the internationally recognised GHG Protocol established by the World Business Council for Sustainable Development ("WBCSD") and the World Research Institute ("WRI") for our emissions accounting.

SUSTAINABILITY STATEMENT

In our transportation sector, Cogent is progressively updating its fleet, replacing older vehicles with more eco-friendly models that utilise Euro 5-compliant, energy-efficient fuel systems. Cogent also ensures regular maintenance across its entire fleet to maintain optimal performance and efficiency. Additionally, the Group’s drivers are trained not to leave engines running when vehicles are idle, minimising unnecessary emissions and contributing to a cleaner environment.

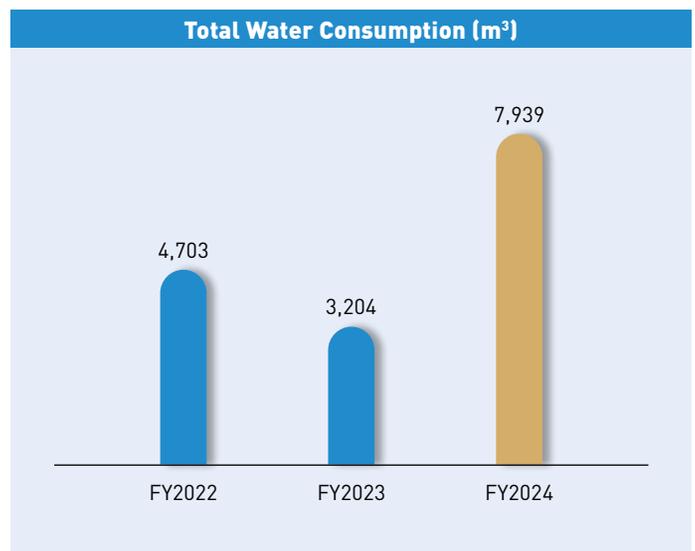


Scope Three Emissions (tCO ₂ e)			
DIVISION	CATEGORY 6 (BUSINESS TRAVEL)		
	CAR	TRAIN	FLIGHT
Logistics	1.14	-	0.10

WATER MANAGEMENT

At ALB, we recognise the critical importance of water resources in the face of intensifying climate change. While we do not operate in water-stressed regions, the Group is committed to addressing water scarcity by efficiently managing this resource and optimising water use across all our sites, where water is primarily used for drinking, cleaning, and washrooms. Through group-wide initiatives focused on minimising, monitoring, and recycling water, we encourage all stakeholders to join us in this crucial endeavour.

In FY2024, we observed an increase in water consumption compared to 2023, which is directly linked to our tank expansion at ANT. The expansion process required additional water usage to ensure operational efficiency and support the enhancement of our facilities. While we remain committed to water efficiency, this temporary rise was necessary to facilitate the expansion and meet our operational requirements effectively.



SUSTAINABILITY STATEMENT

SOCIAL

HUMAN AND LABOUR RIGHTS

At ALB, we are deeply committed to upholding and promoting human and labour rights across all our operations. Our approach is guided by internationally recognised standards and our own ethical principles.

We adhere to all applicable employment and human rights regulations in the countries where we operate. Our human rights practices are summarised in our Code of Conduct and Ethics, which also extends to our suppliers, ensuring high standards throughout our supply chain. As part of our risk assessment procedure, we regularly review the labour standards of existing and potential businesses and supply chain partners.

Our Human Rights Standards, Policies, Principles, and Commitment Statement encompasses several key areas:

- | | | |
|--|--|--|
| <p>1 Health, Safety, and Well-being:
We prioritise workplace safety and provide healthcare programs for employees and their families.</p> | <p>4 Child Protection:
We follow the ILO definition of minimum age for employment and adhere to the Children's Rights and Business Principles.</p> | <p>7 No Forced Labour:
We ensure all employees work freely, are familiar with their terms and conditions, and receive regular and timely salaries as agreed.</p> |
| <p>2 Non-discrimination:
We promote inclusiveness and treat people fairly, without distinction based on race, gender, sexual orientation, religion, nationality, age, disability, or other defining factors.</p> | <p>5 Freedom of Association:
We respect employees' right to be legally represented by a labour union without fear of retaliation.</p> | <p>8 Fair Pay and Remuneration:
We commit to paying above the minimum living wage and uphold the principle of 'equal pay for equal work'.</p> |
| <p>3 No Harassment and Violence:
We do not tolerate any form of physical, verbal, sexual, or psychological harassment, bullying, abuse, or threats.</p> | <p>6 Rights of Indigenous People:
All our operations, local and international, must not violate the human rights of indigenous people.</p> | <p>9 Rest and Leisure:
We recognise the right to rest and leisure, complying with local laws on working hours, overtime, and adequate rest periods.</p> |

WE COMMIT TO THE ANTI-SEXUAL HARASSMENT POLICY, REINFORCING OUR COMMITMENT TO PROVIDING A WORKPLACE FREE FROM ANY FORM OF SEXUAL HARASSMENT. THIS POLICY ALIGNS WITH THE ANTI-SEXUAL HARASSMENT ACT 2022, PASSED BY THE DEWAN NEGARA ON 11 AUGUST 2022.

To ensure transparency and accountability, we have established robust whistle-blowing and grievance procedures. These mechanisms allow employees and other stakeholders to report any violations of our human rights policies or labour standards without fear of retaliation. All reports are treated confidentially and investigated thoroughly.

As we move forward, we remain committed to continuously improving our human rights practices, regularly assessing our performance, and addressing any gaps or challenges that may arise.

EMPLOYEE MANAGEMENT

ALB holds a deep respect for the fundamental dignity and human rights of all individuals in our business operations. Our practices are carefully aligned with renowned international standards, including The International Bill of Human Rights, The Universal Declaration of Human Rights, The ILO Declaration on Fundamental Principles and Rights at Work, and The UN Guiding Principles on Business and Human Rights. As we move into FY2024, we are committed to continually reviewing and updating our policies and practices to ensure they remain at the forefront of human rights protection in the workplace.

SUSTAINABILITY STATEMENT

HIRING & ATTRITION

Our approach to hiring and retention is guided by our comprehensive Diversity Policy. The Diversity Policy emphasises equal opportunity for all, regardless of age, ethnicity, or gender. We recognise that a diverse workforce offers greater depth and breadth of perspectives, knowledge, and experiences, which contributes to our competitive advantage.

Our Diversity Policy sets out a framework aimed at:

1. Building a workplace culture that provides an equal playing ground for all, prioritising individual merit.
2. Improving workforce quality by leveraging multiple viewpoints and skill sets.
3. Encouraging an inclusive culture and raising awareness of diversity rights and responsibilities.

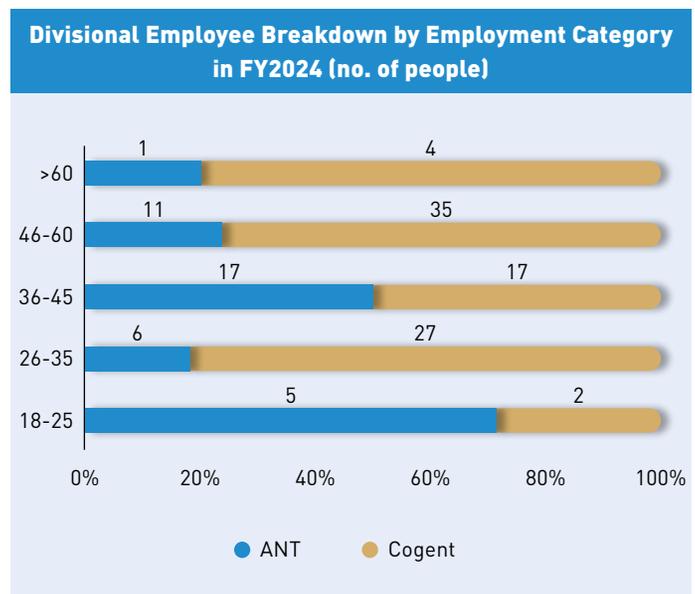
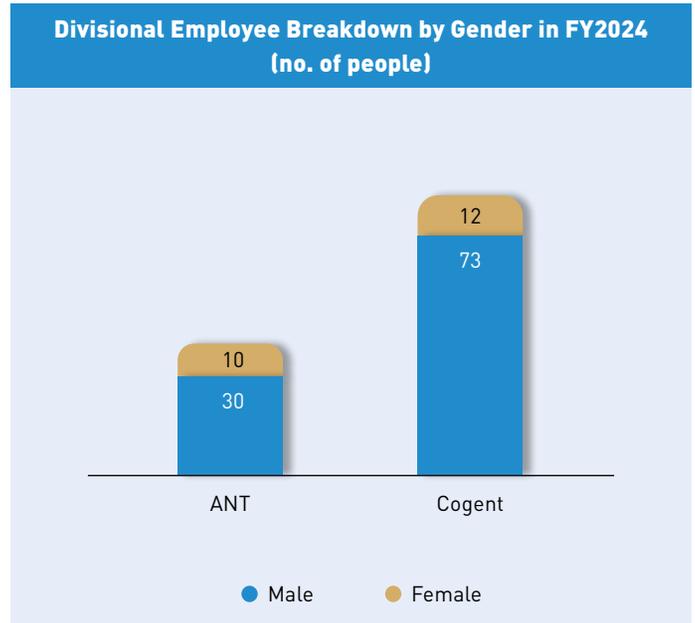
In practice, this Diversity Policy influences our hiring processes in several ways:

- When filling vacancies, including at senior management levels, we draw from various sources, including independent recruiters, public advertisements, professional bodies, and internal recommendations.
- We regularly review and update succession plans to ensure fair consideration of all candidates.
- We develop programs to broaden the pool of skilled candidates, including workplace development, mentoring, and targeted training initiatives.

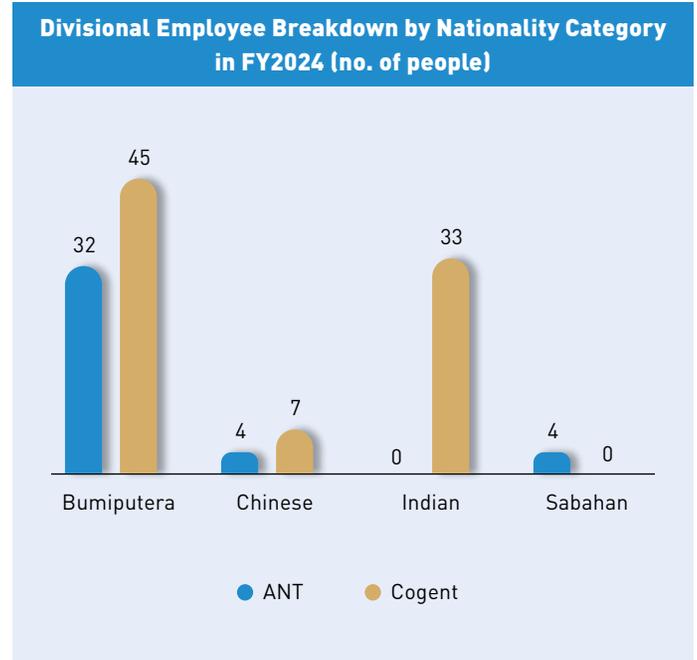
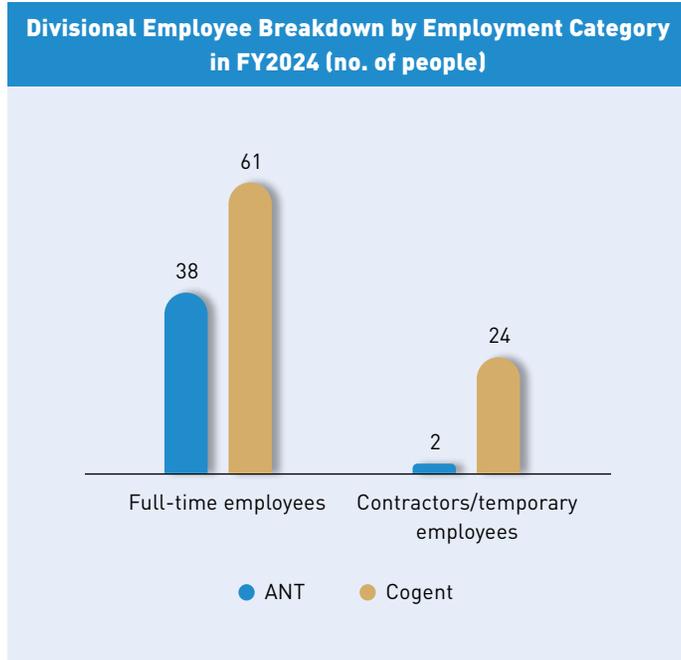
While we strive for diversity, the foremost considerations in selecting candidates remain knowledge, character, experience, integrity, competence, and the ability to carry out responsibilities effectively.

Employee Turnover	FY2024
Total Turnover	11
Turnover Rate	8.8%
Turnover by Gender:	
Male	11
Female	0
Turnover by Employee Category:	
Management	1
Non-Management	10

DIVERSITY & INCLUSION



SUSTAINABILITY STATEMENT



EMPLOYEE BENEFITS & ENGAGEMENT

ALB offers fair and competitive remuneration to all employees, enabling us to attract and retain essential talent that drives the Group’s productivity. Our remuneration package includes both financial and non-financial compensation, such as salaries and other benefits benchmarked against current market standards. In addition to their basic salaries, employees who perform well are also rewarded with performance bonuses and salary increments to incentivise them to achieve their full potential.

Other benefits provided by the Group include:

Leave	Medical	Monetary
<ul style="list-style-type: none"> Annual Leave Sick Leave Medical Leave Hospitalisation/ Prolonged Illness Leave Marriage Leave Maternity/ Paternity Leave Compassionate Leave 	<ul style="list-style-type: none"> Group Personal Accident Group Term Life Insurance Group Hospitalisation & Surgical Children and Spouse Treatment Dental Benefits 	<ul style="list-style-type: none"> Overtime Payment Meal Allowance Performance Bonus Condolence Money Allowance and Reimbursement Claim

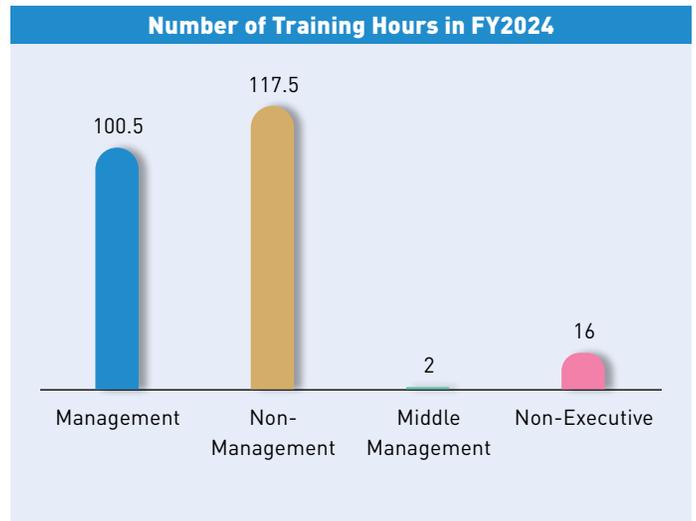
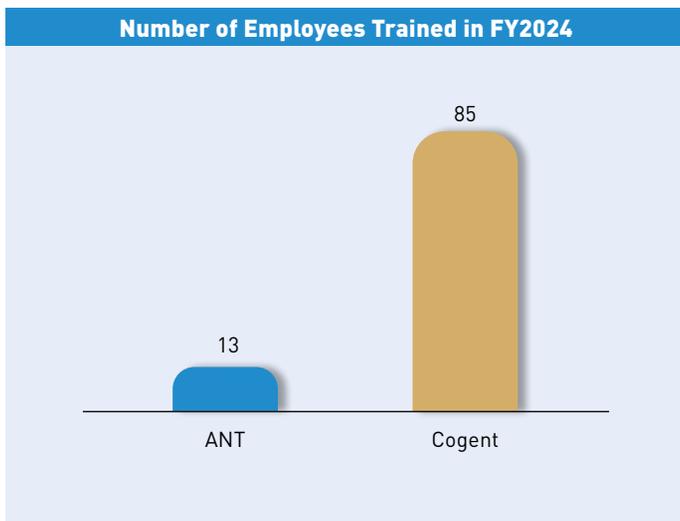
SUSTAINABILITY STATEMENT

TRAINING AND CAREER DEVELOPMENT

The professional growth and development of our employees are important to the Group’s success. We understand that their continuous learning is a vital investment in sustaining ALB’s competitive advantage. Empowering the workforce with the right skills and knowledge not only enhances their performance but also drives the overall productivity and success of our organisation.

As such, the Group are committed to fostering an environment where continuous training and development are prioritised. This support begins during day one itself, with a comprehensive onboarding programme that ensures all new employees have the tools and knowledge to succeed in their roles. Throughout their careers, employees have access to a wide range of professional, technical, and developmental training opportunities tailored to the specific needs and nature of work within the Group.

In FY2024, we continued expanding our training offerings, including programmes on emergency response and first aid, sales training, technical skill building, and more. These initiatives are designed to equip our employees with the necessary skills and expertise to perform at their best, ensuring both their personal growth and the sustained performance of the Group.



Total Training Hours	FY2024
Total Training Hours:	236
Management	100.5
Non-Management	117.5
Middle Management	2
Non-Executive	16

Some of the training programmes conducted by the Group in FY2024 include:

- Safety & Maintenance Training
- Emergency Response Plan (“ERP”)
- Defensive Driving
- Occupational Safety and Hazard Awareness at the Workplace

SUSTAINABILITY STATEMENT

Given the Group's increased focus on ESG, we have also conducted several talks and training sessions on the topic. These include:



Inhouse Online ESG Training with all Operating Companies

In FY2024, the Group successfully conducted our inaugural ESG training. The session was led by Ancom Nylex Berhad, ESG Senior Manager and aimed to spread awareness of the Group's ESG goals and the importance of sustainability within the business operations of the Group. It was a highly effective and well-received session, marking a significant milestone in our commitment to sustainability and governance.

OCCUPATIONAL SAFETY & HEALTH

OSH GOVERNANCE & MANAGEMENT

ALB's health and safety practices extend to their contractors, visitors, or any other stakeholders on their premises. To maintain a safe workplace for everyone on site, the Group ensures that all operating practices comply with the relevant regulatory requirements. These include the Occupational Safety and Health Act ("OSHA") 1994 and any other applicable laws and legislation that the Group adheres to.

In terms of governance, the Board and Senior Management of ALB take a proactive role in driving top-down oversight of all OSH initiatives. They are not only responsible for assessing and managing OSH-related risks but also for developing and implementing OSH initiatives and reviewing the effectiveness of these programmes. At the same time, they ensure that the Group remain compliant with the relevant laws and regulations of the various countries in which we operate.

COMMUNITY DEVELOPMENT

The Group views our CSR initiatives as a key way to contribute to the welfare and development of the communities around us. By reinvesting in these communities, we seek to enhance their well-being while supporting their aspirations for growth.

Recognising our role in society, ALB is committed to making a positive impact through social engagement. One of our primary efforts is in knowledge-sharing and professional development, offering internships and work placements to expose students to our business operations and prepare them for future employment.

Our dedication to local communities goes beyond the workplace. We strive to be a good neighbour, actively engaging with those around us and ensuring our business practices are responsible. By seeking input and feedback from the community, we identify meaningful opportunities to offer support.

This commitment manifests in various community projects and financial contributions to charitable organisations in the areas where we operate. We aim to positively affect the lives of people by participating in initiatives that foster growth and success.

Moreover, ALB organises outreach activities such as visiting disenfranchised groups, distributing food and medical supplies, and making donations. These efforts often involve our employees, and we encourage our suppliers to volunteer for these community projects as well, amplifying our collective impact.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

INTRODUCTION

THE BOARD OF DIRECTORS (“BOARD”) IS PLEASED TO PRESENT AN OVERVIEW OUTLINING THE EXTENT TO WHICH ANCOM LOGISTICS BERHAD (“COMPANY”) AND ITS SUBSIDIARIES (“GROUP”) HAVE APPLIED AND COMPLIED WITH THE RELEVANT PRINCIPLES, PRACTICES AND RECOMMENDATIONS AS SET OUT IN THE MALAYSIAN CODE ON CORPORATE GOVERNANCE 2021 (“CG CODE”) ISSUED BY THE SECURITIES COMMISSION, AS WELL AS THE CORPORATE GOVERNANCE GUIDE (“CG GUIDE”) ISSUED BY BURSA MALAYSIA SECURITIES BERHAD (“BURSA SECURITIES”) FOR THE FINANCIAL YEAR ENDED 31 MAY 2024.

This Corporate Governance Overview Statement (“CG Overview Statement”) provides an overview of how the Group has continued to enhance its practice of corporate governance based on the following principles:

- Board leadership and effectiveness;
- Effective audit and risk management; and
- Integrity in corporate reporting and meaningful relationship with stakeholders.

This CG Overview Statement should be read together with the Company’s Corporate Governance (“CG”) Report for the financial year ended 31 May 2024, available on the Company’s website at www.ancomlogistics.com.my.

PRINCIPLE A:



BOARD LEADERSHIP AND EFFECTIVENESS

CLEAR FUNCTIONS OF THE BOARD AND MANAGEMENT

The Board has overall responsibility for the proper conduct of the Group as it strives to achieve its business objectives and goals by providing clear and effective entrepreneurial leadership to the Management. In addition to its stewardship, the Board ensures that Management has in place achievable strategic plans and objectives and the necessary resources to execute these plans as well as the appropriate processes for risk assessment, risk management and internal controls.

There is a distinct and clear demarcation of the functions and roles of the Board and Management.

The Board is responsible for formulating the Group’s strategic direction with the Management team. The Board does not involve itself in the day-to-day business operations of the Group, delegating such responsibility to the Executive Vice Chairman (“EVC”) and the Deputy Chief Executive Officer (“DCEO”) and Management team, which consists of the General Managers of the respective business units and the Chief Financial Officer.

The EVC has overall responsibility for the day-to-day management of the Group’s business and operations. Assisted by the DCEO, he oversees the Management’s implementation of the Group’s business plans and strategies as agreed by the Board to achieve the financial goals set by the Board.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

CLEAR ROLES AND RESPONSIBILITIES OF THE BOARD

The Board retains full and effective control of and responsibility for the Group. The principal duties and responsibilities of the Board are as follows:

- Formulate and chart the Group's strategic direction, setting out the Group's short and long-term plans and objectives;
- Review and approve the Group's key operational policies, major investments in new businesses/projects and funding decisions;
- Oversee and review the Group's business operations and financial performance;
- Ensure the Group's strategic plan supports long-term value creation encompassing strategies on economic, environmental and social considerations;
- Oversee the development, implementation and review of the succession plan for the Directors and key senior management;
- Understand the principal risks of the Group's business;
- Review/Monitor the risk management framework and the adequacy and integrity of the Group's internal control system and management information system to ensure compliance with the relevant laws, rules, regulations, directives, guidelines and the Group's business objectives;
- Ensure the Company has in place procedures to enable effective communication with stakeholders;
- Ensure the integrity of the Company's and the Group's financial and non-financial reporting; and
- Formulate good governance principles and promote ethical behaviour within the Group.

To assist the Board in carrying out its responsibilities more effectively, the Board has established an Audit Committee ("AC") and a Remuneration and Nomination Committee ("R&NC") to oversee specific areas in the Company's affairs. These Committees are entrusted with the authority to act on behalf of the Board in accordance with their respective Terms of Reference.

Please refer to the Audit Committee Report and Remuneration & Nomination Committee Report in this Annual Report for further details of their activities.

BOARD CHARTER

The Board Charter is available on the Company's website at www.ancomlogistics.com.my. The Board Charter sets out the following:

- Board composition and duties and responsibilities of the Board members;
- Roles of EVC;
- The establishment of Board Committees;
- Processes and procedures for convening Board meetings;
- Board's access to information and advice;
- Re-election of Directors;
- Tenure of Independent Directors; and
- Code of Conduct and Ethics.

SEPARATION OF THE POSITIONS OF THE CHAIRMAN AND EVC

The positions of the Chairman of the Board ("Chairman") and EVC are held by two (2) persons at all times with a clear line of authorities and with separate roles and responsibilities. This ensures independence of function and an effective system of checks and balances and a balance of power and authority such that no one individual has unfettered powers of decision-making.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

QUALIFIED AND COMPETENT COMPANY SECRETARIES

The Board is supported by two (2) Company Secretaries who are qualified to act as Company Secretaries under Section 235(2) of the Companies Act 2016. Each has more than twenty (20) years of experience in company secretarial practices.

The key responsibilities of the Company Secretaries are as follows:

- Formulate the Company's Constitution and Board policies and procedures;
- Administrate the Company's secretarial practices, particularly with regard to ensuring compliance with the Company's Constitution, Board policies and procedures, and statutory and regulatory requirements;
- Update and apprise the Board of new regulations issued by the relevant authorities including corporate governance practices;
- Prepare and organise Board, Committee and shareholder meetings;
- File the various documents/returns and maintain statutory records in accordance with requirements of the law;
- Facilitate the orientation of new Directors, and assist in Director training and development; and
- Assist in the application of governance practices to meet the Board's needs and stakeholders' expectations.

The Company Secretaries work closely with the Chairman and the EVC to ensure timely and appropriate information flow within the Board and to the Committees and Management. They are also the focal points for stakeholder communication.

STRATEGICALLY PROMOTING SUSTAINABILITY

The Board practises good corporate governance in the application of sustainability practices throughout the Group, the benefits of which are believed to translate into better corporate performance and value creation for shareholders.

The Group continued to carry out activities which demonstrate its commitment to creating better environmental, social and governance outcomes in line with its sustainability agenda during the financial year ended 31 May 2024. These activities are reported in the Sustainability Statement in this Annual Report.

ACCESS TO INFORMATION AND ADVICE

All Directors have unrestricted access to Group information, and freely interact with Management if there is a need for further information, updates or explanation on any aspect of the Group's operations or business. These interactions take place during the quarterly Board meetings or as and when deemed necessary. There is no restriction on the number of meetings between the Directors and Management. All Directors have unrestricted access to the service and advice of the Company Secretaries. The Directors may obtain independent professional advice on specific matters relevant to the furtherance of their duty when necessary, at the Company's expense and without the need for specific approval of the EVC.

Prior to Board/Committee meetings, the Directors are provided with an agenda on matters to be discussed together with the meeting papers which contain minutes of meetings, operational and financial performance reports, details of corporate proposals, the Quarterly Interim Financial Reports or the Annual Audited Financial Statements, reports of the Board/Committees, Internal Audit Reports and other matters.

Members of senior management are invited to attend Board/Committee meetings to provide insight and to furnish clarification on issues that may be raised by the Directors. Whenever required, professional advisers appointed by the Company are invited to attend the Board/Committee meetings to provide the Board/Committees with explanations or clarification to facilitate informed decision-making.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

CODE OF CONDUCT

The Group takes a strong stance against the use of corrupt practices in relation to its activities and promotes a culture of integrity within the organisation by ensuring there are adequate policies and procedures which are implemented appropriately in line with the principles under the Guidelines for Adequate Procedures Pursuant to Subsection (5) of Section 17A under the Malaysian Anti-Corruption Commission Act 2009. Hence, all its Directors, managers and employees are expected to conduct themselves with integrity in carrying out their functions.

The Board, in discharging its oversight role, conducts its business according to professional standards as defined in the Company's policies below:

1. Code of Conduct and Ethics
2. Anti-Bribery and Anti-Corruption Policy
3. Whistle-Blowing Policy

All the above policies are available on the Company's website at www.ancomlogistics.com.my.

BOARD COMPOSITION

The Board comprised one (1) Chairman, who is a Non-Independent Non-Executive Director, one (1) EVC, one (1) Non-Independent Non-Executive Director and four (4) Independent Non-Executive Directors, including one (1) woman Director who is an Independent Non-Executive Director.

A DCEO, who is not a Board member, has also been appointed to support the EVC and the Board.

The Board composition complies with Bursa Securities' ACE Market Listing Requirements ("Listing Requirements") which requires at least one-third (1/3) of the Board comprising Independent Non-Executive Directors and at least one (1) woman Director. The Board composition has exceeded the requirements of Practice 4.1 of the CG Code in having at least 50% of the Board comprising Independent Non-Executive Directors. The Board's Independent Non-Executive Directors made up of 57% of the Board members.

ASSESSMENT OF INDEPENDENCE

The Board, through the R&NC, assesses the independence of the Independent Directors as detailed in the Remuneration & Nomination Committee Report in this Annual Report.

SENIOR INDEPENDENT DIRECTOR

The Board has decided to dispense with the appointment of a Senior Independent Non-Executive Director to whom any concerns may be conveyed. The Board operates in an open environment whereby opinions and information are freely exchanged. In these circumstances, concerns need not be focused on a single Director as all members of the Board fulfil this role individually and collectively.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

BOARD DIVERSITY POLICY

In selecting its Directors, the Group practices non-discrimination in any form, whether based on age, gender, ethnicity or religion. In addition, the Group believes it is of utmost importance that the Board is composed of the best-qualified individuals who possess the requisite knowledge, experience, independence, foresight and soundness of judgement to ensure the Board functions effectively and is able to discharge its duties in the best interests of the Company and its shareholders.

On 25 July 2018, the Board formulated a formal Board Diversity Policy which is available on the Company's website at www.ancomlogistics.com.my.

The Board is supportive of Boardroom gender diversity as recommended by the CG Code, and will take gender into consideration in the nomination and selection of new Directors. However, the appointment of new Directors will be guided by the skills, knowledge, experience and qualifications of the candidates rather than their gender or ethnicity alone.

APPOINTMENT OF NEW DIRECTORS

The R&NC conducts a search for appropriate and suitably qualified candidates for appointment to the Board from time to time, as guided by the Board Diversity Policy. Its search is based on recommendations from fellow Board members, shareholders and Management.

The R&NC does not utilise independent sources to identify suitably qualified candidates as the R&NC understands the specialised industry the Group operates in and the type of candidates whose background fit its criteria.

ANNUAL ASSESSMENT

Please refer to the Remuneration & Nomination Committee Report in this Annual Report for more details.

REMUNERATION OF DIRECTORS

Details of the Directors' remuneration received by the Directors of the Company for the financial year ended 31 May 2024 are disclosed in the Remuneration & Nomination Committee Report in this Annual Report.

TIME COMMITMENT

All the Directors committed sufficient time to carry out their duties during the financial year. To ensure that the Directors have the time to focus on and fulfil their roles and responsibilities, the Listing Requirements state that they should not hold more than five (5) directorships in public listed companies.

To help the Directors plan their schedules and attend the Board and Committee meetings, at the end of every calendar year, the Company Secretaries draw up a proposed timetable for all Board and Committee meetings, as well as the annual general meeting to be held the following year.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

During the financial year, a total of five (5) Board meetings, five (5) AC meetings and one (1) R&NC meeting were held. The attendance records below indicate the Directors' commitment in carrying out their duties:

Name of Directors	Attendance
Board Meetings:	
Dato' Abdul Latif Bin Abdullah	5/5
Dato' Siew Ka Wei	5/5
Tan Sri Datuk Dr. Ampikaipakan A/L S. Kandiah	5/5
Datuk Mohd Farid Bin Mohd Adnan	5/5
Datuk Lee Cheun Wei	5/5
Dato Mohammad Medan Bin Abdullah	4/5
Datin Joanne Marie Lopez	4/5
AC Meetings:	
Tan Sri Datuk Dr. Ampikaipakan A/L S. Kandiah	5/5
Datuk Mohd Farid Bin Mohd Adnan	4/5
Datuk Lee Cheun Wei	5/5
Dato Mohammad Medan Bin Abdullah	5/5
R&NC Meeting:	
Datin Joanne Marie Lopaz	1/1
Datuk Mohd Farid Bin Mohd Adnan	1/1
Dato' Abdul Latif Bin Abdullah (Resigned on 17 October 2023)	1/1*
Dato' Mohammad Medan Bin Abdullah (Appointed on 17 October 2023)	N/A

* Meeting held during the financial year before resignation.

N/A Not applicable as no meeting was held after his appointment.

All the Directors fulfilled the requirement for attendance of Board meetings during the financial year as prescribed under the Listing Requirements.

CONTINUING EDUCATION PROGRAMME AND TRAINING

All Directors have completed the Directors' Mandatory Accreditation Programme ("MAP") Part I in relation to a Director's roles, duties and liabilities as prescribed by Bursa Securities.

Three (3) of the Directors have attended MAP Part II in relation to sustainability and the related roles of a Director. The other Directors will attend the MAP Part II by 1 August 2025.

The Board has assumed the responsibility for determining the training needs of the Directors and filling any gaps identified. The Directors are mindful of the need for continuous training to keep abreast of the relevant changes in laws, regulations and the business environment to discharge their duties and responsibilities effectively. The Company Secretaries also provide updates to the Directors from time to time on relevant guidelines as well as statutory and regulatory requirements.

During the financial year, the Directors of the Company attended an in-house training facilitated by a firm of professional trainers on Transparency Matters: A director's approach to integrity, handling conflicts of interest, and abuse of power.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE B:



EFFECTIVE AUDIT AND RISK MANAGEMENT

COMPLIANCE WITH APPLICABLE FINANCIAL REPORTING STANDARDS

The Board strives to present true and fair, comprehensive, balanced and meaningful evaluation and assessment of the financial performance, financial position and future prospects of the Group in the Annual Audited Financial Statements and the Quarterly Interim Financial Reports (collectively "Financial Statements") of the Company and of the Group.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy the financial position of the Company and of the Group, ensuring that the Financial Statements are prepared in accordance with the Companies Act 2016, the Malaysian Financial Reporting Standards, the IFRS Accounting Standards, the Listing Requirements and other statutory and regulatory requirements.

Please refer to the Audit Committee Report in this Annual Report for more details.

ASSESSMENT OF SUITABILITY AND INDEPENDENCE OF EXTERNAL AUDITORS BY THE AC

Under its Terms of Reference and External Auditors Assessment Policy, the AC is empowered by the Board to assess the independence and performance of the External Auditors and to review all issues in relation to their appointment, re-appointment, resignation or dismissal.

Please refer to the Audit Committee Report in this Annual Report for more details.

RISK MANAGEMENT AND INTERNAL RISK CONTROL FRAMEWORK

The Board acknowledges its responsibility to maintain a sound risk management and internal control system covering not only financial controls but also operational and compliance controls to identify risks in operations and finance, and to design measures to manage those risks. This system is intended to manage, rather than eliminate, the risk of failure to achieve the Group's corporate objectives, as well as to safeguard the Group's assets. The Board, through the AC, seeks regular assurance on the continuity and effectiveness of the internal control system through independent reviews by the Internal Auditors.

Please refer to the Audit Committee Report in this Annual Report for more details.

INTERNAL AUDIT FUNCTION

To assist the Board in maintaining a sound system of internal control hence eliminate the risk of failure to achieve the Group's corporate objectives, as well as to safeguard the Group's assets, the Board outsources the Internal Audit function to an independent firm of consultants.

The Internal Auditors conduct regular audits to review the adequacy and effectiveness of the Group's risk management and internal control system in identifying and managing principal risks, ensuring compliance with the law and regulations, and preserving the quality of assets and the integrity of the management information system.

Please refer to the Audit Committee Report in this Annual Report for more details.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE C:



INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

COMMUNICATION WITH STAKEHOLDERS

The Board acknowledges the importance of timely and thorough dissemination of material information about the Group's business to its shareholders and investors to enable informed investment decisions. The Board regards regular communication with the public via various announcements and the issuance of Annual Reports, circulars and press releases as key to building good relationships with its shareholders and investors.

The Board strives to disclose such information to the public as soon as practicable through Bursa Securities, the media and the Company's website at www.ancomlogistics.com.my, and to ensure that such information is managed properly to avoid leakage or improper use. The Board takes reasonable steps to ensure all investors have equal access to material information.

Shareholders and investors are encouraged to submit their queries and concerns to the Company via its website at www.ancomlogistics.com.my or via email to companysecretary@ancomnylex.com. Such queries will be attended by the Company Secretaries, the Board or senior management, as the case may be.

CONDUCT OF GENERAL MEETINGS

General meetings remain the principal forum for dialogue between the Company and its shareholders, and a means of communication with the shareholders.

To encourage more shareholder participation at the Company's general meetings, the Company allows any member who is entitled to attend and vote at the general meeting to appoint a proxy to attend and vote for him/her. The proxy may, but need not be, a member of the Company and need not be an advocate, an approved company auditor or a person approved by the Registrar of Companies. The Company's Constitution explicitly allows a proxy to speak at general meetings. Notices of the general meetings and related circulars are sent to the shareholders in accordance with the regulatory and statutory provisions. All notices are advertised in a national English newspaper within the prescribed deadlines.

Minutes of the proceedings at the general meetings are recorded by the Company Secretaries, and made available for inspection by shareholders at the Company's registered office. A summary of key matters discussed at the general meetings is also posted on the Company's website at www.ancomlogistics.com.my.

LEVERAGING INFORMATION TECHNOLOGY

The Board leverages information technology to hold virtual shareholder meetings in order to facilitate the participation of remote shareholders and voting in absentia.

The Company releases all material information publicly through Bursa Securities' website at www.bursamalaysia.com and via the Company's website at www.ancomlogistics.com.my.

POLL VOTING

As provided in the Company's Constitution, all shareholder meeting resolutions are decided via poll voting.

CORPORATE GOVERNANCE REPORT

Please refer to the Company's CG Report, available on the Company's website at www.ancomlogistics.com.my, on the extent of the Company's application and compliance with the CG Code and explanations for any deviations.

AUDIT COMMITTEE REPORT

The Board of Directors ("Board") is pleased to present its Audit Committee Report for the financial year ended 31 May 2024.

TERMS OF REFERENCE

The Audit Committee ("AC") is governed by its Terms of Reference, which are available on the Company's website at www.ancomlogistics.com.my.

MEMBERS AND MEETINGS

Membership of the AC during the financial year is as follows:

Tan Sri Datuk Dr. Ampikaipakan A/L S.Kandiah - Chairman

(Independent Non-Executive Director)

Datuk Mohd Farid Bin Mohd Adnan - Member

(Independent Non-Executive Director)

Datuk Lee Cheun Wei - Member

(Non-Independent Non-Executive Director)

Dato' Mohammad Medan Bin Abdullah - Member

(Independent Non-Executive Director)

Datuk Lee Cheun Wei is a member of the Malaysian Institute of Accountants ("MIA"). The composition of the AC during the financial year complied with the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Listing Requirements").

The Chairman of the AC is not the Chairman of the Board to prevent any impairment on objectivity of the Board's review of the AC's findings and recommendations.

A policy which requires a former key audit partner of the Company's External Auditors to observe a cooling-off period of at least three (3) years before being appointed as a member of the AC has been formulated and included in the Terms of Reference of the AC. None of the members of the AC is a key audit partner of the Company's External Auditors.

The AC held a total of five (5) meetings during the financial year. The attendance records of the members are as follows:

Members	Attendance
Tan Sri Datuk Dr. Ampikaipakan A/L S. Kandiah	5/5
Datuk Mohd Farid Bin Mohd Adnan	4/5
Datuk Lee Cheun Wei	5/5
Dato' Mohammad Medan Bin Abdullah	5/5

AUDIT COMMITTEE REPORT

Web and teleconferencing were the primary tools used to facilitate the AC meetings during the financial year. All meetings were held in person, but some members participated virtually. Agendas and relevant meeting papers were distributed electronically to the AC members in advance to ensure effective participation, regardless of location. The meetings were of sufficient length to allow for a comprehensive discussion of the agenda and emerging issues.

The meetings were conducted in an open and constructive manner, encouraging focussed discussions, questioning, and expressions of differing opinions. The Executive Vice Chairman (“EVC”), the Deputy Chief Executive Officer (“DCEO”), the Chief Financial Officer (“CFO”) and Senior Management, if required, were invited to attend the AC meetings with the Company Secretaries in attendance to record the minutes of the meetings.

The Internal Auditors attended four (4) AC meetings while the External Auditors attended three (3) AC meetings during the financial year.

SUMMARY OF ACTIVITIES

During the financial year, the AC undertook the following activities in carrying out its duties as set out in its Terms of Reference:

FINANCIAL RESULTS

The AC reviewed the Quarterly Interim Financial Reports (“Financial Reports”) presented by the Management to ensure compliance with the disclosure requirements of the approved Malaysian Financial Reporting Standards (“MFRSs”), the IFRS Accounting Standards, the Companies Act 2016, the Listing Requirements and other statutory and regulatory requirements, prior to recommending the Financial Reports to the Board for its consideration and approval, and for subsequent announcement to Bursa Malaysia Securities Berhad (“Bursa Securities”). The AC also sought explanations from Management on the Group’s performance from time to time.

In addition, the AC reviewed the Annual Audited Financial Statements (“Financial Statements”) presented by Management, in the presence of the External Auditors, to ensure these complied with the disclosure requirements of the MFRSs and IFRS Accounting Standards, the Companies Act 2016, the Listing Requirements and other statutory and regulatory requirements. The AC also sought to resolve contentious issues, if any, prior to recommending the Financial Statements to the Board for its consideration and approval, and for subsequent announcement to Bursa Securities.

In both the above reviews, the CFO assured the AC that the Financial Reports and Financial Statements had been prepared based on the consistent application of generally acceptable accounting policies and standards, that there were no material misstatements, and that the Financial Reports and Financial Statements gave a true and fair view of the financial positions of the Company and of the Group as at the respective reporting dates and of the financial performances and cash flows of the Company and of the Group for the reporting financial periods/year.

AUDIT COMMITTEE REPORT

INTERNAL AUDIT

The AC undertook the following tasks in relation to the Internal Audit:

- Reviewed and approved the Internal Audit Plan, including the scope of audit, and ensured that all major and/or high-risk activities were covered;
- Reviewed the Risk Assessment Reports and ensured the effective implementation of a risk management system across the Group;
- Reviewed the quarterly Internal Audit Reports, which detailed the observations and recommendations of the Internal Auditors, and the Management's response to these recommendations;
- Reviewed weaknesses noted in the Internal Audit Reports and incidences of non-compliance of the internal control system to assess their possible impact on the effectiveness of the internal control system, the Group's financial results as well as going concern assumptions;
- Reviewed Management's remedial actions to be undertaken in relation to any weakness and/or non-compliance and the follow-up actions undertaken by the Management;
- Reviewed the suitability of the Internal Auditors for re-appointment, taking into consideration their independence, performance, competence and experience; and
- Received from the Internal Auditors written assurance confirming their professional independence to the audit engagement.

EXTERNAL AUDIT

The AC carried out the following tasks in relation to the External Audit:

- Reviewed the External Audit Plan, scope and nature of the statutory audit of the Company's and of the Group's Financial Statements prior to the audit;
- Reviewed the External Audit Reports and results of the External Auditors' examination of the Company's and of the Group's Financial Statements;
- Reviewed the External Auditors' recommendations on internal control weaknesses noted and Management's response to these recommendations;
- Reviewed and discussed with the External Auditors the impact of new and proposed changes in the financial reporting standards and other new developments in financial reporting;
- Reviewed the suitability of the External Auditors for re-appointment, taking into consideration their independence, performance, competence and experience, provision of non-audit services and audit fees; and
- Received from the External Auditors written assurance confirming their professional independence to the audit engagement.

RISK MANAGEMENT

The AC reviewed the Group's Risk Management Framework and Risk Register as well as ongoing identification, evaluation and management of the significant risks affecting the Group, as reported in the Statement on Risk Management and Internal Control in this Annual Report.

AUDIT COMMITTEE REPORT

INTERNAL AUDIT FUNCTION

The AC recognises the importance of the Internal Audit function and the need for it to be independent of Management in order to carry out its functions effectively. The Group's Internal Audit function was outsourced to Sterling Business Alignment Consulting Sdn. Bhd., an independent firm of consultants.

The Internal Audit function assists the Board to review the adequacy and effectiveness of the Group's internal control system in identifying and managing principal risks, ensuring compliance with the law and regulations, preserving the quality of its assets and the integrity of its information management, thus determining future requirements for the internal control system.

The Internal Audit Review concentrated on areas of concern where the AC needed assurance that the Group's Internal Control system was adequate and effective, and was in line with the Internal Audit Plan approved by the AC. The review covered key functional areas and business activities of major subsidiaries of the Group, placing emphasis on best practices and management assurance encompassing all business risks, particularly:

- The effectiveness and efficiency of operations;
- Reliability of reporting;
- Compliance with applicable laws and regulations; and
- Safeguarding of assets.

The Internal Audit approach broadly involved inquiry, analysis and review of the Internal Audit areas.

The Internal Auditors conducted four (4) reviews during the financial year, and presented their quarterly Internal Audit Reports to the AC at its meetings for review and discussion with Management. The quarterly Internal Audit Reports highlighted the Internal Auditors' review and findings on the Group's compliance with established internal policies and procedures, their assessment of the magnitude of potential financial effects arising from weaknesses noted, as well as the Internal Auditors' recommendations on corrective actions to overcome the weaknesses and Management's comments and agreed actions thereon. The Internal Auditors reported their follow-up findings and highlighted any non-actions by Management in subsequent AC meetings.

In all the Internal Audit Reviews during the financial year, the Internal Auditors reported that the internal control systems and processes of the companies audited were generally in place with minimum control issues.

The AC is satisfied with the results of the Internal Audit Reviews during the financial year. None of the weaknesses noted have resulted in any material loss that would require separate disclosure in this Report, as reported by the AC.

The total cost incurred for the Group's Internal Audit function during the financial year was RM35,000 (2023: RM35,000).

ASSESSMENT OF INDEPENDENCE AND PERFORMANCE

EXTERNAL AUDITORS

Under its Terms of Reference and External Auditors Assessment Policy, the AC is empowered by the Board to assess the independence and performance of the External Auditors and to review all issues in relation to their appointment, re-appointment, resignation or dismissal.

AUDIT COMMITTEE REPORT

The assessment of independence focuses on whether there exists any relationship between the External Auditors and the Directors or Senior Management and major shareholders of the Group as well as any conflict of interest, including the extent of non-audit services performed by the External Auditors during the financial year that may impact their independence and objectivity. The assessment of performance focuses on the External Auditors' experience, competency, resources of the firm, quality of the staff assigned and the AC's opinion on the quality of the audit works.

During the financial year, the AC carried out an assessment of Messrs BDO PLT, the External Auditors, based on the above criteria and was satisfied with the External Auditors' competency, independence and quality of audit work. The External Auditors have given written assurance to the AC on their compliance with all relevant ethical requirements regarding their professional independence.

The AC has recommended to the Board to re-appoint Messrs BDO PLT as the External Auditors.

The Board concurred with the AC's recommendation and will recommend that the shareholders approve Messrs BDO PLT's re-appointment at the forthcoming 58th Annual General Meeting of the Company.

INTERNAL AUDITORS

The AC also assessed the independence and performance of the Internal Auditors during the financial year.

The assessment of independence focuses on whether there exists any relationship between the Internal Auditors and the Directors or Senior Management and major shareholders of the Group as well as any conflict of interest arising from such relationships. The assessment of performance focuses on the Internal Auditors' experience, competency and resources as well as the quality of staff assigned and the AC's opinion on the quality of the Internal Audit Reports.

The AC was satisfied with the Internal Auditors' competency, independence and quality of reports. The Internal Auditors have given written assurance to the AC that they have complied with all relevant ethical requirements regarding their professional independence.

The AC has recommended to the Board to continue to engage the Internal Auditors.

The Board concurred with the AC's recommendation.

ANTI-BRIBERY AND ANTI-CORRUPTION MANAGEMENT/WHISTLE-BLOWING

During the financial year, the Company's holding company, Ancom Nylex Berhad, conducted a refresher course on Subsection (5) of Section 17A under the Malaysian Anti-Corruption Commission Act 2009 for the Directors and employees of the Group.

No corruption and bribery incidences involving the Group and its Directors and employees were reported during the financial year.

The Group has not received any reports in the Whistle-Blowing channel (available on the Company's website www.ancomlogistics.com.my) of any wrongdoings or improper conducts involving the Group and its Directors and employees during the financial year.

AUDIT COMMITTEE REPORT

RELATED PARTY TRANSACTIONS AND CONFLICT-OF-INTEREST

The AC annually reviews procedures for identifying, monitoring, reporting, and reviewing related party transactions ("RPTs"), recurrent RPTs ("RRPTs"), and potential conflict-of-interest ("COI") situations. On a quarterly basis, the AC reviews RPTs that occurred within the Company and the Group during the financial year, including revenue and trading-related RRPTs. It also assessed potential COI situations.

The AC is satisfied that:

- procedures are sufficient to ensure RPTs are conducted at arm's length, on terms no more favourable to related parties than those available to the public, and not detrimental to minority shareholders;
- the Group has adequate procedures for timely and orderly identification, monitoring, tracking, and reporting of RPTs and RRPTs;
- no COI situations arose, persisted, or may have arisen during the financial year that required resolution, elimination, or mitigation measures; and
- The Directors and Senior Management have given declarations to the Company that they are not involved in any COI, actual and potential, during the financial year.

REPORTING TO THE BOARD

The AC's Chairman reported formally to the Board on the proceedings of each of the AC meetings and all matters within the AC's duties and responsibilities at the Board's quarterly meetings. Minutes of the AC meetings were also presented to the Board for notation.

EMPLOYEES' SHARE OPTION SCHEME

The Company does not have an Employees' Share Option Scheme in place during the financial year.

CONCLUSION

The AC is of the opinion that it has discharged its duties in accordance with its Terms of Reference during the financial year, and that the Group's Risk Management and Internal Control system has been adequate and effective.

Please refer to the Statement on Risk Management and Internal Control in this Annual Report for more details.

REMUNERATION & NOMINATION COMMITTEE REPORT

The Board of Directors ("Board") is pleased to present its Remuneration & Nomination Committee Report for the financial year ended 31 May 2024.

TERMS OF REFERENCE

The Remuneration & Nomination ("R&N") Committee is governed by its Terms of Reference, which are available on the Company's website at www.ancomlogistics.com.my.

MEMBERS AND MEETINGS

The membership of the R&N Committee, which comprises a majority of Independent Directors, during the financial year and up to the date of this Report, is as follows:

Datin Joanne Marie Lopez – Chairman

(Independent Non-Executive Director)

Dato' Abdul Latif Bin Abdullah – Member

(Non-Independent Non-Executive Director)

(Resigned on 17 October 2023)

Datuk Mohd Farid Bin Mohd Adnan – Member

(Independent Non-Executive Director)

Dato' Mohammad Medan Bin Abdullah – Member

(Independent Non-Executive Director)

(Appointed on 17 October 2023)

The R&N Committee held one (1) meeting during the financial year, which was attended by all its members.

SUMMARY OF ACTIVITIES

During the financial year ended 31 May 2024, the R&N Committee carried out its duties as set out in its Terms of Reference, and undertook the following activities:

ASSESSMENT OF DIRECTORS

COMPOSITION OF THE BOARD

The R&N Committee has conducted an assessment on all the Board members in accordance with the assessment criteria in the Directors' Fit and Proper Policy, which is available on the Company's website at www.ancomlogistics.com.my, and are satisfied that all the Directors fulfilled the criteria as set out in the Directors' Fit and Proper Policy.

REMUNERATION & NOMINATION COMMITTEE REPORT

Taking into consideration the Board's structure, size, composition and the required mix of expertise and experience which the Directors should bring to the Board, the R&N Committee is satisfied that with each of the Board member's qualifications, skills, knowledge, expertise and experience, time availability, professionalism, integrity and their ability to discharge such responsibilities and functions as expected of them, the current size and composition of the Board are appropriate and well-balanced, with members comprising individuals of high calibre, credibility and with the necessary skills and qualifications to enable the Board to discharge its responsibility effectively.

During the financial year, the R&N Committee did not perform any evaluation on the individual Director's performance.

RE-ELECTION OF DIRECTORS

As all the retiring Directors have fulfilled the criteria for appointment as stipulated in the Company's Directors' Fit and Proper Policy, and they have confirmed that there were no incidence of conflict of interests existing between them and the Company, the R&N Committee has recommended to the Board the re-election of Dato' Abdul Latif Bin Abdullah and Dato' Siew Ka Wei, who are retiring pursuant to Clause 125 of the Company's Constitution at the Company's forthcoming 58th Annual General Meeting ("AGM").

INDEPENDENCE ASSESSMENT OF THE INDEPENDENT DIRECTORS

The R&N Committee assessed the independence of the Independent Directors using the following criteria:

- The Independent Director is neither an employee nor related to any major shareholder/management of the Group and does not participate in the day-to-day operations of the Group;
- The Independent Director has fulfilled the definition of "Independent Directors" in the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Listing Requirements");
- He/She is free from any business or other relationships with the Group which would materially interfere with the exercise of his independent judgement on matters at hand;
- He/She is a person of calibre and credibility, and has the necessary skills and experience to bring independent judgement on issues of strategy, business performance, resources and standards of conduct; and
- He/She is able to provide independent views in the Board's discussions and has not acted in any way that would compromise his independent judgement.

The Independent Directors have also given declarations to the Board confirming their compliance with the definition of "Independent Directors" in the Listing Requirements.

From the results of the evaluation performed, the R&N Committee is satisfied that the Independent Directors have conducted themselves in a manner that indicates independence, providing the necessary checks and balances in the best interest of the Company and its shareholders.

REMUNERATION & NOMINATION COMMITTEE REPORT

REVIEW OF THE AUDIT COMMITTEE

Pursuant to Paragraph 15.20 of Chapter 15 of the Listing Requirements, the R&N Committee conducted an assessment of the terms of office and performance of the Audit Committee and each of its members and was of the opinion that the Audit Committee and its members have carried out their duties in accordance with their Terms of Reference.

REMUNERATION OF DIRECTORS

The R&N Committee is responsible for recommending the remuneration of the Non-Executive Directors, including the Directors' fees and benefits as per the Remuneration Policy.

The Remuneration Policy is available on the Company's website at www.ancomlogistics.com.my.

For the current financial year, the R&N Committee was of the opinion that the fees for the Non-Executive Directors, as indicated below, which are the same as in the previous financial years, are reflective of current market rates for companies listed on the ACE Market of Bursa Malaysia Securities Berhad:

	Annual fee per Director (RM)
Chairman of the Board	60,000
Non-Executive Director	50,000
Member of Audit Committee	15,000
Member of R&N Committee	5,000

The rationale for maintaining the same level of remuneration was also due to the fact that the activities of the Group remained the same as in the previous financial year.

As in the previous financial year, the Non-Executive Directors also received attendance allowance of RM416.67 for each Board and Committee meetings attended during the financial year.

As in the previous financial year, Dato' Siew Ka Wei, who is the Executive Vice Chairman of the Company and the Executive Vice Chairman of Ancom Nylex Berhad ("ANB"), the holding company, did not receive any remuneration from the Company and its subsidiaries and any meeting allowance for the Board and Committee meetings he attended during the financial year.

As in the previous financial year, Datuk Lee Cheun Wei, who is Non-Independent Non-Executive Director of the Company and the Managing Director/Group Chief Executive Officer of ANB, also did not receive any remuneration from the Company and its subsidiaries and any meeting allowance for the Board and Committee meetings he attended during the financial year.

None of the Directors received any remuneration from the subsidiaries during the financial year.

REMUNERATION & NOMINATION COMMITTEE REPORT

Details of remuneration received and receivable by the Directors of the Company for the financial year ended 31 May 2024, are as follows:

Group and Company	Director's fee (RM)	Meeting allowance (RM)	Benefits-in-kind (RM)	Total (RM)
Executive Director				
Dato' Siew Ka Wei	-	-	6,150	6,150
Non-Executive Directors				
Dato' Abdul Latif Bin Abdullah	61,885	2,917	6,600	71,402
Tan Sri Datuk Dr. Ampikaipakan A/L S. Kandiah	65,000	4,583	-	69,583
Datuk Mohd Farid Bin Mohd Adnan	70,000	4,583	-	74,583
Datuk Lee Cheun Wei	-	-	-	-
Dato' Mohammad Medan Bin Abdullah	68,115	4,167	-	72,282
Datin Joanne Marie Lopez	54,604	2,500	-	57,104
Total	319,604	18,750	12,750	351,104

In addition to the above, the Company has taken up a Directors' and Officers' Liability ("D&O") insurance for coverage of Directors' defence costs and legal representation expenses incurred should any action be brought against any Director for actions undertaken as a Director of the Company and/or its subsidiaries. Nevertheless, the D&O insurance does not indemnify a Director if he is proven to have acted fraudulently or dishonestly or to have intentionally breached the law.

CONCLUSION

The R&N Committee is of the opinion that it has discharged its duties in accordance with its Terms of Reference during the financial year.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

THE BOARD OF DIRECTORS ("BOARD") IS PLEASED TO PROVIDE THE GROUP'S STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL FOR THE FINANCIAL YEAR ENDED 31 MAY 2024 MADE PURSUANT TO PARAGRAPH 15.26(B) OF THE ACE MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD ("BURSA SECURITIES") AND GUIDED BY THE MALAYSIAN CODE ON CORPORATE GOVERNANCE (UPDATED ON 28 APRIL 2021), AS WELL AS THE STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL: GUIDELINES FOR DIRECTORS OF LISTED ISSUERS ENDORSED BY BURSA SECURITIES.

For the purpose of this Statement, the "Group" means the Company and its subsidiaries.

BOARD RESPONSIBILITY FOR RISK MANAGEMENT AND INTERNAL CONTROL

The Board is responsible for the establishment and maintenance of a sound risk management and internal control system in the Group. The Board is also responsible for reviewing the adequacy, effectiveness and integrity of the Group's risk management and internal control system through ongoing and independent reviews carried out by the Internal Audit function of the Group.

The Internal Audit reviews are focused on achieving the following objectives:

- Effective and efficient operations;
- Reliability of reporting;
- Compliance with applicable laws and regulations; and
- Safeguarding of assets.

It is important to note that the Group's risk management and internal control system is designed to identify, manage and mitigate, rather than to eliminate, risks that may impede the achievement of the Group's business objectives due to the inherent limitations of any system of internal control. As such, the Group's risk management and internal control system can only provide reasonable and not absolute assurance against material misstatement of financial information, financial losses or fraud.

RISK MANAGEMENT

The Board confirms that there is an ongoing process of identifying, assessing and responding to risks that could hinder the Group from achieving its objectives. The process was in place for the financial year under review and up to the date of issuance of this Annual Report.

The process of risk identification involves identifying possible risk exposures arising from changes in the internal and external environment as well as operational conditions. The risk measurement guidelines consist of qualitative measures to determine the financial and non-financial consequences of the different risks based on their likelihood and impact.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

As part of the risk management process, a Registry of Risks and a Risk Management Handbook have been adopted. The Registry of Risks identifies principal business risks and is updated according to changes in the risk profile as well as the identities of the risk owners. The Risk Management Handbook summarises the risk management methodology, approach and processes; the roles and responsibilities of the risk owners; and various risk management concepts. It is the responsibility of risk owners to ensure that adequate control systems are implemented to minimise and control risks faced by the Group.

Management is empowered with the responsibility to manage the risks and internal controls associated with the Group's operations and to ensure compliance with the applicable laws and regulations. A Risk Management Working Group ("RMWG") is appointed to review, update and report on key risk factors of the main operating subsidiaries at the Audit Committee ("AC") meetings.

In addition, significant issues and controls implemented are discussed at Management meetings and the quarterly AC meetings.

INTERNAL AUDIT FUNCTION

In efforts to provide an adequate and effective internal control system, the Group appoints an independent consulting firm to review the adequacy and integrity of its system of internal control and perform the role of Internal Auditors. The Internal Auditors report directly to the AC.

The Internal Audit addresses critical business processes, identifies risks and internal control gaps, assesses the effectiveness and adequacy of the existing state of internal control of the Group and recommends possible improvements to the internal control process. This is to provide reasonable assurance that such systems continue to operate satisfactorily and effectively within the Group. Quarterly Internal Audit Reports and Status Reports on follow-up actions are tabled to the AC during its quarterly meetings.

The Internal Audit function conducts independent reviews of the key activities within the Group's operating units based on a detailed Internal Audit Plan approved by the AC.

KEY ELEMENTS OF THE GROUP'S RISK MANAGEMENT PROCESS AND INTERNAL CONTROL SYSTEM

The main features of the Group's risk management process and internal control system are summarised as follows:

- *Organisational Structure and Responsibility Levels*

The Group's organisational structure has clearly defined levels of authority and lines of responsibility from operating units up to the Board, to ensure accountability for risk management and internal control activities. There is proper segregation of duties and responsibilities to eliminate the possibility of an employee having total control of a business process.

The Board entrusts the daily running of the business to the Executive Vice Chairman ("EVC"), assisted by the Deputy Chief Executive Officer ("DCEO"), the Chief Financial Officer ("CFO") and the General Managers of the respective business units who are "hands on" in running the business units. Experienced and competent employees have been placed in positions of responsibility to ensure the objectives of the Group's risk management and internal control system are achieved.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

- *Risk Management Process*

The Board confirms that there is an ongoing process of identifying, assessing and responding to risks that could hinder the Group from achieving its objectives. The process was in place for the financial year under review and up to the date of issuance of this Annual Report.

The risk management process in the Group is embedded within its business operations and guided by the Group's operational manuals, policies and procedures. The Group's risk management framework encompasses an ongoing process for identifying and assessing key risks affecting the Group's operations and results. Mitigation efforts are then identified and their effectiveness evaluated following which risk owners are assigned to monitor the occurrence of the risks.

The following are the types of risk affecting the Group's operations:

- Hazard risks, which include fire and other sources of property damage such as windstorms, theft and other crimes, personal injury, business interruption, disease and disability, and liability claims;
- External/Market risks due to changes in the external economic environment;
- Operational risks due to changes in the internal environment arising from daily tactical business activities;
- Strategic risks due to long-term policies or strategic objectives taken to maintain operational competitiveness;
- Financial risks which are associated with the effective management and control of the Group's finances and effects of external factors such as availability of credit, foreign exchange rate fluctuations, interest rate movements and other market exposures; and
- Compliance risks such as Anti-Bribery and Anti-Corruption, environmental, social, governance, occupational, health & safety, environment, trade regulations, consumer protection, data and intellectual property protection, employment practices and regulatory requirements.

- *AC, Risk Management and Internal Audit*

The AC has been entrusted by the Board to ensure that an effective and adequate risk management and internal control system is in place at all times. A RMWG has been set up to report on matters relating to risk management to the AC.

The RMWG shall consider any matters relating to the identification, assessment, monitoring and management of risks associated with the Group that it deems to be appropriate. With respect to risk management, the duties of the RMWG include:

- Assessing and monitoring of risks associated with the Group's operations;
- Development and implementation of internal compliance and control systems and procedures to manage risks;
- Assessing and monitoring of the effectiveness of controls instituted;
- Reviews and recommends to the AC in relation to risk management;
- Making recommendations to the AC on compliance by the Group with its risk management strategy;
- Reporting any material changes to the risk profile of the Group to the AC;
- Monitoring and referring to the AC any instances involving material breaches or potential breaches of the Group's risk management strategy;
- Reporting to the AC on the Group's annual reporting responsibilities in relation to matters pertaining to the Group's risk management strategy; and
- Undertaking annual review in accordance with the Group's risk management framework, and making recommendations to the AC in connection with changes required to be made to the Group's risk management strategy.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The AC has the authority to seek any information it requires from any officer or employee of the Group; and such officers or employees are required to respond to the enquiries.

The AC is authorised to seek independent professional advice if necessary. The AC will review its own performance and Terms of References yearly to ensure maximum effectiveness, recommending any changes it considers necessary to the Group.

To assist the AC in discharging its duties and responsibilities relating to the internal control system, the AC outsources the Group's Internal Audit function to Sterling Business Alignment Consulting Sdn. Bhd., an independent firm of consultants.

The AC is empowered to ensure that the Internal Audit function reports directly to the AC, that it is independent of the functions it audits and has the authority and resources necessary to carry out its responsibilities.

The Internal Audit function conducts independent reviews of the key activities within the Group's operating units based on a detailed Internal Audit Plan approved by the AC.

The AC reviews and assesses the performance of the Internal Audit function on a yearly basis.

- *Reporting and Review*

The EVC holds meetings whenever applicable with the DCEO and CFO to discuss and resolve operational, corporate, financial and key management issues. A performance review comparing actual results with the previous year's results and the explanations on significant variances is presented to the Board during the Board meetings.

The Group's Quarterly Interim Financial Reports and Annual Audited Financial Statements are released to Bursa Securities only after being reviewed by the AC and approved by the Board.

- *Group's Policies and Procedures*

The Group's Policies and Procedures are a formal guide for the Management and employees to carry out their day-to-day duties. The Group's Policies and Procedures cover the following core areas: authority limits and authorisation mandates, protection and maintenance of assets, human resources management, sales, finance, procurement and operations. The Limits of Authority in the Group's Policies and Procedures delineate authority limits to the appropriate persons to ensure accountability and segregation of duties.

- *Code of Conduct and Ethics*

A Code of Conduct and Ethics sets out the policy stand on the conduct of business and the standards of behaviour/ethical conduct expected of the Group's Directors and employees. The policy sets out sound principles and standards of good practice to be observed by all Directors and employees of the Group.

- *Anti-Bribery & Anti-Corruption Policy*

The Group has an Anti-Bribery & Anti-Corruption Policy that sets out the Group's commitments and requirements regarding ethical business practices and personal conduct. It also outlines the behaviour the Group expects of its Directors and employees as well as what the Group's Directors and employees and business partners can expect from the Group. All the Group's Directors and employees and persons associated with the Group are expected to act in accordance with corporate values and ethics as set out in the Group's Anti-Bribery & Anti-Corruption Policy.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

- *Whistle-Blowing Policy*

The Group has a Whistle-Blowing Policy and a whistle-blowing channel at www.ancomlogistics.com.my that provides an avenue for any persons, namely, Directors, employees or external parties to report of any improper conduct against any Directors or employees, in a safe and confidential manner. A Director or employee who makes a report of improper conduct in good faith shall not be subject to unfair dismissal, victimisation, demotion, suspension, intimidation or harassment, discrimination, any action causing injury, loss or damage or any other retaliatory actions by the Group.

REVIEW OF THIS STATEMENT

Pursuant to Paragraph 15.23 of the ACE Market Listing Requirements of Bursa Securities, the External Auditors have reviewed this Statement in accordance with the Audit and Assurance Practice Guide 3 (“AAPG 3”) issued by the Malaysian Institute of Accountants for inclusion in the Annual Report for the financial year ended 31 May 2024. The External Auditors have reported to the Board that nothing has come to their attention that causes them to believe that the Statement on Risk Management and Internal Control has not been prepared, in all material respects, in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control - Guidelines for Directors of Listed Issuers, nor are the matters set out in this Statement is factually incorrect.

CONCLUSION

The Board has received assurance from the EVC, DCEO and CFO that the Group’s risk management and internal control system operated adequately and effectively during the financial year under review and up to the date of issuance of this Annual Report.

The Board is of the view that the Group’s risk management and internal control system during the financial year under review and up to the date of issuance of this Annual Report has been satisfactory and has not resulted in any material loss, contingencies or uncertainties that would jeopardise the value of the Group’s assets and shareholders’ investment. The Board will continue to take measures and maintain an ongoing commitment to strengthen the Group’s risk management and internal control system.

DIRECTORS' RESPONSIBILITIES STATEMENT

In accordance with the Companies Act 2016, the Directors of the Company are required to prepare Audited Financial Statements for a financial year to give a true and fair view of the financial positions of the Company and its subsidiaries (collectively "Group") as at the end of the financial year and of the financial performances and cash flows of the Company and of the Group for the financial year.

The Directors hereby state that they are responsible for ensuring that the Company and the Group keep proper accounting records to enable the Company to disclose, with reasonable accuracy and without any material misstatement, the financial positions of the Company and of the Group as at 31 May 2024 and of the financial performances and cash flows of the Company and of the Group for the financial year ended 31 May 2024. They are also responsible for safeguarding the assets of the Company and of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are also responsible for ensuring that the Audited Financial Statements comply with the provisions of the Companies Act 2016, the Malaysian Financial Reporting Standards, the IFRS Accounting Standards, the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad and other statutory and regulatory requirements.

In preparing the Audited Financial Statements, the Directors have:

- adopted accounting policies which are appropriate and which have been consistently applied;
- made judgments and estimates which are reasonable and prudent;
- prepared the Audited Financial Statements on the assumption that the Company and the Group will operate as a going concern; and
- ensured that all applicable approved accounting standards have been followed, subject to any material departure being disclosed and explained in the Audited Financial Statements.

The Directors have also provided the Auditors with every opportunity to take all steps, undertake all inspections and seek all explanations they consider appropriate to enable them to audit and report on the Audited Financial Statements.

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DIRECTORS' REPORT

The Directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31 May 2024.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. There have been no significant changes in the nature of the activities of the Company and its subsidiaries during the financial year.

SUBSIDIARIES

Details of the subsidiaries, all of which are incorporated in Malaysia are as follows:

Name of company	Effective interest in equity %	Principal activities
Synergy Trans-Link Sdn. Bhd.	100	Investment holding
Ancom Nylex Terminals Sdn. Bhd.	51	Build, own, operate, lease and manage chemical tank farm and warehouse
Pengangkutan Cogent Sdn. Bhd.	100	Providing transportation and related services

RESULTS

	Group RM'000	Company RM'000
(Loss)/Profit for the financial year	(2,942)	7
Attributable to:		
Owners of the parent	(3,741)	7
Non-controlling interests	799	-
	(2,942)	7

DIRECTORS' REPORT

DIVIDEND

No dividend has been paid, proposed or declared by the Company since the end of the previous financial year. The Directors do not recommend the payment of any dividend in respect of the current financial year.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year.

ISSUE OF SHARES AND DEBENTURES

The Company did not issue any new shares or debentures during the financial year.

OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued ordinary shares of the Company during the financial year.

DIRECTORS

The Directors who have held office during the financial year and up to the date of this report are as follows:

Dato' Abdul Latif Bin Abdullah	(Non-Executive Chairman)
Dato' Siew Ka Wei	(Executive Vice Chairman)
Tan Sri Datuk Dr. Ampikaipakan A/L S.Kandiah	
Datuk Mohd Farid Bin Mohd Adnan	
Datuk Lee Cheun Wei	
Dato' Mohammad Medan Bin Abdullah	
Datin Joanne Marie Lopez	

Subsidiaries of Ancom Logistics Berhad (excluding those Directors listed above)

Sabli Bin Sibil

DIRECTORS' REPORT

DIRECTORS' INTERESTS

The Directors holding office at the end of the financial year and their beneficial interests in the ordinary shares, warrants and options of the Company and of its related corporations during the financial year ended 31 May 2024 as recorded in the Register of Directors' Shareholdings kept by the Company under Section 59 of the Companies Act 2016 in Malaysia were as follows:

	← Number of ordinary shares →			Balance as at 31.5.2024
	Balance as at 1.6.2023	Additions	Sold	
Shares in the Company				
Direct interest:				
Dato' Siew Ka Wei	6	-	-	6
Indirect interest:				
Dato' Siew Ka Wei	160,779,900	-	(33,609)	160,746,291
Shares in a related company, Nylex (Malaysia) Berhad				
Direct interest:				
Dato' Siew Ka Wei	899,646	324,192	(200,000)	1,023,838
Indirect interest:				
Dato' Siew Ka Wei	76,475,892	266,782	(590,974)	76,151,700
	← Number of ordinary shares →			Balance as at 31.5.2024
	Balance as at 1.6.2023	Bought/ Warrants conversion	Sold	
Shares in the holding company, Ancom Nylex Berhad ("ANB")				
Direct interests:				
Dato' Siew Ka Wei	148,439,116	18,544,229	(40,398,400)	126,584,945
Datuk Lee Cheun Wei	67,592,440	14,003,045	-	81,595,485
Indirect interests:				
Dato' Siew Ka Wei	50,103,386	45,101,825	(64,981,813)	30,223,398
Datuk Lee Cheun Wei	5,600,000	9,182,500	-	14,782,500

DIRECTORS' REPORT

DIRECTORS' INTERESTS (CONTINUED)

The Directors holding office at the end of the financial year and their beneficial interests in the ordinary shares, warrants and options of the Company and of its related corporations during the financial year ended 31 May 2024 as recorded in the Register of Directors' Shareholdings kept by the Company under Section 59 of the Companies Act 2016 in Malaysia were as follows: (continued)

	← Number of warrants →			Balance as at 31.5.2024
	Balance as at 1.6.2023	Bought	Sold/ Conversion	
Warrants in ANB				
<u>Direct interests:</u>				
Dato' Siew Ka Wei	21,477,931	3,449,300	(7,000,000)	17,927,231
Datuk Lee Cheun Wei	10,790,010	8,489,473	(2,000,000)	17,279,483
<u>Indirect interests:</u>				
Dato' Siew Ka Wei	2,400,000	-	(2,400,000)	-
Datuk Lee Cheun Wei	2,800,000	500,000	-	3,300,000

	← Number of options →			Balance as at 31.5.2024
	Balance as at 1.6.2023	Addition	Exercised	
Share options in ANB				
<u>Direct interest:</u>				
Datuk Lee Cheun Wei	1,620,000	-	(1,620,000)	-

None of the other Directors holding office at the end of the financial year held any interest in ordinary shares, warrants and options of the Company and of its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the Directors have received or become entitled to receive any benefit (other than those benefits included in the aggregate amount of remuneration received and receivable by the Directors as shown in the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest other than the transactions entered into the ordinary course of business with companies in which the Directors of the Company have substantial financial interests as disclosed in Note 22 to the financial statements.

There were no arrangements during and at the end of the financial year, to which the Company is a party, which had the object of enabling the Directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

DIRECTORS' REPORT

DIRECTORS' REMUNERATION

Fees and other benefits of the Directors of the Company who held office are as follows:

	Group and Company	
	2024	2023
	RM'000	RM'000
Non-Executive Directors		
- fees	320	301
- other emoluments	18	16
- benefits-in-kind	12	11
	350	328

INDEMNITY AND INSURANCE FOR OFFICERS, DIRECTORS AND AUDITORS

The Company effected Directors' and officers' liability insurance during the financial year to protect the Directors and officers of the Group and of the Company against potential costs and liabilities arising from claims brought against the Directors and officers. During the financial year, the total amount of insurance premium effected for any Director and officer of the Group and of the Company was RM11,000.

No indemnity was given to or insurance effected for the auditors of the Group and of the Company.

OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY**(I) AS AT THE END OF THE FINANCIAL YEAR**

- (a) Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:
- (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and had satisfied themselves that there are no known bad debts to be written off and that adequate provision had been made for doubtful debts; and
 - (ii) to ensure that any current assets other than debts, which were unlikely to realise their book values in the ordinary course of business had been written down to their estimated realisable values.
- (b) In the opinion of the Directors, the results of the operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

DIRECTORS' REPORT

OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY (CONTINUED)

(II) FROM THE END OF THE FINANCIAL YEAR TO THE DATE OF THIS REPORT

- (c) The Directors are not aware of any circumstances:
 - (i) which would necessitate the writing off of bad debts or render the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any material extent;
 - (ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; and
 - (iii) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (d) In the opinion of the Directors:
 - (i) there has not arisen any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made; and
 - (ii) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve (12) months after the end of the financial year which would or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

(III) AS AT THE DATE OF THIS REPORT

- (e) There are no charges on the assets of the Group and of the Company which have arisen since the end of the financial year to secure the liabilities of any other person.
- (f) There are no contingent liabilities of the Group and of the Company which have arisen since the end of the financial year.
- (g) The Directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading.

SIGNIFICANT EVENT DURING THE FINANCIAL YEAR AND SUBSEQUENT TO THE END OF THE REPORTING PERIOD

The Company and its holding company, ANB had entered into a Heads of Agreement ("HOA") with Greenheart Sdn. Bhd. ("GSB"), Choong Wee Keong ("CWK") and How Yoon For ("HYF") for the following:

(GSB, CWK and HYF shall be collectively referred to as "Vendors" and the Company, ANB, and Vendors shall be collectively referred to as "Parties")

- (i) proposed acquisition by the Company of the entire share capital of Green Lagoon Technology Sdn. Bhd. ("GLTSB") from the Vendors for total consideration of RM120,000,000, subject to an independent valuation to be conducted on GLTSB during the due diligence and in return the Company shall issue 1,000,000,000 new ordinary shares in the Company ("ALB Share(s)" or "Share(s)") at an issue price of RM0.12 per Share, that will be listed and tradeable in the ACE Market to the GLTSB shareholders ("Consideration Shares") ("Proposed Acquisition");
- (ii) proposed exemption under subparagraph 4.08(1)(a) of the Rules on Take-overs, Mergers and Compulsory Acquisitions to the Vendors, other shareholders of GLTSB and their person(s) acting in concert (collectively "PAC(s)") under Sections 216(2) and 216(3) of the Capital Markets and Services Act 2007 from the obligation to undertake a mandatory offer for the remaining ALB Shares not already owned by them pursuant to the Proposed Acquisition ("Proposed Exemption");

DIRECTORS' REPORT

SIGNIFICANT EVENT DURING THE FINANCIAL YEAR AND SUBSEQUENT TO THE END OF THE REPORTING PERIOD (CONTINUED)

- (iii) proposed private placement of up to 183,333,334 new ALB Shares (or such other number of new ALB Shares as may be applicable) to ANB for the total sum of up to RM22,000,000.08 (or such other amount corresponding to such number of new ALB Shares to be issued), and to be settled in cash at the issue price of RM0.12 per Share provided that the total percentage of shareholding held by ANB directly and indirectly in the share capital of the Company on completion of the Proposed Acquisition shall not exceed such number of ALB Shares representing 21% of the entire issued and paid-up share capital of the Company ("Proposed Private Placement"); and
- (iv) proposed disposal by the Company of its direct subsidiary (i.e., Synergy Trans-Link Sdn. Bhd. and its subsidiaries, Pengangkutan Cogent Sdn. Bhd. and Ancom Nylex Terminals Sdn. Bhd.) to ANB at an independent valuation to be conducted and agreed by the Company and ANB and upon such terms and conditions to be determined later. The consideration is to be satisfied in cash ("Proposed Disposal").

(The Proposed Acquisition, Proposed Exemption, Proposed Private Placement and Proposed Disposal shall be collectively referred to as "Proposals")

The Proposals have not been completed as at the date of this report.

HOLDING COMPANY

The Directors regard Ancom Nylex Berhad, a company incorporated in Malaysia and listed on the Main Market of Bursa Malaysia Securities Berhad, as the holding company.

AUDITORS

The auditors, BDO PLT (201906000013 (LLP0018825-LCA) & AF 0206), have expressed their willingness to continue in office.

Auditors' remuneration of the Group and of the Company for the financial year ended 31 May 2024 were as follows:

	Group RM'000	Company RM'000
Statutory audit	114	66
Assurance related services	4	4
	118	70

Signed on behalf of the Board in accordance with a resolution of the Directors.

Dato' Abdul Latif Bin Abdullah

Director

Dato' Siew Ka Wei

Director

Kuala Lumpur
30 August 2024

STATEMENT BY DIRECTORS

In the opinion of the Directors, the financial statements set out on pages 65 to 104 have been drawn up in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the provisions of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 May 2024 and of the financial performance and cash flows of the Group and of the Company for the financial year then ended.

On behalf of the Board,

Dato' Abdul Latif Bin Abdullah

Director

Kuala Lumpur
30 August 2024

Dato' Siew Ka Wei

Director

STATUTORY DECLARATION

I, Lim Chang Meng (CA 15594), being the officer primarily responsible for the financial management of Ancom Logistics Berhad, do solemnly and sincerely declare that the financial statements set out on pages 65 to 104 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by)
the abovenamed at Kuala Lumpur this)
30 August 2024)

Lim Chang Meng
Chief Financial Officer

Before me:

Mardhiyyah Abdul Wahab

Commissioner for Oaths (No. W729)

INDEPENDENT AUDITORS' REPORT

To the Members of Ancom Logistics Berhad (Incorporated in Malaysia)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Ancom Logistics Berhad, which comprise the statements of financial position as at 31 May 2024 of the Group and of the Company, and the statements of profit or loss, statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 65 to 104.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 May 2024 and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards ("MFRSs"), IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters of the Group

1. Recoverability of trade receivables

Gross trade receivables of the Group as at 31 May 2024 were RM5,387,000 as disclosed in Note 9 to the financial statements. The Group has further impaired trade receivables amounted to RM134,000 during the financial year.

We determined this to be a key audit matter because it requires management to exercise significant judgement in determining the probability of default by trade receivables and appropriate forward-looking information to assess the expected credit loss allowances.

INDEPENDENT AUDITORS' REPORT

To the Members of Ancom Logistics Berhad (Incorporated in Malaysia)

Key Audit Matters (continued)

Key Audit Matters of the Group (continued)

1. Recoverability of trade receivables (continued)

Audit Response

Our audit procedures performed include the following:

- (i) recomputed the probability of default using historical data and forward-looking information adjustment, applied by the Group;
- (ii) recomputed the correlation coefficient between the macroeconomics indicators set by the Group and historical losses to determine the appropriateness of the forward-looking information used by the Group; and
- (iii) inquired of management to assess the rationale underlying the relationship between the forward-looking information and expected credit losses.

Key Audit Matters of the Group and of the Company

2. Recoverability of deposits

Gross deposits of the Group and of the Company as at 31 May 2024 amounted to RM6,600,000 and RM6,501,000 respectively as disclosed in Note 9 to the financial statements. The Group and the Company have further impaired deposits amounted to RM1,872,000 during the financial year.

We determined this to be a key audit matter because it requires management to exercise significant judgement in determining the probability of default, appropriate forward-looking information and significant increase in credit risk to assess the expected credit loss allowances.

Audit response

Our audit procedures performed include the following:

- (i) recomputed the probability of default using historical data and forward-looking information adjustment, applied by the Group and the Company;
- (ii) assessed the appropriateness of the indicators of significant increase in credit risk applied by management and the resultant basis for classification of exposure into respective stages; and
- (iii) evaluated management's basis for determining recoverable cash flows, where applicable.

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

INDEPENDENT AUDITORS' REPORT

To the Members of Ancom Logistics Berhad (Incorporated in Malaysia)

Information Other than the Financial Statements and Auditors' Report Thereon (continued)

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with MFRSs, IFRS Accounting Standards, and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the ability of the Group and of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- (a) Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Group and of the Company.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

INDEPENDENT AUDITORS' REPORT

To the Members of Ancom Logistics Berhad (Incorporated in Malaysia)

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

As part of an audit in accordance with approved standards on auditing in Malaysia and ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also: (continued)

- (d) Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- (e) Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- (f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

BDO PLT

201906000013 (LLP0018825-LCA) & AF 0206
Chartered Accountants

Kuala Lumpur
30 August 2024

Brendan Francis Lim Jern Zhen

03591/09/2025 J
Chartered Accountant

STATEMENTS OF FINANCIAL POSITION

As at 31 May 2024

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	5	31,230	18,781	5	12
Right-of-use assets	6	4,427	4,502	325	-
Investments in subsidiaries	7	-	-	22,474	22,474
Investment in an associate	8	-	-	-	-
Trade and other receivables	9	3,449	-	3,449	-
		39,106	23,283	26,253	22,486
Current assets					
Trade and other receivables	9	8,964	13,794	1,045	6,831
Current tax assets		405	475	4	4
Other investments	10	688	666	-	-
Cash and bank balances	11	4,608	5,955	8	4
		14,665	20,890	1,057	6,839
TOTAL ASSETS		53,771	44,173	27,310	29,325
EQUITY AND LIABILITIES					
Equity attributable to owners of the parent					
Share capital	12	23,664	23,664	23,664	23,664
Accumulated losses		(14,563)	(10,822)	(7,818)	(7,825)
Merger reserve	13	8,526	8,526	-	-
		17,627	21,368	15,846	15,839
Non-controlling interests	7(c)	7,825	7,418	-	-
TOTAL EQUITY		25,452	28,786	15,846	15,839
LIABILITIES					
Non-current liabilities					
Lease liabilities	6	1,771	1,751	236	-
Deferred tax liabilities	14	2,259	2,482	-	-
Borrowing	15	11,955	-	-	-
		15,985	4,233	236	-
Current liabilities					
Lease liabilities	6	1,715	1,952	54	-
Trade and other payables	16	10,503	9,132	11,174	13,486
Current tax liabilities		116	70	-	-
		12,334	11,154	11,228	13,486
TOTAL LIABILITIES		28,319	15,387	11,464	13,486
TOTAL EQUITY AND LIABILITIES		53,771	44,173	27,310	29,325

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF PROFIT OR LOSS

For the Financial Year Ended 31 May 2024

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Revenue	17	31,442	30,564	4,655	-
Cost of sales		(25,292)	(23,218)	-	-
Gross profit		6,150	7,346	4,655	-
Other operating income		985	3,171	-	2,247
Administrative and other operating expenses		(6,688)	(8,609)	(2,474)	(4,113)
Finance costs	18	(297)	(432)	(302)	(307)
Net losses on impairment of financial assets		(2,006)	(257)	(1,872)	(182)
(Loss)/Profit before taxation		(1,856)	1,219	7	(2,355)
Taxation	19	(1,086)	(717)	-	-
(Loss)/Profit for the financial year		(2,942)	502	7	(2,355)
(Loss)/Profit attributable to:					
Owners of the parent		(3,741)	(385)	7	(2,355)
Non-controlling interests	7(c)	799	887	-	-
		(2,942)	502	7	(2,355)

	Note	Group	
		2024 Sen	2023 Sen
Basic and diluted:			
Loss per ordinary share	20	(0.79)	(0.08)

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF COMPREHENSIVE INCOME

For the Financial Year Ended 31 May 2024

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
(Loss)/Profit for the financial year		(2,942)	502	7	(2,355)
Other comprehensive income, net of tax		-	-	-	-
Total comprehensive (loss)/income		(2,942)	502	7	(2,355)
Total comprehensive (loss)/income attributable to:					
Owners of the parent		(3,741)	(385)	7	(2,355)
Non-controlling interests	7(c)	799	887	-	-
		(2,942)	502	7	(2,355)

The accompanying notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Financial Year Ended 31 May 2024

Group	Note	Share capital RM'000	Merger reserve RM'000	Accumulated losses RM'000	Total attributable to owners of the parent RM'000	Non-controlling interests RM'000	Total equity RM'000
As at 1 June 2022		23,664	8,526	(10,437)	21,753	6,531	28,284
(Loss)/Profit for the financial year		-	-	(385)	(385)	887	502
Other comprehensive income, net of tax		-	-	-	-	-	-
Total comprehensive (loss)/income		-	-	(385)	(385)	887	502
As at 31 May 2023/1 June 2023		23,664	8,526	(10,822)	21,368	7,418	28,786
(Loss)/Profit for the financial year		-	-	(3,741)	(3,741)	799	(2,942)
Other comprehensive income, net of tax		-	-	-	-	-	-
Total comprehensive (loss)/income		-	-	(3,741)	(3,741)	799	(2,942)
Transaction with owners							
Dividend paid to non-controlling interests of a subsidiary	7(d)	-	-	-	-	(392)	(392)
Total transaction with owners		-	-	-	-	(392)	(392)
As at 31 May 2024		23,664	8,526	(14,563)	17,627	7,825	25,452

The accompanying notes form an integral part of the financial statements.

STATEMENT OF CHANGES IN EQUITY

For the Financial Year Ended 31 May 2024

Company	Share capital RM'000	Accumulated losses RM'000	Total equity RM'000
As at 1 June 2022	23,664	(5,470)	18,194
Loss for the financial year	-	(2,355)	(2,355)
Other comprehensive income, net of tax	-	-	-
Total comprehensive loss	-	(2,355)	(2,355)
As at 31 May 2023/1 June 2023	23,664	(7,825)	15,839
Profit for the financial year	-	7	7
Other comprehensive income, net of tax	-	-	-
Total comprehensive income	-	7	7
As at 31 May 2024	23,664	(7,818)	15,846

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS

For the Financial Year Ended 31 May 2024

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES					
(Loss)/Profit before taxation		(1,856)	1,219	7	(2,355)
Adjustments for:					
Depreciation of property, plant and equipment	5	4,149	4,475	12	38
Depreciation of right-of-use assets	6	1,241	1,220	11	-
Dividend income from a subsidiary		-	-	(4,655)	-
Fair value gain on other investments		(22)	(34)	-	-
Gain on disposal of property, plant and equipment		(139)	(226)	-	-
Gain on termination of leases		(6)	-	-	-
Impairment loss on:					
- trade receivables	9(g)	134	75	-	-
- other receivables and deposits	9(g)	1,872	182	1,872	182
Interest expense	18	297	432	302	307
Interest income		(5)	(4)	-	-
Loss on liquidation of an associate	8	-	998	-	612
Reversal of impairment loss on investment in an associate	8	-	(2,069)	-	(2,069)
Unrealised loss/(gain) on foreign exchange		14	(74)	-	-
Operating profit/(loss) before changes in working capital		5,679	6,194	(2,451)	(3,285)
Working capital changes:					
Trade and other receivables		(448)	1,070	490	1,501
Trade and other payables		1,296	(510)	(209)	(334)
Cash generated from/(used in) operations		6,527	6,754	(2,170)	(2,118)
Tax (paid)/refunded		(1,193)	(1,613)	-	2
Net cash from/(used in) operating activities		5,334	5,141	(2,170)	(2,116)

STATEMENTS OF CASH FLOWS

For the Financial Year Ended 31 May 2024

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES					
Dividend received from a subsidiary		-	-	255	-
Interest received		5	4	-	-
Liquidation distribution received from an associate	8	-	3,290	-	3,290
Net advances from subsidiaries		-	-	2,581	2,505
Net advances from/(repayment to) related companies		1,321	(524)	1,021	(144)
Net repayments to holding company		(1,330)	(3,228)	(1,330)	(3,229)
Proceeds from disposal of property, plant and equipment		284	227	38	-
Proceeds from sale of other investments		-	1,600	-	-
Purchase of property, plant and equipment	5	(16,034)	(3,483)	(43)	-
Purchase of right-of-use assets		(37)	(45)	(37)	-
(Placement)/Withdrawal of deposits pledged pledged to a licensed bank		(3)	22	-	-
Net cash (used in)/from investing activities		(15,794)	(2,137)	2,485	2,422
CASH FLOWS FROM FINANCING ACTIVITIES					
Lease payments	6	(2,349)	(2,110)	(11)	-
Dividend paid to non-controlling interests of a subsidiary	7(d)	(392)	-	-	-
Interest paid		(112)	(256)	(300)	(307)
Drawdown/(Repayments) of borrowings		11,955	(510)	-	-
Net cash from/(used in) financing activities		9,102	(2,876)	(311)	(307)
Net (decrease)/increase in cash and cash equivalents		(1,358)	128	4	(1)
Effect of exchange rate changes on cash and cash equivalents		8	73	-	-
Cash and cash equivalents at beginning of financial year		5,822	5,621	4	5
Cash and cash equivalents at end financial year	11(c)	4,472	5,822	8	4

STATEMENTS OF CASH FLOWS

For the Financial Year Ended 31 May 2024

RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Borrowing					
As at 1 June 2023/2022		-	510	-	-
Cash flows		11,955	(510)	-	-
As at 31 May 2024/2023	15	11,955	-	-	-
Lease liabilities					
As at 1 June 2023/2022		3,703	3,141	-	-
Cash flows		(2,349)	(2,110)	(11)	-
Non-cash flows:					
- Additions		2,072	2,496	299	-
- Termination		(125)	-	-	-
- Unwinding of interest		185	176	2	-
As at 31 May 2024/2023	6	3,486	3,703	290	-

The accompanying notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

31 May 2024

1. CORPORATE INFORMATION

Ancom Logistics Berhad (“ALB” or “the Company”) is a public limited liability company, incorporated and domiciled in Malaysia, and listed on the ACE Market of Bursa Malaysia Securities Berhad.

The registered office of the Company is located at Unit C508, Block C, Kelana Square, Jalan SS 7/26, Kelana Jaya, 47301 Petaling Jaya, Selangor Darul Ehsan, Malaysia.

The principal place of business of the Company is located at No. 2A, Jalan 13/2, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia.

The holding company of the Company is Ancom Nylex Berhad (“ANB”), a company incorporated in Malaysia and listed on the Main Market of Bursa Malaysia Securities Berhad.

The consolidated financial statements for the financial year ended 31 May 2024 comprise the Company and its subsidiaries. These financial statements are presented in Ringgit Malaysia (“RM”), which is also the functional currency of the Company. All financial information presented in RM has been rounded to the nearest thousand, unless otherwise stated.

The financial statements were authorised for issue in accordance with a resolution by the Board of Directors on 30 August 2024.

2. PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities and the details of the subsidiaries are disclosed in Note 7 to the financial statements. There have been no significant changes in the nature of the activities of the Company and its subsidiaries during the financial year.

3. BASIS OF PREPARATION

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRSs”), IFRS Accounting Standards and the provisions of the Companies Act 2016 in Malaysia.

The accounting policies adopted are consistent with those of the previous financial year except for the effects of adoption of new MFRSs during the financial year. The new MFRSs and Amendments to MFRSs adopted during the financial year are disclosed in Note 26.1 to the financial statements.

The financial statements of the Group and of the Company have been prepared under the historical cost convention except as otherwise stated in the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

31 May 2024

4. OPERATING SEGMENTS

The Group is organised into business units based on their services, and has two reportable operating segments as follows:

- (i) The logistics segment is in the business of providing services such as rental and transportation services. It also includes freight forwarding, packing and crafting services.
- (ii) The other segment is involved in investment holding activities.

The Group evaluates performance on the basis of profit or loss from operations before taxation. These policies have been applied consistently throughout the current and previous financial years.

The Group's chief operating decision maker monitors the operating results of its business units separately for the purpose of making decisions on resource allocation and performance assessment.

The inter-segment assets are adjusted against the segment assets to arrive at total assets reported in the consolidated statement of financial position.

The inter-segment liabilities are adjusted against the segment liabilities to arrive at total liabilities reported in the consolidated statement of financial position.

The inter-segment revenue is eliminated on consolidation.

NOTES TO THE FINANCIAL STATEMENTS

31 May 2024

4. OPERATING SEGMENTS (CONTINUED)

(i) Operating segments

	Logistics		Others		Adjustments and eliminations		Total	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Revenue								
External customers	31,442	30,564	-	-	-	-	31,442	30,564
Inter-segment	-	-	4,655	-	(4,655)	-	-	-
Total revenue	31,442	30,564	4,655	-	(4,655)	-	31,442	30,564
Segment profit/(loss) before taxation	2,799	3,992	7	(2,355)	(4,662)	(418)	(1,856)	1,219
Interest income	193	68	-	-	(188)	(64)	5	4
Depreciation of property, plant and equipment	(4,137)	(4,437)	(12)	(38)	-	-	(4,149)	(4,475)
Depreciation of right-of-use assets	(1,230)	(1,220)	(11)	-	-	-	(1,241)	(1,220)
Interest expense	(183)	(189)	(302)	(307)	188	64	(297)	(432)
Other material non-cash items:								
- net losses on impairment of financial assets	(134)	(75)	(1,872)	(182)	-	-	(2,006)	(257)
- loss on liquidation of an associate	-	-	-	(612)	-	(386)	-	(998)
- reversal of impairment loss on investment in an associate	-	-	-	2,069	-	-	-	2,069
- gain on disposal of property, plant and equipment	139	226	-	-	-	-	139	226
Segment assets	55,129	45,279	27,306	29,325	(28,664)	(30,431)	53,771	44,173
Additions to property, plant and equipment	15,991	3,483	43	-	-	-	16,034	3,483
Segment liabilities	23,093	9,908	11,461	13,486	(6,235)	(8,007)	28,319	15,387

NOTES TO THE FINANCIAL STATEMENTS

31 May 2024

4. OPERATING SEGMENTS (CONTINUED)**(ii) Geographical segments**

In determining the geographical segments of the Group, revenue is based on the geographical location of external customers.

	Revenue	
	2024 RM'000	2023 RM'000
Malaysia	24,919	23,645
Singapore	6,385	6,290
Other Asian countries	138	629
	31,442	30,564

(iii) Major customer

Included in the Malaysia segment is revenue generated from a related company, Perusahaan Kimia Gemilang Sdn. Bhd. amounted to RM6,650,000 (2023: RM6,744,000).

5. PROPERTY, PLANT AND EQUIPMENT

Group	Balance as at 1.6.2023 RM'000	Additions RM'000	Reclassi- fication* RM'000	Disposals RM'000	Depreciation charge for the financial year RM'000	Balance as at 31.5.2024 RM'000
2024						
Carrying amount						
Freehold land	1,016	-	-	-	-	1,016
Buildings	1,970	-	-	-	(150)	1,820
Plant and machinery	7,199	458	-	-	(2,526)	5,131
Motor vehicles	5,844	542	709	(145)	(1,271)	5,679
Furniture, fittings and office equipment	442	96	-	-	(202)	336
Assets under construction	2,310	14,938	-	-	-	17,248
	18,781	16,034	709	(145)	(4,149)	31,230

	At 31.5.2024		
	Cost RM'000	Accumulated depreciation RM'000	Carrying amount RM'000
Freehold land	1,016	-	1,016
Buildings	4,099	(2,279)	1,820
Plant and machinery	57,273	(52,142)	5,131
Motor vehicles	20,416	(14,737)	5,679
Furniture, fittings and office equipment	3,632	(3,296)	336
Assets under construction	17,248	-	17,248
Renovations	26	(26)	-
	103,710	(72,480)	31,230

* The assets previously acquired under hire purchase arrangements were reclassified from right-of-use assets as the lease liabilities for those assets have been fully settled during the financial year.

NOTES TO THE FINANCIAL STATEMENTS

31 May 2024

5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Group	Balance as at 1.6.2022 RM'000	Additions RM'000	Reclassi- fication* RM'000	Disposals RM'000	Depreciation charge for the financial year RM'000	Balance as at 31.5.2023 RM'000
2023						
Carrying amount						
Freehold land	1,016	-	-	-	-	1,016
Buildings	2,121	-	-	-	(151)	1,970
Plant and machinery	9,041	878	-	-	(2,720)	7,199
Motor vehicles	5,345	163	1,528	(1)	(1,191)	5,844
Furniture, fittings and office equipment	723	132	-	-	(413)	442
Assets under construction	-	2,310	-	-	-	2,310
	18,246	3,483	1,528	(1)	(4,475)	18,781

	← At 31.5.2023 →		
	Cost RM'000	Accumulated depreciation RM'000	Carrying amount RM'000
Freehold land	1,016	-	1,016
Buildings	4,099	(2,129)	1,970
Plant and machinery	56,862	(49,663)	7,199
Motor vehicles	19,845	(14,001)	5,844
Furniture, fittings and office equipment	3,536	(3,094)	442
Assets under construction	2,310	-	2,310
Renovations	26	(26)	-
	87,694	(68,913)	18,781

* The assets previously acquired under hire purchase arrangements were reclassified from right-of-use assets as the lease liabilities for those assets have been fully settled during the financial year.

Company	Balance as at 1.6.2023 RM'000	Additions RM'000	Disposals RM'000	Depreciation charge for the financial year RM'000	Balance as at 31.5.2024 RM'000
2024					
Carrying amount					
Motor vehicles	12	38	(38)	(12)	-
Furniture, fittings and office equipment	-	5	-	-	5
	12	43	(38)	(12)	5

NOTES TO THE FINANCIAL STATEMENTS

31 May 2024

5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Company	At 31.5.2024		
	Cost RM'000	Accumulated depreciation RM'000	Carrying amount RM'000
2024			
Motor vehicles	365	(365)	-
Furniture, fittings and office equipment	5	-	5
	370	(365)	5

	Balance as at 1.6.2022 RM'000	Depreciation charge for the financial year RM'000	Balance as at 31.5.2023 RM'000
2023			

Carrying amount

Motor vehicles	50	(38)	12
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	At 31.5.2023		
	Cost RM'000	Accumulated depreciation RM'000	Carrying amount RM'000
Motor vehicles	365	(353)	12

(a) All items of property, plant and equipment are initially measured at cost. Cost includes expenditure that is directly attributable to the acquisition of the asset. After initial recognition, property, plant and equipment are stated at cost less any accumulated depreciation and any accumulated impairment losses.

(b) Depreciation is calculated to write down the cost of the assets to their residual values on a straight line basis over their estimated useful lives. The estimated useful lives represent common life expectancies applied in the various business segments of the Group. The principal depreciation periods and annual rates used are as follows:

Buildings	13 - 30 years
Plant and machinery	10 - 15%
Motor vehicles	10 - 20%
Furniture, fittings and office equipment	10 - 20%
Renovations	20 - 33%

Freehold land has unlimited useful life and is not depreciated. Assets under construction is not depreciated until such time when the asset is available for use.

(c) Included in the assets under construction of the Group is interest capitalised during the financial year of RM383,000 (2023: Nil).

NOTES TO THE FINANCIAL STATEMENTS

31 May 2024

6. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES**Right-of-use assets**

Group	Balance as at 1.6.2023 RM'000	Additions RM'000	Depreciation charge for the financial year RM'000	Termination RM'000	Reclassi- fication* RM'000	Balance as at 31.5.2024 RM'000
2024						
Carrying amount						
Land	1,062	-	(777)	(103)	-	182
Buildings	20	67	(39)	(7)	-	41
Motor vehicles	3,368	1,895	(401)	-	(709)	4,153
Plant and machinery	40	-	(18)	-	-	22
Office equipment	12	32	(6)	(9)	-	29
	4,502	1,994	(1,241)	(119)	(709)	4,427

	Balance as at 1.6.2022 RM'000	Additions RM'000	Depreciation charge for the financial year RM'000	Reclassi- fication* RM'000	Balance as at 31.5.2023 RM'000
2023					
Carrying amount					
Land	1,846	-	(784)	-	1,062
Buildings	45	16	(41)	-	20
Motor vehicles	2,807	2,462	(373)	(1,528)	3,368
Plant and machinery	5	53	(18)	-	40
Office equipment	6	10	(4)	-	12
	4,709	2,541	(1,220)	(1,528)	4,502

* The assets previously acquired under hire purchase arrangements were reclassified to property, plant and equipment as the lease liabilities for those assets have been fully settled during the financial year.

Company	Balance as at 1.6.2023 RM'000	Addition RM'000	Depreciation charge for the financial year RM'000	Balance as at 31.5.2024 RM'000
2024				
Carrying amount				
Motor vehicle	-	336	(11)	325

NOTES TO THE FINANCIAL STATEMENTS

31 May 2024

6. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONTINUED)**Lease liabilities**

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Balance as at 1 June 2023/2022	3,703	3,141	-	-
Additions	2,072	2,496	299	-
Interest expense	185	176	2	-
Lease payments	(2,349)	(2,110)	(11)	-
Termination	(125)	-	-	-
Balance as at 31 May 2024/2023	3,486	3,703	290	-
Represented by:				
Current liabilities	1,715	1,952	54	-
Non-current liabilities	1,771	1,751	236	-
	3,486	3,703	290	-
Lease liabilities owing to financial institutions	3,076	2,347	-	-
Lease liabilities owing to non-financial institutions	410	1,356	290	-
	3,486	3,703	290	-

- (a) The right-of-use assets are initially measured at cost, which comprise the initial amount of the lease liabilities adjusted for any lease payments made at or before the commencement date of the leases.

After initial recognition, right-of-use assets are stated at cost less accumulated depreciation and any accumulated impairment losses, and adjusted for any re-measurement of the lease liabilities.

- (b) The right-of-use assets are depreciated on the straight-line basis over the earlier of the estimated useful lives of the right-of-use assets or the end of the lease term. The lease terms of right-of-use assets are as follows:

Land	4 - 5 years
Buildings	1 - 2 years
Motor vehicles	3 years
Plant and machinery	3 years
Office equipment	2 - 5 years

- (c) The Group and the Company has certain leases of assets with lease term of twelve (12) months or less or low value leases of RM20,000 and below. The Group and the Company apply the "short-term lease" and "lease of low-value assets" exemption for these leases.

NOTES TO THE FINANCIAL STATEMENTS

31 May 2024

6. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONTINUED)

(d) The following are the amounts recognised in profit or loss:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Represented by:				
Depreciation of right-of-use assets (included in cost of sales and administrative expenses)	1,241	1,220	11	-
Interest expense on lease liabilities (included in finance costs)	185	176	2	-
Gain on termination of leases (included in other operating income)	(6)	-	-	-
Expense relating to short-term leases and leases of low-value assets (included in administrative expenses)	7	8	-	-
	1,427	1,404	13	-

(e) Total cash outflows of the Group and of the Company are as follows:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Included in net cash used in operating activities:				
Payments relating to short-term leases and leases of low-value assets	7	8	-	-
Included in net cash used in financing activities:				
Lease payments	2,349	2,110	11	-
	2,356	2,118	11	-

(f) Included in additions to lease liabilities of the Group is an amount of RM115,000 in relation to hire purchase financing approved in the current financial year for motor vehicles acquired in the previous financial year.

NOTES TO THE FINANCIAL STATEMENTS

31 May 2024

7. INVESTMENTS IN SUBSIDIARIES

	Company	
	2024 RM'000	2023 RM'000
Unquoted shares, at cost	22,474	22,474

(a) Investments in subsidiaries are measured at cost. Non-controlling interests are measured at their proportionate share of the net assets of subsidiaries, unless another measurement basis is required by MFRS.

(b) The details of the subsidiaries are as follows:

Name of company	Principal place of business/ Country of incorporation	Effective interest in equity		Principal activities
		2024 %	2023 %	
Synergy Trans-Link Sdn. Bhd.	Malaysia	100	100	Investment holding
Subsidiaries of Synergy Trans-Link Sdn. Bhd.				
Ancom Nylex Terminals Sdn. Bhd. ("ANT")	Malaysia	51	51	Build, own, operate, lease and manage chemical tank farm and warehouse
Pengangkutan Cogent Sdn. Bhd.	Malaysia	100	100	Providing transportation and related services

(c) The subsidiary of the Group that has non-controlling interests ("NCI") are as follows:

	Group	
	2024 RM'000	2023 RM'000
NCI percentage of ownership interest and voting interest	49%	49%
Carrying amount of NCI	7,825	7,418
Profit allocated to NCI/Total comprehensive income allocated to NCI	799	887

NOTES TO THE FINANCIAL STATEMENTS

31 May 2024

7. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

- (d) The summarised financial information before intra-group elimination of ANT which has NCI that are material to the Group is as follows:

	2024	2023
	RM'000	RM'000
Assets and liabilities		
Non-current assets	23,032	11,053
Current assets	8,907	7,587
Non-current liabilities	(12,907)	(1,693)
Current liabilities	(3,063)	(1,808)
Net assets	15,969	15,139
Results		
Revenue	11,544	11,645
Profit for the financial year	1,630	1,810
Total comprehensive income	1,630	1,810
Cash flows from operating activities	5,740	5,632
Cash flows used in investing activities	(17,486)	(3,920)
Cash flows from/(used in) financing activities	10,162	(1,505)
Net (decrease)/increase in cash and cash equivalents	(1,584)	207
Dividend paid to NCI	392	-

8. INVESTMENT IN AN ASSOCIATE

The liquidation of Tamco Chongqing Switchgear Company Limited has been completed in the previous financial year. The Group and the Company received a cash liquidation distribution of RM3,290,000 and reversed an impairment loss of RM2,069,000 and recognised a loss on liquidation of RM998,000 and RM612,000 respectively.

NOTES TO THE FINANCIAL STATEMENTS

31 May 2024

9. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Non-current				
Other receivable				
Deposit	4,958	-	4,958	-
Less: Impairment loss	(1,509)	-	(1,509)	-
Total non-current receivable	3,449	-	3,449	-
Current				
Trade receivables				
Third parties	3,929	3,688	-	-
Amounts owing by related companies	1,458	1,226	-	-
	5,387	4,914	-	-
Less: Impairment loss	(428)	(294)	-	-
	4,959	4,620	-	-
Other receivables				
Amounts owing by related companies	685	765	-	280
Amount owing by a subsidiary	-	-	25	-
Other receivables	208	114	1	11
Deposits	1,642	7,120	1,543	7,001
	2,535	7,999	1,569	7,292
Less: Impairment loss	(536)	(463)	(534)	(461)
	1,999	7,536	1,035	6,831
Total current receivables	6,958	12,156	1,035	6,831
Prepayments	2,006	1,638	10	-
Total current receivables and other assets	8,964	13,794	1,045	6,831
Total non-current and current receivables	10,407	12,156	4,484	6,831

- (a) Total non-current and current receivables are classified as financial assets measured at amortised cost.
- (b) Trade receivables are non-interest bearing and the normal trade credit terms granted by the Group range from 30 to 60 days (2023: 30 to 60 days) from the date of invoice. They are recognised at their original invoice amounts, which represent their fair values on initial recognition.
- (c) Amounts owing by a subsidiary and related companies in other receivables represent advances and expenses paid on behalf, which are unsecured, interest-free and repayable within next twelve (12) months or upon demand in cash and cash equivalents.

NOTES TO THE FINANCIAL STATEMENTS

31 May 2024

9. TRADE AND OTHER RECEIVABLES (CONTINUED)

(d) Included in deposits of the Group and of the Company is refundable deposits owing by a third party amounting to RM6,500,000 (2023: RM7,000,000), which the Group and the Company have recognised impairment losses of RM1,872,000 (2023: RM171,000) during the financial year. The carrying amount of non-current receivable is reasonable approximation of fair value due to insignificant impact of discounting.

(e) The currency exposure profile of total non-current and current receivables is as follows:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Ringgit Malaysia	9,914	11,419	4,484	6,831
Singapore Dollar	493	737	-	-
	10,407	12,156	4,484	6,831

(f) Recognition and measurement of impairment loss

Impairment for trade receivables that do not contain a significant financing component are recognised based on the simplified approach using the lifetime expected credit losses.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of the asset, while 12-month expected credit losses are the portion of expected credit losses ("ECL") that result from default events that are possible within the twelve (12) months after the reporting date. The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group and the Company are exposed to credit risk.

The Group uses an allowance matrix to measure the expected credit loss of trade receivables based on grouping of customers sharing the same credit risk characteristics and past due days. Expected loss rates are calculated using the roll rate method separately for exposures in different segments based on geographic region.

During this process, the probability of non-payment by the trade receivables is adjusted by forward-looking information on macroeconomic factors, which the Group has identified as consumer price index, inflation rate and producer price index and multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, which are reported net, such impairments are recorded in a separate impairment account with the loss being recognised in the statements of profit or loss. On confirmation that the trade receivable would not be collectable, the gross carrying value of the asset would be written off against the associated impairment.

The individual assessment of impairment of trade receivables are separately assessed when it is probable that cash due will not be received in full.

It requires management to exercise significant judgement in determining the probability of default by trade receivables and appropriate forward-looking information.

NOTES TO THE FINANCIAL STATEMENTS

31 May 2024

9. TRADE AND OTHER RECEIVABLES (CONTINUED)

(f) Recognition and measurement of impairment loss (continued)

Lifetime expected credit loss provision for trade receivables of the Group are as follows:

	Gross carrying amount RM'000	Expected credit loss RM'000	Net carrying amount RM'000
2024			
Collective assessment			
Not past due	4,247	(169)	4,078
Past due			
1 to 30 days	481	(54)	427
31 to 60 days	311	(63)	248
Over 60 days	348	(142)	206
	1,140	(259)	881
	5,387	(428)	4,959
2023			
Collective assessment			
Not past due	4,322	(174)	4,148
Past due			
1 to 30 days	207	(4)	203
31 to 60 days	258	(19)	239
Over 60 days	127	(97)	30
	592	(120)	472
	4,914	(294)	4,620

During the financial year, the Group did not renegotiate the terms of any trade receivables.

Impairment for other receivables and non-trade inter-company balances are recognised based on the general approach within MFRS 9 using the forward-looking expected credit loss model. The methodology used to determine the amount of the impairment is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. For balances in which the credit risk has not increased significantly since initial recognition of the financial asset, 12-month expected credit losses along with gross interest income are recognised. For balances in which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. At the end of the reporting period, the Group and the Company assess whether there has been a significant increase in credit risk for financial assets by comparing the risk for default occurring over the expected life with the risk of default since initial recognition. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

NOTES TO THE FINANCIAL STATEMENTS

31 May 2024

9. TRADE AND OTHER RECEIVABLES (CONTINUED)

(f) Recognition and measurement of impairment loss (continued)

The Group and the Company defined significant increase in credit risk as twenty percent (20%) on relative basis and including operating performance of the receivables, payment delays and past due information.

The probability of non-payment by other receivables and non-trade inter-company balances are adjusted by forward-looking information on macroeconomic factors, which the Group and the Company has identified as consumer price index, inflation rate and producer price index and multiplied by the amount of the expected loss arising from default to determine the 12-month or lifetime expected credit loss for other receivables and non-trade inter-company balances.

The carrying amount of the financial asset is reduced through the use of an allowance for impairment loss account and the amount of the impairment loss is recognised in the statements of profit or loss. When a financial asset becomes uncollectible, it is written off against the allowance for impairment loss account.

(g) Movements in impairment allowance are as follows:

	Lifetime ECL		
	Group		
Trade receivables	2024	2023	
	RM'000	RM'000	
As at 1 June 2023/2022	294	219	
Charge for the financial year	134	75	
As at 31 May 2024/2023	428	294	
	12-month	Lifetime	Total
	ECL	ECL	RM'000
Other receivables and deposits	RM'000	RM'000	RM'000
Group			
As at 1 June 2023	173	290	463
Charge for the financial year	-	1,872	1,872
Transferred to lifetime ECL	(171)	171	-
Written off	-	(290)	(290)
As at 31 May 2024	2	2,043	2,045
As at 1 June 2022	281	-	281
Charge for the financial year	171	11	182
Transferred to lifetime ECL	(279)	279	-
As at 31 May 2023	173	290	463

NOTES TO THE FINANCIAL STATEMENTS

31 May 2024

9. TRADE AND OTHER RECEIVABLES (CONTINUED)

(g) Movements in impairment allowance are as follows:(continued)

Other receivables and deposits	12-month ECL RM'000	Lifetime ECL RM'000	Total RM'000
Company			
As at 1 June 2023	211	250	461
Charge for the financial year	-	1,872	1,872
Transferred to lifetime ECL	(171)	171	-
Written off	(40)	(250)	(290)
As at 31 May 2024	-	2,043	2,043
As at 1 June 2022	-	279	279
Charge for the financial year	211	(29)	182
As at 31 May 2023	211	250	461

Credit impaired refers to individually determined receivables who are in significant financial difficulties and have defaulted on payments to be impaired as at the end of the reporting period.

A receivable is considered as default when such customer did not perform their obligation to make payment within the period granted or allowed.

(h) Information on financial risks of trade and other receivables is disclosed in Note 21 to the financial statements.

10. OTHER INVESTMENTS

	Group	
	2024 RM'000	2023 RM'000
Current		
Unit trusts	688	666

(a) Unit trusts are classified as fair value through profit or loss and measured at fair value categorised as Level 1 of the fair value hierarchy. Fair value of unit trusts is determined by reference to closing price at the end of the reporting period.

(b) Information on financial risks of other investments is disclosed in Note 21 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

31 May 2024

11. CASH AND BANK BALANCES

Cash and bank balances comprise the following as at the end of each reporting period:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Cash and bank balances	4,472	5,822	8	4
Deposits with a licensed bank	136	133	-	-
	4,608	5,955	8	4

- (a) Deposits with a licensed bank of the Group amounting to RM136,000 (2023: RM133,000) have been pledged to a licensed bank for bank guarantee facilities granted to a subsidiary of the Group.
- (b) The currency exposure profile of cash and bank balances is as follows:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Ringgit Malaysia	2,813	5,150	8	4
Singapore Dollar	1,795	805	-	-
	4,608	5,955	8	4

- (c) For the purpose of the statements of cash flows, cash and cash equivalents comprise the following as at the end of each reporting period:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Cash and bank balances	4,608	5,955	8	4
Less:				
Deposits pledged with a licensed bank	(136)	(133)	-	-
	4,472	5,822	8	4

- (d) No expected credit losses were recognised arising from the bank balances because the probability of default by these financial institutions were negligible.
- (e) Information on financial risks of cash and bank balances is disclosed in Note 21 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

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12. SHARE CAPITAL

	Group and Company			
	2024		2023	
	Number of shares '000	RM'000	Number of shares '000	RM'000
Issued and fully paid with no par value:				
At beginning/end of the financial year	473,286	23,664	473,286	23,664

The owners of the parent are entitled to receive dividends as and when declared by the Company and are entitled to one vote per ordinary share at meetings of the Company. All ordinary shares rank pari passu with regard to the residual assets of the Company.

13. MERGER RESERVE

	Group	
	2024 RM'000	2023 RM'000
Merger reserve	8,526	8,526

Merger reserve arose from the acquisition of certain subsidiaries in previous financial years that was accounted for under the pooling of interest method.

14. DEFERRED TAX LIABILITIES

(a) The deferred tax liabilities are made up of the following:

	Group	
	2024 RM'000	2023 RM'000
As at 1 June 2023/2022	2,482	3,212
Recognised in profit or loss (Note 19)	(223)	(730)
As at 31 May 2024/2023	2,259	2,482

NOTES TO THE FINANCIAL STATEMENTS

31 May 2024

14. DEFERRED TAX LIABILITIES (CONTINUED)

- (b) The components and movements of deferred tax liabilities and assets of the Group during the financial year prior to offsetting are as follows:

Deferred tax liabilities of the Group

	Property, plant and equipment	
	2024 RM'000	2023 RM'000
As at 1 June 2023/2022	2,861	3,553
Recognised in profit or loss	(197)	(692)
As at 31 May 2024/2023	2,664	2,861

Deferred tax assets of the Group

	Others	
	2024 RM'000	2023 RM'000
As at 1 June 2023/2022	(379)	(341)
Recognised in profit or loss	(26)	(38)
As at 31 May 2024/2023	(405)	(379)

15. BORROWING

	Group	
	2024 RM'000	2023 RM'000
Secured		
Non-current		
Term loan	11,955	-

- (a) Borrowing is classified as financial liability measured at amortised cost.
- (b) Term loan of the Group is secured by the corporate guarantee provided by the holding company.
- (c) Borrowing is denominated in Ringgit Malaysia.
- (d) Information on financial risks of borrowing is disclosed in Note 21 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

31 May 2024

16. TRADE AND OTHER PAYABLES

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Trade payables				
Third parties	3,003	1,738	-	-
Amount owing to a related company	5	19	-	-
	3,008	1,757	-	-
Other payables				
Other payables	326	304	66	75
Accruals	1,724	1,816	173	373
Amount owing to holding company	2,898	4,228	2,838	4,168
Amounts owing to related companies	2,547	1,027	1,885	864
Amounts owing to subsidiaries	-	-	6,212	8,006
	7,495	7,375	11,174	13,486
	10,503	9,132	11,174	13,486

- (a) Trade and other payables are classified as financial liabilities measured at amortised cost.
- (b) Trade payables are non-interest bearing and the normal trade credit terms granted to the Group ranges from 30 to 90 days (2023: 30 to 90 days) from date of invoice.
- (c) Amount owing to holding company represents advances and expenses paid on behalf, which is unsecured, interest-free and repayable within next twelve (12) months or upon demand in cash and cash equivalents except for an amount of RM2,838,000 (2023: RM4,168,000), which bears interest of 4.5% (2023: 4.5%) per annum.
- (d) Amounts owing to subsidiaries represent advances and expenses paid on behalf, which are unsecured, interest-free and repayable within next twelve (12) months or upon demand in cash and cash equivalents except for an amount of RM4,451,000 (2023: RM2,263,000), which bears interest of 4.5% (2023: 4.5%) per annum.
- (e) Amounts owing to related companies in other payables represent advances and expenses paid on behalf, which are unsecured, interest-free and repayable within next twelve (12) months or upon demand in cash and cash equivalents.
- (f) The currency exposure profile of trade and other payables is as follows:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Ringgit Malaysia	10,476	9,087	11,174	13,486
Singapore Dollar	27	45	-	-
	10,503	9,132	11,174	13,486

- (g) Information on financial risks of trade and other payables is disclosed in Note 21 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

31 May 2024

17. REVENUE

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Revenue from contract with customers				
Services rendered, recognised at a point in time	20,675	19,805	-	-
Other revenue				
Rental income	10,767	10,759	-	-
Dividend income	-	-	4,655	-
	31,442	30,564	4,655	-

(a) Services rendered

Revenue in respect of the rendering of services arose from the logistics segment and is recognised at a point in time when the services have been rendered to the customer.

(b) Rental income

Rental income is accounted for on a straight-line basis over the lease term of an ongoing lease.

(c) Dividend income

Dividend income is recognised when the right to receive payment is established.

18. FINANCE COSTS

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Interest expense:				
- term loan	-	13	-	-
- lease liabilities	185	176	2	-
- amount owing to holding company	112	243	112	243
- amount owing to a subsidiary	-	-	188	64
	297	432	302	307

NOTES TO THE FINANCIAL STATEMENTS

31 May 2024

19. TAXATION

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Current income tax	1,386	1,483	-	-
Over provision in prior years	(77)	(36)	-	-
	1,309	1,447	-	-
Deferred tax (Note 14)				
Relating to origination and reversal of temporary differences	(355)	(202)	-	-
Under/(Over) provision in prior years	132	(528)	-	-
	(223)	(730)	-	-
	1,086	717	-	-

The numerical reconciliations between the taxation and the product of accounting (loss)/profit multiplied by the applicable tax rates of the Group and of the Company are as follows:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
(Loss)/Profit before taxation	(1,856)	1,219	7	(2,355)
Taxation at statutory tax rate of 24% (2023: 24%)	(445)	293	2	(565)
Tax effects in respect of:				
- Expenses not deductible for tax purposes	1,489	1,553	1,115	1,104
- Income not subject to tax	(13)	(565)	(1,117)	(539)
(Over)/Under provision in prior years:				
- income tax	(77)	(36)	-	-
- deferred tax	132	(528)	-	-
	1,086	717	-	-

Malaysian income tax is calculated at the statutory tax rate of 24% (2023: 24%) of the estimated taxable profit for the fiscal year.

NOTES TO THE FINANCIAL STATEMENTS

31 May 2024

20. LOSS PER ORDINARY SHARE

(a) Basic loss per ordinary share

The basic loss per ordinary share for the financial year has been calculated based on the consolidated loss for the financial year attributable to owners of the parent and the weighted average number of ordinary shares in issue during the financial year.

	Group	
	2024	2023
Loss attributable to owners of the parent (RM'000)	(3,741)	(385)
Weighted average number of ordinary shares in issue ('000)	473,286	473,286
Basic loss per ordinary share for the financial year (sen)	(0.79)	(0.08)

(b) Diluted loss per ordinary share

The Group has no potential ordinary shares in issue at the end of the reporting period and therefore, diluted loss per ordinary share equals basic loss per ordinary share.

21. CAPITAL AND FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

(a) Capital management

The primary objective of the Group's capital management is to ensure that entities of the Group would be able to continue as going concern while it maintains acceptable capital ratios in order to support its business and maximise shareholders value. The overall strategy of the Group remains unchanged from that in the previous financial year.

The Group manages its capital structure and makes adjustments to it in response to changes in economic conditions. In order to maintain or adjust the capital structure, the Group may adjust dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the financial years ended 31 May 2024 and 31 May 2023.

The Group monitors capital using a gearing ratio. This ratio is calculated as total debts divided by total equity. Total debts are calculated as total borrowing and lease liabilities owing to financial institutions. Total equity represents equity attributable to the owners of the parent.

	Group	
	2024	2023
	RM'000	RM'000
Total debts	15,031	2,347
Total equity attributable to owners of the parent	17,627	21,368
Gearing ratio	0.85	0.11

NOTES TO THE FINANCIAL STATEMENTS

31 May 2024

21. CAPITAL AND FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) Capital management (continued)

Pursuant to the requirements of Guidance Note No.3/2006 of the Bursa Malaysia Securities Berhad, the Group is required to maintain a shareholders' equity equal to or not less than twenty-five percent (25%) of the issued and paid-up capital of the Company.

The Company has complied with this requirement during the financial year ended 31 May 2024. The Company is not subject to any other externally imposed capital requirements.

(b) Financial risk management

The Group's activities expose it to a variety of financial risks, including foreign currency risk, interest rate risk, liquidity and cash flow risk, credit risk and market risk. The Group's overall financial risk management objective is to ensure that the Group creates value for its shareholders. The Group focuses on unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group.

Financial risk management is carried out through risk reviews, internal control systems and adherence to the Group's financial risk management policies.

It is, and has been throughout the financial year under review, the Group's policy that no trading in financial instruments shall be undertaken.

Management reviews and agrees policies for managing each of these risks and these are summarised below:

(i) Foreign currency risk

The Group is exposed to foreign currency risk as a result of its normal trading activities, where the currency denomination differs from the functional currency, Ringgit Malaysia.

The Group also holds cash and bank balances denominated in foreign currency for working capital purposes.

The exposure of the Group to foreign currency risk is monitored on an on-going basis to ensure the net exposure is at an acceptable level.

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity analysis of the Group to a reasonably possible change in the Singapore Dollar ("SGD") exchange rate against the functional currency of the Group, with all other variables held constant.

(Loss)/Profit after taxation	Group	
	2024	2023
	RM'000	RM'000
SGD/RM - strengthen by 10% (2023: 10%)	(172)	114
- weaken by 10% (2023: 10%)	172	(114)

NOTES TO THE FINANCIAL STATEMENTS

31 May 2024

21. CAPITAL AND FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(b) Financial risk management (continued)

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and of the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group's and the Company's income and operating cash flows are substantially independent of changes in market interest rates. Interest rate exposure arises mainly from borrowing, lease liabilities, deposits with a licensed bank, amount owing to holding company and amount owing to a subsidiary. The Group and the Company does not use derivative financial instruments to hedge this risk.

Sensitivity analysis for interest rate risk

In view of the insignificant financial effect on the Group's (loss)/profit after taxation with the possible change in interest rates, the management did not separately disclose the effect of this sensitivity in the financial statements.

The following tables set out the carrying amounts, the effective annual interest rates as at the end of reporting date and the remaining maturities of the Group's and of the Company's financial instruments that are exposed to interest rate risk:

Group	Note	Effective annual interest rates %	Within one year RM'000	One to five years RM'000	More than five years RM'000	Total RM'000
2024						
Fixed rates						
Deposits with a licensed bank	11	2.60 - 3.00	136	-	-	136
Lease liabilities	6	2.56 - 5.90	1,715	1,771	-	3,486
Amount owing to holding company	16	4.50	2,838	-	-	2,838
Floating rate						
Borrowing	15	5.86	-	5,041	6,914	11,955
2023						
Fixed rates						
Deposits with a licensed bank	11	2.00 - 2.75	133	-	-	133
Lease liabilities	6	5.04 - 5.90	1,952	1,751	-	3,703
Amount owing to holding company	16	4.50	4,168	-	-	4,168

NOTES TO THE FINANCIAL STATEMENTS

31 May 2024

21. CAPITAL AND FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(b) Financial risk management (continued)

(ii) Interest rate risk (continued)

The following tables set out the carrying amounts, the incremental borrowing rates or the effective annual interest rates as at the end of reporting date and the remaining maturities of the Group's and of the Company's financial instruments that are exposed to interest rate risk: (continued)

Company	Note	Effective annual interest rates %	Within one year RM'000	One to five years RM'000	Total RM'000
2024					
Fixed rates					
Lease liabilities	6	2.56	54	236	290
Amount owing to holding company	16	4.50	2,838	-	2,838
Amount owing to a subsidiary	16	4.50	4,451	-	4,451
2023					
Fixed rates					
Amount owing to holding company	16	4.50	4,168	-	4,168
Amount owing to a subsidiary	16	4.50	2,263	-	2,263

(iii) Liquidity and cash flow risk

It is the Group's policy to ensure continuity in servicing its cash obligations in the future by way of measuring and forecasting its cash commitments, monitoring and maintaining a level of cash and cash equivalents deemed adequate for the Group's operations.

As at 31 May 2024, the current liabilities of the Company exceeded its current assets by RM10.2 million. The Company has sufficient cash flows from its business activities and the Company has been provided with undertakings not to demand repayment by the holding company, subsidiaries and a related company which amounted to RM10.9 million unless the Company has sufficient funds to permit repayments. Therefore, the Directors are confident that the Company is able to meet its obligations as and when they fall due.

NOTES TO THE FINANCIAL STATEMENTS

31 May 2024

21. CAPITAL AND FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(b) Financial risk management (continued)

(iii) Liquidity and cash flow risk (continued)

The table below summarises the maturity profile of the Group's and of the Company's liabilities at the end of the reporting period based on contractual undiscounted repayment obligations.

	On demand or within one year RM'000	One to five years RM'000	More than five years RM'000	Total RM'000
2024				
Group				
Financial liabilities				
Trade and other payables	10,503	-	-	10,503
Borrowing	703	7,047	8,064	15,814
Lease liabilities	1,854	1,852	-	3,706
Total undiscounted financial liabilities	13,060	8,899	8,064	30,023
Company				
Financial liabilities				
Trade and other payables	11,174	-	-	11,174
Lease liabilities	67	258	-	325
Total undiscounted financial liabilities	11,241	258	-	11,499
2023				
Group				
Financial liabilities				
Trade and other payables	9,132	-	-	9,132
Lease liabilities	2,102	1,822	-	3,924
Total undiscounted financial liabilities	11,234	1,822	-	13,056
Company				
Financial liabilities				
Trade and other payables	13,486	-	-	13,486
Total undiscounted financial liabilities	13,486	-	-	13,486

NOTES TO THE FINANCIAL STATEMENTS

31 May 2024

21. CAPITAL AND FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(b) Financial risk management (continued)

(iv) Credit risk

Cash deposits and receivables may give rise to credit risk, which requires the loss to be recognised if a counter party failed to perform as contracted. It is the Group's policy to monitor the financial standing of these counter parties on an ongoing basis to ensure that the Group is exposed to minimal credit risk.

Exposure to credit risk

At the end of the reporting period, the Group's and the Company's maximum exposure to credit risk is represented by the carrying amount of each of the financial assets recognised in the statements of financial position.

The Group's primary exposure to credit risk arises through its trade receivables details of which are disclosed in Note 9 to the financial statements.

Credit risk concentration profile

At the end of the reporting period, the Group and the Company do not have any significant exposure to any individual customer or counter party nor do they have any major concentration of credit risk related to any financial instruments except for a refundable deposit of RM6,500,000 (2023: RM7,000,000) by a third party.

(v) Market risk

Market risk is the risk that the fair value or future cash flows of the financial instruments of the Group would fluctuate because of changes in market prices (other than interest or exchange rate).

The Group is exposed to equity price risks arising from investment held by the Group. The instrument is classified as financial asset designated at fair value through profit or loss.

Sensitivity analysis for other investments is not disclosed as it is immaterial to the Group.

22. RELATED PARTY DISCLOSURES

(a) Identities of related parties

Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties could be individuals or other entities.

The Company has controlling related party relationship with its direct and indirect subsidiaries as disclosed in Note 7 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

31 May 2024

22. RELATED PARTY DISCLOSURES (CONTINUED)

- (b) In addition to the transactions detailed elsewhere in the financial statements, the Group and the Company had the following transactions with related parties during the financial year:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Holding company:				
Interest paid	112	243	112	243
Related companies:				
Rendering of services	7,677	7,728	-	-
Management services	1,226	1,093	986	853
Purchase of services	560	37	-	-
Subsidiaries:				
Interest paid	-	-	188	64
Dividend received	-	-	4,655	-

The Directors of the Group and of the Company are of the opinion that the above transactions were carried out based on negotiated terms and conditions and mutually agreed with the related parties.

- (c) Compensation of key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity, directly and indirectly, including any Director (whether executive or otherwise) of the Group and of the Company.

The remuneration of Directors and other key management personnel of the Group and of the Company during the financial year was as follows:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Fees	320	315	320	301
Short-term employee benefits	1,154	995	377	284
Defined contribution plan	108	62	38	-
Other emoluments	22	16	19	16
Benefits-in-kind	12	17	12	11
	1,616	1,405	766	612

NOTES TO THE FINANCIAL STATEMENTS

31 May 2024

23. CAPITAL COMMITMENTS

Capital commitments not provided for in the financial statements are as follows:

	Group	
	2024 RM'000	2023 RM'000
In respect of purchase of property, plant and equipment:		
Contracted but not provided for	8,761	21,752
Approved but not contracted for	959	-
	9,720	21,752

24. EMPLOYEE BENEFITS

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Salaries and wages	7,561	7,056	652	785
Defined contribution plan	753	663	49	46
Other benefits	475	476	3	2
	8,789	8,195	704	833

25. GUARANTEES

	Group	
	2024 RM'000	2023 RM'000
Bank guarantees given by financial institutions for working capital	810	810

The bank guarantees of the Group are secured by means of corporate guarantee issued by the holding company and deposits with a licensed bank of the Group as disclosed in Note 11 to the financial statements.

The Group designates guarantees as insurance contracts as defined in MFRS 4 *Insurance Contracts*.

All the above unexpired guarantees were not recognised as the Directors are of the view that the fair value of such guarantees given by the Group is negligible.

NOTES TO THE FINANCIAL STATEMENTS

31 May 2024

26. ADOPTION OF NEW MFRSs AND AMENDMENTS TO MFRSs**26.1 New MFRSs and Amendments to MFRSs adopted during the financial year**

The Group and the Company adopted the following Standard and Amendments to MFRS Framework that were issued by the Malaysian Accounting Standards Board (“MASB”) during the financial year:

Title	Effective Date
MFRS 17 <i>Insurance Contracts</i>	1 January 2023
Amendments to MFRS 17 <i>Initial Application of MFRS 17 and MFRS 9 - Comparative Information</i>	1 January 2023
Amendments to MFRS 101 <i>Disclosure of Accounting Policies</i>	1 January 2023
Amendments to MFRS 108 <i>Definition of Accounting Estimates</i>	1 January 2023
Amendments to MFRS 112 <i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>	1 January 2023
Amendments to MFRS 112 <i>International Tax Reform - Pillar Two Model Rules</i>	Refer paragraph 98M of MFRS 112

Adoption of the above Standard and Amendments did not have any material effect on the financial performance or position of the Group and of the Company.

26.2 New MFRSs and Amendments to MFRSs that have been issued, but only effective for annual periods beginning on or after 1 January 2024

The following are Standards and Amendments to MFRS Framework that have been issued by the MASB but have not been early adopted by the Group and the Company:

Title	Effective Date
Amendments to MFRS 16 <i>Lease Liability in a Sale and Leaseback</i>	1 January 2024
Amendments to MFRS 101 <i>Classification of Liabilities as Current or Non-current</i>	1 January 2024
Amendments to MFRS 101 <i>Non-current Liabilities with Covenants</i>	1 January 2024
Amendments to MFRS 107 and MFRS 7 <i>Supplier Finance Arrangements</i>	1 January 2024
Amendments to MFRS 121 <i>Lack of Exchangeability</i>	1 January 2025
Amendments to MFRS 9 and MFRS 7 <i>Amendments to the Classification and Measurement of Financial Instruments</i>	1 January 2026
MFRS 18 <i>Presentation and Disclosure in Financial Statements</i>	1 January 2027
MFRS 19 <i>Subsidiaries without Public Accountability: Disclosure</i>	1 January 2027
Amendments to MFRS 10 and MFRS 128 <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred

The Group and the Company are in the process of assessing the impact of implementing these Standards and Amendments, since the effects would only be observable for the future financial years.

NOTES TO THE FINANCIAL STATEMENTS

31 May 2024

27. SIGNIFICANT EVENT DURING THE FINANCIAL YEAR AND SUBSEQUENT TO THE END OF THE REPORTING PERIOD

The Company and its holding company, ANB had entered into a Heads of Agreement (“HOA”) with Greenheart Sdn. Bhd. (“GSB”), Choong Wee Keong (“CWK”) and How Yoon For (“HYF”) for the following:

(GSB, CWK and HYF shall be collectively referred to as “Vendors” and the Company, ANB, and Vendors shall be collectively referred to as “Parties”)

- (i) proposed acquisition by the Company of the entire share capital of Green Lagoon Technology Sdn. Bhd. (“GLTSB”) from the Vendors for total consideration of RM120,000,000, subject to an independent valuation to be conducted on GLTSB during the due diligence and in return the Company shall issue 1,000,000,000 new ordinary shares in the Company (“ALB Share(s)” or “Share(s)”) at an issue price of RM0.12 per Share, that will be listed and tradeable in the ACE Market to the GLTSB shareholders (“Consideration Shares”) (“Proposed Acquisition”);
- (ii) proposed exemption under subparagraph 4.08(1)(a) of the Rules on Take-overs, Mergers and Compulsory Acquisitions to the Vendors, other shareholders of GLTSB and their person(s) acting in concert (collectively “PAC(s)”) under Sections 216(2) and 216(3) of the Capital Markets and Services Act 2007 from the obligation to undertake a mandatory offer for the remaining ALB Shares not already owned by them pursuant to the Proposed Acquisition (“Proposed Exemption”);
- (iii) proposed private placement of up to 183,333,334 new ALB Shares (or such other number of new ALB Shares as may be applicable) to ANB for the total sum of up to RM22,000,000.08 (or such other amount corresponding to such number of new ALB Shares to be issued), and to be settled in cash at the issue price of RM0.12 per Share provided that the total percentage of shareholding held by ANB directly and indirectly in the share capital of the Company on completion of the Proposed Acquisition shall not exceed such number of ALB Shares representing 21% of the entire issued and paid-up share capital of the Company (“Proposed Private Placement”); and
- (iv) proposed disposal by the Company of its direct subsidiary (i.e., Synergy Trans-Link Sdn. Bhd. and its subsidiaries, Pengangkutan Cogent Sdn. Bhd. and ANT) to ANB at an independent valuation to be conducted and agreed by the Company and ANB and upon such terms and conditions to be determined later. The consideration is to be satisfied in cash (“Proposed Disposal”).

(The Proposed Acquisition, Proposed Exemption, Proposed Private Placement and Proposed Disposal shall be collectively referred to as “Proposals”)

The Proposals have not been completed as at the date of this report.

ADDITIONAL COMPLIANCE INFORMATION

Utilisation of Proceeds

The Company did not raise proceeds from any corporate exercise during the financial year.

Audit Fee and Non-Audit Fee

The disclosure on audit fee and non-audit fee paid or payable to Messrs BDO PLT, the External Auditors of the Company, is in Page 59 to the financial statements.

Material Contracts Involving Directors'/Major Shareholders' Interests

There was no material contract (other than contracts entered into in the ordinary course of business) entered into by the Company and/or its subsidiaries which involves the interest of Directors or major shareholders, either still subsisting at the end of the financial year ended 31 May 2024 or entered into since the end of the previous financial year.

Recurrent Related Party Transactions ("RRPTs")

The aggregate value of RRPTs made during the financial year, pursuant to the shareholders' mandate obtained at last annual general meeting of the Company, is as follows:

Transacting Parties		Nature of transactions	Value of RRPTs (RM'000)	Interested Directors, major shareholders and connected persons
ALB Group	Related Parties			
ANT (Seller)	PKG, CKG and Fermpro (Buyer)	Charges for storage rental for liquid chemicals	4,059	Ancom Nylex Berhad and Dato' Siew Ka Wei
		Charges for handling of liquid chemicals for storage	345	
Cogent (Seller)	ACC, PKG, NSC, CKG and Fermpro (Buyer)	Charges for transportation services for liquid chemicals and others	2,591	

Notes:

- ANT - Ancom Nylex Terminals Sdn. Bhd.
- Cogent - Pengangkutan Cogent Sdn. Bhd.
- PKG - Perusahaan Kimia Gemilang Sdn. Bhd.
- CKG - CKG Chemicals Pte. Ltd.
- Fermpro - Fermpro Sdn. Bhd.
- ACC - Ancom Crop Care Sdn. Bhd.
- NSC - Nylex Specialty Chemicals Sdn. Bhd.

LIST OF PROPERTIES

Location	Tenure	Land area	Descriptions	Net book value as at 31 May 2024 (RM'000)	Date of acquisition / Revaluation
<u>Ancom Nylex Terminals Sdn. Bhd.</u>					
1. Jeti Petrokimia, Pelabuhan Barat Pelabuhan Klang Selangor	Unexpired lease period of 1 year <i>(Expiring on 31 August 2024)</i>	9.8 acres	Tank farm, office and warehouse Age of building: approximately 27 years	5,067	N/A
<u>Pengangkutan Cogent Sdn. Bhd.</u>					
2. PTD 149227 Jalan Berjaya 7 Taman Perindustrian Berjaya Johor Bahru, Johor	Freehold	6,070.3 sq.m.	Office building Age of building: approximately 15 years	2,610	2010

ANALYSIS OF SHAREHOLDINGS

as at 3 September 2024

NO. OF HOLDERS OF EACH CLASS OF EQUITY SECURITIES

Class of securities : Ordinary shares ("Shares")
 Total no. issued : 473,286,313
 No. of holders : 13,789
 Voting rights : One vote per Share on a poll

DISTRIBUTION SCHEDULE

Holdings	No. of Holders	Total Holdings	%
Less than 100	2,530	83,068	0.017
100 to 1,000	5,186	2,352,949	0.497
1,001 to 10,000	3,546	15,466,184	3.268
10,001 to 100,000	2,046	77,004,763	16.270
100,001 to less than 5% of issued Shares	477	223,836,872	47.294
5% and above of issued Shares	4	154,542,477	32.654
	13,789	473,286,313	100.000

SUBSTANTIAL HOLDERS

	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
Rhodemark Development Sdn. Bhd.	66,177,380	13.983	-	-
Synergy Tanker Sdn. Bhd.	64,504,192	13.629	-	-
Ancom Nylex Berhad	29,938,190	6.324	130,808,072 ^(a)	27.638
Dato' Siew Ka Wei	6	0.000	29,938,219 ^(b)	6.326

Note:

(a) Deemed interested by virtue of its direct interest in Synergy Tanker Sdn. Bhd., Ancom Properties Sdn. Bhd. and Rhodemark Development Sdn. Bhd.

(b) Deemed interested by virtue of his direct and indirect interest in Ancom Nylex Berhad and Silver Dollars Sdn. Bhd.

DIRECTORS' HOLDINGS

	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
Dato' Siew Ka Wei	6	0.000	29,938,219 ^(c)	6.326

Notes:

(c) Deemed interested by virtue of his direct and indirect interest in Ancom Nylex Berhad and Silver Dollars Sdn. Bhd.

ANALYSIS OF SHAREHOLDINGS

as at 3 September 2024

THIRTY LARGEST HOLDERS

(Without aggregating securities from different securities accounts belonging to the same person)

Name	No. of Shares	%
1. Kenanga Nominees (Tempatan) Sdn. Bhd. - Rhodemark Development Sdn. Bhd.	66,177,300	13.983
2. Kenanga Nominees (Tempatan) Sdn. Bhd. - Synergy Tanker Sdn. Bhd.	40,000,000	8.452
3. Synergy Tanker Sdn. Bhd.	24,504,192	5.177
4. Ancom Nylex Berhad	23,860,985	5.042
5. Mohd Johar Bin Arif	8,846,900	1.869
6. Kenanga Nominees (Tempatan) Sdn. Bhd. - Ancom Nylex Berhad	6,077,205	1.284
7. Affin Hwang Nominees (Asing) Sdn. Bhd. - Kong Hwai Ming	5,258,100	1.110
8. Mohamed Zaini Bin Amran	3,790,000	0.801
9. Chua Koon Meng	3,345,000	0.707
10. Chew Kok Siang	3,200,000	0.676
11. Lim Kim Loy	3,000,000	0.634
12. Tan Hee Tit	3,000,000	0.634
13. RHB Nominees (Tempatan) Sdn. Bhd. - Dato' Sri Ker Cherk Yee	2,847,900	0.602
14. Chua Siew Chen	2,743,100	0.580
15. Public Invest Nominees (Tempatan) Sdn. Bhd. - Phillip Securities Pte Ltd (Clients)	2,639,800	0.558
16. Tan Song Ing	2,600,000	0.549
17. Public Nominees (Tempatan) Sdn. Bhd. - Wong Fook Yew	2,594,200	0.548
18. Kian Nguk Ling	2,500,000	0.528
19. Maybank Nominees (Tempatan) Sdn. Bhd. - Lee Wah Yow	2,443,000	0.516
20. Loh Kah Guan	2,000,000	0.423
21. Maybank Nominees (Tempatan) Sdn. Bhd. - Mohd Zakri Bin Mohamad Nor	1,962,500	0.415
22. Yee Chin Chin	1,835,600	0.388
23. Lai Fook Hoy	1,770,004	0.374
24. HSBC Nominees (Asing) Sdn. Bhd. - The Hong Kong and Shanghai Banking Corporation Limited	1,750,000	0.370
25. Lee Wah Cheong	1,734,300	0.366
26. PTB Ventures Sdn. Bhd.	1,718,700	0.363
27. Lembaga Tabung Amanah Warisan Negeri Terengganu	1,676,500	0.354
28. Shahrudin Bin Mohamad Hashim	1,672,000	0.353
29. Cartaban Nominees (Asing) Sdn. Bhd. - Barclays Capital Securities Ltd	1,564,300	0.331
30. Kenanga Nominees (Tempatan) Sdn. Bhd. - Gan Kim Soon	1,550,000	0.327
Total	228,661,586	48.314

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 58th Annual General Meeting (“AGM”) of the Company will be conducted virtually through live streaming from the Broadcast Venue at No. 2A, Jalan 13/2, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia (“Broadcast Venue”) at 11.00 a.m. on Tuesday, 29 October 2024 using the Remote Participation and Voting facilities provided by the Company’s Share Registrars, Tricor Investor & Issuing House Services Sdn. Bhd. via TIH Online website at <https://tiah.online>, to transact the following businesses:

AGENDA

AS ORDINARY BUSINESS

- | | | |
|----|---|---|
| 1. | To receive the Audited Financial Statements for the financial year ended 31 May 2024 together with the Reports of the Directors and Auditors thereon. | (Please refer to Explanatory Note 1) |
| 2. | To re-elect the following Directors who are retiring by rotation pursuant to Clause 125 of the Company’s Constitution: | |
| | (i) Dato’ Abdul Latif Bin Abdullah | [Ordinary Resolution 1] |
| | (ii) Dato’ Siew Ka Wei | [Ordinary Resolution 2] |
| 3. | To approve the payment of Directors’ fees to the Non-Executive Directors for the financial year ending 31 May 2025, to be paid quarterly in arrears. | [Ordinary Resolution 3] |
| 4. | To approve the payment of Directors’ benefits (excluding Non-Executive Directors’ fees) to the Non-Executive Directors from the period from 29 October 2024 until the next annual general meeting of the Company. | [Ordinary Resolution 4] |
| 5. | To re-appoint Messrs BDO PLT as Auditors of the Company and to authorise the Directors to fix their remuneration. | [Ordinary Resolution 5] |

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following resolutions, with or without modification[s]:

- | | | |
|----|--|--------------------------------|
| 6. | ORDINARY RESOLUTION
PROPOSED RENEWAL OF SHAREHOLDERS’ MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS (“RRPTs”) OF A REVENUE OR TRADING NATURE | [Ordinary Resolution 6] |
|----|--|--------------------------------|

“THAT subject always to the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“Listing Requirements”), approval be and is hereby given to the Company and/or its subsidiaries to enter into the RRPTs of a revenue or trading nature with the related parties as specified in Section 2.4 of the Circular to Shareholders dated 30 September 2024, provided that such transactions are necessary for the Group’s day-to-day operations and carried out in the ordinary course of business at arm’s length basis and on normal commercial terms which are not more favourable to the related parties than those generally available to the public and are not detrimental to the interest of the minority shareholders of the Company.

NOTICE OF ANNUAL GENERAL MEETING

THAT the authority conferred by this mandate shall continue to be in force until:

- (i) the conclusion of the next annual general meeting of the Company, at which time it will lapse, unless by a resolution passed at that meeting, the authority is renewed;
- (ii) the expiration of the period within which the next annual general meeting is required to be held pursuant to Section 340(2) of the Companies Act 2016 (but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Companies Act 2016); or
- (iii) revoked or varied by a resolution passed by the Company's shareholders in a general meeting,

whichever is the earlier.

AND THAT the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as the Directors may consider expedient or necessary or in the best interest of the Company to give effect to this resolution."

7. **ORDINARY RESOLUTION
PROPOSED AUTHORITY TO ISSUE AND ALLOT SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016**

[Ordinary Resolution 7]

"THAT pursuant to Section 85 of the Companies Act 2016 and subject to the Constitution of the Company, the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and the approvals of the relevant governmental/regulatory authorities, where such approval is required, the Directors be and are hereby empowered to issue and allot shares in the Company from time to time, at such price, upon such terms and conditions, to such persons and for such purposes as the Directors may in their absolute discretion deem fit PROVIDED THAT the aggregate number of shares to be issued does not exceed ten percent (10%) of the total number of issued shares of the Company for the time being and that such authority shall continue to be in force until the conclusion of the next annual general meeting of the Company, AND THAT the Directors be authorised to do all such things as they deem fit and expedient in the best interest of the Company to give effect to the issuance of new shares under this resolution including making such applications to Bursa Securities for the listing of and quotation for the additional shares so issued on Bursa Securities pursuant to this resolution."

8. To transact any other business of which due notice shall have been given in accordance with the Constitution of the Company and the Companies Act 2016.

By Order of the Board,

CHOO SE ENG (MIA 5876) (SSM PC No. 202208000036)
STEPHEN GEH SIM WHYE (MICPA 1810) (SSM PC No. 201908001029)
Company Secretaries

Petaling Jaya
30 September 2024

NOTICE OF ANNUAL GENERAL MEETING

NOTES:

- (1) Pursuant to Section 327(2) of the Companies Act 2016, the Chairman will be present at the Broadcast Venue being the main venue of the AGM. Members will not be allowed to attend the AGM in person at the Broadcast Venue on the day of the meeting. Members are to participate, speak (via real time submission of typed texts only) and vote remotely. Please refer to the Administrative Guides for Shareholders which is available on the Company's website at <http://www.ancomlogistics.com.my/agm.php> on registration, participation and voting at the AGM.
- (2) Where a member is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991 which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
- (3) A member, including an authorised nominee, who is entitled to participate, speak and vote at the AGM may appoint not more than two (2) proxies to participate, speak and vote for him. A proxy may but need not be a member of the Company. There is no restriction as to the qualification of the proxy. Where a member, an authorised nominee or an exempt authorised nominee appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportion of his holding to be represented by each proxy in the Proxy Form.
- (4) In respect of deposited securities, only members whose names appear on the Record of Depositors as at 21 October 2024 shall be entitled to participate, speak and vote or appoint proxy(ies) to participate, speak and vote on their behalf at the AGM.
- (5) The appointment of proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Share Registrar of the Company at least forty-eight (48) hours before the time appointed for holding the AGM or any adjournment thereof:
 - (i) In hardcopy form
The Proxy Form may be deposited at the office of the Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn. Bhd. at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, at its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.
 - (ii) By electronic means
The Proxy Form can be electronically lodged with the Share Registrar of the Company via TIIH Online website at <https://tiih.online>. Please refer to the Administrative Guides for Shareholders on the appointment and registration of proxy for the AGM by electronic means.
- (6) Any authority pursuant to which such an appointment is made by a Power of Attorney must be deposited at the office of the Share Registrar of the Company indicated in (5)(i) above at least forty-eight (48) hours before the time appointed for holding the AGM or any adjournment thereof at which the person named in the appointment proposes to vote. A copy of the Power of Attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.
- (7) For a corporate member who has appointed an authorised representative, please deposit the ORIGINAL Certificate of Appointment of Authorised Representative ("Certificate") at the office of the Share Registrar of the Company at its address indicated in (5)(i) above before the time appointed for holding the AGM or any adjournment thereof at which the person named in the appointment proposes to vote. The Certificate should be executed in the following manner:
 - (i) If the corporate member has a Common Seal, the Certificate should be executed under seal in accordance with the constitution of the corporate member.
 - (ii) If the corporate member does not have a Common Seal, the Certificate should be affixed with the rubber stamp of the corporate member (if any) and executed by: (a) at least two (2) authorised officers, one of whom shall be a director; or, (b) any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.
- (8) A member who has appointed a proxy or attorney or authorised representative to participate in the AGM must request his proxy or attorney or authorised representative to register himself for the Remote Participation and Voting facilities at the Share Registrar's TIIH Online website at <https://tiih.online>. Please read and follow the procedures provided in the Administrative Guides for Shareholders.
- (9) Last date and time for lodging the Proxy Form and the Power of Attorney is Sunday, 27 October 2024 at 11.00 a.m..**
- (10) Pursuant to Rule 8.31A(1) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, all the resolutions set out in this Notice of AGM will be put to vote by way of poll.

NOTICE OF ANNUAL GENERAL MEETING

EXPLANATORY NOTES:

1. Item 1 of the Agenda – Audited Financial Statements for the Financial Year Ended 31 May 2024

This Agenda item is meant for discussion only. The provisions of Sections 248(2) and 340(1)(a) of the Companies Act 2016 do not require a formal approval of the shareholders for the Audited Financial Statements. As such, this Agenda item is not a business which requires a motion to be put forward for voting.

2. Ordinary Resolutions 1 and 2 – Re-election of Retiring Directors

Saved as disclosed in the Annual Report 2024, all the retiring Directors have no conflict of interests with the Company. The Board has, through the Remuneration & Nomination Committee, carried out the necessary assessment on the aforesaid Directors and concluded that they met the criteria as enumerated in the Company's Directors' Fit and Proper Policy and also the criteria as prescribed under Rule 2.20A of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad on character, experience, integrity, competence and time commitment to effectively discharge their role as Directors of the Company.

The profiles of all the retiring Directors are disclosed in the Board of Directors of this Annual Report.

Based on the above, the Board recommends that all the retiring Directors be re-elected to continue to serve on the Board of the Company.

3. Ordinary Resolution 3 – Non-Executive Directors' Fees for the Financial Year Ending 31 May 2025

At the 57th Annual General Meeting of the Company, the shareholders approved the payment of Directors' fees to the Non-Executive Directors ("NEDs") amounting to RM400,000 for the Company and the Group respectively for the financial year ended 31 May 2024.

The actual amount of Directors' fees paid to the NEDs were RM319,604 for the Company and the Group.

For the financial year ending 31 May 2025, the Company proposed to pay the NEDs of the Company and the Group of up to RM500,000 respectively. These amounts are calculated based on the memberships in the Board of Directors ("Board") and Board Committees, and assuming that all NEDs will hold office until the next annual general meeting and possible new additions to the Board in the financial year ending 31 May 2025. This resolution is to facilitate payment of Directors fees to the NEDs on current year basis. In the event the proposed amount is insufficient (due to enlarged board size), approval will be sought at the next annual general meeting for the shortfall.

The proposed fees payable by the Company to each of the NEDs are as detailed below:

NEDs	Fee (RM)
<u>Board of Directors</u>	
- Chairman	60,000
- Member	50,000
<u>Audit Committee</u>	
- Chairman/Member	15,000
<u>Remuneration & Nomination Committee</u>	
- Chairman/Member	5,000

4. Ordinary Resolution 4 – Directors' Benefits

The Directors' benefits comprise the meeting attendance allowance and other benefits (car, fuel, driver, allowance and other emoluments) payable to the NEDs.

In determining the estimated total amount of benefits (excluding Directors' fees) for the NEDs, the Board considered various factors including the number of scheduled meetings for the Board, Board Committees as well as the number of Directors involved. The Board is recommending to the shareholders to approve the Directors' benefits payable to the NEDs of up to RM60,000 from the date of the forthcoming annual general meeting until the next annual general meeting of the Company. In the event the proposed amount is insufficient (due to more meetings/enlarged board size), approval will be sought at the next annual general meeting for the shortfall.

NOTICE OF ANNUAL GENERAL MEETING

5. Ordinary Resolution 5 – Re-appointment of Auditors

The Audit Committee has evaluated the performance of Messrs BDO PLT, the External Auditors, as enumerated in the Audit Committee Report and has recommended the re-appointment of Messrs BDO PLT as the External Auditors of the Company.

The Board has concurred with the recommendation of the Audit Committee.

6. Ordinary Resolution 6 – Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature

This proposed resolution, if passed, will allow the Group to enter into recurrent related party transactions of a revenue or trading nature with the existing related party(ies) in accordance with the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad without the necessity to convene separate general meetings to seek shareholders' approval as and when such recurrent related party transactions occur. This would reduce substantial administrative time and expenses associated with the convening of such meetings without compromising the corporate objectives of the Group or affecting the business opportunities available to the Group. This authority, unless revoked or varied at a general meeting, will expire at the next annual general meeting of the Company and is subject to renewal on an annual basis.

Further details relating to this proposed resolution are set out in the Company's Circular to Shareholders dated 30 September 2024.

7. Ordinary Resolution 7 – Proposed Authority to Issue and Allot Shares

The Company had, during its 57th Annual General Meeting held on 27 October 2023, obtained its shareholders approval for the general mandate for issuance of shares up to a maximum of ten percent (10%) of the total number of issued shares of the Company ("Mandate").

As at the date of this Notice, the Company did not implement its proposal for new allotment of shares under the Mandate. The authority for the Mandate will expire at the conclusion of the AGM.

This proposed resolution is to provide flexibility to the Company for any possible fund-raising exercises including but not limited to further placement of shares for purpose of funding current and/or future investment projects, working capital, repayment of borrowings, acquisitions and/or for issuance of shares as settlement of purchase consideration or such other application as the Directors may deem fit and in the best interest of the Company, without the need to convene separate general meeting to obtain shareholders' approval so as to avoid incurring additional costs and time.

This proposed resolution, if passed, will empower the Directors to issue and allot up to a maximum of ten percent (10%) of the total number of issued shares of the Company for the time being for such purposes as the Directors consider would be in the best interest of the Company. This authority will, unless revoked or varied by the Company at a general meeting, will expire at the conclusion of the next annual general meeting or the expiration of the period within which the next annual general meeting is required by law to be held, whichever is the earlier.

The Board, having considered the current and prospective financial positions of the Company, is of the view that this mandate is in the best interest of the Company and its shareholders to ensure long term sustainability of the Company.

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**ANCOM LOGISTICS BERHAD**[Registration No. 196601000150 (6614-W)]
Incorporated in Malaysia

PROXY FORM

CDS A/C. No.	No. of shares held

I/We _____ NRIC No. _____
(Full Name in Block Letters)of _____
(Full Address)

being (a) member(s) of ANCOM LOGISTICS BERHAD, hereby appoint

Full Name in Block Letters		Proportion of shareholdings to be represented %
NRIC No.		
Full Address		
Full Name in Block Letters		Proportion of shareholdings to be represented %
NRIC No.		
Full Address		
		100 %

or failing *him/her, the Chairman of the Meeting as *my/our *proxy/proxies to participate and to vote for *me/us on *my/our behalf at the 58th Annual General Meeting of the Company which will be held at at 11.00 a.m. on Tuesday, 29 October 2024 to be conducted entirely through live streaming from the Broadcast Venue at No. 2A, Jalan 13/2, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia and to vote as indicated below:

ORDINARY RESOLUTIONS		FOR	AGAINST
1	To re-elect Dato' Abdul Latif Bin Abdullah as a Director of the Company		
2	To re-elect Dato' Siew Ka Wei as a Director of the Company		
3	To approve the payment of Directors fees to the Non-Executive Directors for the financial year ending 31 May 2025, in arrears		
4	To approve the payment of Directors' benefits to the Non-Executive Directors		
5	To re-appoint Messrs BDO PLT as Auditors of the Company		
6	To approve the proposed renewal of shareholders' mandate for recurrent related party transactions of a revenue or trading nature		
7	To approve the proposed authority to issue and allot shares		

[Please indicate with an "X" on how you wish your vote to be cast. If no specific direction as to voting is given, the proxy will vote or abstain from voting at his/her discretion.]

[*Delete if not applicable]

Dated this _____ day of _____ 2024

[Signature / Common Seal of shareholder(s)]**Telephone no. during office hours:**

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NOTES:

- (1) Pursuant to Section 327(2) of the Companies Act 2016, the Chairman will be present at the Broadcast Venue being the main venue of the AGM. Members will not be allowed to attend the AGM in person at the Broadcast Venue on the day of the meeting. Members are to participate, speak (via real time submission of typed texts only) and vote remotely. Please refer to the Administrative Guide for Shareholders which is available on the Company's website at <http://www.ancomlogistics.com.my/aggm.php> on registration, participation and voting at the AGM.
- (2) Where a member is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991 which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
- (3) A member, including an authorised nominee, who is entitled to participate, speak and vote at the AGM may appoint not more than two (2) proxies to participate, speak and vote for him. A proxy may but need not be a member of the Company. There is no restriction as to the qualification of the proxy. Where a member, an authorised nominee or an exempt authorised nominee appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportion of his holding to be represented by each proxy in the Proxy Form.
- (4) In respect of deposited securities, only members whose names appear on the Record of Depositors as at 21 October 2024 shall be entitled to participate, speak and vote or appoint proxy(ies) to participate, speak and vote on their behalf at the AGM.
- (5) The appointment of proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Share Registrar of the Company at least forty-eight (48) hours before the time appointed for holding the AGM or any adjournment thereof:
 - (i) In hardcopy form
The Proxy Form may be deposited at the office of the Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn. Bhd. at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, at its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.
 - (ii) By electronic means
The Proxy Form can be electronically lodged with the Share Registrar of the Company via TIH Online website at <https://tiih.online>. Please refer to the Administrative Guide for Shareholders on the appointment and registration of proxy for the AGM by electronic means.
- (6) Any authority pursuant to which such an appointment is made by a Power of Attorney must be deposited at the office of the Share Registrar of the Company indicated in (5)(i) above at least forty-eight (48) hours before the time appointed for holding the AGM or any adjournment thereof at which the person named in the appointment proposes to vote. A copy of the Power of Attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.

Then fold here

Affix
Stamp

ANCOM LOGISTICS BERHAD

[Registration No. 196601000150 (6614-W)]

The Share Registrar:

Tricor Investor & Issuing House Services Sdn. Bhd.

Unit 32-01, Level 32, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Malaysia

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- (7) For a corporate member who has appointed an authorised representative, please deposit the ORIGINAL Certificate of Appointment of Authorised Representative ("Certificate") at the office of the Share Registrar of the Company at its address indicated in (5)(i) above before the time appointed for holding the AGM or any adjournment thereof at which the person named in the appointment proposes to vote. The Certificate should be executed in the following manner:
 - (i) If the corporate member has a Common Seal, the Certificate should be executed under seal in accordance with the constitution of the corporate member.
 - (ii) If the corporate member does not have a Common Seal, the Certificate should be affixed with the rubber stamp of the corporate member (if any) and executed by:
 - (a) at least two (2) authorised officers, one of whom shall be a director; or,
 - (b) any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.
- (8) A member who has appointed a proxy or attorney or authorised representative to participate in the AGM must request his proxy or attorney or authorised representative to register himself for the Remote Participation and Voting facilities at the Share Registrar's TIH Online website at <https://tiih.online>. Please read and follow the procedures provided in the Administrative Guide for Shareholders.
- (9) **Last date and time for lodging the Proxy Form and the Power of Attorney is Sunday, 27 October 2023 at 11.00 a.m..**
- (10) Pursuant to Rule 8.31A(1) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, all the resolutions set out in this Notice of AGM will be put to vote by way of poll.

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