

FM GLOBAL LOGISTICS HOLDINGS BERHAD
(FORMERLY KNOWN AS FREIGHT MANAGEMENT HOLDINGS BHD.)
199601008064 (380410-P)
(Incorporated in Malaysia)

MINUTES OF THE 26TH ANNUAL GENERAL MEETING (“26TH AGM”) OF FM GLOBAL LOGISTICS HOLDINGS BERHAD (“FMGL” OR “THE COMPANY”) CONDUCTED ENTIRELY THROUGH LIVE STREAMING FROM THE BROADCAST VENUE AT TRICOR BUSINESS CENTRE, GEMILANG ROOM, UNIT 29-01, LEVEL 29, TOWER A, VERTICAL BUSINESS SUITE, AVENUE 3, BANGSAR SOUTH, NO. 8, JALAN KERINCHI, 59200 KUALA LUMPUR, MALAYSIA ON MONDAY, 28 NOVEMBER 2022 AT 10.00 A.M.

Present at	:	Tengku Nurul Azian Binti Tengku Shahrman (Chairperson)
Broadcast Venue	:	Chew Chong Keat [Group Managing Director (“Group MD”)] – also as a shareholder
	:	Yang Heng Lam (Executive Director) – also as a shareholder
	:	Gan Siew Yong (Executive Director) – also as a shareholder
	:	Ong Looi Chai (Executive Director) – also as a shareholder
	:	Soh Chin Teck (Independent Non-Executive Director)
	:	Lau Swee Chin (Independent Non-Executive Director)
	:	Fong Sok Yee (Company Secretary)
	:	Chan Ying Wei (Group Financial Controller)
Present via video conferencing	:	Khua Kian Keong (Non-Independent Non-Executive Director)
	:	Chong Wei-Chnoong } (Representatives from Crowe Malaysia PLT, the
	:	She Hai Ing } External Auditors of the Company)

The shareholders/corporate representatives/proxies who attended the 26th AGM remotely via the remote participation and voting (“RPV”) facilities are as stated in the Attendance Listing.

1. PRELIMINARY

The Chairperson, Tengku Nurul Azian Binti Tengku Shahrman, welcomed all shareholders, proxies and invitees present at the meeting.

She then introduced the Board members, Company Secretary and the representatives from Crowe Malaysia PLT (the External Auditors) to the attendees.

2. NOTICE

The notice of the 26th AGM dated 28 October 2022 (“the Notice”), having been circulated to all the shareholders within the prescribed period, was taken as read.

3. QUORUM

The Chairperson informed that the quorum for a virtual general meeting is determined by the number of shareholders and proxies who log in at the commencement of the meeting.

There being a quorum, the Chairperson called the meeting to order.

4. POLLING PROCEDURES AND ADMINISTRATIVE MATTERS

The Chairperson informed that pursuant to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the notice of general meeting must be voted by poll. The Company is also required to appoint at least one (1) independent scrutineer to validate the votes cast at the general meeting.

The Chairperson further informed that the Company had appointed Tricor Investor & Issuing House Services Sdn. Bhd. (the Company's Share Registrar) as Poll Administrator to facilitate the poll voting process, and Asia Securities Sdn. Berhad as Independent Scrutineer to verify the poll results.

The guide on the remote voting procedure and the manner to pose questions at the meeting through the RPV application were presented to the shareholders and proxies.

5. MANAGEMENT PRESENTATION

At the invitation of the Chairperson, Mr Chew Chong Keat, the Group MD, gave a brief presentation on the Group's financial performance and key highlights for the financial year ended 30 June 2022 as well as the Group's business outlook and prospects.

The Chairperson informed that the Board would address the questions posed by the shareholders or proxies at the Question-and-Answer ("Q&A") Session, which would be held after the conclusion of the discussion on all agenda items of the meeting. The meeting then proceeded with the business of the meeting.

6. AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 TOGETHER WITH THE REPORTS OF THE DIRECTORS AND AUDITORS THEREON

The Audited Financial Statements for the financial year ended 30 June 2022, together with the Reports of the Directors and Auditors thereon ("AFS FY2022"), were tabled to the meeting for discussion.

The Chairperson informed that the AFS FY2022 were meant for discussion only as the Companies Act 2016 does not require a formal approval of shareholders. Hence, the AFS FY2022 were not put forward for voting.

The Chairperson further informed that the Board would address the questions raised by shareholders or proxies during Q&A Session, which would be carried out after all items on the agenda were dealt with.

Accordingly, the Chairperson declared that the AFS FY2022 were duly received by the shareholders.

Thereafter, the Chairperson went through each of the motions set out in the Notice.

The Chairperson also informed that the Company had not received any notice from shareholders for other business to be transacted at this meeting in accordance with the Companies Act 2016 and Constitution of the Company.

7. Q&A SESSION

The meeting continued with the Q&A Session. The Chairperson informed that the Company had received some questions from the Minority Shareholders Watch Group ("MSWG") via their letter dated 14 November 2022. The Group MD presented the Company's responses to the questions raised by MSWG for the interest of shareholders. The summary of the presentation, which forms part of the minutes, is annexed herein as **Appendix A**. Thereafter, questions raised by the shareholders that were submitted before and during the meeting were addressed by the Group MD. The summary of the questions and the responses, which forms part of this minutes, is annexed herein as **Appendix B**.

8. **POLL VOTING SESSION**

After dealing with all questions raised, the Chairperson invited the shareholders and proxies to cast their votes remotely.

Thereafter, the meeting was adjourned at 10.50 a.m. for the tabulation of the poll results.

9. **ANNOUNCEMENT OF POLL RESULTS**

The meeting resumed at 11.10 a.m. after obtaining the validated poll results from the Independent Scrutineer. The results of the poll were presented to the meeting and the Chairperson declared that all resolutions set out in the Notice were carried, as follows:-

Ordinary Resolution 1

Payment of Directors' Fees

By a vote of 5,350,357 shares (representing 99.1930%) voted FOR and 43,526 shares (representing 0.8070%) voted AGAINST the Resolution, it was **RESOLVED**:-

THAT the payment of Directors' fees up to an aggregate amount of RM500,000 for the financial year ending 30 June 2023 to be paid monthly in arrears be and is hereby approved.

Ordinary Resolution 2

Payment of Directors' Benefits

By a vote of 5,350,157 shares (representing 99.0681%) voted FOR and 50,326 shares (representing 0.9319%) voted AGAINST the Resolution, it was **RESOLVED**:-

THAT the payment of Directors' benefits amounting to RM80,000 from the date of the 26th AGM until the next annual general meeting of the Company be and is hereby approved.

Ordinary Resolution 3

Re-election of Director – Chew Chong Keat

By a vote of 233,148,835 shares (representing 99.9869%) voted FOR and 30,514 shares (representing 0.0131%) voted AGAINST the Resolution, it was **RESOLVED**:-

THAT Chew Chong Keat, who retired pursuant to Clause 125 of the Constitution of the Company, be and is hereby re-elected as Director of the Company.

Ordinary Resolution 4

Re-election of Director – Tengku Nurul Azian Binti Tengku Shahrman

By a vote of 233,157,135 shares (representing 99.9719%) voting FOR and 65,514 shares (representing 0.0281%) voting AGAINST the Resolution, it was **RESOLVED**:-

THAT Tengku Nurul Azian Binti Tengku Shahrman, who retired pursuant to Clause 125 of the Constitution of the Company, be and is hereby re-elected as Director of the Company.

Ordinary Resolution 5
Re-election of Director – Soh Chin Teck

By a vote of 233,202,135 shares (representing 99.9912%) voted FOR and 20,514 shares (representing 0.0088%) voted AGAINST the Resolution, it was **RESOLVED:-**

THAT Soh Chin Teck, who retired pursuant to Clause 125 of the Constitution of the Company, be and is hereby re-elected as Director of the Company.

Ordinary Resolution 6
Re-appointment of Auditors

By a vote of 233,162,235 shares (representing 99.9698%) voted FOR and 70,414 shares (representing 0.0302%) voted AGAINST the Resolution, it was **RESOLVED:-**

THAT Crowe Malaysia PLT be hereby re-appointed as Auditors of the Company to hold office until the conclusion of the next annual general meeting of the Company AND THAT the Directors be authorised to fix their remuneration.

Ordinary Resolution 7
Proposed Renewal of Shareholders' Mandate Share Buy-Back

By a vote of 232,163,535 shares (representing 99.5416%) voted FOR and 1,069,114 shares (representing 0.4584%) voted AGAINST the Resolution, it was **RESOLVED:-**

THAT subject always to the Companies Act 2016 ("Act"), the Constitution of the Company, the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities") and all other applicable laws, guidelines, rules and regulations, approval be and is hereby given for the Company to purchase such amount of ordinary shares in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company ("Share Buy-Back Mandate") provided that:

- (a) the aggregate number of ordinary shares in the Company purchased and/or held as treasury shares pursuant to the Share Buy-Back Mandate does not exceed ten per centum (10%) of the total number of issued shares of the Company at any point in time;
- (b) the maximum funds to be allocated by the Company for the purpose of purchasing its ordinary shares shall not exceed the total retained profits of the Company based on the latest audited financial statements and/or the latest management accounts (where applicable) available at the time of the purchase; and
- (c) the Directors of the Company may decide either to retain the shares so purchased as treasury shares or cancel the shares so purchased or retain part of the shares so purchased and cancel the remainder or resell the treasury shares on Bursa Securities or distribute the treasury shares as dividends or transfer the treasury shares under an employees' share scheme or as purchase consideration or otherwise use the treasury shares for such other purpose in the manner as prescribed by the applicable laws, guidelines, rules and regulations.

THAT the authority conferred by this resolution will be effective upon the passing of this resolution and will continue to be in force until:

- (a) the conclusion of the next annual general meeting of the Company, at which time it shall lapse, unless by an ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions;
- (b) the expiration of the period within which the next annual general meeting of the Company after that date is required by law to be held; or
- (c) revoked or varied by an ordinary resolution passed by the shareholders in a general meeting,

whichever occurs first, but shall not prejudice the completion of purchase(s) by the Company of its own shares before the aforesaid expiry date and, in any event, in accordance with the Listing Requirements and any applicable laws, rules, regulations, orders, guidelines and requirements issued by any relevant authorities.

AND THAT authority be and is hereby given to the Directors of the Company to take all such steps to implement, finalise and to give full effect to the Proposed Renewal of Shareholders' Mandate for Share Buy-Back with full power to assent to any conditions, modifications, variations and/or amendments as may be required by the relevant authorities or as the Directors deem fit or expedient at their discretion in the best interest of the Company.

Special Resolution

Waiver of Pre-emptive Rights under Section 85 of the Companies Act 2016

By a vote of 232,105,535 shares (representing 99.5167%) voted FOR and 1,127,114 shares (representing 0.4833%) voted AGAINST the Resolution, it was **RESOLVED**:-

THAT pursuant to Section 85 of the Companies Act 2016 ("the Act") read together with Clause 12(3) of the Constitution of the Company, approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company to be offered new shares in the Company ranking equally to the existing issued shares in the Company arising from any issuance of new shares in the Company to the allottees subject to the passing of Ordinary Resolution – Authority to Issue and Allot Shares pursuant to Sections 75 and 76 of the Act.

Ordinary Resolution 8

Authority to Issue and Allot Shares pursuant to Sections 75 and 76 of the Companies Act 2016

By a vote of 232,102,823 shares (representing 99.5156%) voted FOR and 1,129,826 shares (representing 0.4844%) voted AGAINST the Resolution, it was **RESOLVED**:-

THAT contingent upon the passing of the Special Resolution on waiver of pre-emptive rights under Section 85 of the Companies Act 2016 ("Act") and subject always to the Act, the Constitution of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and the approvals of the relevant governmental/regulatory authorities (if any), the Directors be and are hereby empowered, pursuant to Sections 75 and 76 of the Act, to 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 pursuant to this resolution does not exceed 10% of the total number of issued shares (excluding treasury shares) of the Company for the time being 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 AND THAT such authority shall continue to be in force until the conclusion of the next annual general meeting of the Company.

10. CLOSURE OF MEETING

There being no further business, the meeting concluded at 11.15 a.m. with a vote of thanks to the Chair.

CONFIRMED AS A CORRECT RECORD

CHAIRPERSON

Date: 8 February 2023

FM GLOBAL LOGISTICS HOLDINGS BERHAD - MSWG (26th AGM)

No.	QUESTIONS	FM REPLY
1.	<p>As a one-stop logistics solutions provider, the group has established 43 offices in 9 countries spanning across Malaysia, Thailand, Indonesia, Vietnam, India, Australia, the Philippines, the UAE and the USA. Why has not the group set up offices in China yet, the world's largest trading nation in goods?</p>	<p>China is undoubtedly a large market. However, it is also highly competitive and challenging. Whilst we do not have a direct presence, we have established a network of partners in China and currently enjoy good two-way business with these partners, with scope for further growth.</p>
2.	<p>The Group remains confident of extending its growth trend in FY2023 (page 36 of Annual Report FY2022). With global inflationary pressure, zero-Covid policy in China, geo-political tension in Europe and rising interest rate environment, what are the factors that could extend the growth trend of the group in FY2023? What is the Board's view on the group's freight forwarding and logistics handling volume and the group's average freight rates for FY2023 versus those for FY2022?</p>	<p>We expect heightened headwinds in FY2023. Nonetheless, the WTO is still expecting growth in trade volume in 2023, albeit at a lower rate. We believe we are in a position to continue growing our market volume given our strategic locations in relatively robust emerging markets such as Malaysia, Indonesia, Vietnam, Thailand and the Philippines. We are targeting to grow volume based on our historical average of around 5% p.a.</p> <p>We anticipate freight rates to moderate in FY2023 in line with developments in the industry.</p>

FM GLOBAL LOGISTICS HOLDINGS BERHAD - MSWG (26th AGM)

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3.	The government has increased the minimum monthly wages from May 2022 from RM1,200 to RM1,500. Besides, the amendments to Employment Act which include reduced working hours, overtime pay and increased maternity leave and paternity leave is expected to take place from 1 January 2023. The group's staff strength increased to 1,748 as of 30 June 2022. With these changes, what is the expected financial impact to the group for FY2023?	We do not see any significant financial impact with the new amendments.																																
4.	Please provide revenue breakdown for international freight (by components such as sea freight, air freight and land freight) and domestic logistics (by components such as 3PL, warehousing & distribution and supporting services) for FY2022 and FY 2021.	<p>Please see the Revenue Breakdown as below as explained during the AGM:</p> <table border="1"> <thead> <tr> <th></th> <th colspan="3">Revenue</th> </tr> <tr> <th>RMm</th> <th>FY22</th> <th>FY21</th> <th>YoY %</th> </tr> </thead> <tbody> <tr> <td>Sea Freight</td> <td>799.1</td> <td>462.8</td> <td>72.6</td> </tr> <tr> <td>Air Freight</td> <td>150.6</td> <td>112.5</td> <td>33.8</td> </tr> <tr> <td>Land Freight</td> <td>39.2</td> <td>34.1</td> <td>15.0</td> </tr> <tr> <td>3PL, W/house & Dist.</td> <td>84.6</td> <td>85.5</td> <td>(1.0)</td> </tr> <tr> <td>Supporting Services</td> <td>79.4</td> <td>68.5</td> <td>16.0</td> </tr> <tr> <td>Total</td> <td>1,152.9</td> <td>763.4</td> <td>51.0</td> </tr> </tbody> </table>		Revenue			RMm	FY22	FY21	YoY %	Sea Freight	799.1	462.8	72.6	Air Freight	150.6	112.5	33.8	Land Freight	39.2	34.1	15.0	3PL, W/house & Dist.	84.6	85.5	(1.0)	Supporting Services	79.4	68.5	16.0	Total	1,152.9	763.4	51.0
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FM GLOBAL LOGISTICS HOLDINGS BERHAD
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SUMMARY OF QUESTIONS AND ANSWERS POSED AT THE 26TH ANNUAL GENERAL MEETING (26TH AGM) OF FM GLOBAL LOGISTICS HOLDINGS BERHAD (“FMGL” OR “THE COMPANY”) CONDUCTED ENTIRELY THROUGH LIVE STREAMING FROM THE BROADCAST VENUE AT TRICOR BUSINESS CENTRE, GEMILANG ROOM, UNIT 29-01, LEVEL 29, TOWER A, VERTICAL BUSINESS SUITE, AVENUE 3, BANGSAR SOUTH, NO. 8, JALAN KERINCHI, 59200 KUALA LUMPUR, MALAYSIA ON MONDAY, 28 NOVEMBER 2022 AT 10.00 A.M.

The following are the questions received before and during the 26th AGM (including those which were not addressed during the 26th AGM):-

Q1) How does the shipping rate affect the profit of the Company?

Response from the Company:

As a freight forwarder, the fluctuation in freight rates has no direct impact on the profitability of the Group given that the costs will eventually be passed on to customers. Factors that will affect the profitability of the Group are rather dependent on the competitive freight rates offered by the shipping lines and/or airlines to the Group, as well as the ability to secure more containers or cargo space to cater to customers' demand and bundle freight services with other services, such as trucking and customs brokerage, as a one-stop logistics solution.

Q2) Request for a hybrid or physical AGM next year.

Response from the Company:

The Board will give due consideration to the request.

Q3) What is the strategy to improve the profitability of the Group?

Response from the Company:

The Group will continue its efforts to streamline its services and improve operational efficiencies to maximise the Group's performance.

Q4) The Group has been mostly operating with an “asset light strategy” but has been actively setting up a new warehouse in recent years. What are the reasons for the increased capital expenditure for this facility?

Response from the Company:

The Group has been operating on an “asset light strategy” for sea freight and air freight services and activities by working with its vendors, i.e. the shipping lines and airlines, while focusing on its core business to retain operational efficiency and effectiveness. However, for domestic logistics, Management takes cognisance of the importance of having efficient domestic services and will remain focused on optimising the utilisation of the existing resources and scaling up its operations by expanding its own facilities, i.e. trailers, trucks, prime movers and warehouses, to meet the growing demand.

- Q5) FMGL and other major logistic players have been expanding their warehouses capacity aggressively. Will this cause oversupply? Significantly, more new capacity will be entering the market while economy is expected to slow down. Where is the new demand expected to come from?**

Response from the Company:

Warehousing services have become more competitive over the years. To stand out from the competition, the Group focuses on service differentiation. For instance, a key component of FMGL's warehousing business is temperature control system where the Group is capable of handling the storage of products that demand cleanliness, hygiene, as well as dedicated facilities that are separate from other products. With its own warehouse, the Group has the advantage through designing and building facilities that meet customers' demands.

The Group will therefore continue to focus on investment in domestic logistics facilities. Currently, the Group is still renting facilities that provide warehousing service and the rental rate will continue to rise. It is therefore better to have our own facilities for more efficient cost management.

- Q6) Has FMGL encountered any shortage of truck drivers?**

Response from the Company:

FMGL has not been severely hit by the shortage of truck drivers. Currently, the situation is well managed.

- Q7) Will the 51% Bumiputera equity requirement for logistic companies, if it is implemented, affect our Company?**

Response from the Company:

Public listed companies are not affected by the 51% Bumiputera equity requirements.

- Q8) Interest rate for financing facilities is likely to increase after FY2022. Why hasn't the Group lock the facilities at fixed rate in view of impending increase in interest rate?**

Response from the Company:

The Group managed to secure our facilities from commercial banks at a favourable rate compared to market rate. Nevertheless, Management will continue to closely monitor the mitigating risks arising from the rising interest rates.

- Q9) Please comment on the overall business environment for FMGL as compared to the time before the COVID-19 pandemic.**

Response from the Company:

FMGL recorded exceptional results in FY2022 compared to previous years, whereby multiple new milestones were achieved in terms of record high revenue, profits, and business volume. These were mainly due to efforts of rationalisation of our business segment, where Directors had spent a considerable amount of time re-looking into the component of the business, focusing on the freight forwarding and domestic logistics businesses and divesting loss-making business.

Q10) What is the Company's future outlook and prospect?

Response from the Company:

As briefed during the Management Presentation, the global economy is undergoing a widespread and sharper-than-expected slowdown. Multiple and complex issues, such as the cost-of-living crisis, tightening financial conditions, the Ukraine-Russia conflict and lingering fallout from the COVID-19 pandemic continue to dim the short-term outlook. However, the Group anticipates another positive year for FY2023 as demands for logistics services should be relatively resilient with continued growth in trade activities, albeit at a more moderate pace.

Q11) The Group's International Freight segment comprising sea freight, air freight and land freight turned in a stellar RM988.9 million (FY2021: RM609.7 million) to Group Revenue, increasing 62.2% from 45.7% posted in FY2021 (refer Page 32 of Annual Report).

- (1) What are the reasons for the huge increase in revenue vs FY2021?**
- (2) Will the Group be able to achieve a similar growth in revenue for FY2023?**

Response from the Company:

The increase in revenue was mainly due to higher freight rates and business volume coupled with efforts of rationalisation of our business segment by focusing on the profit-making business. As mentioned in Q10, the Group anticipates another positive year for FY2023 as demands for logistics services are expected to continue to be resilient despite the lower freight rates.

Q12) YKP-FM Global Shipyard Co., Ltd. the 31%-owned associated company in Thailand, continued to report losses for FY2022.

- (1) What are the reasons for the continued losses incurred by YKP-FM Global Shipyard?**
- (2) When will the Group expect this associate to return to profitability?**

Response from the Company:

The Group still sees the potential opportunities to strengthen its logistics-related business with the investment in the development and operation of shipyard in Thailand. The losses were mainly due to low business activities arising from the prolonged lockdown amid the Covid-19 pandemic.

Q13) How will the FMGL exercise achieve ESG compliance? Will solar installation be considered, since solar can reduce electricity cost.

Response from the Company:

The Group takes the ESG compliance seriously, in which our ESG activities have been clearly explained our Sustainability Statement contained in the Annual Report. As disclosed in the Annual Report, the Group had completed the construction and installation of solar panels on the roof at one of the larger warehouses at Port Klang, Selangor in September 2022.