MSWG
MINORITY SHAREHOLDERS WATCH GROUP

23 October 2025

Reference: MSWG-CM-03-40/25
By Email

The Board of Directors
ANCOM LOGISTICS BERHAD
Unit C508, Block C, Kelana Square
Jalan SS7/26, Kelana Jaya
47301 Petaling Jaya
Selangor Darul Ehsan

Attention: **Choo Se Eng**
Stephen Geh Sim Whye
Company Secretaries

Dear Directors,

59TH ANNUAL GENERAL MEETING ("AGM") OF ANCOM LOGISTICS BERHAD ("ALB" or "THE GROUP") TO BE HELD ON WEDNESDAY, 29 OCTOBER 2025

In consideration of the interest of minority shareholders and all other stakeholders of the Company, we would like to raise the following questions: -

Operational and Financial Matters

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

   a) What were the key catalysts behind the stronger demand for spot tank rentals in FY2025, and how sustainable is this trend going into FY2026? How is the industry demand and supply dynamic for chemical tank farm? In addition, what is the average utilisation rate of the expanded capacity of 54,100 cbm after the latest expansion?

b) Between spot rental and long-term lease agreements, which segment delivers higher margins and is more strategically preferred by the Group? What is the breakdown of ALB's long-term lease agreement by tenure? Accordingly, what is the revenue ratio between long-term leasing and spot rental? What is the optimal revenue ratio between spot rental and long-term leases?

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

   a) What is the current utilisation rate of the existing fleet of trucks? Given the elevated maintenance expenses and currency pressures, how does Cogent manage its cost structure to preserve margins unless it revises its rates upwards?

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

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

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

   What is the latest update on the legal action taken against S7 Holdings Sdn Bhd to recover the deposit? Does the reversal of impairment reflect improved prospects of recovery? What is management's confidence level in reclaiming the outstanding sum?

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

   a) What is the nature of the advances and expenses that ANB paid on behalf of ALB?

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

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

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

<u>Sustainability Matters</u>

1. Scope 1 emissions declined by 23.8% y-o-y to 3,906.1 tCO_2e in FY2025 from 5,128.6 tCO_2e in FY2024. The reduction was attributed to ongoing fleet renewal to Euro-5–compliant trucks, wider adoption of anti-idling practices, preventive maintenance, route optimisation, and the use of B10 biodiesel, all of which lowered fuel consumption across logistics operations. Meanwhile, Scope 2 emissions recorded a decrease of 7.5% to 179.3 tCO_2e in FY2025 compared to 193.9 tCO_2e in FY2024 (page 23 of AR2025).

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

We look forward to your reply. Additionally, please present the questions raised and the related answers to the shareholders present at the forthcoming AGM.

Thank you.

Yours sincerely

MINORITY SHAREHOLDERS WATCH GROUP