

21 October 2026

Reference: MSWG-CM-03-35/26
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,

60TH ANNUAL GENERAL MEETING ("AGM") OF ANCOM LOGISTICS BERHAD ("ALB" or "THE GROUP") TO BE HELD ON THURSDAY, 29 OCTOBER 2026

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. Despite reporting higher revenue in FY2026 at RM35.2 million (FY2025: RM33.4 million), ALB's pre-tax profit was down to RM0.7 million compared to RM2 million previously. Both the Chemical Storage and Logistics segments faced operational and cost pressures during the year.
 - a) While Ancom Nylex Terminals Sdn Bhd (ANT) recorded approximately 24% growth in revenue to RM16.6 million (FY2025: RM13.4 million), its PBT declined to RM4.6 million (FY2025: RM4.7 million), reflecting higher depreciation and financing charges associated with the newly completed tanks, as well as

increased maintenance expenses to ensure the operational reliability and safety compliance of its existing facilities.

- i) Please provide an update on ANT's operational performance in FY2026, i.e., the utilisation of the 54,100 cbm tank farm capacity, capacity committed under long-term storage contracts versus spot tank rentals, and the respective contribution of these arrangements to revenue, and whether any major lease has been secured.
- ii) While expansion has contributed to revenue growth, the associated depreciation and financing charges, together with higher maintenance expenses, have weighed on ANT's profitability.

In FY2026, interest expense on lease liabilities increased to RM2.21 million from RM1.71 million, while term loan interest of RM787,000 was also recognised. Meanwhile, lease payments rose by approximately 19% to RM4.54 million from RM3.81 million in the preceding financial year.

Given the substantial and recurring financial commitments associated with the expanded tank farm, these costs could continue to weigh on ANT's profitability if the additional capacity does not generate sufficient incremental earnings.

- Does management expect the benefits of higher tank utilisation and operating leverage to outweigh the increased depreciation, financing and maintenance costs in FY2027 and beyond? What is the anticipated timeline for the expanded capacity to deliver a meaningful improvement in ANT's profitability?
- Please elaborate on the expected trend of lease payments and interest expenses on lease liabilities over the remaining lease terms. Are these expenses expected to remain elevated, increase further or decline over time, and what are the key factors driving the anticipated trend?
- In view of these recurring financial commitments, please illustrate ANT's ability to generate sufficient operating cash flow to meet its lease payments, financing obligations and maintenance requirements, while delivering satisfactory returns on the capital invested in the expanded tank farm.

- b) Despite efforts to broaden customer base, diversify revenue streams and provide value-added services, Cogent's financial performance remained challenging in FY2026 with lower revenue and deterioration in profitability.

It posted a pre-tax loss of RM1.7 million (FY2025: PBT RM0.1 million) amid intensifying competition, resulting in market share erosion and margin compression. Operating performance was further affected by significantly higher truck repair and maintenance expenses.

- i) Given the increasingly competitive operating environment and continued pressure on profit margins, to what extent can Cogent pass on rising operating costs to customers through higher freight rates or contractual price adjustments?
 - ii) What are management's key priorities and targets for restoring Cogent's profitability in FY2027, and when does it expect the segment to return to profitability?
- 2) External auditor BDO PLT flagged the two subjects below as the Key Audit Matters of the Group (pages 77 – 78 of AR2026):

a) Recoverability of trade receivables

- i) As of 31 May 2026, ALB's gross trade receivables amounted to RM5.45 million, of which RM871,000 was impaired, representing approximately 16% of the gross carrying amount (page 77 of AR2026).

In addition, the Group recognised a net impairment provision of RM468,000 for trade receivables past due beyond their credit terms in FY2026, compared with only RM20,000 in FY2025 (page 103 of AR2026).

What caused the deterioration in credit collection experience and the quality of its outstanding receivables? Which segment accounts for the bulk of the impaired trade receivables, and what is the ageing profile of these outstanding balances?

- ii) ALB did not renegotiate the terms of any trade receivables during the financial year. Does the current collection experience warrant a revision of terms on trade receivables?

ALB did not renegotiate the terms of any trade receivables during FY2026. In view of the higher impairment provisions and weaker collection experience, will management reassess the adequacy of its existing credit policies to preserve receivables quality?

b) Recoverability of deposits

- i) As of 31 May 2026, gross deposits of the Group and Company amounted to RM2.19 million and RM2.06 million, respectively. During FY2026, the Group and Company recorded a net reversal of impairment of deposits of RM250,000 (FY2025: RM418,000), thanks to the recovery of deposits during the financial year.

Please clarify the total amount of deposits recovered during FY2026, the amount of impairment reversed and the outstanding deposits that remain unrecovered as of 31 May 2026.

Of the outstanding balance, how much has been assessed as recoverable, and what is the expected timeline for recovery?

- ii) The Group had previously disclosed that ALB initiated legal action against S7 Holdings Sdn Bhd to recover a deposit. Has S7 consistently met the payment obligation? Please provide an update on the outstanding sum yet to be recovered.

- 3) In April 2024, ALB and Ancom Nylex Berhad (ANB) entered into a Heads of Agreement (HOA) with Greenheart Sdn. Bhd., Choong Wee Keong, and How Yoon For (the Vendors) for ALB's proposed acquisition of the entire share capital of Green Lagoon Technology Sdn Bhd (GLTSB) for RM120 million. Subsequently, on 21 April 2025, ALB and ANB entered into a Supplemental Agreement (SA) with the Vendors and GLTSB, followed by a second SA on 22 October 2025 to vary the terms and conditions of the 1st SA to the HOA.

Pursuant to the 2nd SA, ANB completed the subscription of 2.7 million shares in GLTSB, representing a 16.92% equity interest, for RM22 million in cash on 30 June 2026. However, as disclosed on pages 120–121 of AR2026, the remaining proposals had yet to be completed as at the date of the Annual Report.

- a) More than two years have elapsed since the proposal was first announced in April 2024. What are the remaining hurdles to be cleared to pursue the completion of the acquisition? What factors have contributed to the prolonged timeline, and what steps are being taken to resolve the outstanding matters?
- b) Given the significant time elapsed since the transaction was first proposed, do the valuation assumptions underpinning the proposed acquisition remain relevant and appropriate? Has there been any material change in GLTSB's business prospects, financial position or operating performance that could warrant a revision of the purchase consideration?

- c) Please disclose GLTSB's revenue, profit or loss before tax, and net profit or loss for each of the past three financial years, together with its latest available financial performance for shareholders' assessment.
- d) In view of the prolonged transaction timeline, what is the expected timeline for completing the remaining proposals?

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

A stylized, handwritten signature in black ink, appearing to be the letters 'MSWG' in a cursive, flowing script.

MINORITY SHAREHOLDERS WATCH GROUP