



Sustainability Report 2023

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FMGL makes no representation or warranty, whether expressed or implied, as to the accuracy or completeness of the facts highlighted in this Sustainability Report, disclaiming responsibility from any liability that might arise from the reliance on its contents. This Sustainability Report may contain "forward-looking statements". Forward-looking statements involve inherent risks and uncertainties and other factors that are in many cases beyond our control. Although FMGL believes that the expectations of its Management as reflected by such forward-looking statements are reasonable based on current information, no assurance can be given that such expectations will prove to have been correct. Should one or more of the risks and uncertainties materialise, actual results may vary materially from those anticipated or projected. Accordingly, readers are cautioned not to place undue reliance on such forward-looking statements. In any event, these statements speak only as of their dates and we undertake no obligation to update or revise any of them, whether as a result of new information, future events, or otherwise.

Enhancing Sustainability: A Commitment to Progress (GRI 2-22)

Into the sixth year of reporting FMGL's sustainability performance, we have sharpened our focus on a proactive, integrated and stakeholder-centric environmental, social, and governance ("ESG") approach that is gradually increasing across our logistics and international freight operations. This approach involves meticulously considering our impact and value creation across our **six Capitals: Financial, Manufactured, Intellectual, Human, Social & Relationship, and Natural**, aligning strategies with our global environment footprint and social responsibilities. Our efforts are dedicated to nurturing while leveraging and safeguarding our Capitals. *(Please refer to Value Creation Model on Page 34 to 35 of this Annual Report)*

This comprehensive approach places sustainability and forward-thinking at the core of our operations. It propels us to focus on innovation and competitiveness while adeptly managing risks and seizing opportunities. By integrating ESG factors into our long-term planning, we reinforce our resilience within the industry.

We employ a stakeholder-centric methodology to identify our significant concerns, encompassing financial, business and impact-related aspects. We ensure responsiveness and proactivity through active engagement with internal and external stakeholders, benchmarking against industry standards, and aligning with our strategic vision. This continuous process allows us to comprehensively monitor, measure and evaluate our capital flows, practices and impacts. By adopting this holistic approach, we adeptly address sustainability challenges and capitalise on opportunities, generating, preserving and delivering value to all stakeholders.

In line with this year's theme, **Seamless Synergy: Empowering Integrated Logistics**, our distinctive strength lies in our dedication to efficiently, professionally and responsibly managing our customers' valuable cargo.

Invariably, throughout FY2023, we progressively expanded our initiatives to address ESG concerns, prioritising factors that could positively influence and balance our ESG considerations. Our prime focus involved formulating key action plans tailored to meet each sustainability key performance indicator (KPIs). We delved into relevant issues, analysed critical data and enhanced our reporting process.

SUSTAINABILITY KEY HIGHLIGHTS FY2023 SNAPSHOT

On 22 February 2023, the Board of Directors officially launched the ESG Day, a significant event attended by all branches across Malaysia. The event was underpinned by the inspiring slogan, "Sustainability Our Way of Life," signifying a collective call to action. The aim was clear: to spread the importance of ESG principles throughout our communities, encouraging everyone to embrace these principles everywhere.

Environment: Addressing our ecological impact and commitment to preserving our natural resources. We diligently manage our Natural Capital, focusing on sustainable value creation and preservation. Our Environmental Stewardship initiatives actively reduce our carbon footprint, embracing green energy solutions and operational efficiencies.

Social: Our influence on people and communities is pivotal, reflected in our Human, and Social and Relationship Capitals. We engage socially through both grassroots and global partnerships, tapping into local talent to deliver exceptional value to our customers. This approach not only enhances our impact but also strengthens our relationships.

Governance: Rooted in our decision-making processes, policies, and operational controls, governance is paramount across all six capitals. Our commitment to sustainable and responsible value creation is unwavering. We uphold this through stringent risk management, compliance measures, and robust operational policies, ensuring ethical practices and enduring trust.

Enhancing Sustainability: A Commitment to Progress (continued) (GRI 2-22)

ENVIRONMENT

- Successfully completed the rooftop solar project at FMGL's headquarters and warehouse in Port Klang, in September and commenced operations in November 2022. This initiative has the potential to generate nearly 700,000 kWh of clean energy, leading up to 20% of energy savings.
- Invested in new, fuel-efficient prime movers and trucks, reducing nitrogen oxide emissions while replacing older vehicles.
- Adopting and implementing energy-conscious practices:
 - Switched to LED lighting system: enhances the visibility and safety of our workspace and also significantly lowers our electricity costs.
 - Inverter air conditioning units: improves workspace comfort while minimises energy consumption.
 - Battery-operated Material Handling Equipment ("MHE"): reduces reliance on traditional fuel-powered equipment and contributes to a quieter and cleaner working environment, benefiting both our employees and the community.

- Extended FM Plus, the Group's Digital Portal, to facilitate paperless transactions among operations staff, customers, and supply-chain vendors, thereby reducing carbon footprint.

SOCIAL: WORKPLACE

- Improved workplace conditions by purchasing portable air disinfection devices to prioritise employee health and upskilling human capital to elevate workforce quality.

SOCIAL: MARKETPLACE

- Established robust policies on business conduct and compliance, aligning with regulatory and certification requirements, ensuring ethical and legal business practices.

SOCIAL: COMMUNITY

- Actively collaborated with NGOs on community-focused social upliftment initiatives, emphasising our commitment to social responsibility.

Within this Sustainability Report, we provide detailed elaborations on ESG initiatives, risks, opportunities, key performance indicators ("KPIs") and programmes, all tailored to specific topics.



Mr Chew Chong Keat, Group Managing Director, addressing attendees of FMGL ESG Day which carries the slogan Sustainability Our Way of Life.

Shaping a More Sustainable Future

(GRI 2-1 to 2-5, 2-22)

Over the last five years, we have undergone a transformative journey marked by our ongoing commitment to an increasing focus on ESG principles. From operations to strategy, marketing to human resources, sustainability is a consideration across all areas of our business. Sustainability has incrementally become a key driver in innovation at FMGL as our awareness deepens on the growing global consciousness around climate change and the urgent imperative to reduce carbon footprints. Transitioning away from traditional business model methods and beyond regulatory compliance, we recognise the significance of sustainability in the global logistics industry.

We proactively engage with our employees, clients, suppliers, contractors and business partners to adopt eco-friendly practices and collectively develop sustainable solutions, as we cannot achieve favourable outcomes in isolation. Some of the high-impact areas which we have been continuously concentrating and working on include implementing efficient delivery routes to minimise fuel consumption and emissions, integrating the circular economy to prioritise recycling, reusing and repurposing materials, and optimising packaging to reduce waste. Apart from shifting to renewable energy sources for part of our operations, we are also leveraging digitalisation in efforts to drive positive change and contribute to a more resilient and environmentally conscious Group.

By fostering collaboration and partnerships, we endeavour to build a future where logistics and sustainability intertwine in reducing our environmental impact and contributing to the wellbeing of the communities where we operate and the generations to come.

REPORTING PERIOD AND SCOPE (GRI 2-1, 2-2, 2-3)

FMGL diligently assesses, updates, and annually reports on our Group's sustainability performance. This document represents our sixth Sustainability Report ("Report"). Unless otherwise indicated, it encapsulates our Malaysian business operations' sustainability performance for FY2023 from 1 July 2022 to 30 June 2023. The disclosures cover all subsidiary companies within the Group in Malaysia, as well as relevant overseas operations. Joint-ventures, affiliate firms or enterprises outside our direct control are excluded.

This Statement adheres to the following regulatory frameworks, references and guidelines:

- Bursa Malaysia Securities Berhad ("Bursa Securities") Main Market Listing Requirements ("MMLR")
- Bursa Malaysia Sustainability Reporting Guide (2nd Edition)
- Bursa Malaysia Corporate Governance Guide
- FTSE4Good Bursa Malaysia ("F4GBM") Index criteria
- Global Reporting Initiative ("GRI")
- Task Force for Climate-related Disclosures ("TCFD")

The relevant GRI indicators are indicated within parentheses alongside the respective headings and sub-headings whenever disclosures are aligned with the GRI Standards. For a comprehensive understanding of FMGL's structure and authority within the organisation, we recommend reading the Statement in conjunction with the Annual Report 2023. The Annual Report provides insights into the Group's ownership, control and organisational governance. Please refer to About Us and Global Integrated Freight & Logistics Services on pages 4 to 7 and the Group's Corporate Structure on page 41 of this Annual Report.

Shaping a More Sustainable Future (GRI 2-1 to 2-5) (continued)

PERFORMANCE DATA (GRI 2-4, 2-5)


This Statement incorporates comparative data and information from the preceding two years, wherever relevant. Our disclosures serve as the foundation for establishing the criteria by which we objectively measure and report our sustainability performance. While we exercise utmost diligence to ensure the completeness, accuracy, and validity of these disclosures, please note that measuring some disclosures entails using estimates and assumptions. These estimates and assumptions are rooted in the selection of various but acceptable measurement methods, input data or assumptions. Consequently, they may lead to variations in reported amounts or metrics.


FEEDBACK (GRI 2-26)


We remain committed to upholding the highest standards of transparency and rigour in our sustainability reporting. Despite the inherent complexities involved in quantifying certain aspects of our sustainability performance, we strive to provide you with the most reliable and informative insights possible. We highly value and prioritise your input in enhancing our sustainability performance and reporting. Please direct any questions, comments or suggestions relating to our sustainability matters to:


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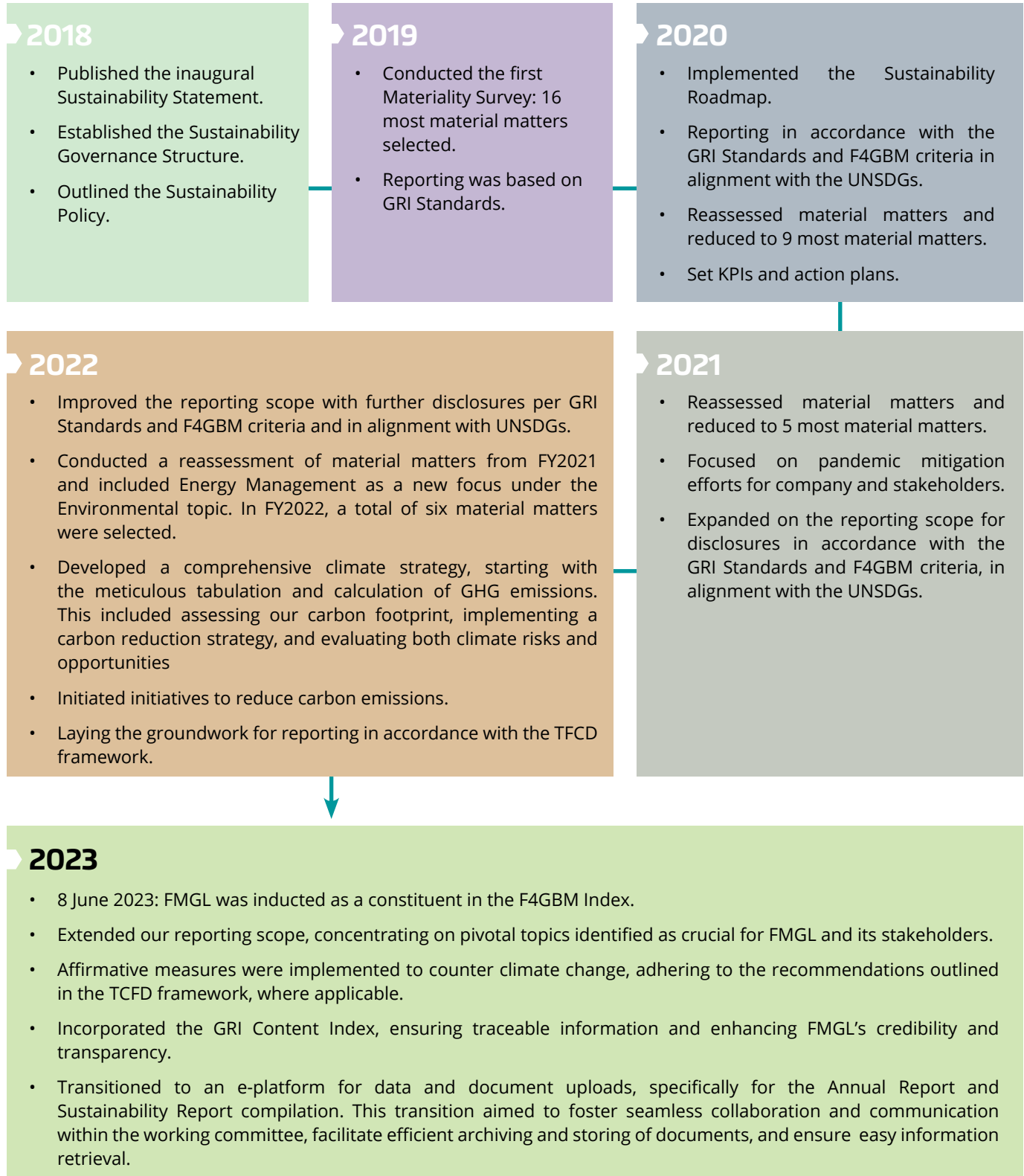
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Sustainability Roadmap

(GRI 2-9 to 2-18, 2-22 to 2-25, 2-28, 2-29, 3-1 to 3-3, 403-1 to 403-10, F4GBM)



Sustainability Roadmap (GRI 2-9 to 2-18, 2-22 to 2-25, 2-28, 2-29, 3-1 to 3-3, 403-1 to 403-10, F4GBM) (continued)

SUSTAINABILITY GOVERNANCE (GRI 2-9 to 2-18)

The Board of Directors is responsible for endorsing and supervising the implementation of FMGL’s Sustainability and ESG Strategy and ensuing initiatives. The Sustainability Committee (“SC”), headed by the Group Managing Director, consists of the heads and representatives from FMGL’s subsidiary companies and Heads of Departments (“HoDs”). The SC plays a pivotal role in cascading the Group’s sustainability requirements to ensure efficient engagement and assigning responsibilities among employees in prioritising and addressing specific ESG issues.

Board of Directors

- Oversees the overall implementation of the Group’s sustainability initiatives.
- Endorses the Group’s sustainability report and materiality matters.
- Endorses sustainability strategies and initiatives proposed by the Sustainability Committee.

SC Chairman (Group Managing Director)

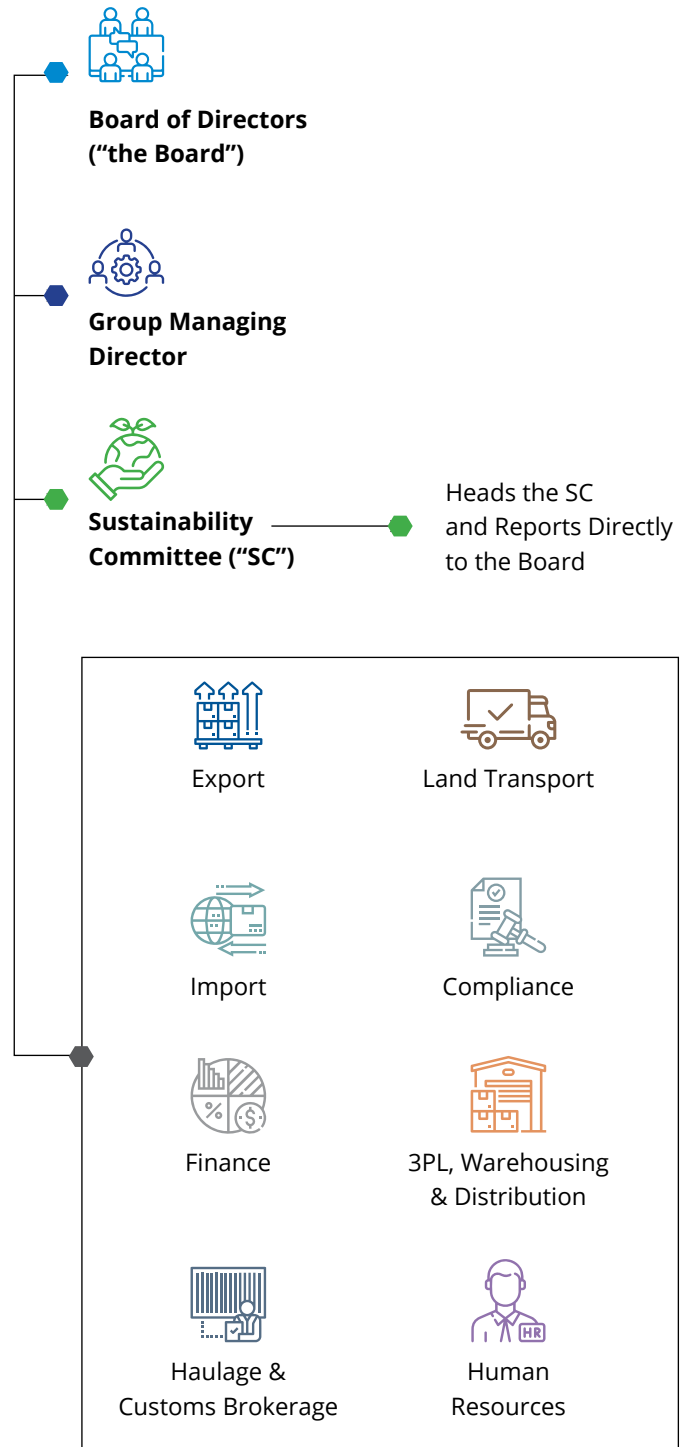
- Proposes sustainability strategies and initiatives.
- Monitors implementation of sustainability initiatives.
- Reports sustainability progress to the Board.

Sustainability Committee

- Identifies materiality matters that are relevant to the Group’s business operations.
- Proposes sustainability initiatives and measures to be implemented across the Group.
- Implements sustainability initiatives that have been approved by the Board throughout the Group.
- Conducts data gathering for sustainability reporting.
- The Chairman of the Sustainability Committee reports the overall progress of the Group’s sustainability efforts to the Board.

SUSTAINABILITY GOVERNANCE STRUCTURE

(GRI 2-9, 2-12, 2-13, 2-14)



Sustainability Roadmap (GRI 2-9 to 2-18, 2-22 to 2-25, 2-28, 2-29, 3-1 to 3-3, 403-1 to 403-10, F4GBM) (continued)

In FY2023, the SC held half yearly meetings and actively participated in training sessions facilitated by external sustainability consultants. The primary objective of the Corporate Sustainability Workshop was to provide the SC with guidance on optimising the reporting process, fostering deliberation, devising actionable plans and establishing Key Performance Indicators ("KPIs") for initiatives. This aligns with our commitment to expand our disclosures, comply with regulatory requirements, and align with international sustainability frameworks.

Throughout FY2023, the SC conducted a comprehensive survey among FMGL employees to assess their comprehension of prioritised ESG issues within the Group. This effort aimed to identify key milestones achieved by ongoing programmes and initiatives during the reporting period. Looking ahead to FY2024, a new Material Matters survey involving both external and internal stakeholders is scheduled for implementation.





Considerations were also made to request suppliers and contractors to submit feedback on their respective company's ESG priorities, practices and compliances in efforts to assess their organisation's business practices and performance on various sustainability and ethical issues. It also allows us to measure business risks and opportunities for long-term success based on responsible corporate management and business strategies.

The Board and Management of FMGL acknowledge the importance of evaluating corporate performance beyond financial metrics, taking into account the broader impact in the realm of ESG considerations. While bridging the gap between financial and non-financial indicators and applying theoretical frameworks is challenging, the SC plays a pivotal role in coordinating activities and engaging our employees. Most importantly, we are steadfast in our commitment to enhancing our sustainability reporting practices. This involves a step-by-step learning process within the Group, which signifies progression towards adopting a more comprehensive and integrated approach. This approach encompasses the identification, execution and monitoring of business decisions and strategies aimed at creating long-term value.

POLICY COMMITMENTS (GRI 2-23 - 2-25)

The Sustainability Policy endorsed by the Board in 2018 was adopted in alignment with the Sustainability Reporting Guide in accordance with the Listing Requirements of Bursa Malaysia, taking into consideration the ESG risks and opportunities alongside financial implications.

SUSTAINABILITY MISSION

-  To hire, train and develop a capable group;
-  To create a conducive and enjoyable working environment;
-  To minimise outsourcing; and
-  To provide service levels that meet customer expectations.

SUSTAINABILITY POLICY



ENVIRONMENTAL

Safeguard the environment by adopting sustainable practices that mitigate any negative impacts which our operations may have on the environment.



SOCIAL

Develop our business to create employment opportunities and give back to the community.



ECONOMIC & GOVERNANCE

Explore business opportunities that facilitate healthy economic and income growth for the Group.

Sustainability Roadmap (GRI 2-9 to 2-18, 2-22 to 2-25, 2-28, 2-29, 3-1 to 3-3, 403-1 to 403-10, F4GBM) (continued)

MEMBERSHIP OF ASSOCIATIONS (GRI 2-28)

FMGL maintains professional memberships to access industry-specific resources, expand networking opportunities, and contribute to the development of sector standards and best practices. The Group actively participates in the following associations and representative bodies:

- International Federation of Freight Forwarders Association (“FIATA”);
- International Air Transport Association (“IATA”);
- Federation of Malaysian Manufacturers (“FMM”);
- Association of Malaysian Haulers (“AMH”); and
- Selangor Freight Forwarders & Logistics Association (“SFFLA”).

AWARDS & RECOGNITION (GRI 202)





The Penang branch of FM Global Logistics (KUL) Sdn. Bhd. (“FM (KUL)”) received the China Airlines Cargo Million Dollar Sales Award for the second consecutive year on 28 July 2023. The cargo airline freight service provider in China was named the 2022 Best Cargo Airline-Asia in October 2022 and we are honoured by this recognition from one of the largest cargo carriers globally.



Sustainability Roadmap (GRI 2-9 to 2-18, 2-22 to 2-25, 2-28, 2-29, 3-1 to 3-3, 403-1 to 403-10, F4GBM) (continued)





CREATING STAKEHOLDER VALUE (GRI 2-29)

FMGL consistently interacts with stakeholders using diverse communication channels to gain a deeper understanding of their expectations and objectives. This information guides us in planning and executing enhancements in areas that hold significant importance and relevance for all parties concerned.

	Materiality Sustainability Areas/Value Delivery	How We Responded
 <p>Shareholders and Investors</p> <p>Why we engage: To gain insights into the Group's financial capacity to sustain growth. To ensure a strong understanding of our business fundamentals, strategy and performance.</p>	<ul style="list-style-type: none"> ● Financial performance. ● Transparent reporting. 	<ul style="list-style-type: none"> ● Annual General Meeting. ● Extraordinary General Meeting. ● Networking Sessions. ● Website. ● Announcement of Quarterly Results. ● Annual Report. ● Group Meetings.
 <p>Employees</p> <p>Why we engage: To provide professional and career advancements and create a conducive workplace environment that encourages employee-valued contributions.</p>	<ul style="list-style-type: none"> ● Job security. ● Remuneration and benefits. ● Training and career development. ● Employee wellbeing, health and safety. ● Work-life balance. 	<ul style="list-style-type: none"> ● Town Hall Meetings. ● Training Programmes.
 <p>Clients / Customers</p> <p>Why we engage: To address customers' requirements, identify opportunities and improve service offerings.</p>	<ul style="list-style-type: none"> ● Pricing. ● Service delivery. 	<ul style="list-style-type: none"> ● Customer Feedback Surveys. ● Virtual and Physical Meetings. ● Market Research.
 <p>Industry Groups and Strategic Partners</p> <p>Why we engage: To collaborate effectively, exchange ideas and explore opportunities for partnerships.</p>	<ul style="list-style-type: none"> ● Financial stability. ● Capability and capacity. ● Reputation. 	<ul style="list-style-type: none"> ● Virtual Meetings and Site Visits.

*PINM: Potential Incidents Near Misses

Sustainability Roadmap (GRI 2-9 to 2-18, 2-22 to 2-25, 2-28, 2-29, 3-1 to 3-3, 403-1 to 403-10, F4GBM) (continued)

	Materiality Sustainability Areas/Value Delivery	How We Responded
 <p>Local Communities</p> <p>Why we engage: To build better relationships, uplift the underserved in our society and create job opportunities.</p>	<ul style="list-style-type: none"> ● Community engagement. ● Life-improving programmes. ● Environmental and social impacts. ● Corporate Social Responsibility (“CSR”). 	<ul style="list-style-type: none"> ● Job Creation. ● Sponsorship of Community Service Events. ● Social and Environmental Initiatives. ● Donations.
 <p>Government Agencies / Regulators</p> <p>Why we engage: To ensure compliance and opportunities to participate in Government-related projects.</p>	<ul style="list-style-type: none"> ● Compliance to requirements set by Government agencies or other regulatory authorities. ● Compliance to regulatory requirements of Bursa Securities, Securities Commission of Malaysia and other reporting guidelines. ● Sustainability Policy aligned with areas of national interests including initiatives. 	<ul style="list-style-type: none"> ● Regulatory Discussions and Meetings with Authorities. ● Public Consultation with Local Authorities. ● Site Inspections. ● Seminars, Briefings and Trainings.
 <p>Vendors / Suppliers</p> <p>Why we engage: To strengthen the supply chain and encourage best practices in governance and sustainability.</p>	<ul style="list-style-type: none"> ● Payment schedule. ● Procurement policies and practices. ● Supplier Code of Conduct. 	<ul style="list-style-type: none"> ● Procurement Policies. ● Performance Evaluation. ● Virtual Meetings and Site Visits.
 <p>Media</p> <p>Why we engage: To increase public and stakeholder awareness, and publish timely and accurate information on the Group’s services, activities, and financial and ESG performances.</p>	<ul style="list-style-type: none"> ● Brand positioning, image and credibility. 	<ul style="list-style-type: none"> ● Media Interviews, Briefing Sessions and Media Conferences. ● Press Releases.

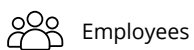
Sustainability Roadmap (GRI 2-9 to 2-18, 2-22 to 2-25, 2-28, 2-29, 3-1 to 3-3, 403-1 to 403-10, F4GBM) (continued)

APPROACH TO MATERIALITY (GRI 2-13, 2-16, 2-27, 3-1 to 3-3, 205-1, 205-2, 301-2, 301-3, 305-1 to 305-7 F4GBM)

Since 2019, FMGL has been dedicated to implementing sustainability initiatives, focusing on key areas identified through a process recommended by the F4GBM. This process involved conducting a materiality survey among our stakeholders to guide us in shortlisting and selecting critical material matters.

In FY2023, we reassessed these Materiality Matters and recognised the significance of waste management as an area that warrants increased attention. While we will continue to reduce paper usage in our offices by embracing information, communication and technology ("ICT") mechanisms, our efforts to repair and recycle wooden pallets used in our warehouses can showcase our commitment to circularity and the Reduce, Reuse and Recycle ("3R") principles.

MATERIALITY MATTER ("MM")		IMPORTANCE TO VALUE CREATION	RISK
ENVIRONMENTAL	MM 1: Environmental Initiatives (Climate Change)	<ul style="list-style-type: none"> Addressing climate change concerns. 	<ul style="list-style-type: none"> Extreme weather events, air and water pollution, natural resource scarcity, biodiversity loss, health risks and ecosystem services loss. Regulatory and legal risks, transition risk, reputation risk, market access risk and insurance cost increase.
	MM2: Environmental Initiatives (Energy Management)	<ul style="list-style-type: none"> Improving operational excellence and reputation. Conserving the environment and utilising renewable energy. 	<ul style="list-style-type: none"> Warehouse and distribution hubs require high-intensity usage of energy.
	MM3: Waste Management	<ul style="list-style-type: none"> More efficient use of products, reducing costs for purchasing new materials and improved financial performance. 	<ul style="list-style-type: none"> Health risks, air and water pollution, land contamination.
SOCIAL (Workplace)	MM4: Occupational Health & Safety	<ul style="list-style-type: none"> Safeguarding our human resources and other stakeholders. 	<ul style="list-style-type: none"> Non-compliance with the HSSE Policy, Rules, and Regulations by employees can result in severe injuries, fatal accidents, and damage to company and public assets, directly impacting operations. The costs associated with repairing, restoring or replacing these damaged assets can be substantial.
	MM5: Training, Education and Career Development	<ul style="list-style-type: none"> Investing in the workforce. Attracting and retaining talent. 	<ul style="list-style-type: none"> Challenge in attracting, developing and retaining high performers for succession planning.
GOVERNANCE	MM6: Ethics & Integrity	<ul style="list-style-type: none"> Proactively confronting and mitigating substantial business risks to enhance resilience. 	<ul style="list-style-type: none"> Accusations of bribery and corruption can be detrimental to FMGL's reputation and financial standing.



Government/Regulatory Bodies

Clients/Customers

Vendors and Suppliers

Sustainability Roadmap (GRI 2-9 to 2-18, 2-22 to 2-25, 2-28, 2-29, 3-1 to 3-3, 403-1 to 403-10, F4GBM) (continued)

Our evaluation aligned with the guidance of GRI 3: Material Topics 2021. Consequently, our SC has decided to focus on the top six materiality matters to consistently enhance our sustainability performance in the identified areas, mirroring the approach taken in the previous reporting period.

In the upcoming financial year ("FY2024"), the Group plans to conduct a comprehensive Materiality Study, engaging with all stakeholders to determine their most pressing needs and priorities for the future.

OPPORTUNITIES	STAKEHOLDERS AFFECTED	KPIs	ALIGNMENT TO UNSDGS
<ul style="list-style-type: none"> Preserving the health and safety of living beings and the natural environment. 		Read more on page 60	
<ul style="list-style-type: none"> Reducing costs and increasing efficiency in the long-term. 		Read more on page 60	
<ul style="list-style-type: none"> Cost savings realised through the adoption of circular economy methodology. 		Read more on page 61	
<ul style="list-style-type: none"> Prioritising a culture of health and safety to attract and retain employees, strengthening operational reliability, and meeting customers' requirements. 		Read more on page 61	
<ul style="list-style-type: none"> Upskilling and reskilling talents, ensuring good job fit in skills and capabilities to deliver business goals. 		Read more on page 61	
<ul style="list-style-type: none"> Establishing strong business values and ethical behaviour to gain competitive advantages in terms of transparency and trustworthy business relationships. 		Read more on page 61	



Certification Bodies



Shareholders/Investors/Analysts



Local Communities, Civil Society & NGOs



Media

Sustainability Roadmap (GRI 2-9 to 2-18, 2-22 to 2-25, 2-28, 2-29, 3-1 to 3-3, 403-1 to 403-10, F4GBM) (continued)

FY2023 KEY PERFORMANCE INDICATORS ("KPIs") AND ACTION PLANS

ENVIRONMENTAL CLIMATE CHANGE

- 1** To reduce emissions of:
- ⇒ PM (particulate matter) from 0.25 to 0.1 g/kWh
 - ⇒ NOx (nitrogen oxides) from 7 to 5 g/kWh

ACTION PLAN

To purchase new EURO 3 compliant prime movers.

FY2023: Purchased 20 units

FY2022: Purchased 19 units

FY2021: Purchased 19 units

TOTAL as of 30 June 2023: 80 units of prime movers.



Responsibility: Haulage Department

RESULTS



FY2023: ACHIEVED

Actual emissions: PM = 0.1 g/kWh NOx = 5 g/kWh

FY2022 & 2021: ACHIEVED

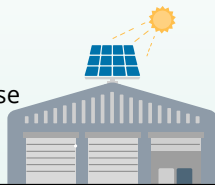
Actual emissions: PM = 0.1 g/kWh NOx = 5 g/kWh

ENVIRONMENTAL ENERGY MANAGEMENT

- 2** To reduce energy consumption and GHG emissions

ACTION PLAN

- A. Installation of solar panels completed at one warehouse in Port Klang, Selangor.



Responsibility: Finance Department

RESULTS



FY2023: ACHIEVED

22.6% or 447,356 kWh in energy savings. 277.4 mt CO₂e in GHG emissions savings.

FY2022: ACHIEVED

Installation completed end of September 2022 and commenced operation end November 2022.

FY2021: POSTPONED

(due to the COVID-19 pandemic)

Note: The calculations above are based on utilisation of solar panels from 1 December 2022 and savings were accounted for from December 2022 to June 2023, constituting seven months. The solar project has a potential savings of an annual 694,000 kWh.

ACTION PLAN

- B. Installation of LED lights in one of the larger warehouses in Port Klang, Selangor completed.



Responsibility: Warehouse

RESULTS



FY2023: ACHIEVED

53,679.6 kWh in energy savings. 33.3 mt CO₂e in GHG emissions savings.

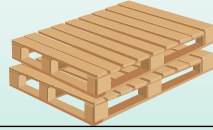
Sustainability Roadmap (GRI 2-9 to 2-18, 2-22 to 2-25, 2-28, 2-29, 3-1 to 3-3, 403-1 to 403-10, F4GBM) (continued)

**ENVIRONMENTAL
WASTE MANAGEMENT**

3 Recycling and reusing of wooden pallets.

ACTION PLAN

To reduce waste of wooden pallets to landfill.



Responsibility: Health, Safety, Security & Environment (HSSE)

RESULTS



FY2023: Recycled 25,797; repaired 3,332 pallets.

FY2022: Recycled 10,530; repaired 2,170 pallets.

FY2021: Recycled 11,646 pallets, repaired 1,433 pallets.

This is a new initiative to replace the paper recycling programme. Please refer to pages 58 - 59 and 75 of this Report.

**SOCIAL
OCCUPATIONAL HEALTH & SAFETY**

- 4** A. Introduction of new Vehicle Idling Reduction Programme.
- B. Speed Violation Reduction Programme.

ACTION PLAN

- A. Vehicle Idling Reduction Programme introduced. To reduce idling time.
- B. Speed Violation Reduction Programme was running for a two-year period (FY2021 & FY2022).



Responsibility: Haulage Department

RESULTS



FY2023: IN PROGRESS

A. Vehicle Idling Reduction Programme introduced for drivers and training and monitoring is ongoing. Data and information will be reporting in FY2024



FY2023: ACHIEVED

B. Two-year Speed Violation Programme completed and will be continuously implemented.

FY2022: ACHIEVED 31.4% reduction (10.2% improvement rate from 2021)

FY2021: ACHIEVED 21.2% reduction

**SOCIAL
TRAINING, EDUCATION & CAREER DEVELOPMENT**

5 50% utilisation of Human Resources Development Fund ("HRDF").

ACTION PLAN

To utilise HRD Corp Fund allocation



Responsibility: Human Resource Department, all departments

RESULTS



FY2023: ACHIEVED 54.2%

FY2022: NOT ACHIEVED

Training programmes fell outside criteria for eligibility based on HRD Corp's updated requirements.

FY2021: NOT ACHIEVED

Utilised 32% HRD Corp Fund due to the pandemic.

**GOVERNANCE
ETHICS & INTEGRITY**

6 100% of relevant personnel familiarised with Anti-Bribery and Anti-Corruption ("ABAC") procedures.

ACTION PLAN

Training and refresher courses on MACC **TRUST** programme



Responsibility: Compliance Department

RESULTS



FY2023: ACHIEVED

FY2022 & 2021: ACHIEVED

**T - top level commitment; R - risk assessment; U - undertake control measures; S - systematic review, monitoring and enforcement; T - training and communication*

Please refer to the Environmental, Social and Governance sections in this Statement for further information.

Sustainability Roadmap (GRI 2-9 to 2-18, 2-22 to 2-25, 2-28, 2-29, 3-1 to 3-3, 403-1 to 403-10, F4GBM) (continued)

ENVIRONMENTAL: CLIMATE CHANGE & ENERGY MANAGEMENT

As a logistics business with significant transportation and warehousing assets, we understand our contribution to GHG emissions and their impact on climate change. We are determined to control our emissions by reducing fuel consumption by our prime movers and overall electricity usage.

The following measures were implemented during the reporting period to achieve these aims:

- **Climate Change**

In our commitment to mitigating climate change, the Group has proactively replaced prime movers equipped with EURO 2 engines with the more fuel-efficient EURO 3 upgrade. By the conclusion of FY2023, 80 prime movers of 159 vehicles had been transitioned to EURO 3 compliance, thanks to our sustained conversion initiatives and the procurement of 20 new units. Constituting nearly half of our prime mover fleet in Malaysia, the incremental increase in energy-efficient vehicles marks a significant improvement from FY2022.

As we continue to integrate new vehicles into our fleet, either as replacements for older models or to expand our capacity, we consistently enhance our year-on-year ("YoY") progress in implementing the GHG emissions reduction programme at FMGL.

- **Energy Management**

During the reporting period, we successfully executed a significant solar power initiative by installing photovoltaic ("PV") panels on the roof of one of our larger warehouses in Port Klang. The project has the potential to generate monthly energy savings of 57,867 kWh or 694,000 kWh annually. For the seven-month period from December 2022 to June 2023, we recorded energy savings amounting to a monthly average of 63,908 kWh, a 10.4% higher than expected results. We achieved total energy savings of 447,356 kWh, translating to substantial cost savings, amounting to approximately RM227,705 and a reduction of 277.4 mt CO₂e in GHG emissions.

This achievement is primarily attributable to the newness of the PV panels, operating in its first year, and the abundance of high sun-day hours. The installed solar system is tailored to the past 10 years of weather data, reflecting an average of 3.4 hours of daily sunlight in the Port Klang region. As with most solar systems, performance gradually declines over time, with a typical lifespan ranging between 25 to 30 years. The decline in performance may also be affected by potential climate changes that result in reduced hours of sunlight. To address future climate change threats, we are keeping abreast on emerging renewable energy technologies.

We are also pleased to report that in FY2023, we successfully completed the installation of energy-efficient LED lighting within the same warehouse. This initiative resulted in substantial energy savings, totalling 53,679.6 kWh for the entire fiscal year. Specifically, we saved 29,307.2 kWh from 1 July 2022 to 31 December 2022, and 24,372.4 kWh from 1 January 2023 to 30 June 2023. These energy savings translated to a reduction in GHG emissions, lowering them by 33.3 mt CO₂e.



Sustainability Roadmap (GRI 2-9 to 2-18, 2-22 to 2-25, 2-28, 2-29, 3-1 to 3-3, 403-1 to 403-10, F4GBM) (continued)

ENVIRONMENTAL: WASTE MANAGEMENT

FMGL has implemented a recycling initiative to reduce waste for the conservation of timber, water and mineral resources. We have been recycling and reusing wooden pallets and have embarked on monitoring and collating data for this initiative since FY2021. Primarily, the objectives are to cut costs through reduced procurement and extend the lifespan of the pallets, besides minimising waste and lowering disposal expenses. Overall, this also contributes to reducing the carbon footprint of pallet production.

While the data indicate fluctuating trends YoY in the number of pallets, the decrease in the number of pallets recycled or repaired is due to the durability and longevity of the products. This signifies that the pallets are still in good condition and continue to serve their intended purposes efficiently. It reflects a circular economy approach, where products are designed to last and minimise waste generation.

SOCIAL: OCCUPATIONAL HEALTH & SAFETY

The physical and mental wellbeing and safety of our employees and stakeholders, as well as that of the public, are paramount. Every kilometre, every minute spent on the road, and every drop of fuel consumed directly affect the safety of our workforce. Reducing the number of kilometres through efficient route planning, minimising travel time, and optimising fuel consumption not only lowers operational costs but also enhances safety. Fewer kilometres travelled mean fewer opportunities for accidents, and efficient time management reduces driver fatigue and stress, leading to better OHS standards.

In intensifying our momentum to gain potential outcomes from embedding good ESG practices in our operations, the department launched the Vehicle Idling Reduction Programme to reduce unnecessary vehicle idling across our entire fleet. Idling is a common but often overlooked practice in the logistics industry as it wastes precious fuel and emits harmful pollutants into the atmosphere, contributing to air pollution and climate change.

Idling Monitoring Technology: To accurately measure and monitor idling time, all prime movers and trucks were installed with a telematics systems in our vehicles. These systems provide real-time data on idling duration and help identify drivers and routes with the highest idling times.

Education and Awareness: The first step in our programme was to educate our drivers about the detrimental effects of vehicle idling. We held briefing sessions to raise awareness about the environmental and financial impacts of idling. Drivers learned about the benefits of reducing idling, such as lower fuel costs and reduced engine wear and tear.

Route Optimisation: By planning more efficient routes, we aim to reduce both idling and overall fuel consumption.

Regular Maintenance: Ensuring that our vehicles are in top-notch condition is essential to reducing idling. We implemented a stringent maintenance schedule to address any issues promptly and keep our fleet running efficiently.

Meanwhile, due to the favourable outcomes recorded in FY2021 and FY2022 by the department for its Speed Violation Reduction Programme, FMGL intends to continue monitoring to reduce the violations and fines incurred. This aligns with the Group's sustainability approach in correctly addressing the pain points of its strategic sustainability agenda turns into actionable initiatives. Apart from addressing the GHG emissions factor, the benefits of such programmes are meant to enhance our drivers' wellbeing. Reduced idling means less exposure to exhaust fumes and a quieter work environment, contributing to improved driver health and job satisfaction. In improving road safety, we continuously encourage drivers to adhere to speed limits and avoid violations, contributing to their physical and mental wellbeing. Defensive driving practices also lead to fewer accidents, injuries and fatalities on the road, not only for our drivers but for other road users as well.

Sustainability Roadmap (GRI 2-9 to 2-18, 2-22 to 2-25, 2-28, 2-29, 3-1 to 3-3, 403-1 to 403-10, F4GBM) (continued)

SOCIAL: TRAINING, EDUCATION & CAREER DEVELOPMENT

For the Training, Education & Career Development initiative, achieving a 100% utilisation rate of the HRD Corp Claimable Course funds was a goal that had eluded us for FY2022 and FY2021. The turning point involved analysing the list of eligible training topics based on the HRD Corp’s updated requirements and identifying suitable licensed training material that aligned with FMGL’s objectives. Inter-departmental collaboration was crucial to identify training needs within each department team, and for guidance in selecting courses. *Further details on this sustainability initiative are provided under the Social section of this Statement.*



GOVERNANCE: ETHICS & INTEGRITY

As corporate integrity and ethical business practices form the cornerstone of strong and sustainable companies, FMGL stringently adheres to **TRUST*** by the Malaysian Anti-Corruption Commission ("MACC") and the provisions under Section 17A of the MACC Act governing corporate bribery and corruption practices at the workplace. In FY2023, we continued with refresher training for all relevant personnel and briefed new hires during the onboarding session to familiarise themselves with the Anti-Bribery and Anti-Corruption ("ABAC") procedures.

- * **T** – top level commitment;
- R** – risk assessment;
- U** – undertake control measures;
- S** – systematic review, monitoring and enforcement;
- T** – training and communication

In line with TRUST, we continued to carry out the following activities:

- Training and communication to third parties on our ABAC and Whistleblowing ("WB") policies;
- Enhancement of our Procurement Policy, including due diligence, determination of associated risks and development of procedural guides on gifts, entertainment, hospitality and other gratuitous acts offered to employees by third parties;
- Monitoring of whistleblowing results;
- Internal audit; and
- Sharing of the latest updates from MACC and learning from incidents ("LFI") to all employees and new Board members.



Economic & Governance (GRI 2-6, 2-24, 2-27, 201 - 203, 205 - 207)

Most Material Matters: Ethics & Integrity

F4GBM: • Procurement Practices • Indirect Economic Impact • Climate-related Financial Risks & Opportunities



CREATING AND SUSTAINING CONSISTENT VALUE

(GRI 201-1 to 201-4, F4GBM)

As a well-established corporate entity entrusted with securing the financial wellbeing of our stakeholders, FMGL maintains a steadfast commitment to achieving sustainable growth, underpinning consistent value creation. Our prudent financial management, continuous service enhancement, and steadfast adherence to sound corporate governance principles exemplify these principles.

Our approach has been characterised by meticulous planning and measured execution in mitigating internal and external risks native to our industry or emerging threats. Consequently, the Group has realised a trajectory of steady revenue growth, a prolonged upward trend in profitability and a sterling track record of earnings spanning two decades.

In keeping with our ethos, we have consistently shared our success with our stakeholders through various channels, including dividend distributions to shareholders, performance-based bonuses for employees, contracts and collaborations with valued suppliers and service providers, contributions to the betterment of social communities, and fulfilling our taxation obligations to the government.

In continuously strengthening of our financial performance, FMGL is proactively fostering organic growth while strategically expanding our presence in both established and emerging markets through strategic acquisitions and mutually beneficial joint ventures. Concurrently, we diligently fortify our network of third-party freight carriers, offering innovative solutions tailored to the unique needs of clients across diverse industries and sectors. *Further details of the Group's economic & business performance, financial results and business strategies are presented in the Management Discussion & Analysis, Financial Highlights and Financial Statements in this Annual Report.*

SUPPORTING THE ECONOMIC ECOSYSTEM

(GRI 202, F4GBM)

Trade is a vital component of Malaysia's economy, amounting to RM2.85 trillion, with exports alone accounting for an estimated 87% (RM1,552 trillion) of the nation's gross domestic product ("GDP") of RM1.791 trillion as of the end of 2022. *(Source: DOSM)* According to the World Bank, Malaysia's economic growth is expected to moderate to 3.9% in 2023 from an earlier projection of 4.3% in April 2023 amid a substantial deceleration of external demand. Malaysia's export numbers contracted by 3.3% in Q1 2023 and 9.4% in Q2 2023. On the ringgit, the economist said the domestic currency has depreciated by 15% against the US dollar from January 2021 to June 2023. GDP growth forecasts of 4.0% to 5.0% for 2023.

As a leading integrated freight and logistics service provider in Southeast Asia, FMGL plays a vital role in the domestic economy. We enable the export of goods from our industries to international markets and ensure the smooth import of products for local consumption. Our extensive network of third-party freight carriers, overseas partners, and agents guarantees that our domestic and international clients can reliably secure shipping capacity to transport goods and merchandise efficiently. This support has been particularly crucial during the disruptions faced by the global supply chain in recent pandemic years.

Over the years, FMGL has progressively extended our regional and international footprint with bases in 10 markets across Southeast Asia, South Asia, the Middle East, Australia, the United States ("US") and, as of late, Singapore.

Economic & Governance (GRI 2-6, 2-24, 2-27, 201 - 203, 205 - 207) (continued)



In December 2021, the Group acquired three US-based IOS companies as a springboard into the North American market. In September 2023, we entered into a Sale and Purchase Agreement (“SPA”) to take over Singapore’s CAC Logistics Services Pte Ltd (“CAC”). The acquisition aligns with the Group’s expansion initiatives into selective international markets as part of the Group’s future growth strategies. Given its pivotal status as a major regional business and shipping hub, the Singaporean market seamlessly aligns with our strategic vision. Presently, the Group maintains a presence across several countries, including Malaysia, Indonesia, Thailand, Vietnam, India, the Philippines, Australia, the United Arab Emirates and the USA. With the acquisition, the Group would be able to immediately leverage the existing customer base, market and resources of CAC, which has an established warehousing business and valid business license in Singapore.

Furthermore, CAC also serves as an invaluable gateway to the expansive Singaporean market, capitalising on the presence of numerous multinational regional offices in the city-state. This strategic move will certainly expand our customer base. Upon completion of the acquisition of CAC, with its impressive warehousing capacity totalling 236,496 sq in Singapore, augments FMGL’s overall warehousing capabilities across multiple countries. Based on the aforementioned factors, the Board confidently anticipates that this acquisition will positively impact FMGL’s future earnings, further solidifying its position as a preeminent regional logistics company.

A noteworthy milestone for FM Global Logistics (M) Sdn Bhd (“FMGLM”) transpired on 4 August 2023 when it received approval as an Authorised Economic Operator (“AEO”) from the Royal Malaysian Customs Department (“RMCD”). This recognition marks FMGLM’s reliability and compliance in customs-related operations, enabling the company to benefit from the AEO Programme and extend a range of advantages to its selected clientele.

Economic & Governance (GRI 2-6, 2-24, 2-27, 201 - 203, 205 - 207) (continued)

These benefits encompass priority treatment, expedited customs clearance, reduced physical inspection rates for imported or exported goods, swift release of shipments, enhanced security measures and improved risk mitigation protocols. The AEO Programme, established by the government at the national level in 2021, covers goods that require licenses or permits issued by 43 Regulatory Authorities, other Government Agencies, and Permit Issuance Agencies.

In addition to these benefits, FMGL can leverage AEO certification to facilitate fast, straightforward, and efficient customs clearance and shipment handling for imports and exports for countries with Mutual Recognition Arrangements (“MRA”) in place with Malaysia. This certification streamlines processes and ensures a seamless and secure trading experience for both FMGL and its valued customers. *Further details on the acquisition of CAC and the AEO Programme are elaborated in the Chairman’s Statement and Management Discussion & Analysis in this Annual Report 2023.*

Similarly, in Malaysia, we have steadily developed our warehousing capacities and distribution capabilities, including last mile delivery services supporting the growing e-commerce industry in Malaysia.

SUSTAINABILITY OF THE BUSINESS STRATEGY

(GRI2-22, F4GBM)

FMGL’s enduring success and consistent performance since its inception underscore our resilience in the highly competitive and unpredictable freight forwarding and logistics industry. We have advanced through prudent management, robust business strategies and resilient operations.

Since our initial public offering in 2003, our revenue has consistently multiplied, maintaining a high growth trajectory despite experiencing global geopolitical tensions, trade disputes, post-pandemic economic impacts, the Russia-Ukraine conflict, and other external factors affecting economies worldwide.

PROVIDING JOB AND BUSINESS OPPORTUNITIES

(GRI 202, F4GBM)

FMGL’s contribution to the national economic and socioeconomic landscape extends to the provision of employment for local talents and opportunities for domestic businesses, including small and medium-sized enterprises (“SMEs”).

As of 30 June 2023, the Group employed 1,871 individuals, with 1,321 based in Malaysia, primarily consisting of local talent. We consistently ensure that our compensation packages align, at a minimum, with industry standards.

In line with our employment strategy, we prioritise hiring local talent, reflecting our commitment to nurturing and enhancing domestic capabilities in the regions where we operate.

PROCUREMENT PRACTICES/SUSTAINABLE PROCUREMENT AND SUPPLIER ASSESMENT

(GRI 204, F4GBM)

Our operations also support a diverse range of companies, including subcontractors offering services and distribution to businesses and households. Within FMGL’s expansive supply chain, we collaborate with various vendors, encompassing providers of warehouse and office materials, transportation assets, and utilities, as well as services in finance, legal, communications, and other domains.

Our procurement requirements encompassing quality and reliability assessments encourage vendors to maintain a high level of competence in service provision at all times. The Group has an effective system and established procedures for all purchases and acquisitions.



Economic & Governance (GRI 2-6, 2-24, 2-27, 201 - 203, 205 - 207) (continued)

INDIRECT ECONOMIC IMPACTS (GRI 203)

FMGL's significance extends beyond its core operations, as it is pivotal in stimulating economic development in domestic and international markets. Our contributions reach far and wide, encompassing the enhancement of a nation's economic prosperity and the creation of sustainable employment opportunities for both permanent and contractual positions. Furthermore, we catalyse business growth for local vendors, suppliers, and service providers, nurturing a vibrant economic ecosystem. Even during challenging times, our business model within the supply community thrives, maintaining full operational and managerial capacity.

These contributions, including economic impacts on employment, contractors, suppliers, and the broader community, are further detailed in other sections of this Sustainability Report, underscoring our commitment to positive socio-economic engagement.

MAINTAINING GOOD CORPORATE GOVERNANCE

(GRI 2-15, 2-23, 205-1, 205-2, 205-3, F4GBM)

FMGL subscribes to good corporate governance as the basis to sustain business growth and maintain stakeholder value. Through the years, our sound approach to governance has attracted investors, secured clients and strengthened our supply chain.

Our comprehensive framework for corporate governance serves to improve performance and enhance productivity while also ensuring transparency, upholding business ethics and promoting integrity. Oversight on all governance matters is carried out by the Board and the various Board committees such as Audit & Risk, Remuneration and Nomination. In addition, we have a Sustainability Committee that reports on our ESG progress to the Board. Board members and employees leverage on the Malaysia Code of Corporate Governance ("MCCG") as the benchmark of best practices to fulfill their fiduciary, business and administrative functions.

The ABAC Policy emphasises the Group's steadfast commitment to arresting any form of corruption, while the WB Policy outlines the rights, avenues and procedures for employees and members of the public to report any questionable behavior. Both recruits and existing employees receive training on the ABAC and WB policies, with regular refresher sessions to ensure ongoing awareness and compliance. The ABAC and WB policies are also made available to business partners, vendors, suppliers and service providers. *Please refer to the Corporate Governance Overview Statement on pages 93 to 108 of this Annual Report for further details.*

BALANCING RISKS AND OPPORTUNITIES

(GRI 2-16, 2-25, F4GBM)

The freight and logistics industry confronts a mounting array of challenges stemming from the aftermath of COVID-19 reinfections, ongoing geopolitical tensions, global economic instability and the burgeoning ramifications of climate change. Supply chain analysts have discerned several critical risks, including labour shortages, bottlenecks in freight movement, port congestion, warehouse deficits, surging inflation, the potential for a COVID-19-like resurgence, and a general perception of sustainability shortcomings within the industry.

FMGL maintains vigilant oversight of these risks, continually monitoring potential disruptors to our operations, safeguarding our reputation with clients, and ensuring the welfare of our employees. To this end, our comprehensive Business Continuity Plan stands ready to address any contingencies. Furthermore, our Enterprise Risk Management ("ERM") framework equips us to methodically identify, evaluate, and recommend appropriate mitigation measures for potential risks and opportunities.

Notably, during FY2023, we identified an emerging risk factor, cybersecurity threats, which we have incorporated into our existing risk register. Among these challenges, six factors pertaining to finance, operations, supply chain, social dynamics and governance were assessed as medium to high in terms of risk, requiring heightened attention and strategic focus.

Economic & Governance (GRI 2-6, 2-24, 2-27, 201 - 203, 205 - 207) (continued)

RISK MITIGATION (GRI 2-16, 2-25, F4GBM)

Type of Risk	Impact	Mitigation Measures
Financial		
Economic downturn	Reduced trade and lower demand leading to loss of revenue.	Setting of comprehensive growth strategies, meeting KPIs of key accounts and regular monitoring of plans, achievements as well as economic indicators.
Operational		
Improper cargo handling	Claims for missing or damaged cargo.	Established SOPs for cargo handling, with rigorous site supervision conducted by HODs to ensure the adequacy of insurance coverage.
Inventory inaccuracy	Loss, shortage or misplaced goods affecting on-time delivery.	Establishment of procedures for inventory control, frequent stocktaking and appointment of dedicated supervisors.
Supply Chain		
Poor supplier performance	Resulting in financial losses for customers and damage to the Group's reputation	Implementation of processes in the ISO 9001:2015 Quality Management System including regular assessments of suppliers and their respective KPIs.
Social		
Serious communicable health diseases	Shortage of manpower.	Strict adherence to the directives issued by the Ministry of Health ("MoH") and maintains a stringent set of internal SOPs that underscores the importance of vigilance in the workplace. When potential exposure is identified, testing is promptly carried out, and affected employees are provided with the option to work remotely.
Governance		
Act of bribery or corruption	Breach of MACC Act.	Ensuring compliance with the Group's ABAC Policy involves maintaining awareness through periodic training for existing employees and orientation for new hires. Additionally, our proactive approach includes continuous monitoring for red flags and potential violations, conducting regular audits, and implementing comprehensive reporting mechanisms to promptly address non-compliance issues.

The Group has also taken initial steps to assess the financial risks and opportunities associated with climate change. Our strategic focus is on reducing our GHG emissions that are the main cause of global rising temperatures. *Please refer to the Statement on Risk Management and Internal Control on pages 109 to 112 of this Annual Report.*

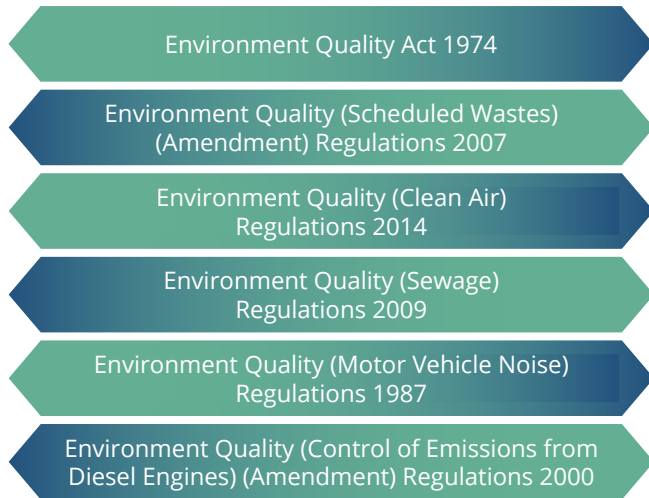
Environmental (GRI 2-23, 2-24, 2-25, 2-27, 301 – 306, 413-1 to 413-2, 416-1)

Most Material Matters: Climate Change • Energy Management • Waste Management

F4GBM: • Emissions • Waste and Effluent • Water • Energy • Supply Chain (Environmental) • Product and Services Responsibility (Environmental) • Materials • Compliance (Environmental)



COMPLIANCE WITH ENVIRONMENTAL LAWS AND REGULATIONS



MODERATING CONSUMPTION FOR RESOURCE CONSERVATION (GRI 3)

FMGL remains committed towards the conservation of the Earth's finite resources, particularly in fossil fuels used for transportation and generation of electricity, water and other consumables such as wood-based pallets and office materials. As a freight and logistics service provider, our consumption is primarily diesel for our fleet of trucks, prime movers and delivery vehicles, as well as electricity to power 822,000 sq ft of warehousing space, including cold storage rooms for medical and other products.

Our ongoing Fuel Consumption Improvement Project introduced in 2019 has been effective in driving better fuel efficiency for our vehicles via the switch to EURO 5 diesel, which has the added benefit of being a cleaner source compared to the previous grade.



At the close of the financial year, almost half our prime movers (80 out of 165) have been converted to EURO 3 compliant engines. We also introduced a new fuel conservation programme in November 2022 for drivers of our prime movers to switch off their engines as opposed to leaving them on while idling. According to some estimates, idling vehicles with 7,200 cc engines consume as much as 4.3 L of fuel per hour. *(Source: <https://ecomobile.gouv.qc.ca/>)*

Similarly, our solar project completed in November 2022 has reduced our dependence on the national electricity grid and is being considered for implementation beyond Group headquarters to other warehousing facilities. The pilot project involved the installation of 1,210 pieces of photovoltaic ("PV") panels on one warehouse roof and has a potential annual capacity of 694,000 kWh, which amounts to an estimated 20% of our total electricity consumption in FY2023. *Please refer to the KPIs on Environmental Climate Change and Energy Management on Pages 60 to 62 of this Statement.*

Environmental (GRI 2-23, 2-24, 2-25, 2-27, 301 – 306, 413-1 to 413-2, 416-1) (continued)



SUSTAINABLE MATERIALS (GRI 301, F4GBM)

As part of our commitment to sustainable practices, FMGL is actively embracing the principles of the circular economy, with a particular focus on the 3R framework: Reduce, Reuse, and Recycle. A circular economy revolves around the concept of prolonging the life of materials, products, and services, thereby reducing resource consumption and minimising waste generation. We strive to diligently apply the 3R Principles to the materials used in our day-to-day operations and administrative processes. Notably, our primary focus lies in the responsible management of wooden pallets employed for storing goods awaiting final delivery. These efforts not only align with our sustainability goals but have also yielded significant cost-saving benefits.

FMGL's ESG Day launch in February 2023 was mooted to encourage active employee participation in eco-friendly practices further. Our ongoing journey towards increased digitalisation significantly reduces paper consumption across our administration, marketing and operational processes. While this shift may appear minor in isolation, its cumulative effect over time contributes to substantial reductions in deforestation.

Food for Thought:

An average tree, measuring 45 feet in height with an 8-inch diameter, is estimated to yield between 10,000 to 20,000 sheets of paper (equivalent to 20-40 packs of 500 sheets each).



FMGL 'GO GREEN' EFFORTS:

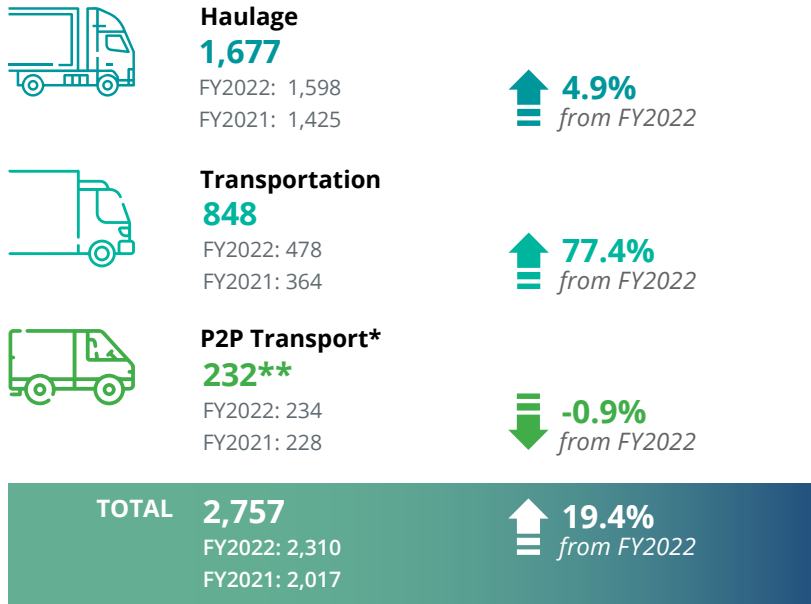


- Shifted to responsibly managed forest paper suppliers for printing of Annual Reports.
- Transitioned to digital document distribution, enhancing control and collaboration.
- Accelerated response times and decision-making, and improved collaboration and communication.
- Implemented a recycling culture via proper office waste segregation (food, paper, plastics, glass and aluminum cans)

Environmental (GRI 2-23, 2-24, 2-25, 2-27, 301–306, 413-1 to 413-2, 416-1) (continued)

FUEL CONSUMPTION 2022 ('000 LITRES)

ENERGY MANAGEMENT (GRI 302, 302-1, 302-4, F4GBM)



* P2P – Parcel To Post

** Fuel consumption for P2P Transport in FY2023 was 217,931 L in diesel and 14,259 L for petrol

Fuel consumption was recorded for FMGL Port Klang and P2P services for FY2021 and FY2022.

The addition of 20 prime movers (total: 80) to our fleet in response to higher demand for land freight resulted in a 25.1% increase in fuel consumption during the financial year in review. In particular, fuel usage of trucks under our transportation segment was over 840,000 litres (L) against 478,000 L the period before.



FUEL CONSERVATION PROGRAMME FOR PRIME MOVERS FY2023

FY2023 is the baseline year for this initiative. Calculations were based on an eight-month period from 1 November 2022 to 30 June 2023.

Before extending this initiative to our other operational areas, we will monitor this programme within our Port Klang operations. The results will be reported in FY2024.

ELECTRICITY CONSUMPTION FY2023 (kWh '000)



Consumption of electricity increased by 26.6% in FY2023 because of significantly-increased activities in our Domestic Logistics business segment.



Environmental (GRI 2-23, 2-24, 2-25, 2-27, 301–306, 413-1 to 413-2, 416-1) (continued)

ENERGY INTENSITY FY2023

Consumption of Fuel / Energy			
Type of Fuel / Energy	Diesel (L)	Petrol (L)	Electricity (kWh)
	2,743,069 (FY2022: 2,295,798)	14,258 (FY2022: 14,343)	6,282,044 (FY2022: 5,736,757)
Conversion to Megajoules (MJ)			
Conversion Factor	Diesel: 1 L x 38.0 MJ	Petrol: 1 L x 31.5 MJ	Power: 1 kWh x 3.6 MJ
	104,236,622 (FY2022: 87,240,324)	449,127 (FY2022: 451,805)	22,615,358 (FY2022: 20,652,325)
Total (MJ)	127,301,107 (FY2022: 108,344,454)		
Land Freight (TEU)	12,839 (FY2022: 11,449)		
Energy Intensity Ratio	MJ / TEU		
	9,915 (FY2022: 9,463)		

FMGL's energy intensity rose in FY2023 by 4.8% to 9,915 mj (FY2022: 9,463 mj) due to the business growth of Domestic Logistics.

WATER & EFFLUENT MANAGEMENT

(GRI 303-5, F4GBM)

WATER CONSUMPTION FY2023 (L)



29,126

FY2022: 16,193
FY2021: 6,309



79.9%

Water consumption in the Group rose to 29,126 L compared to 16,193 L in the previous financial period. This uptick aligns with the increased operational intensity in Domestic Logistics, mirroring our commitment to expanding sustainable activities in this sector.

REDUCING EMISSIONS TO MITIGATE CLIMATE CHANGE

(GRI 305-5, F4GBM)

FMGL has intensified efforts to lower our carbon footprint at a time when climate change is increasingly threatening living conditions and impacting critical areas such as food security and supply chains.

Our resolve to mitigate emissions from our operations and activities is based on the recognition that we are a component of an industry that contributes 8% of global greenhouse gases ("GHG"). *(Source: MIT Supply Chains Initiative)*

Accordingly, we have taken steps to control and reduce our fuel consumption and electricity usage (as discussed earlier in the previous segment), which are the main sources of GHG emission.

In particular, installing digital tracking solutions in our vehicles has significantly cut inefficient practices such as idling (as explained in the previous segment), speeding and other errant traits by our drivers. Road vehicles contribute 62% of freight emissions despite shipping accounting for an estimated three-quarters of global freight. *(Source: <https://www.transmetrics.ai/blog/logistics-sustainability/>)*

Environmental (GRI 2-23, 2-24, 2-25, 2-27, 301–306, 413-1 to 413-2, 416-1) (continued)

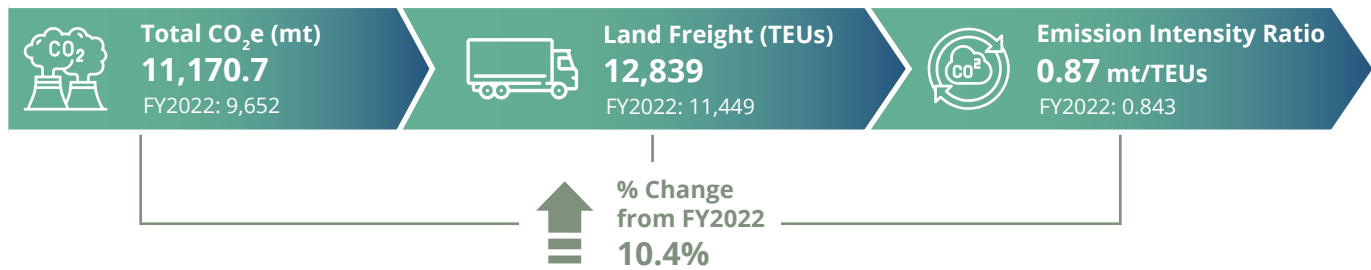
GHG EMISSIONS FY2023

Scope	Emission Source	Fuel Type	Consumption	CO ₂ e (mt)		Variant
				2023	2022	
1	Mobile Combustion	Diesel (L)	2,743,069	7,241.7	6,060.9	
		Petrol (L)	14,258	34.1	34.3	
Scope 1 Sub-total				7,275.8	6,095.2	25.1%
2	Purchased Electricity (kWh)	Various	6,282,044	3,894.9	3,557.0	
Scope 2 Sub-total				3,894.9	3,557.0	26.6%
GRAND TOTAL				11,170.7	9,652.0	15.7%

- Conversion of petrol to CO₂e: litre x 2.39 kg (Source: www.ecoscore.be)
- Conversion of diesel to CO₂e: litre x 2.64 kg (Source: www.ecoscore.be)
- Conversion of electricity to CO₂e (Malaysia): kWh x 0.62 kg (Source: www.worldbenchmarkingalliance.org)

In FY2023, the Group's CO₂e emissions increased by 15.7% to 11,170.7 mt compared to 9,652.0 mt in FY2022, driven by heightened fuel and electricity consumption from increased volume of activities for Domestic Logistics.

GHG EMISSION INTENSITY FY2023



GHG emission intensity grew to a ratio of 0.87 (FY2022: 0.843) in FY2023, on account of the wider spectrum of data sets compiled during the reporting period and increase of activities mainly for Domestic Logistics.

Notes:

Fuel consumption recorded for FMGL Port Klang and Parcel To Post services.

Electricity consumption recorded for FM Port Klang including all warehouses, FM (KUL), FM Multimodal and FM Penang.

Environmental (GRI 2-23, 2-24, 2-25, 2-27, 301 – 306, 413-1 to 413-2, 416-1) (continued)

DARK SMOKE MONITORING

In FY2023, the dark smoke observations for our generator set consistently complied with the permissible Dark Smoke Limit and Regulation 12 of the Malaysian Environmental (Clean Air) Regulations 2014. Moreover, all vehicles within the reporting boundary scope underwent routine inspections at PUSPAKOM, passing the mandatory smoke test for diesel engines. These outcomes are consistent with our track record in FY2022 and FY2021, reaffirming our commitment to reducing air pollution through diligent inspections, maintenance, and servicing of our commercial vehicles and generator set.

EFFLUENTS AND WASTE MANAGEMENT, CIRCULAR ECONOMY

Proactive Measures to Prevent Pollution and Preserve the Environment

FMGL understands the importance of preventing air pollution and ground/water contamination as key factors in preserving a natural environment already under stress from developmental, industrial and social activities. With this in mind, the Group is consistently diligent in not only complying but also keeping well within all regulatory and statutory requirements related to air, ground, and water quality.

In FY2023, we conducted effluent testing in accordance with the Environmental Quality Act of 1974. Our tests covered various parameters, including pH levels, chemical oxygen demand (COD), biological oxygen demand (BOD), total suspended solids, and metals. These tests confirmed that our discharge fell well within the acceptable limits.

RECYCLING AND REUSING OF WOODEN PALLETS FY2023 (UNITS)



Recycled
25,797

FY2022: 10,530
FY2021: 11,646

Repaired
3,332

FY2022: 2,170
FY2021: 1,433

FY2021 is the baseline for this initiative.

Despite the extended lifespan of our wooden pallets, we prioritised repair and recycling over new purchases. In FY2023, we repaired over 2,000 and recycled more than 25,000 pallets.

We abide by requirements of the Department of Environment (“DOE”) for the storage, handling and disposal of scheduled as well as solid wastes. Our scheduled wastes include spent lubricating oil, contaminated filters and cotton rags, while our solid wastes are mainly carton boxes, plastic wrapping and containers. All are disposed by licensed contractors.

TOTAL SCHEDULED WASTE DISPOSAL FY2023 (MT)

BATTERY WASTE SW102



5.47
FY2022: 0.00
FY2021: 3.15

SPENT LUBRICATING OIL SW305



7.27
FY2022: 5.37
FY2021: 7.30

CONTAMINATED COTTON RAGS SW410



0.06
FY2022: 0.06
FY2021: 0.16

CONTAMINATED FILTERS SW410



0.48
FY2022: 1.76
FY2021: 1.25

Scheduled wastes are disposed by licensed contractors.

Environmental (GRI 2-23, 2-24, 2-25, 2-27, 301–306, 413-1 to 413-2, 416-1) (continued)

E-WASTE

In line with our dedication to the circular economy, we practice sustainable management of outdated laptops and desktop computers. These devices are kept as spare resources and a source of spare parts when needed. Additionally, operational desktop computers, which are no longer required, are regularly donated to educational institutions to extend their useful life. We ensure the responsible disposal of computers that have exhausted their usability by sending them to certified recycling centres.

NOISE POLLUTION

Annually, we conduct boundary noise level assessments to pinpoint areas with potential noise issues. The test conducted in November 2022 affirmed that the noise emanating from specified locations, such as those adjacent to compressors and motorcycle parking areas, remained well within the established limits. Our Group's operations do not subject our employees to elevated noise levels, ensuring their safety and wellbeing.

SUPPLIER ENVIRONMENTAL ASSESSMENT (GRI 308)

ENHANCING ESG PRACTICES THROUGHOUT OUR SUPPLY CHAIN

Our commitment to sustainability extends beyond our operations to encompass our extensive network of partners, including shipping, air and land carriers, distribution and delivery firms, warehouse vendors and various other service providers. Our objective is clear in embedding ESG principles throughout our supply chain, aligning with our continuous efforts to safeguard the environment, conserve resources and reduce greenhouse gas emissions.



To achieve this, we are enhancing our assessment criteria for both existing and potential contractors, vendors and service providers, where we are undertaking the groundwork to include additional clauses that emphasise environmentally responsible practices.

Our action plan involves close collaboration with our partners, providing guidance and support to help them adopt and implement sustainable measures. We will also conduct regular audits and assessments to ensure adherence to these new criteria.

The desired outcome of this initiative is a more environmentally conscious and responsible supply chain that aligns with our ESG commitments. We anticipate reduced environmental impact, increased resource efficiency and a positive contribution to collective efforts in mitigating climate change to the best of our abilities.



Social (GRI 2-7, 2-8, 2-19, 2-20, 201-3, 201-4, 401 - 410, 413 - 418)

Most Material Matters: Occupational Health & Safety • Training, Education & Career Development

F4GBM: • Diversity • Human Rights • Occupational Safety and Health • Labour Practices • Society
• Product and Services Responsibility (Social) • Supply Chain (Social) • Compliance (Social)



GENERATING GAINFUL EMPLOYMENT OPPORTUNITIES (GRI 2-7, 2-8, 401-1 TO 401-3)

Apart from being a key component of Malaysia’s trading ecosystem, FMGL also fulfills another national imperative by creating and providing attractive employment opportunities to local talents. The Group is not only a reputable employer in Malaysia, but also at all our overseas bases including the key markets of Indonesia, India, The Philippines, Thailand, Vietnam, the UAE, Australia and the US.

Over the years, we have nurtured a vibrant and multi-faceted workforce through our fair and equitable practices that discount differences in gender, race, religion, age, social status and other demographic distinctions. Instead, we strongly believe in diversity as the anchor among others, encourage a free flow of ideas and perspectives; stimulate creativity and innovation; and boost efficiency and productivity.

Beyond this, our appeal as an employer extends to our competitive compensation package, which includes remuneration on par with industry standards, fixed and performance bonuses, contributions to the Employees Provident Fund (“EPF”) and Social Security Organisation (“SOCSO”) as well as other benefits including medical.

We advocate a healthy work-life balance for our employees, who enjoy reasonable working hours, annual leave, and other leave entitlements for maternity, paternity, medical, compassionate and emergency reasons.

The Group adheres to all legal regulations and requirements related to employment covering human rights, labour relations, employee wellbeing, career development and many others.

COMPLIANCE TO RELEVANT LAWS AND REGULATIONS

Employment Act 1955

Occupational Safety and Health Act 1994

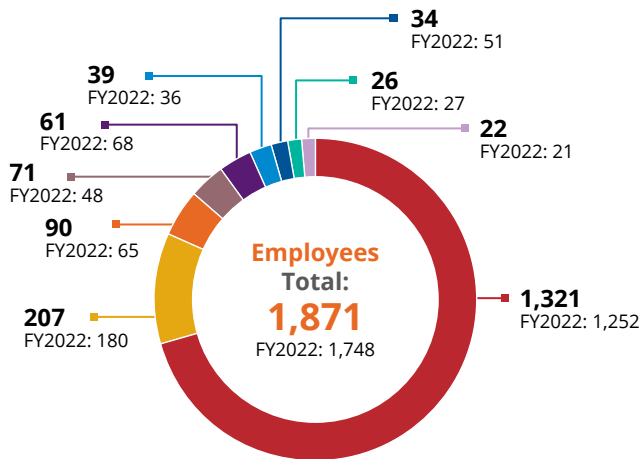
Consumer Protection Act 1999

Freedom of Association & Collective Bargaining

Foreign Workers Recruitment Guidelines & Procedures in Malaysia

Social (GRI 2-7, 2-8, 2-19, 2-20, 201-3, 201-4, 401 - 410, 413 - 418) (continued)

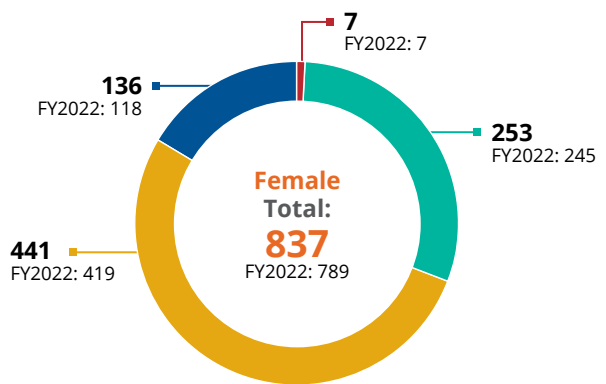
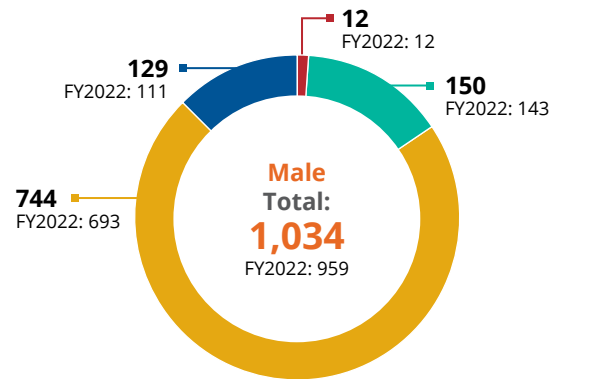
BY COUNTRY FY2023



- Malaysia
- Philippines
- UAE
- Indonesia
- Thailand
- Australia
- India
- Vietnam
- USA

The Group increased our employee headcount in FY2023 as part of efforts to expand our global footprint in international freight while also strengthening local capacity in domestic logistics. At the close of the financial period, we employed a total of 1,871 talents (FY2022: 1,748) including 1,321 in Malaysia.

BY GENDER AND RANKING FY2023



Total: 1,871 Employees

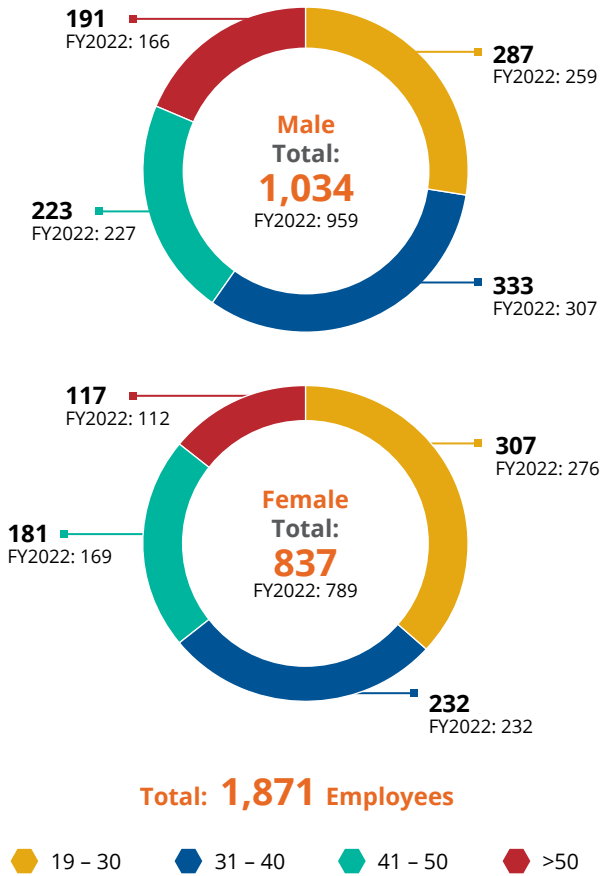
- Directors
- Executives
- Non-Executives
- Managerial



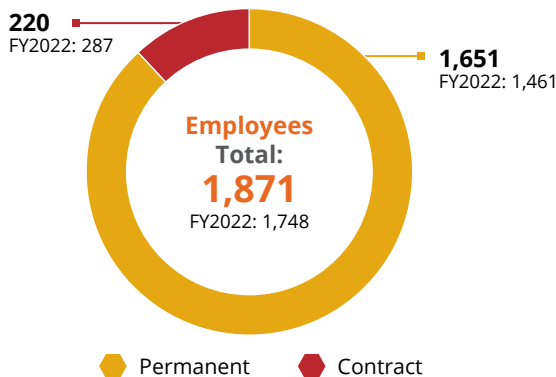
Social (GRI 2-7, 2-8, 2-19, 2-20, 201-3, 201-4, 401 - 410, 413 - 418) (continued)

FMGL has a balanced workforce in terms of gender and ages. Our male-female ratio is 55:45 while our employees are spread out across all age groups.

BY GENDER AND AGE FY2023



BY PERMANENT OR CONTRACT EMPLOYMENT FY2023



LABOUR MANAGEMENT RELATIONS

(GRI 402-1, F4GBM)

We maintain an inclusive and supportive work environment, promoting diversity and equality at all levels. Our ongoing dialogue with our workforce ensures open communication channels, empowering our teams to voice concerns, share innovative ideas, and actively participate in decision-making. Any significant operational changes are promptly communicated to employees, and those affected are provided ample time to adapt and adjust. We believe in fair compensation, comprehensive training, and opportunities for advancement, fostering a highly motivated and skilled workforce that drives our industry-leading freight and logistics services.

EMPLOYEE ENGAGEMENT (GRI 2-7, 401-2)

Employee engagement catalyses our business success in today's dynamic and competitive market. Elevated engagement levels sustain talent retention, build customer loyalty, and enhance overall organisational and financial performance, ultimately elevating stakeholder value.

We ensure a conducive and safe work environment, prioritising work-life balance, physical and mental wellbeing, and overall employee security. Regular cultural events and celebrations encourage our diverse and multicultural workforce to embrace our unique diversity.



Social (GRI 2-7, 2-8, 2-19, 2-20, 201-3, 201-4, 401 - 410, 413 - 418) (continued)

FMGL'S DIVERSE CULTURAL FESTIVALS



DEEPAVALI 2022



In October, FMGL came alive with the festive celebrations of Deepavali, the Festival of Lights. The FMGL family gathered to celebrate this auspicious occasion to embrace the essence of its diverse employees' rich culture and tradition.



FM JOHOR BAHRU



FM MELAKA



FM KLIA



FM (KUL) KELANA JAYA



CHRISTMAS 2022 & NEW YEAR 2023

In December 2022 and January 2023, FMGL branch offices and departments united in the spirit of festivity and togetherness, coming together to celebrate the festive season of Christmas and usher in the New Year. These joyous gatherings brought employees from different corners of our organisation under the same festive umbrella.

The events were adorned with sumptuous feasts, resplendent decorations and an atmosphere of unity that filled the air. Our dedicated team members, wearing their holiday best, took part in festive traditions and shared in the joy, capturing cherished moments through a myriad of photographs and cheerful interactions that will remain as lasting memories of the festive season.

Social (GRI 2-7, 2-8, 2-19, 2-20, 201-3, 201-4, 401 - 410, 413 - 418) (continued)

**FMGL'S
DIVERSE
CULTURAL
FESTIVALS** **FMGL OVERSEAS BRANCHES
CHRISTMAS 2022 & NEW YEAR 2023**



FM PHILIPPINES



FM THAILAND



FM INDONESIA



CHINESE NEW YEAR CELEBRATIONS

In early 2023, a series of vibrant celebrations were arranged at FMGL to honour the spirit of the Chinese New Year, with employees from several branches and departments coming together to revel in the festivities. These gatherings were marked by traditional feasts brimming with auspicious dishes, enjoyed by all in attendance.

To embrace the traditions and usher in good fortune, our dedicated staff bedecked themselves in splendid traditional attire, capturing these jubilant moments through an assortment of selfies and wefies, embodying the essence of the Year of the Rabbit.



FM JOHOR BAHRU



FM IPOH



FM THAILAND

Social (GRI 2-7, 2-8, 2-19, 2-20, 201-3, 201-4, 401 - 410, 413 - 418) (continued)

**FMGL'S
DIVERSE
CULTURAL
FESTIVALS**



HARI RAYA AIDILFITRI CELEBRATIONS

In April, May and June 2023, numerous gatherings were organised to commemorate Hari Raya Aidilfitri throughout FMGL, with employees from various branches and departments joining the festivities. The events featured traditional buffets with delectable treats that were savoured by everyone. To mark these joyous occasions, staff members adorned themselves in traditional attire, capturing the memorable moments through an array of selfies and group photos.

The gathering organised by CN FM Logistics (Malaysia) Sdn Bhd and the FM (KUL) Team to celebrate Hari Raya Aidilfitri was more than just a festive occasion; it was a heartwarming testament to the rich tapestry of traditions and the close-knit bonds that make FMGL a truly special place to work.



Warehouse Management attended a Hari Raya celebration at Northport, Port Klang.

FM (KUL) KLIA

Warehouse Department's Hari Raya Celebrations.

HONOURING & RECOGNISING THE FMGL TEAM'S EFFORTS



FMGL's unwavering commitment to fostering an appreciation and recognition of rich culture extends beyond the daily work environment. Throughout the year, we hosted a series of gatherings and events expressing our gratitude for our team's hard work, dedication and loyalty. From personalised birthday celebrations to annual dinners, these gatherings serve as a time to connect and reflect on the achievements and milestones that have marked our journey together. We also applaud the outstanding efforts with Best Staff awards and bid fond farewells to those embarking on new adventures. Our long-service awards, in particular, acknowledged those who have devoted years of expertise and dedication. These events were celebrated for the remarkable individuals shaping FMGL into the thriving and vibrant company it is today.



FM MELAKA - Annual Dinner Celebration

FM (KUL) - Team Building at Tadam Hills Resort in December 2022

Social (GRI 2-7, 2-8, 2-19, 2-20, 201-3, 201-4, 401 - 410, 413 - 418) (continued)

FM WAREHOUSE DEPARTMENT



In April 2023, FMGL customer paid a visit to the warehouse operations, marking a concerted effort to foster and strengthen our professional relationships.

Kicking off team spirit: In February and June 2023, the Warehouse Team organised a futsal match at U-One Sport Centre Bukit Raja and a football match at JSA Area in Setia Alam.

FMGL OVERSEAS OPERATIONS

FM THAILAND



Company Outing

Merit Making

FM PHILIPPINES



Loyalty Awardees

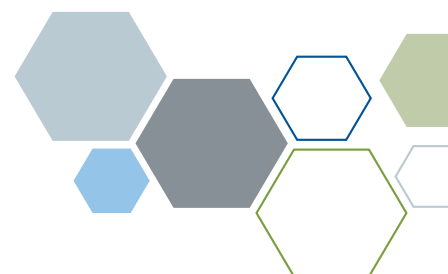


Team Building In Sta. Cruz, Laguna



FM AUSTRALIA

Farewell Party For Mr Frank La Macchia's 15 Years of Service At FM Australia.



Social (GRI 2-7, 2-8, 2-19, 2-20, 201-3, 201-4, 401 - 410, 413 - 418) (continued)

OCCUPATIONAL HEALTH AND SAFETY ("OHS")

PRIORITIZING OCCUPATIONAL HEALTH AND SAFETY ("OHS") (GRI 403-1 to 403-10, F4GBM)

FMGL’s steady business performance over the past two decades can be tied directly to the proficiency and productivity of our employees, who are, in turn, given the platform to thrive via a conducive working environment. The defining factors at our workplace are the comprehensive processes and procedures to protect the health and safety of our employees as well as a robust framework to maintain healthy employer-employee relations.

In the case of Health, Safety, Security and Environment ("HSSE"), we are focused on protecting employees and contract workers from hazards associated with storing goods at our warehouse facilities and transporting them across the country.



In November and December 2022, FM (KUL) Kelana Jaya facilitated comprehensive training in Basic Occupational First Aid, Cardiopulmonary Resuscitation ("CPR") and Automated External Defibrillator ("AED"). These crucial training sessions equipped our employees with the essential skills and knowledge required to take immediate and effective emergency response actions in emergency situations.

Our ISO 45001:2018 certified Occupational Health and Safety ("OHS") Management System includes a HSSE Policy and Hazard Identification, Risk Assessment and Control ("HIRAC") procedures that outline measures to identify and mitigate hazards, and if necessary, respond to emergency situations.

Selected employees undergo regular training on first aid, proper handling of chemicals and the emergency preparedness and response ("ERP") plan. Similarly, our drivers are trained to adhere to stringent protocols that safeguard themselves and other road users. One such initiative is the Learning From Incidents ("LFI") programme, which offers employees a platform to share knowledge and ideas via talks conducted by subject-matter specialists.

HSSE TRACK RECORD



Man Hours*

1,414,400

FY2022: 1,404,000

FY2021: 1,352,000



Near Misses

160

FY2022: 113

FY2021: 187

**Include exposure hours and HSSE statistics expended by subcontractors performing work subcontracted by you. (No of workers x 8 hr x 260 days).*

Data is for Port Klang only.

FMGL's exceptional safety record of no fatalities, injuries, or lost time incidents over the past three reporting periods gains even more significance when considering the total man hours worked, which amounts to approximately 1,400,000 hours. This achievement highlights the statistical rarity of accidents and the remarkable consistency of safety protocols over a significant period. It underlines the effectiveness of the HSSE SOPs in safeguarding the wellbeing of our workforce throughout a substantial amount of working hours, emphasising the robustness and reliability of their safety measures.

DEVELOPING & HARNESSING OUR TALENT

(GRI 404, F4GBM)

FMGL places priority on continuously improving the capabilities and capacities of our diverse workforce via a structured programme aimed at knowledge acquisition and skills development. We prioritise training for our employees to hone their talents towards personal career advancement while at the same time enhancing their contribution to the Group’s business performance.

Social (GRI 2-7, 2-8, 2-19, 2-20, 201-3, 201-4, 401 - 410, 413 - 418) (continued)

At all times, we ensure that training programmes are aligned with our employees’ professional responsibilities, career goals, and personal and social interests. In-house or external training programmes are claimable from the HRD Corp Fund, where applicable.

The training programmes cover a range of competencies including sessions on technical as well as soft skills necessary to navigate through an increasingly challenging global business environment. To maintain standards in work performance, the Group conducts periodic performance reviews for all employees.

Through assessments and evaluations, we gain better insights into the strengths, weaknesses and gaps for improvement among employees. Annual evaluations establish accountability expectations for employees, with the understanding that progress is evaluated throughout the year.

TRAINING FY2023



During the financial year in review, a total of 526 employees attended more than 3,600 hours of training. FMGL is committed to maintaining a harmonious equilibrium between the recruitment of fresh talent and retaining our valued team members, thus mitigating high attrition rates.

Our approach to new recruits is rooted in merit and aligning job fit, providing opportunities for both recent graduates and individuals who can seamlessly integrate and collaborate within our diverse, multidisciplinary team.

SUPPLIER AND VENDOR ASSESSMENT

(GRI 414, F4GBM)

Our assessment of vendors and suppliers within the Group encompasses a set of essential criteria, including efficiency, timeliness, customer feedback, and service quality. This evaluation extends to their adherence to critical aspects of safety, security, and environmental regulations and requirements, ensuring a comprehensive assessment that aligns with our social considerations.

SAFEGUARDING INTERESTS OF CUSTOMERS AND VENDORS (GRI 416-2, 418-1, F4GBM)

At all times, FMGL maintains the integrity of our entire value chain from customers in the Malaysian and overseas markets to our third-party carriers, vendors, suppliers and service providers. The Group values engagement as the primary channel to gain better insights into the requirements of our customers as well as challenges faced by our upstream service providers in order to ensure quality and prompt delivery of goods. We adhere to industry best practices in service delivery including a receptive approach to customer feedback and complaints. Towards this end, we carry out an annual survey of customer satisfaction levels. We are also committed towards managing all grievances, complaints and conflicts, which we attend to immediately and in an accountable, transparent, timely and fair manner. We always respect our customer’s privacy and abide by the Personal Data Protection Act 2010 (“PDPA”).

To maintain the quality of our services, we implement the principles of the ISO 9001:2015 Quality Management System across our services to meet the varied needs and requirements of our customers. Our Service Level Agreement (“SLA”) represents the commitment between FMGL and our customers, ensuring clarity and transparency in all business dealings to exceed customer expectations, where possible.

The Group protects the health and safety of our customers by ensuring all services conform to the respective local and international standards. All employees are duly informed to comply with the Group’s HSSE Policy, including any updates of regulations and SOPs, to ensure that the safety and health of our customers and the public are not compromised.

Social (GRI 2-7, 2-8, 2-19, 2-20, 201-3, 201-4, 401 - 410, 413 - 418) (continued)

EMPOWERING AND UPLIFTING COMMUNITIES

(GRI 203-2, 413, F4GBM)

CORPORATE SOCIAL RESPONSIBILITY (CSR) PROGRAMMES

As a socially-responsible organisation, FMGL goes above and beyond to stimulate socioeconomic growth by contributing time, effort and cash to local community groups, especially the underserved and less fortunate segments of society. We actively engage in programmes and activities with various communities while also encouraging our employees to volunteer in corporate social responsibility (“CSR”) programmes and charitable causes.



In September 2022, FMGL demonstrated its commitment to education and nurturing talent by sponsoring students of Politeknik Sultan Haji Ahmad Shah (Kuantan) as a gesture of appreciation for the institution's top students enrolled in the Logistics course. In recognition of their exceptional academic achievements, FMGL awarded three promising students from Politeknik Sultan Haji Ahmad Shah (Kuantan) with scholarships of RM1,000.00 each.

These scholarships not only served as a testament to their dedication and hard work but also opened doors to exciting career opportunities within FMGL, enabling them to thrive and contribute to the growth of our company. This initiative was part of our ongoing commitment to fostering ESG principles launched during the ESG Day in February 2023. It reflects our dedication to supporting education and investing in the future success of talented individuals within the logistics field.



Between February and April 2023, FMGL welcomed a group of 12 interns from Politeknik Sultan Haji Ahmad Shah (Kuantan). These interns were strategically placed in our warehouses at our Port Klang headquarters and Subang. This collaborative initiative is a testament to our intention of nurturing young talent and an opportunity for these students to gain valuable hands-on experience in the logistics industry. By bridging the gap between education and practical application, we aim to foster their growth and development as they embark on their professional journey.

In March 2023, FMGL employees extended their heartfelt support to Persatuan Kebajikan Kanak-Kanak Yatim & Cacat Ceria Klang. This visit was not merely about charitable donations but a collective effort to enrich the lives of special needs children, reinforcing our dedication to corporate social responsibility and the wellbeing of those we serve.



In February 2023, FMGL collaborated forces with the Malaysian Relief Agency to aid Türkiye - Syria Earthquake victims.

Social (GRI 2-7, 2-8, 2-19, 2-20, 201-3, 201-4, 401 - 410, 413 - 418) (continued)

In a compassionate gesture, FMGL employees made a visit to an elderly care home, Rumah Warga Mas Tiam Yam Toh Teng, in June 2023, where they contributed to the residents and facility, highlighting our ongoing concerns for the welfare of the elderly in the communities where we operate.

FMGL contributed to Shine Home Welfare Association in Bukit Mertajam, Penang in June 2023 in efforts to make a meaningful difference in the lives of differently-abled children.

FMGL generously donated to SMK Bandar Baru Sultan Suleiman ("SMKBBSS") located in Bandar Sultan Suleiman, Port Klang, Selangor. It was a privilege for the Company to be invited to officiate the school's Sports Day in September 2023.

FM Multimodal Service employee, Mohamad Afindi, experienced a significant loss when his home was destroyed by a fire. In a supportive gesture, the company extended cash aid to assist him during the challenging time.



In September 2022, in response to the devastating North Luzon earthquake, FM Philippines extended its support to the affected victims through heartfelt contributions. This donation was channelled to the Philippine Multimodal Transport and Logistics Association to help those impacted by the earthquake to recover and rebuild their lives.

FM Australia supported various sports events, including the East Fremantle Ladies Football Team, Hilton Park Cricket Club, the WA Junior Baseball Association, and the annual LDA Golf Tournament. This showcases FMGL's commitment to promoting and nurturing sports at different levels, from grassroots to community events, fostering a culture of physical activity and healthy competition.



FM Thailand established a 50,000 baht medical fund in May 2023 to provide financial support for employees facing severe medical conditions, such as cancer.



In January 2023, FM Indonesia donated to Lions Club International in conjunction with the Baksos Imlek 2023 celebrations. Chinese New Year festival treats were distributed to the community in Medan as part of the company's yearly CSR programme.



Our Indonesian counterparts contributed to the Association of Logistics Forwarders Indonesia ("ASLI") to help displaced victims affected by the earthquake that struck the mountainous Cianju region on the west coast of Java island in November 2022.



FM Indonesia contributed to the Greater Jakarta Metropolitan Region of the Indonesian National Police, known locally as POLDA Metro Jaya, in conjunction with its 73rd Anniversary celebrations.

Governance

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Audit and Risk Management Committee Report

The Board of Directors (“the Board”) of FM Global Logistics Holdings Berhad (“the Company”) is pleased to present the Audit and Risk Management Committee (“ARMC”) Report which provides insights into the way the ARMC has discharged its functions for the Group in respect of the financial year ended 30 June 2023 (“FY2023”).

The ARMC assists the Board in its oversight of the Group’s financial reporting process as well as its fiduciary responsibilities relating to the effectiveness of internal and external audit processes (including issues pertaining to the system of internal controls and risk management), conflict of interest situations and related party transactions.

The duties and responsibilities of the ARMC are set out in the Terms of Reference of the ARMC, which was last reviewed and approved by the Board on 22 February 2023, a copy of which is available on the Company’s website at www.fmgloballogistics.com.

COMPOSITION

The ARMC comprises three (3) members, all of whom are Independent Non-Executive Directors. The composition meets the requirements of Paragraph 15.09(1)(a) and (b) of the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) and Practice 9.4 of the Malaysian Code on Corporate Governance (“MCCG”).

The members of the ARMC as of the date of this report are as follows:

Designation	Name of ARMC members
Chairman	Soh Chin Teck Independent Non-Executive Director
Members	Tengku Nurul Azian Binti Tengku Shahrman Independent Non-Executive Director
	Lau Swee Chin Independent Non-Executive Director

The Chairman of the ARMC, Soh Chin Teck, is a Fellow Member of the Institute of Chartered Accountants of Australia and New Zealand, and a Member of the Malaysian Institute of Accountants (MIA). The ARMC therefore meets the requirement of Paragraph 15.09(1)(c)(i) of the MMLR of Bursa Securities which requires at least one (1) member of the ARMC to be a qualified accountant. In line with the requirement of Paragraph 15.09(2) of the MMLR, no alternate director was appointed as member of ARMC.

All ARMC members are financially literate and possess a wide range of skills and knowledge and have sufficient understanding of the Company’s business and matters under the purview of the ARMC. The ARMC members attended relevant professional training during the year and will continue to keep themselves abreast of the relevant developments in financial and reporting standards, practices and rules.

Audit and Risk Management Committee Report (continued)

MEETINGS AND ATTENDANCE

The ARMC held five (5) meetings during the FY2023. The details of the attendance of each ARMC member are as follows:

Name of ARMC Members	Meetings Attended	Percentage of Attendance
Soh Chin Teck (Chairman)	5/5	100%
Tengku Nurul Azian Binti Tengku Shahriman	5/5	100%
Lau Swee Chin	5/5	100%

The ARMC meets at least once in every quarter. The Group Financial Controller was invited to all ARMC meetings to facilitate the review of the Group’s financial results and to provide information relating to the Group’s risk management, internal controls and governance matters. The Internal Auditors (“IA”), External Auditors (“EA”), and the relevant senior management personnel, were also invited to attend ARMC meetings, when required, to present their reports and provide updates and developments on issues arising from the audit reports. The Chairman of the ARMC thereafter reports to the Board on activities and significant matters discussed at every ARMC meeting as well as the ARMC’s recommendations, as and when relevant, to the Board for consideration.

All deliberations at the ARMC meetings, including issues tabled and rationale adopted for decisions, were properly recorded in the minutes of the ARMC meetings. Minutes of the ARMC meetings were tabled to the Board for notation after they were confirmed at each subsequent ARMC meeting.

In discharging its responsibilities, the ARMC is guided by its Terms of Reference, which was last reviewed and approved by the Board on 22 February 2023.

SUMMARY OF ACTIVITIES OF THE ARMC

The ARMC carried out the following key activities for FY2023:

- Reviewed all the unaudited quarterly financial results and made recommendations to the Board for approval and release to Bursa Securities. The review includes the material changes in financial performance, trade receivables and other key components of financial position.
- Reviewed and discussed with EA the audit plan for FY2023, which outlined the audit engagement and reporting requirements, materiality, audit approach, areas of audit emphasis and audit timeline, to ensure the adequacy of works to be carried out.
- Reviewed and discussed with EA the audit status for FY2023 encompassing key audit findings, internal control observations, status of audit and summary of audit adjustments. The EA had also briefed the ARMC on the 2022 Crowe Malaysia Transparency Report, particularly on the statistics relating to indicators of audit quality covering the audit partners’ workload, auditors’ independence, capacity & competency of the audit practice as well as internal and external monitoring review.
- Met with the EA without the presence of the Executive Board members and Management on 23 May 2023 and 21 August 2023 to discuss issues relating to the audit of the financial statements and suggestions arising thereon.

Audit and Risk Management Committee Report (continued)

SUMMARY OF ACTIVITIES OF THE ARMC (CONTINUED)

- Reviewed and discussed with EA the financial statements for the FY2023, significant issues and concerns arising from the audit, summary of misstatements, key audit matters as well as the adequacy of disclosures in the financial statements, before recommending the same to the Board for approval.
- Reviewed the audit and non-audit services provided by the EA or its affiliates to the Group and fees incurred for FY2023.
- Reviewed the internal audit reports from the IA on their audit findings, recommendations for improvements and management's responses on the corrective actions to be taken on a quarterly basis. In addition, the ARMC follows-up and validates the completion of outstanding audit issues within the agreed timeline.
- Reviewed and approved the Internal Audit Plan to ensure the adequacy of the scope of work based on key areas.
- Met with the IA without the presence of the management to discuss internal audit related matters.
- Assessed the independence and effectiveness of Crowe Malaysia PLT as the EA of the Company. Based on the EA's performance for FY2023, the ARMC was satisfied with the overall performance, independence and competency of Crowe Malaysia PLT, including the quality of audit services provided, the sufficiency of audit resources and interactions with the Management. The ARMC had thereafter recommended to the Board the re-appointment of Crowe Malaysia PLT as the EA of the Company for shareholders' approval.
- Reviewed the adequacy of the scope, functions, competency and resources of the internal audit function. The ARMC was satisfied with the competency and independence of the IA in carrying out its scope of work.
- Reviewed the effectiveness of the risk management and internal control of the Group. The ARMC was satisfied that the risk management framework and internal control system of the Group are functioning effectively in identifying, assessing and managing its risks.
- Reviewed the Group's risk register profile as well as the mitigation plans for the high-risk items on a half-yearly basis.
- Reviewed the related party transactions ("RPT") and recurrent related party transactions ("RRPT") entered or to be entered into by the Group on a quarterly basis to ensure that the transactions were conducted at arm's length basis and on normal commercial terms which were not more favourable to the related parties than those generally available to the public and not detrimental to the interests of the minority shareholders.

During FY2023, there were no RPT and RRPT that triggered the disclosure threshold under the MMLR which required shareholders' approval, nor were there any conflict of interest situations that required disclosure.

- Reviewed and recommended the following new/revised policies to the Board for approval and adoption with reference to the provisions of the MCCG and/or MMLR:-
 - (i) Terms of Reference of the ARMC;
 - (ii) EA's Assessment Policy;
 - (iii) RPT Policy and Procedures; and
 - (iv) Conflict of Interest Policy.
- Reviewed the Corporate Governance Report as well as report/statements for inclusion in the Annual Report for FY2023, including Corporate Governance Overview Statement, ARMC Report and Statement on Risk Management and Internal Control and recommended the same to the Board for approval.

Audit and Risk Management Committee Report (continued)

INTERNAL AUDIT FUNCTION AND SUMMARY OF ACTIVITIES

The Group recognises that an internal audit function is essential in ensuring the effectiveness of the Group's system of internal control and is an integral part of the risk management process.

The Group's internal audit function was undertaken by the in-house internal audit team. The IA reports directly to the ARMC and assists the Board in monitoring and managing foreseeable risks and the internal control system. The ARMC approves the internal audit plan and the scope of internal audit covering the relevant departments within the Group.

The IA had adopted a risk-based approach in its undertaking of the internal audits for the Group which involved the establishment of a comprehensive audit plan formulated through a risk assessment process. In doing so, the IA planned the engagement through conducting necessary consultation sessions with ARMC, the senior management and staff to identify the relevant risks faced by the Group. With the necessary understanding of these risks, the IA developed a comprehensive audit programme to identify weaknesses in the system of internal controls.

At the same time, the Board ensured that relevant control measures were implemented to address the control weaknesses identified during the internal audit and ultimately enhance the integrity of the Group's system of internal control. This was carried out via necessary consultations with the IA and senior management.

During the financial year, the IA conducted reviews on certain key operating functions and procedures and recommended corrective action plans to address the control weaknesses identified for management's consideration and adoption. The internal audit reports containing audit findings and recommendations together with management's responses thereto were circulated to the ARMC members for review. The IA also conducted follow-up audit reviews to ensure that all agreed corrective actions were implemented appropriately. The ARMC reviewed and deliberated on all audit reports, and the ARMC Chairman briefed the Board on audit matters on a quarterly basis.

During FY2023, the IA performed audit reviews in accordance with the approved risk-based internal audit plan covering the following auditable areas:

- Desktop Review on Financial Reporting (FM India and AMASS Dubai)
- Billing Management (Melaka branch and Johor branch)
- Operation Management (FM Thailand)

The total cost incurred for the internal audit function of the Group in respect of the FY2023 amounted to approximately RM191,000 (2022: RM113,000).

This report is issued in accordance with a resolution of the Board dated 18 October 2023.

Corporate Governance Overview Statement

The Board of Directors (“the Board”) of FM Global Logistics Holdings Berhad (“FMGL” or “the Company”) recognises that maintaining good corporate governance is essential for FMGL and its subsidiaries (“the Group”) for long-term sustainable business growth and to safeguard and enhance shareholder value and stakeholder confidence. The Board is committed to uphold high standards of corporate governance, business integrity and ethics to cultivate a responsible organisation that adopts practices in accordance with the Principles and Recommendations of the Malaysian Code on Corporate Governance (“MCCG”).

The Board is pleased to present this Corporate Governance Overview Statement, which sets out an overview of the corporate governance principles adopted by the Group for the financial year ended 30 June 2023 (“FY2023”). This statement is prepared pursuant to Paragraph 15.25(1) of the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) and in accordance with the MCCG.

The following are the key principles set out in the MCCG:



The detailed articulation on the application of the Company’s corporate governance practices vis-à-vis the MCCG is disclosed in the Corporate Governance Report (“CG Report”) which is made available on the website of Bursa Securities and available at <https://fmgloballogistics.listedcompany.com/AR2023.html>.

Corporate Governance Overview Statement (continued)

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS

1. Board Responsibilities

The Board is responsible for overseeing the Group’s strategies, business performance, and management’s conduct, as well as ensuring the adequacy of internal control and risk management system in place, in order to deliver long-term sustainable value to stakeholders. Guided by the prevailing legal and regulatory requirements as well as the Company’s Constitution and the Board Charter, the Board ensures that it has objectively discharged its fiduciary duties and responsibilities at all times in the best interest of the Company.

The Board’s core responsibilities are as follows:

- Overseeing Group strategies, policies and performance for sustainable business growth;
- Promoting good corporate governance and an ethical culture across all levels of the Group;
- Reviewing and approving annual and quarterly financial results;
- Overseeing the conduct of business and financial operations;
- Overseeing the succession planning of the Board and senior management;
- Identifying principal risks and ensuring the implementation of appropriate internal controls and mitigation measures; and
- Promoting and maintaining effective and timely communication with stakeholders.

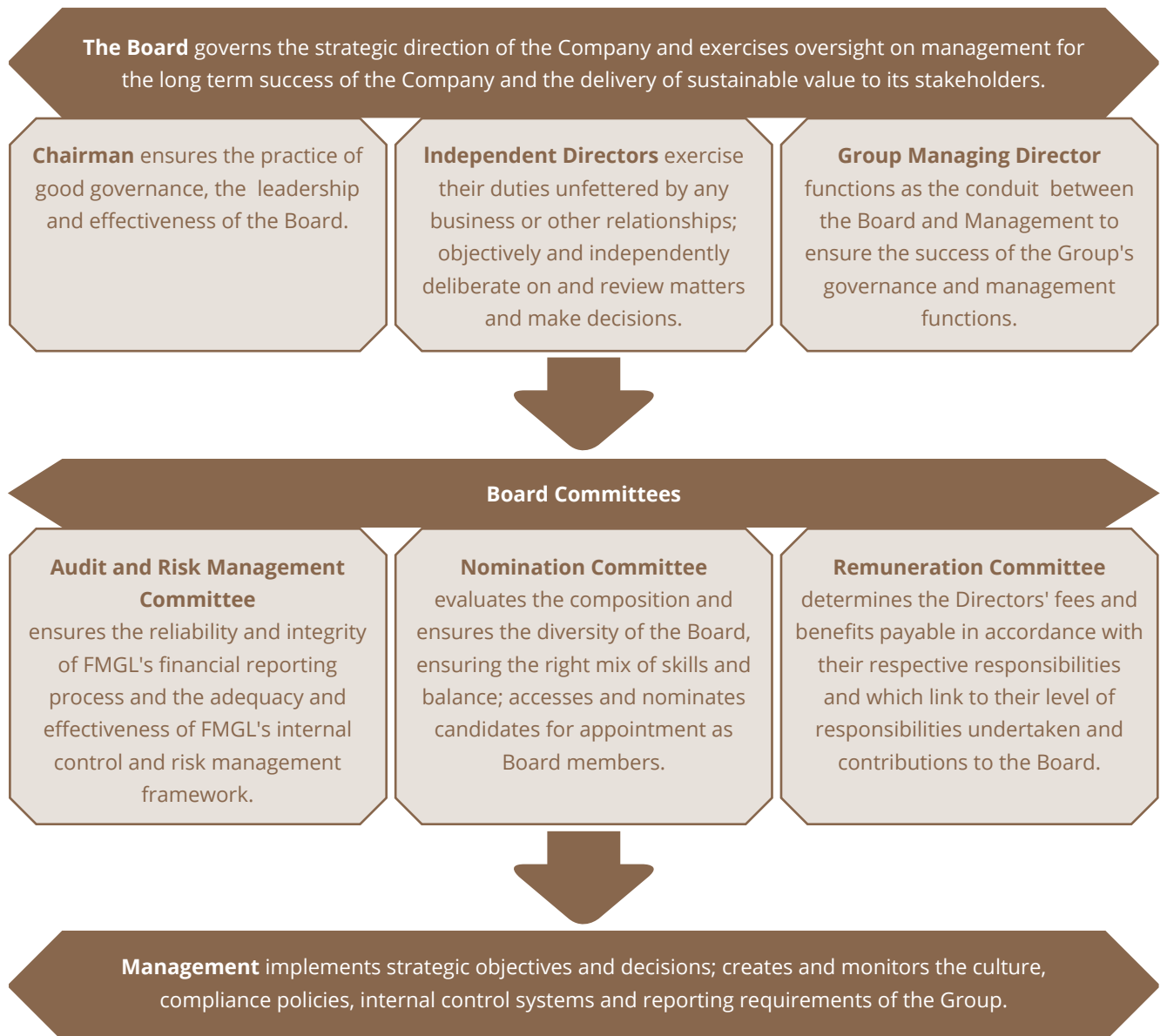
To discharging its functions, the Board has delegated specific responsibilities to three (3) Board Committees namely the Audit and Risk Management Committee (“ARMC”), the Nomination Committee and the Remuneration Committee, each of which operates within its own Terms of Reference. These committees support the Board in certain functions and provide recommendations and advice, with the ultimate responsibility for decisions on all matters in the hands of the Board. The Board also delegated certain power and discretion to the Group Managing Director, the Executive Directors, and the Management for conducting the Group’s business operations and managing the Group’s corporate and financial affairs.

Corporate Governance Overview Statement (continued)

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

1. Board Responsibilities (continued)

The following diagram presents a brief overview of the responsibilities of the Board, the Board Committees and each composition of the Board and Management:-



Corporate Governance Overview Statement (continued)

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)**1. Board Responsibilities (continued)**

There is a clear distinction and separation of duties between the Chairman of the Board and the Group Managing Director to ensure a balance of power, authority and accountability and that no individual has unfettered powers of decision and control. The Chairperson of the Board, Tengku Nurul Azian Binti Tengku Shahrman, leads the Board in its collective oversight of the Company's management. She is responsible for providing leadership and direction to the Board in order to ensure effective governance and the overall functioning of the Board. Whereas the Group Managing Director, Chew Chong Keat, is primarily responsible for the effective implementation of the strategic plans and policies established by the Board, managing the daily conduct of business to ensure smooth operations, supervision and management of the Company. He oversees the relationships with internal and external stakeholders as well as the general public, with sound business judgement. He also serves as the conduit between the Board and the Management to ensure the success of the Group's governance and management functions.

The Board is governed by the Board Charter in all of its functions and conduct. This Charter outlines the role, responsibilities, functions and authority of the Board, Board Committees and individual Directors, the Board structure and composition, matters reserved for the Board's decision, and Group policies and procedures. The Board Charter is periodically reviewed by the Board, incorporating updates and modifications to the current laws and regulations as well as corporate governance standards to ensure its relevance to the Board's function and needs. The Board Charter was last reviewed by the Board on 22 February 2023 and is available on the Company's website at www.fmgloballogistics.com.

In order to ensure the Board's effective functioning, the Directors have access to the advice and services of the Company Secretaries. The Company Secretaries assist the Board in carrying out its fiduciary duties on matters relating to the Company's Constitution, Board policies and procedures, issues relating to corporate governance and compliance with relevant regulatory requirements. The Company Secretaries attend relevant training programmes on a regular basis to keep themselves abreast with regulatory changes and corporate governance developments.

Prior to the Board meetings, the agenda and reports containing qualitative and quantitative information are furnished to the Board members to allow the Directors more time to peruse the papers for effective discussion and decision-making during the meetings. The Board also has direct access to Management and unrestricted access to the information relating to the Group to enable them to discharge their duties.

The Board requires all Board members to dedicate appropriate time to the Board's operations and to the Group's concerns including reviewing meeting materials and attending Company meetings diligently. Meetings of the Board, Board Committees, and shareholders are scheduled in advance before the end of year to facilitate the Directors plan their presence. All Directors have given their commitment in fulfilling their duties and had attended all meetings conducted during FY2023.

Corporate Governance Overview Statement (continued)

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)**1. Board Responsibilities (continued)**

The following is a breakdown of the Directors' attendance (based on their membership) at Company's meetings during FY2023:-

Number of Meetings Conducted During FY2023 Name of Directors	Board Meeting	Audit and Risk Management Committee Meeting	Nomination Committee Meeting	Remuneration Committee Meeting	General Meeting
Tengku Nurul Azian Binti Tengku Shahrman Chairman, Independent Non-Executive Director	5/5	5/5		1/1	1/1
Chew Chong Keat Group Managing Director	5/5				1/1
Yang Heng Lam Executive Director	5/5				1/1
Gan Siew Yong Executive Director	5/5				1/1
Ong Looi Chai Executive Director	5/5				1/1
Soh Chin Teck Independent Non-Executive Director	5/5	5/5	1/1		1/1
Lau Swee Chin Independent Non-Executive Director	5/5	5/5	1/1	1/1	1/1
Khua Kian Keong Non-Independent Non-Executive Director (Resigned on 20 September 2023)	5/5				1/1
Francis Lee Fook Wah Non-Independent Non-Executive Director (Appointed on 20 September 2023) <i>*Not applicable as he was appointed after the end of FY2023.</i>					

Corporate Governance Overview Statement (continued)

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

1. Board Responsibilities (continued)

The Board has adopted a Corporate Code of Business Conduct and Work Ethics Policy (“Code”) which provides authoritative guidance to the Directors, Management and employees of the Company and its subsidiaries. The Code sets out the Group’s values and principles to guide behaviour and business practices when dealing with third parties. It includes areas concerning compliance with applicable laws, conflicts of interest, confidentiality of information, fair dealing, gifts, gratuities and entertainment, anti-bribery, anti-money laundering, human rights, as well as the protection and proper use of corporate assets.

The Board has also adopted an Anti-Bribery and Anti-Corruption Policy (“ABAC Policy”) which outlines key principles and guidelines to prevent any bribery or corrupt acts in the conduct of business. All Directors, Management, employees and business associates who undertake work or services for and on behalf of the Group must pledge to follow and adhere to the ABAC Policy.

The Company encourages its employees and other stakeholders to report any suspected malpractice or misconduct, as well as any violations of the Code or ABAC Policy. A Whistleblowing Policy was implemented to facilitate such reports by employees and other stakeholders, allowing them to freely raise concerns about potential irregularities directly to the Head of Compliance or the Chairman of the ARMC without fear of reprisal or intimidation. The Group ensures that all employees are informed about and are aware of the Whistleblowing Policy.

The Code, ABAC Policy and Whistleblowing Policy are available on the Company’s website at www.fmgloballogistics.com.

A Conflict of Interest Policy was adopted by the Company on 22 February 2023 to identify and manage any actual, potential and perceived conflict of interest situations between the employees (including Directors) and the Group. The Directors are aware that they have to declare their interests in transactions with the Group and abstain from deliberation and voting in respect of the transactions at Board and general meetings convened to consider the matter. The ARMC reviews all related party transactions and conflict of interest situation which arise within the Group that may challenge the Group’s integrity.

Governance of Sustainability

The Board places great emphasis on corporate sustainability and holds the ultimate responsibility for the governance of sustainability in the Group, encompassing the responsibility to endorse and oversee the overall implementation of the Group’s sustainability strategies and initiatives.

The FMGL Sustainability Governance structure was established to plan, implement, and report on the performance of the Group’s sustainability initiatives. The Group’s sustainability efforts are spearheaded by the Sustainability Committee which comprises the Group Managing Director and representatives from various departments across the Group. The Sustainability Committee ensures that the Group’s sustainability strategy is implemented and that sustainability performance is measured against the Group’s commitments.

Corporate Governance Overview Statement (continued)

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)**1. Board Responsibilities (continued)****Governance of Sustainability (continued)**

In addition, the Company has developed a formal corporate sustainability reporting regime to spearhead the groundwork for addressing Environmental, Social and Governance (“ESG”) risks. The Group’s Sustainability Policy was adopted to support the Group’s ESG considerations. It outlines the Group’s commitment to corporate sustainability and prescribes the overall direction of its conduct and performance as a leading freight forwarding and logistics provider in the region.

To ensure the Board is equipped with the required competencies to address the sustainability risks and opportunities and make informed decisions on the Group’s sustainability strategies, the Directors attend continuous training programmes to keep themselves abreast with sufficient understanding and knowledge of the sustainability issues and agenda that are relevant to the Company and its business. The Board also, through the Sustainability Committee, undertakes regular reviews on the Group’s materiality matters considering external events that affect the Group’s operations and stakeholders, as well as assesses business activities, risk exposure and other areas of importance.

The Company’s Sustainability Report encompassing the Group’s on-going sustainability practices, targets, activities, and achievement are disclosed in the Sustainability Report on pages 46 to 87 of this Annual Report.

2. Board Composition

Board decisions are made objectively in the best interests of the Company, taking into account diverse perspectives and insights.

The Board currently has eight (8) Directors, comprising four (4) Executive Directors, three (3) Independent Non-Executive Directors (“INED”), and one (1) Non-Independent Non-Executive Director (“NINED”), in accordance with Paragraph 15.02(1) of the MMLR of Bursa Securities which requires at least two (2) Directors or one-third (1/3) of the Board, whichever is the higher, are Independent Directors, and one (1) Director is a woman. In the event of any vacancy on the Board which results in non-compliance with these requirements, the Board will ensure that such vacancy be filled within 3 months.

The Board considers that its current size is commensurate with the Group’s existing scope and scale of the business operations, with a diversified mix of skill sets, knowledge and experience. Each Board members has wide expertise in various fields such as logistics and operations management, economics and financial accounting. While the Board does not have a majority of Independent Directors as recommended by the MCCG, all Independent Directors are free from any relationship with the Group, other Board members and the substantial shareholders of the Company in order to promote greater objectivity and independence in boardroom deliberation and decision making. Moreover, the Independent Directors have extensive experience and exercise due care in carrying out their duties. They serve as a check and balance, bringing their independent perspectives and objective judgements to the Board’s deliberation and decision-making process.

Corporate Governance Overview Statement (continued)

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

2. Board Composition (continued)

Nomination Committee (“NC”)

The NC comprises the following members, all of whom are INEDs:-

Chairman : **Lau Swee Chin** (Independent Non-Executive Director)

Member : **Soh Chin Teck** (Independent Non-Executive Director)

The NC assists the Board in ensuring that the Board and Board Committees comprise individuals with the appropriate mix of skills, experience, qualifications, and core competencies to ensure the effectiveness of the Board in discharging its responsibilities. The Terms of Reference of the NC was last reviewed on 23 August 2023 and is accessible via www.fmgloballogistics.com.

The NC had carried out the following activities for FY2023:

- a. Reviewed and recommended to the Board for adoption by the Group, the Directors’ Fit and Proper Policy, which sets out the fit and proper criteria on the appointment and re-election of Directors of the Group;
- b. Assessed the effectiveness of the Board as a whole, the Board Committees and the contribution and performance of each individual Director;
- c. Assessed the structure, size and composition of the Board, including the required mix of skills, knowledge, experience and diversity in respect of age, gender and ethnicity as well as the level of independence of the Independent Directors;
- d. Assessed the terms of office and performance of the ARMC and each of its members;
- e. Reviewed the details of trainings attended by the Directors and determined the training needs for the Directors;
- f. Assessed, considered and recommended the re-election of Directors at the forthcoming Annual General Meeting (“AGM”); and
- g. Reviewed and recommended to the Board for approval, the revised Terms of Reference of NC and the revised Diversity Policy.

(a) Selection and Appointment of Directors

The NC recommends suitable candidate(s) to the Board to fill Board vacancies when they arise, or to appoint additional Director(s) who meet the necessary criteria for the effective functioning of the Board. The NC reviews the suitability of candidates based on their skills, knowledge, character, integrity, expertise and experience, competency, and commitment (including time commitment). In the case of candidates for the position of INEDs, the NC evaluates the candidates’ ability to discharge the responsibilities of an INED.

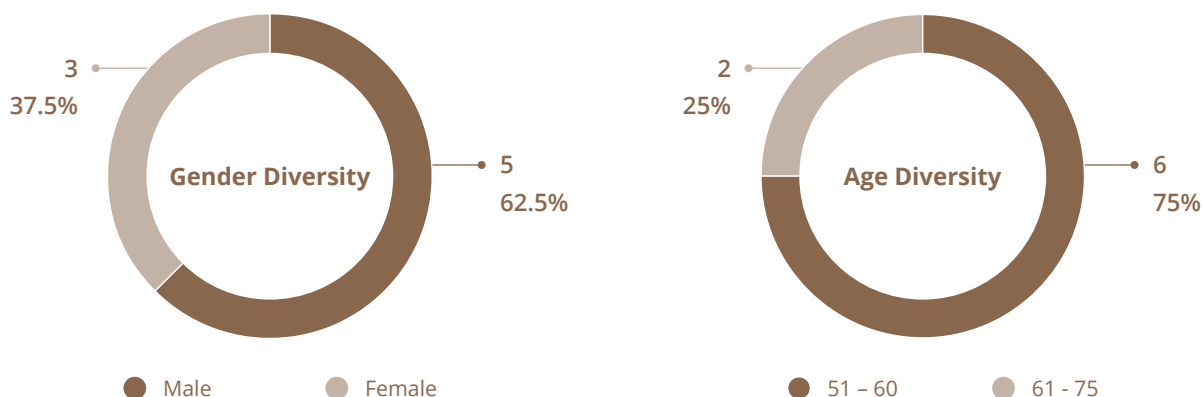
Corporate Governance Overview Statement (continued)

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)**2. Board Composition (continued)****(a) Selection and Appointment of Directors (continued)**

The appointment of new Director and the criteria used for selection is a matter for consideration and decision by the Board collectively upon appropriate recommendation by the NC. In identifying suitable candidates for directorship of the Company, the NC considers recommendations for potential candidates from existing Board members, senior management, major shareholders or may seek professional advice and/or conduct searches using various independent sources.

The Board considers the diversity of gender, age, race or ethnicity and nationality of the existing Board members and senior management in identifying potential candidate(s). This helps to ensure an appropriate balance between the experienced perspectives of the existing Directors and new perspectives that bring fresh insights to the Board. In accordance with Paragraph 15.02(1) of the MMLR of Bursa Securities (at least one director is a woman) and the MCCG (at least 30% women directors), the Board comprises three (3) female Directors out of the eight (8) Board members, representing 37.5% of the Board composition.

The breakdown of the Board by gender and age as of the date of this Statement is as follows:



During the financial year, no new Director was appointed to the Board. The Board had on 20 September 2023 appointed Mr Francis Lee Fook Wah as NINED, following the resignation of Mr Khua Kian Keong from the Board.

The Board had on 29 June 2022 established a Directors' Fit and Proper Policy, aiming to enhance the governance of the Company in terms of the Board's quality and integrity, and ensuring each of the Directors has the character, experience, integrity, competence, time and commitment to effectively discharge his role as a Director. Any candidate for new appointment as Director, as well as Directors who are due for retirement and subject to re-election at the AGM are required to make the fit and proper declaration using a self-declaration form. The NC is tasked to assess if such candidate or Director is in good standing based on the fit and proper criteria before making recommendation to the Board for consideration and approval.

Corporate Governance Overview Statement (continued)

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

2. Board Composition (continued)

(b) Board Evaluation

The NC is entrusted by the Board to annually assess the effectiveness of the Board and Board Committees, as well as the contribution and performance of each individual Director, and recommend the re-election of retiring Directors after satisfactorily evaluating their contribution and performance.

During the year, the NC conducted a formal and objective annual assessment and evaluation on the Board, Board Committees and individual Directors, in accordance with its Terms of Reference, and reported its findings and made recommendations to the Board. This annual exercise required Directors to complete questionnaires assessing the composition and performance of the Board and Board Committees, as well as Individual Directors and the independence level of Independent Directors. The Company Secretaries collated the responses, and a summary of the findings was presented to the NC for discussion before being presented to the Board.

Based on the recent assessment, the Board was satisfied that the Board has the right size, balance and composition in terms of mix of skills, competencies and experience to optimise the Company's performance and strategies. The Board, Board Committees and each Individual Director had discharged their duties and responsibilities effectively and contributed to the overall effectiveness of the Board and the Company. The INEDs had fulfilled the criteria of "independence" under the MMLR of Bursa Securities and other criteria pursuant to the MCCG.

The Board, via the NC also conducted an annual review of the terms of office, competency and performance of the ARMC and its members and was satisfied that the ARMC had carried out its roles and responsibilities appropriately and effectively. All ARMC members are financially literate and have sufficient understanding of the Company's business.

(c) Tenure of Independent Directors

The MCCG recommends that the tenure for an INED not exceed a cumulative term of nine (9) years. Upon the completion of the nine (9) years, an INED may continue to serve on the Board as NINED. The Board acknowledges the recent amendments to the MMLR that the tenure of an INED shall not exceed a cumulative term of twelve (12) years effective 1 June 2023.

At present, none of the INED has served the Board for more than nine (9) years in cumulative terms. If the Board intends to retain an INED who has served beyond nine (9) years up to the mandatory term of twelve (12) years, the Board will provide justification and seek annual shareholders' approval through a two-tier voting process.

(d) Re-election of Retiring Directors

In accordance with the Company's Constitution, all newly appointed Directors shall retire from office but shall be eligible for re-election at the next AGM after their appointment. The Constitution further provides that at least one-third of the Directors for the time being shall retire by rotation at each AGM at least once every three (3) years but shall be eligible for re-election.

Corporate Governance Overview Statement (continued)

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)**2. Board Composition (continued)****(d) Re-election of Retiring Directors (continued)**

The NC will, upon the review and evaluation of the Directors' performance and contribution to the Board together with their fit and proper declaration, if satisfactory, submit its recommendations of the re-election of Directors to the Board for consideration, before tabling the same to the shareholders for approval at the AGM. On 21 August 2023, the NC evaluated the performance of the Directors and recommended the re-election of Directors who are due for retirement namely Yang Heng Lam, Ong Looi Chai and Francis Lee Fook Wah at the forthcoming AGM.

(e) Continuing Education Programme

The Board acknowledges that continuous training and professional development is vital due to increasingly demanding, complex and multi-dimensional role of Directors. During the FY2023, the Directors attended seminar and briefings to keep themselves abreast with the latest developments in the business environment and to enhance their skills and knowledge. In assessing the training needs of Directors, the NC had determined that appropriate training programme covering matters on the understanding of logistics and warehouse management, information technology, and innovation and ESG, be recommended for the Directors to enhance their contributions to the Board. The Company had also during the year engaged professional training providers to conduct in-house trainings.

During the FY2023, the Directors attended various training programmes, as follows:-

Name of Director	List of Programmes
Tengku Nurul Azian Binti Tengku Shahrman	<ul style="list-style-type: none"> • Anti-Bribery and Anti-Corruption Annual Refresher Course • Becoming a Future Focussed Risk Management Committee • Blockchain technology, and present and future blockchain applications • Bursa Malaysia's Enhanced Sustainability Reporting Framework • Cybersecurity Risk • FTSE4Good ESG Rating for all PLCs • International Directors Summit 2022 • Outlook for markets, and long-term structural trends, and drivers for the ASEAN economies • Overview of the Employment (Amendment) Act 2022 and the new Anti-Sexual Harassment Act 2022 • SC's AOB Conversation with Audit Committee • Sunway Leadership Conference • Sustainable Supply Chain Financing • Will ASEAN (and Malaysia) be torn or prosper from US-China geopolitical contest?
Chew Chong Keat	<ul style="list-style-type: none"> • Cybersecurity Risk

Corporate Governance Overview Statement (continued)

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

2. Board Composition (continued)

(e) Continuing Education Programme (continued)

During the FY2022, all Directors attended various training programmes, as listed below (continued):-

Name of Director	Training Programme/Conference/Seminar
Yang Heng Lam	<ul style="list-style-type: none"> • Cybersecurity Risk
Gan Siew Yong	<ul style="list-style-type: none"> • Cybersecurity Risk
Ong Looi Chai	<ul style="list-style-type: none"> • Cybersecurity Risk
Lau Swee Chin	<ul style="list-style-type: none"> • Bursa Malaysia Immersive Experience: The Board "Agender" • Conversation with Audit Committees - Session 1 • Cybersecurity Risk • MIM Crucial Conversations: Accelerating Sustainability for Corporate Malaysia • RAM Insight Series: Economic Outlook 2023 - Choppy Waters Ahead? • Virtual Preview: Environmental, Social and Governance Short Course
Soh Chin Teck	<ul style="list-style-type: none"> • Blockchain technology, and present and future blockchain applications • International Directors Summit 2022 • Outlook for markets, and long-term structural trends, and drivers for the ASEAN economies • Overview of the Employment (Amendment) Act 2022 and the new Anti-Sexual Harassment Act 2022 • Cybersecurity Risk
Khua Kian Keong ⁽¹⁾	<ul style="list-style-type: none"> • Cybersecurity Risk
Francis Lee Fook Wah ⁽²⁾	N/A

⁽¹⁾ Resigned from the Board on 20 September 2023.

⁽²⁾ Not applicable as he was appointed to the Board on 20 September 2023, after FY2023.

The Company Secretaries regularly brief the Board and highlight relevant guidelines and regulatory requirements, including, among others the amendments to the MMLR of Bursa Securities, the new requirements of MCCG and the Companies Act 2016. The External Auditors keep the Board members informed on any current and future change to the Malaysian Financial Reporting Standards that affect the Company's financial statements.

Corporate Governance Overview Statement (continued)

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)**2. Board Composition (continued)****Remuneration Committee (“RC”)**

The RC assists the Board in determining and developing a remuneration policy for Directors and senior management. The RC consists of the following members:-

Chairman : **Tengku Nurul Azian Binti Tengku Shahrman** (Independent Non-Executive Director)

Member : **Lau Swee Chin** (Independent Non-Executive Director)

The Terms of Reference of RC was last reviewed on 23 August 2023 and are available on the Company’s website at www.fmgloballogistics.com.

In FY2023, the RC had discharged its duties in accordance with its Terms of Reference, which included reviewing the revised Terms of Reference of RC and the revised Remuneration Policy and Procedure for Directors and Senior Management, as well as the Directors’ fees and benefits payable to Directors, before making recommendation to the Board for approval.

Directors’ and Senior Management Remuneration Framework

The Board has an established Remuneration Policy and Procedure for Directors and Senior Management which aims to attract, retain and motivate high-calibre Directors and senior management personnel. The Remuneration Policy and Procedure for Directors and Senior Management is available on the Company’s website at www.fmgloballogistics.com.

The remuneration package of Directors consists of Directors’ fees and benefits payable such as meeting allowance. Meanwhile, Executive Directors cum senior management are entitled to a fixed salary, performance-based bonus and other emoluments. The Board, as a whole, determines the amount of fees and benefits payable to Directors with the interested Directors abstaining from any deliberations or voting on their own remuneration.

The RC held one (1) meeting during the FY2023. The RC reviewed and recommended the Directors’ fees and benefits payable to the Board prior to seeking shareholders’ approval at the Company’s forthcoming AGM.

The details of the remuneration received by the Directors of the Company for FY2023 are disclosed in the CG Report.

PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT**1. Audit and Risk Management Committee (“ARMC”)**

The ARMC comprises three (3) members, all of whom are Independent Directors. The ARMC is chaired by Soh Chin Teck, an INED who is distinct from the Chairman of the Board.

Corporate Governance Overview Statement (continued)

PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT (CONTINUED)

1. Audit and Risk Management Committee (“ARMC”) (continued)

The Board has delegated to the ARMC the responsibility of providing robust and comprehensive oversight on the financial reporting of the Group, ensuring the objectivity and effectiveness of the Group’s internal audit function and external audit processes, overseeing related party transactions and conflict of interest situations, and ensuring the adequacy and effectiveness of the Group’s internal control and risk management framework. The ARMC is governed by its Terms of Reference, which were last updated on 22 February 2023 and are available on the Company’s website.

The ARMC monitors the effectiveness of the external auditors as part of its mandate. The Board has adopted an External Auditors Assessment Policy, which specifies the guidelines for monitoring and assessing the external auditors’ suitability, objectivity and independence.

The ARMC ensures that the external audit function is independent of the activities it audits and that the contracts for the provision of non-audit services by the external auditors do not create a conflict of interest or impair the external auditors’ independence.

The Board strives to provide a true, fair and comprehensive financial reporting of the Group’s performance in the audited financial statements and quarterly financial reports as well as key disclosures in the notes to accounts, in line with the MFRS and MMLR of Bursa Securities.

For more information on the ARMC with regards to its composition and activities, please refer to the ARMC Report in this Annual Report.

2. Risk Management and Internal Control Framework

The Board recognises that it is crucial to achieve a critical balance between risks incurred and potential returns for the viability of the Group. A robust risk management and internal control framework helps the Group to achieve its value-creation targets by providing risk information to enable better formulation of the Group’s strategies and decision-making processes. Thus, the Company has established an Enterprise Risk Management (“ERM”) framework which proactively identifies, evaluates and manages key risks of the Group.

The Group, as a whole, has established several risk management processes where the responsibility and accountability lie with the various Heads of Departments and also involve the participation of the Executive Directors and Internal Auditors. The Heads of Departments are responsible for the day-to-day management of risks inherent in the business activities, while the Executive Directors are responsible for setting the risk management framework as well as developing tools and methodologies.

The responsibility to review the adequacy and integrity of the internal control function has been delegated by the Board to the ARMC through independent reviews conducted by an in-house internal audit team established by the Company. All internal audit work carried out is guided by the International Professional Practices Framework published by The Institute of Internal Auditors. The Internal Auditors and their personnel are independent from the operational activities of the Company and they do not hold management authority and responsibility over the operations that internal audit covers in its scope of works.

Corporate Governance Overview Statement (continued)

PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT (CONTINUED)**2. Risk Management and Internal Control Framework (continued)**

The Statement on Risk Management and Internal Control furnished on pages 109 to 112 of the Annual Report provides an overview on the state of internal controls within the Group to manage risk.

PRINCIPLE C – INTEGRITY IN CORPORATE REPORTING AND A MEANINGFUL WITH STAKEHOLDERS**1. Engagement with Stakeholders**

The Company and stakeholders maintain continuous communication to ensure mutual understanding of each other's objectives and expectations. The Company is committed in maintaining a high standard for dissemination of relevant and material information on the development of the Company, including the business of the Company, its policies on governance, the environment and social responsibility. The Company has put in place Corporate Disclosure Policies and Procedures to provide guidance on the determination and dissemination of sensitive and material information across the Group.

The Group ensures that the Company's corporate website at www.fmgloballogistics.com contains important information relating to the Company, among others, corporate information, corporate announcements, financial results, annual reports, Company policies and procedures, so as to promote a closer association with its stakeholders by allowing accessibility of information. Dialogues are conducted with financial analysts or through media interviews that enables the Board and the Management to convey information relating to the Company's performance, corporate strategy and other matters affecting shareholders' interests.

2. Conduct of General Meetings

The AGM is the primary forum for dialogue and interaction with shareholders, providing an opportunity and means for shareholders to seek and clarify any issue relating to the Group's direction, performance, and future prospects. Shareholders are encouraged to attend the AGM and vote on the resolutions. All Directors and the external auditors are also available to respond to shareholders' questions during the AGM.

In addition, the notice of the AGM, together with the Annual Report, are circulated to shareholders at least 28 days before the meeting. The AGM notice, which outlines the resolutions to be tabled at the meeting, is accompanied by detailed explanatory notes and background information on the matters to be decided at the AGM, so that shareholders can better understand the proposed resolutions and make informed decisions when exercising their votes. The Company also encourages shareholders and investors to access the Company's Annual Report and up-to-date announcements, which are made available on Bursa Securities and the Company's website.

The Company's 26th AGM held on 28 November 2022 was conducted virtually through live streaming from the broadcast venue via Remote Participation and Voting ("RPV") facilities, allowing attendance of the shareholders and proxies via remote participation and voting in absentia. The RPV facilities were provided by Tricor Investor & Issuing House Services Sdn Bhd via TIIH Online website at <https://tiih.online>. Shareholders participated in the AGM by posting questions or seeking clarification on matters relating to the Company's management and operations.

Corporate Governance Overview Statement (continued)

PRINCIPLE C – INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (CONTINUED)

2. Conduct of General Meetings (continued)

Poll voting for all resolutions was carried out using RPV facilities. All shareholders were briefed on the voting procedures by the poll administrator prior to poll voting. The poll results were validated by the Independent Scrutineers appointed by the Company and announced on the same day of the AGM.

The minutes of the AGM were published on the Company's website as soon as practicable after the AGM, following review and approval by the Board.

Investors and the public who wish to contact the Group to make any enquiry, comment or proposal are advised to channel them via email: enquiry-my@fmgloballogistics.com any time throughout the year.

Focus Areas and Future Priorities

The Board took cognisance of the MCCG recommendation to have at least half of the Board comprising Independent Directors. The Board will review the Board size and composition and take appropriate steps to discuss the merits of increasing the number of Independent Directors to the Board who could bring in a wider perspective, valuable experience and increased knowledge.

The Board also acknowledged the importance of succession planning and would ensure that it aligns with the human resource policies and strategies of the Company. Only high calibre personnel with the relevant skills and experience are expected to be appointed to the Board and key management positions in the Group.

With the growing awareness and need to address environmental and social challenges, the Board will continue its focus to embed sustainability efforts into the strategic priorities of the Group to build long-term success while creating sustainable business value for its shareholders and stakeholders.

Conclusion

The Board recognises that inculcating and promoting good corporate governance practices is an ongoing process. As such, the Board will continuously assess and implement relevant measures to improve its corporate governance practices and structures in line with the needs of the Group to achieve an optimal framework of governance.

This Statement is issued in accordance with a resolution of the Board dated 18 October 2023.

Statement on Risk Management and Internal Control

The Board of Directors (“the Board”) of FM Global Logistics Holdings Berhad (“the Company”) recognises the importance of maintaining a sound system of risk management and internal control for good corporate governance and to safeguard shareholders’ interests and the assets of the Company and its subsidiaries (“the Group”). Accordingly, the Board is committed to ensure the effectiveness and efficiency of the Group’s risk management framework and internal control system through periodic reviews. In accordance with Paragraph 15.26(b) of Bursa Malaysia Securities Berhad (“Bursa Securities”) Main Market Listing Requirements (“MMLR”) and as guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers issued by Bursa Securities, the Board is pleased to present the Statement on Risk Management and Internal Control for the financial year ended 30 June 2023 (“FY2023”), which outlines the key features of the risk management framework and internal control system of the Group.

Board’s Responsibility

The Board acknowledges its responsibilities to ensure the effectiveness, adequacy and integrity of the Group’s risk management and internal control system in order to provide reasonable assurance of the reliability of financial reporting and compliance with applicable laws and regulations. This responsibility requires the Board to establish procedures, controls and policies to ensure that the system is operating satisfactorily and robustly in identifying and managing key business risks in respect of the Group’s strategic direction, financial, operational, and environmental compliance for the purpose of safeguarding shareholders’ investment and the Group’s assets.

The system of internal control is designed to manage the Group’s risks rather than eliminate the risk of failure and achieve the Group’s policies and business objectives, and provides reasonable assurance against any material errors, misstatement or irregularities. The system of internal control covers all types of control, inter alia, risk management, financial as well as compliance controls.

The Board acknowledges that the expansion into new areas of business as well as its operations in various countries presents unique risk considerations. In view of this matter, the Board will, in addition to its normal risk management process, be attentive to the impact of the Group’s overall risk profile and ensure that existing internal controls are sufficient to address the additional risks, if any. The Board had on 21 August 2023, via the Audit and Risk Management Committee (“ARMC”), reviewed and was satisfied that the risk management framework and internal control system of the Group could function effectively in identifying, assessing and managing its risk.

Risk Management

The Board regards risk management as an integral part of the Group’s business operations. The objectives of the Group’s risk management are as follows:-

- Ensure operational continuity;
- Safeguard the assets of the Group;
- Safeguard the interest of all shareholders;
- Ensure quality service is continuously extended to customers at all times;
- Preserve the safety and health of its employees; and
- Promote an effective risk awareness culture where risk management is an integral aspect of the Group’s management systems.

Statement on Risk Management and Internal Control (continued)

Risk Management (continued)

The Board recognises that it is crucial to achieve a critical balance between risks incurred and potential returns for the viability of the Group. Thus, the Company has adopted an Enterprise Risk Management (“ERM”) Framework which proactively identifies, evaluates and manages key risks of the Group. The ERM Framework and its methodology are in line with ISO 31000:2018 – *Risk Management Principles and Guidelines*, to promote a culture of risk ownership and the continuous monitoring of identified key risks.

Furthermore, the Board has established a well-defined organisational structure in terms of responsibility and accountability that is aligned to business and operations. This structure supports the maintenance of a strong control environment. The Board has also extended the responsibilities of the ARMC to oversee the Group’s risk management framework and policies to ensure its effectiveness.

The Group has established several risk management processes whereby responsibility and accountability are with the various Heads of Divisions and also involve the participation of the Executive Directors and Internal Auditors. The Heads of Divisions are responsible in identification, assessment, mitigation, monitoring and reporting of risks that are appropriate to the needs of the Group during the day-to-day business activities, while the Executive Directors are responsible for setting the risk management framework as well as developing tools and methodologies. Additionally, internal audit plays a crucial independent role to provide assurance on the effectiveness of the risk management approach. These risk management processes are aligned across the business units and subsidiaries of the Group through the streamlining of the risk framework, policies and organisational structures in order to embed and enhance a risk management culture based on the Group’s business segments, its regional growth and inspired by its expansion plans.

In addition to the above the Group has compiled an ERM Manual which outlines the Risk Policy, Risk Governance Structure and Risk Management Processes. This ERM Manual is in line with the ISO 31000:2018 – *Risk Management Principles and Guidelines*. The Risk Register outlines and categorises the sources of risks, the impacts, the risk owners and the controls that are in place. The ERM plan has also been implemented with the aim of continuously check and review of key risks to ensure that controls are adequate and effective. Wherever necessary, further steps are also developed and implemented to enhance risk management.

Risk Assessment

The risk appetite defines the value and type of risks that the Group is willing to accept in pursuit of its strategic business objectives and serves as a guidance for all divisions.

ERM methodology is adopted in identifying, evaluating and managing significant risks faced by the Group.

Internal Control Mechanism

The responsibility to review the adequacy and integrity of the internal control system has been delegated by the Board to the ARMC. The ARMC, in turn, assesses the adequacy and integrity of the internal control system through independent reviews conducted on reports received from in-house internal auditors and the management. In addition, the ARMC also considers findings from the external auditors in the form of management letters, which highlight certain internal control areas for improvement identified during the external audit. Any area for improvement identified by the external auditors and internal auditors is brought to the attention of the ARMC.

Statement on Risk Management and Internal Control (continued)

Key Elements of Internal Control System

The key elements of the Group's internal control system are described below:-

- Organisational structure with clearly defined responsibilities for the Board;
- Regular meetings are held at operational and management levels to identify and resolve business, financial, operational and management issues;
- Five subsidiaries were accredited ISO 9001:2015 certifications on quality management system. Documented internal procedures and standard operating procedures have been put in place and surveillance audits are conducted by assessors of the ISO certification bodies on a yearly basis to ensure that the system is adequately implemented;
- Guidelines on operating procedures have been put in place for relevant departments;
- Reports on financial performance and key business indicators are presented to the Board on a quarterly basis;
- Monthly monitoring of results by the management through financial reports;
- Internal audit visits and other specific assignments, if the need arises, are assigned by the ARMC and/or the Board who monitors compliance with procedures and assesses the integrity of financial information provided; and
- The ARMC holds quarterly meetings with the management on the actions taken for internal control issues, identified through reports prepared by the internal auditors, external auditors (identified during the audits) and/or the management.

Internal Audit Function

As part of the Group's commitment to establish a sound framework for risk management and internal control, an in-house internal audit function was established to undertake regular reviews of the Group's internal control system. The Group's internal auditors report directly to the ARMC. The ARMC meets quarterly on a scheduled basis to review issues identified in the internal audit report prepared by the internal auditors and evaluates the effectiveness and adequacy of the Group's internal control system. The ARMC has active oversight on the independence, scope of work and allocation of resources of the internal auditors to ensure their optimal performance.

The internal auditors have adopted a risk-based approach in undertaking the internal audits for the Group which include the development of internal audit policies, the establishment of an annual audit plan, audit work processes and audit work reporting formulated through a risk assessment process. Through this process, the internal auditors plan the engagement through consultation sessions with the ARMC, the management and staff in order to identify the relevant risks faced by the Group. With better understanding of these risks, the internal auditors have developed risk-based internal audit programmes that allow internal audit to provide assurance that risk management processes are managing risk effectively based on the Group's risk appetite.

Simultaneously, the Board ensures that relevant control measures are put in place to address the identified control gaps and eventually, to improve the integrity of the Group's system of internal control. The Board recognises that developing an effective internal control system is a continuous process, and commits to strengthen the Group's existing internal control environment.

Statement on Risk Management and Internal Control (continued)

Effectiveness of Risk Management and Internal Control System

The Board's review of risk management and internal control effectiveness is based on information from:

- Executive Directors and Heads of Divisions who are responsible for the maintenance and continuous improvements and development of the risk management and internal control system; and
- Review from internal audit reports and work undertaken by the internal auditors, who report directly to the ARMC together with the assessment of the internal control system relating to key risks and recommendations for improvement.

The review and assurance of the system of internal control is continuously assessed by the ARMC. Any risk, weaknesses and/or incidents of non-compliance with policies and procedures are communicated by the internal auditors to the ARMC and highlighted to the management for corrective action.

The Board is of the opinion that that the system of internal control described in this Statement is effective and the risks are at an acceptable level within the context of the Group's business environment. The Board and management will continue to monitor and adapt the ERM framework to address external and internal changes and from time to time improve the adequacy and effectiveness of the risk management processes.

The Group's system of internal control does not apply to associated companies and joint ventures in which the Group does not have full management control.

Review of Statement by External Auditors

As required by Paragraph 15.23 of the MMLR, the external auditors have reviewed this Statement in accordance with the scope set out in Audit and Assurance Practice Guide 3 (AAPG 3) – Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report issued by the Malaysian Institute of Accountants and reported to the Board that nothing has come to their attention that causes them to believe that the Statement, in all material aspects:

- has not been prepared 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
- is factually inaccurate.

Assurance from Management

Based on the risk management framework and internal control maintained by the Group, the Group Managing Director and the Group Financial Controller have given their assurance to the Board that the risk management and internal control system of the Group is operating adequately and effectively in all material aspects.

Taking into consideration the assurance from the Management and input from the relevant service providers, the Board is of the opinion that the Group's overall system of internal control and risk management processes are adequate and sufficiently sound to provide reasonable assurance of the safeguarding of shareholders' investments, the Group's assets and other stakeholders' interests as well as in addressing key risks impacting the business operations of the Group. There was no significant internal control weakness in the system of internal control that could result in any material loss or adversely affect the Group that would require disclosure in this Annual Report.

This Statement is made in accordance with the resolution of the Board dated 18 October 2023.

Additional Compliance Information

The following information is presented in compliance with Bursa Malaysia Securities Berhad (“Bursa Securities”) Main Market Listing Requirements (“MMLR”):

1. Utilisation of Proceeds raised from Corporate Proposals

There were no proceeds raised from corporate proposals during the financial year ended 30 June 2023.

2. Audit and Non-Audit Fees

The fees paid or payable to the Company’s external auditors or its affiliates in respect of the audit and non-audit services rendered to the Company and its subsidiaries (“the Group”) for the financial year ended 30 June 2023 are as follows:-

	Group (RM)	Company (RM)
Audit services	454,338	77,000
Non-audit services	61,500	61,500
Total fees:	515,838	138,500

3. Material Contracts involving the interest of the Directors or major shareholders

There were no material contracts entered into by the Group involving the interests of Directors and major shareholders, either still subsisting at the end of the financial year ended 30 June 2023 or entered into since the end of the previous financial year.

4. Recurrent Related Party Transactions (“RRPT”)

The details of the RRPT undertaken by the Company during the financial year ended 30 June 2023 are disclosed in Note 36 of the Financial Statements on pages 209 to 211 of this Annual Report.

As the threshold for the RRPT is below the required thresholds of the MMLR of Bursa Securities to obtain shareholders’ approval, the Board will not be seeking shareholders’ mandate for the RRPT. The Board (via the Audit and Risk Management Committee) and the Management will continue to monitor and track the value of the RRPT as and when a transaction is entered into with related parties.

Directors' Responsibility Statement

In respect of the preparation of the Annual Audited Financial Statements

The Directors are responsible to prepare the financial statements of the Company and the Group in accordance with the applicable Financial Reporting Standards in Malaysia, the International Financial Reporting Standards, and the requirements of the Companies Act 2016 so as to give a true and fair view of the state of affairs of the Company and the Group's financial performance for and financial position at the end of the fiscal year.

In preparing the financial statements for the financial year ended 30 June 2023, the Directors have:-

- ensured that appropriate accounting policies have been adopted and applied consistently, supported by reasonable and prudent judgements and estimates;
- ensured that all applicable approved accounting standards have been adhered to; and
- considered the going concern basis and made enquiries that the Group has adequate resources to continue in operations for the foreseeable future.

The Directors are also responsible to ensure that the financial statements of the Company and the Group and the Company are prepared with reasonable accuracy from accounting records of the Company and the Group.

The Directors have also taken the necessary steps to ensure that appropriate systems are in place for safeguarding the assets of the Company and the Group to prevent and detect fraud and other irregularities. These systems, by their nature, can only provide reasonable assurance and not absolute assurance against material misstatements, loss or fraud.

Trustworthiness

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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 30 June 2023.

PRINCIPAL ACTIVITIES

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

RESULTS

	Group RM'000	Company RM'000
Profit after taxation for the financial year	47,152	25,357
Attributable to:-		
Owners of the parent	42,007	25,357
Non-controlling interests	5,145	-
	47,152	25,357

DIVIDENDS

Dividends paid or declared by the Company since 30 June 2022 are as follows:

	RM'000
Ordinary Share	
<u>In respect of the financial year 30 June 2022</u>	
Third interim single tier dividend of 2.0 sen per ordinary share, paid on 7 October 2022	11,169
<u>In respect of the financial year 30 June 2023</u>	
First interim single tier dividend of 1.0 sen per ordinary share, paid on 14 April 2023	5,584
Second interim single tier dividend of 1.0 sen per ordinary share, paid on 28 July 2023	5,584
	22,337

DIVIDENDS (CONTINUED)

The Company paid a third interim single tier dividend of 2.0 sen per ordinary share amounting to RM11,168,897 for the financial year ended 30 June 2023 on 13 October 2023. The financial statements for the current financial year do not reflect this dividend and it would be accounted for as an appropriation of retained earnings in the financial year ending 30 June 2024.

The Directors do not recommend the payment of any final dividend in respect of the financial year ended 30 June 2023.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the financial statements.

ISSUES OF SHARES AND DEBENTURES

During the financial year:-

- (a) there were no changes in the issued and paid-up share capital of the Company; and
- (b) there were no issues of the debentures by the Company.

OPTIONS GRANTED OVER UNISSUED SHARES

During the financial year, no options were granted by the Company to any person to take up any unissued shares in the Company.

DIRECTORS

The names of directors of the Company who served during the financial year and up to the date of this report are as follows:-

Tengku Nurul Azian binti Tengku Shahruman
Chew Chong Keat
Yang Heng Lam
Gan Siew Yong
Ong Looi Chai
Soh Chin Teck
Lau Swee Chin
Francis Lee Fook Wah (appointed on 20 September 2023)
Khua Kian Keong (resigned on 20 September 2023)

Directors' Report (continued)

DIRECTORS (CONTINUED)

The names of directors of the Company's subsidiaries who served during the financial year and up to the date of this report, not including those directors mentioned above, are as follows:-

- Yeow Soon Guat
- Leong Wan Keng
- Bradley John O' Donnell
- Chew Chong Ngai
- Gan Siew Hooi
- Low Gim Beng
- Dang Anh Binh
- Pandikadavil Jayaprakash Unnikrishnan
- Juliana Eddy
- Herman
- Phatteera Sirijitjinda
- Yupadee Sirijitjinda
- Rajagopalan Gokulakrishnan
- Songvud Anuvongcharoen
- Baig Nadeem Mohammed
- Kenny Chao
- Shelvy

DIRECTORS' INTERESTS

According to the register of directors' shareholdings, the interests of directors holding office at the end of the financial year in shares of the Company and its related corporations during the financial year are as follows:

	<----- Number of ordinary shares ----->			
	Balance as at 1.7.2022	Bought	Sold	
Shares in the Company				
<u>Direct interests</u>				
Chew Chong Keat	134,375,228	-	-	134,375,228
Yang Heng Lam	102,610,076	-	-	102,610,076
Gan Siew Yong	24,295,608	-	-	24,295,608
Ong Looi Chai	10,045,466	-	-	10,045,466

Directors' Report (continued)

DIRECTORS' INTERESTS (CONTINUED)

According to the register of directors' shareholdings, the interests of directors holding office at the end of the financial year in shares of the Company and its related corporations during the financial year are as follows (continued):

	<----- Number of ordinary shares ----->			
	Balance as at 1.7.2022	Bought	Sold	
Shares in the Company				
<u>Indirect interests</u>				
Chew Chong Keat@	551,698	-	-	551,698
Yang Heng Lam@#	1,964,896	-	-	1,964,896
Gan Siew Yong@	551,698	-	-	551,698
Khua Kian Keong^	111,977,400	-	-	111,977,400
Ong Looi Chai@#	533,000	100,000	-	633,000

@ Deemed interested in shares held by their children.

Deemed interested in shares held by spouse.

^ Deemed interested by virtue of his interest in Singapore Enterprise Private Limited.

By virtue of their shareholdings in the Company, Chew Chong Keat, Yang Heng Lam and Khua Kian Keong are also deemed to be interested in the ordinary shares of its related corporations during the financial year to the extent of the Company's interests, in accordance with Section 8 of the Companies Act 2016.

The other directors holding office at the end of the financial year had no interest in shares of the Company or its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than directors' remuneration as disclosed in the "Directors' Remuneration" of this report) 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 except for any benefits which may be deemed to arise from transactions entered into in the ordinary course of business with companies in which certain directors have substantial financial interests as disclosed in Note 36(b) to the financial statements.

Neither during nor at the end of the financial year was the Group or the Company a party to any arrangements whose object is to enable 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 (continued)

DIRECTORS' REMUNERATION

The Directors' remuneration paid or payable to the Directors of the Group and of the Company during the financial year were RM17,049,521 and RM548,000 respectively.

INDEMNITY AND INSURANCE FOR DIRECTORS, OFFICERS AND AUDITORS

The Company maintains a Directors' and Officers' Liability Insurance Policy on a group basis. During the financial year, the amount of indemnity coverage and insurance premium paid for the directors and certain officers of the Group were RM10,000,000 and RM19,090 respectively.

There were no indemnity given to or insurance effected for the auditors of the Group and of the Company during the financial year.

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 allowance for impairment losses on receivables, and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for impairment losses on receivables; and
 - (ii) to ensure that any current assets, which were unlikely to be realised 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.

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 further render the amounts written off for bad debts or the additional allowance for impairment losses on receivables 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 will or may affect the ability of the Group or 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 financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading.

Directors' Report (continued)

SIGNIFICANT EVENTS SUBSEQUENT TO THE END OF THE REPORTING PERIOD

- (i) On 29 August 2023, the Company disposed of its entire equity interest of 50,000 ordinary shares in Exterian Enterprise Sdn. Bhd. to the Group Managing Director, Chew Chong Keat, for a total cash consideration of RM50,000. Consequently, Exterian Enterprise Sdn. Bhd. ceased to be a subsidiary of the Company.

Concurrently, the Company entered into a settlement agreement with Chew Chong Keat, for the settlement of a sum of RM4,150,000 in cash as full and final settlement for part of advances owing by Exterian Enterprise Sdn. Bhd. to the Group.

- (ii) On 25 September 2023, FM Global Logistics Ventures Sdn. Bhd., an indirect wholly-owned subsidiary of the Company entered into a sale and purchase agreement with several independent third parties to acquire the entire issued and paid up share capital of CAC Logistics Services Pte. Ltd., for a total cash consideration of SGD5,500,000 (equivalent to approximately RM18,858,950).

AUDITORS

The auditors, Crowe Malaysia PLT, have expressed their willingness to continue in office.

The auditors' remuneration of the Group and of the Company for the financial year were RM515,838 and RM138,500 respectively.

Signed in accordance with a resolution of the Directors dated 18 October 2023.

Chew Chong Keat

Director

Port Klang

18 October 2023

Yang Heng Lam

Director

Statement By Directors

Pursuant to Section 251(2) of the Companies Act 2016

We, Chew Chong Keat and Yang Heng Lam, being two of the Directors of FM Global Logistics Holdings Berhad, state that, in the opinion of the Directors, the financial statements set out on pages 130 to 216 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards, and the requirements 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 of 30 June 2023 and of their financial performance and cash flows for the financial year ended on that date.

Signed in accordance with a resolution of the Directors dated 18 October 2023

Chew Chong Keat
Director

Yang Heng Lam
Director

Statutory Declaration

Pursuant to Section 251(1)(B) of the Companies Act 2016

I, Chew Chong Keat, being the Director primarily responsible for the financial management of FM Global Logistics Holdings Berhad, do solemnly and sincerely declare that the financial statements set out on pages 130 to 216 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the abovementioned
Chew Chong Keat,
at Kuala Lumpur
in the Federal Territory
on this 18 October 2023

Chew Chong Keat

Before me:

Dr. T. Yokheswaram (No. W 540)
Commissioner for Oaths

Independent Auditors' Report

To the Members of FM Global Logistics Holdings Berhad

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of FM Global Logistics Holdings Berhad, which comprise the statements of financial position as at 30 June 2023 of the Group and of the Company, and the statements of profit or loss and other 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 a summary of significant accounting policies, as set out on pages 130 to 216.

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 30 June 2023, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting 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. 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 financial 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.

Independent Auditors' Report
To the Members of FM Global Logistics Holdings Berhad (continued)

Key Audit Matters (continued)

We have determined the matters described below to be the key audit matters to be communicated in our report.

Revenue recognition Refer to Note 29 to the financial statements	
Key Audit Matter	How our audit addressed the key audit matter
<p>Revenue from freight forwarding and logistics services amounting to approximately RM948.34 million represent 99% of the Group's revenue for the financial year ended 30 June 2023.</p> <p>Revenue from freight forwarding and logistics services is recognised during the period in which control over the promised services have been transferred to customers. These services consist of large volumes of individually low value transactions and the rates applied to each transaction are based on contract terms agreed among different customers.</p> <p>Although the recognition of revenue transactions from these services is largely automated, management periodically records manual adjustments to accrue for revenue when services have been rendered but not billed.</p> <p>Through such manual adjustments, management has the ability to influence the recognition of revenue, hence there is a risk of misstatement in the revenue recognised from these services.</p> <p>The accounting policies for revenue recognition has been disclosed in Note 29 to the financial statements.</p>	<p>Our procedures, with involvement of the component auditors, included the following:</p> <ul style="list-style-type: none"> • obtained an understanding of the revenue recognition process and evaluated the controls surrounding revenue recognition; • engaged our IT auditors to test the Group's application controls; • verified recorded revenue before and after the end of the reporting period, covering a period in excess of the normal lead time between rendering of services and receipt of proof of delivery of services, and verified against the underlying proof of delivery to ascertain whether revenue has been appropriately recognised; and • assessed the appropriateness of the manual adjustments recorded in computing accrued revenue in relation to revenue from freight forwarding and logistics services.

Independent Auditors' Report
To the Members of FM Global Logistics Holdings Berhad (continued)

Key Audit Matters (continued)

Recoverability of trade receivables Refer to Note 13 to the financial statements	
Key Audit Matter	How our audit addressed the key audit matter
<p>As at 30 June 2023, the Group's trade receivables amounted to approximately RM153.54 million net of impairment losses. Trade receivables are a major component of the financial position of the Group's total assets.</p> <p>We focused on this area due to the magnitude of the amount involved and judgements are required to assess the allowance for impairment losses of trade receivables.</p>	<p>Our procedures, with involvement of the component auditors, included the following:</p> <ul style="list-style-type: none"> • reviewed ageing analysis of trade receivables and tested the reliability thereof; • reviewed subsequent cash collections for major receivables and overdue amounts; • tested the adequacy of the Group's allowance for impairment losses on trade receivables by assessing management's policy; and • reviewed the adequacy of the Group's disclosure in this area.
Impairment of goodwill Refer to Note 6 to the financial statements	
Key Audit Matter	How our audit addressed the key audit matter
<p>As at 30 June 2023, the Group's goodwill on consolidation was RM7.80 million.</p> <p>We focused on this area because the assessment of whether goodwill is impaired involved subjective judgements and key assumption estimates in determining its recoverable amount.</p>	<p>Our audit procedures included, among others:</p> <ul style="list-style-type: none"> • enquired and challenged the management on the key assumptions made, including: <ul style="list-style-type: none"> - the consistent application of management's methodology; - revenue growth, operating margin and discount rate; and - assumptions in relation to terminal growth in the business at the end of the plan period. • evaluated the reasonableness of management's estimate of expected future cash flows by taking into consideration the past performances of their cash generating units ("CGUs"); • performed sensitivity analysis to assess the impact on the recoverable amount of the CGUs; and • reviewed the adequacy of the Group's disclosure in this area.

Independent Auditors' Report
To the Members of FM Global Logistics Holdings Berhad (continued)

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.

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 Malaysian Financial Reporting Standards, International Financial Reporting 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 Group's and the Company's ability 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 International Standards on Auditing 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.

Independent Auditors' Report
To the Members of FM Global Logistics Holdings Berhad (continued)

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 International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:-

- 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.
- 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 Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- 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 Group's or the Company's ability 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.
- 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.
- 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 financial 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.

Independent Auditors' Report
To the Members of FM Global Logistics Holdings Berhad (continued)

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 7 to the financial statements.

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.

Crowe Malaysia PLT

201906000005 (LLP0018817-LCA) & AF 1018

Chartered Accountants

Kuala Lumpur

18 October 2023

Chong Wei-Chnoong

03525/08/2024 J

Chartered Accountants

Statements of Financial Position

As At 30 June 2023

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	5	192,173	188,903	-	-
Intangible assets	6	7,920	8,152	-	-
Investments in subsidiaries	7	-	-	62,753	62,753
Investments in associates	8	454	451	-	-
Investments in joint ventures	9	10,414	9,402	-	-
Other investments	10	360	360	-	-
Right-of-use assets	11	161,857	157,220	-	-
Deferred tax assets	12	1,228	1,130	-	-
		374,406	365,618	62,753	62,753
Current assets					
Other investments	10	18,206	1,329	-	-
Trade receivables	13	153,543	229,044	-	-
Other receivables, deposits and prepayments	14	24,461	49,170	6	6
Amounts owing by subsidiaries	15	-	-	34,201	26,146
Amounts owing by associates	16	-	300	-	-
Amount owing by a related company	17	-	-	24,699	22,523
Amounts owing by related parties	18	9,806	341	-	-
Amounts owing by joint ventures	19	593	1,677	-	-
Current tax assets		2,286	1,020	-	138
Cash and cash equivalents	20	105,732	106,034	12,787	12,772
		314,627	388,915	71,693	61,585
TOTAL ASSETS		689,033	754,533	134,446	124,338
EQUITY AND LIABILITIES					
Equity attributable to owners of the parent					
Share capital	21	104,290	104,290	104,290	104,290
Reserves	22	279,729	257,285	17,280	14,260
		384,019	361,575	121,570	118,550
Non-controlling interests		20,502	15,162	-	-
TOTAL EQUITY		404,521	376,737	121,570	118,550

Statements of Financial Position
As At 30 June 2023 (continued)

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
LIABILITIES					
Non-current liabilities					
Lease liabilities	23	34,557	34,917	-	-
Term loans	24	64,140	73,310	-	-
Deferred tax liabilities	12	31,488	31,038	-	-
Post-employment benefits obligation	25	3,738	2,514	-	-
		133,923	141,779	-	-
Current liabilities					
Trade payables	26	51,284	82,398	-	-
Other payables and accruals	27	37,973	48,097	176	157
Amounts owing to subsidiaries	15	-	-	7,105	47
Amount owing to an associate	16	7	11	-	-
Amount owing to a related party	18	489	-	-	-
Amounts owing to joint ventures	19	131	394	-	-
Lease liabilities	23	20,965	19,251	-	-
Term loans	24	9,682	10,194	-	-
Short-term borrowings	28	21,486	65,875	-	-
Dividend payable		5,584	5,584	5,584	5,584
Current tax liabilities		2,988	4,213	11	-
		150,589	236,017	12,876	5,788
TOTAL LIABILITIES		284,512	377,796	12,876	5,788
TOTAL EQUITY AND LIABILITIES		689,033	754,533	134,446	124,338

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

Statements of Profit or Loss

For The Financial Year Ended 30 June 2023

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Revenue	29	948,361	1,152,945	26,153	18,600
Cost of services		(719,154)	(924,432)	-	-
Gross profit		229,207	228,513	26,153	18,600
Other income		12,943	9,061	466	441
Administrative expenses		(174,686)	(167,727)	(1,223)	(1,162)
Finance costs	30	(7,808)	(5,675)	-	-
Share of profit of associates	8	3	2	-	-
Share of profit of joint ventures	9	2,593	2,439	-	-
Profit before tax	31	62,252	66,613	25,396	17,879
Tax expense	32	(15,100)	(16,852)	(39)	(7)
Profit for the financial year		47,152	49,761	25,357	17,872
Profit for the financial year attributable to:					
Owners of the parent		42,007	45,585	25,357	17,872
Non-controlling interests		5,145	4,176	-	-
		47,152	49,761	25,357	17,872
Earnings per ordinary share attributable to equity holders of the Company:					
Basic earnings per ordinary share (sen)	35	7.52	8.16		
Diluted earnings per ordinary share (sen)	35	7.52	8.16		

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

Statements of Comprehensive Income

For The Financial Year Ended 30 June 2023

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Profit for the financial year		47,152	49,761	25,357	17,872
Other comprehensive income					
Items that will be reclassified subsequently to profit or loss					
Foreign currency translations	32(d)	4,236	546	-	-
		4,236	546	-	-
Items that will not be reclassified subsequently to profit or loss					
Actuarial loss on defined benefits plan	32(d)	(438)	(238)	-	-
		(438)	(238)	-	-
Other comprehensive income for the financial year, net of tax		3,798	308	-	-
Total comprehensive income for the financial year		50,950	50,069	25,357	17,872
Total comprehensive income attributable to:					
Owners of the parent		44,781	46,082	25,357	17,872
Non-controlling interests		6,169	3,987	-	-
		50,950	50,069	25,357	17,872

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

Consolidated Statement of Changes in Equity

For The Financial Year Ended 30 June 2023

GROUP	Non-distributable			Distributable			Total equity RM'000
	Share capital RM'000	Foreign exchange translation reserve RM'000	Revaluation reserve RM'000	Retained earnings RM'000	Attributable to owners of the parent RM'000	Non-controlling interests RM'000	
Balance as at 1 July 2021	104,290	(115)	84,347	143,877	332,399	11,220	343,619
Profit for the financial year	-	-	-	45,585	45,585	4,176	49,761
Actuarial loss on defined benefits plan, net of tax	-	-	-	(159)	(159)	(79)	(238)
Foreign currency translations, net of tax	-	656	-	-	656	(110)	546
Total comprehensive income, net of tax	-	656	-	45,426	46,082	3,987	50,069
Transactions with owners							
Changes in a subsidiary's ownership interests that do not result in a loss of control	-	-	-	(5)	(5)	5	-
Dilution of equity by non-controlling interests of a subsidiary	-	-	-	(148)	(148)	148	-
Acquisition of non-controlling interests	-	-	-	-	-	(244)	(244)
Dividends paid	-	-	-	(16,753)	(16,753)	-	(16,753)
Dividends paid to non-controlling interests of subsidiaries	-	-	-	-	-	(400)	(400)
Ordinary shares contributed by non-controlling interests of a subsidiary	-	-	-	-	-	446	446
Total transactions with owners	-	-	-	(16,906)	(16,906)	(45)	(16,951)
Transfer due to crystallisation of revaluation reserve	-	-	(1,218)	1,218	-	-	-
Balance as at 30 June 2022	104,290	541	83,129	173,615	361,575	15,162	376,737

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

Consolidated Statement of Changes in Equity
For the Financial Year Ended 30 June 2023 (continued)

GROUP	Note	Non-distributable				Distributable			Total equity RM'000
		Share capital RM'000	Foreign exchange translation reserve RM'000	Revaluation reserve RM'000	Retained earnings RM'000	Attributable to owners of the parent RM'000	Non-controlling interests RM'000	RM'000	
Balance as at 1 July 2022		104,290	541	83,129	173,615	361,575	15,162	376,737	
Profit for the financial year		-	-	-	42,007	42,007	5,145	47,152	
Actuarial loss on defined benefits plan, net of tax		-	-	-	(293)	(293)	(145)	(438)	
Foreign currency translations, net of tax		-	3,067	-	-	3,067	1,169	4,236	
Total comprehensive income, net of tax		-	3,067	-	41,714	44,781	6,169	50,950	
Transactions with owners									
Strike off of a subsidiary		-	-	-	-	-	(74)	(74)	
Dividends paid	33	-	-	-	(22,337)	(22,337)	-	(22,337)	
Dividends paid to non-controlling interests of subsidiaries		-	-	-	-	-	(755)	(755)	
Total transactions with owners		-	-	-	(22,337)	(22,337)	(829)	(23,166)	
Transfer due to crystallisation of revaluation reserve		-	-	(1,218)	1,218	-	-	-	
Balance as at 30 June 2023		104,290	3,608	81,911	194,210	384,019	20,502	404,521	

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

Statement of Changes in Equity

For the Financial Year Ended 30 June 2023

COMPANY	Note	Share capital RM'000	Distributable Retained earnings RM'000	Total equity RM'000
Balance as at 1 July 2021		104,290	13,141	117,431
Profit for the financial year		-	17,872	17,872
Other comprehensive income, net of tax		-	-	-
Total comprehensive income, net of tax		-	17,872	17,872
Transactions with owners				
Dividends paid	33	-	(16,753)	(16,753)
Balance as at 30 June 2022		104,290	14,260	118,550
Balance as at 1 July 2022		104,290	14,260	118,550
Profit for the financial year		-	25,357	25,357
Other comprehensive income, net of tax		-	-	-
Total comprehensive income, net of tax		-	25,357	25,357
Transactions with owners				
Dividends paid	33	-	(22,337)	(22,337)
Balance as at 30 June 2023		104,290	17,280	121,570

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

Statements of Cash Flows

For the Financial Year Ended 30 June 2023

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax	62,252	66,613	25,396	17,879
Adjustments for:				
Amortisation of intangible assets	111	265	-	-
Bad debts written off:				
- trade receivables	752	1,043	-	-
Depreciation:				
- property, plant and equipment	8,730	8,802	-	-
- right-of-use assets	20,414	14,631	-	-
Dividend income	(54)	(33)	(26,153)	(18,600)
Fair value (gain)/loss on:				
- quoted shares	(468)	310	-	-
- short-term fund	(213)	-	-	-
Gain on disposal of property, plant and equipment	(414)	(279)	-	-
Impairment losses on:				
- other receivables	-	1	-	-
- property, plant and equipment	-	891	-	-
- trade receivables	498	2,191	-	-
Intangible assets written off	-	2	-	-
Interest expense	7,808	5,675	-	-
Interest income	(654)	(187)	(169)	(40)
Property, plant and equipment written off	9	335	-	-
Provision for post-employment benefits obligation	396	610	-	-
Reversal of impairment losses:				
- other receivables	(710)	(590)	-	-
- property, plant and equipment	-	(226)	-	-
- trade receivables	(2,270)	(180)	-	-
Share of profit of associates	(3)	(2)	-	-
Share of profit of joint ventures	(2,593)	(2,439)	-	-
Unrealised gain on foreign currency transactions	(1,139)	(453)	(296)	(391)
Operating profit/(loss) before changes in working capital	92,452	96,980	(1,222)	(1,152)
Balance c/f	92,452	96,980	(1,222)	(1,152)

Statements of Cash Flows
For the Financial Year Ended 30 June 2023 (continued)

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES (continued)					
Balance b/f		92,452	96,980	(1,222)	(1,152)
Decrease in inventories		-	84	-	-
Decrease/(Increase) in trade receivables		81,480	(54,004)	-	-
Decrease/(Increase) in other receivables, deposits and prepayments		21,417	(16,430)	-	-
(Increase)/Decrease in amounts owing by related parties		(1,198)	235	-	-
Increase in amount owing to a related party		489	-	-	-
Decrease in amounts owing to associated companies		(4)	-	-	-
Decrease/(Increase) in amounts owing by joint ventures		1,126	(1,500)	-	-
(Decrease)/Increase in amounts owing to joint ventures		(263)	252	-	-
(Decrease)/Increase in trade payables		(33,919)	20,970	-	-
(Decrease)/Increase in other payables and accruals		(10,389)	(1,321)	19	(19)
Cash generated from/(used in) operations		151,191	45,266	(1,203)	(1,171)
Contributions paid for post-employment benefits obligation	25	(18)	(38)	-	-
Interest paid		(91)	(132)	-	-
Tax (paid)/refunded		(17,254)	(14,100)	110	(8)
Net cash generated from/(used in) operating activities		133,828	30,996	(1,093)	(1,179)

Statements of Cash Flows
For the Financial Year Ended 30 June 2023 (continued)

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES					
Acquisitions of:					
- additional interest in non-controlling interests of a subsidiary		-	(244)	-	-
- a joint venture		-	(1,000)	-	-
- subsidiaries, net of cash and cash equivalents acquired		-	(546)	-	-
(Advances to)/Repayment from subsidiaries		-	-	(2,877)	179
Advances to associates		-	(101)	-	-
Dividends received		54	33	26,153	18,600
Dividends received from joint ventures		1,581	-	-	-
Interest received		654	187	169	40
Placements of:					
- fixed deposits pledged to licensed banks		(809)	(38)	-	-
- fixed deposits placed with licensed banks with original maturity of more than three (3) months		(11)	(10)	-	-
Proceeds from disposal of property, plant and equipment		729	583	-	-
Purchase of:					
- property, plant and equipment	5(d)	(9,739)	(4,081)	-	-
- right-of-use assets	11(f)	(2,217)	(4,726)	-	-
Net cash (used in)/generated from investing activities		(9,758)	(9,943)	23,445	18,819

Statements of Cash Flows
For the Financial Year Ended 30 June 2023 (continued)

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES					
Dividends paid		(22,337)	(11,169)	(22,337)	(11,169)
Dividends paid to non-controlling interests of subsidiaries		(755)	(640)	-	-
Drawdown of revolving credit	20(h)	5,000	56,855	-	-
Drawdown of term loans	20(h)	443	24,588	-	-
Interest paid		(7,717)	(5,543)	-	-
Ordinary share capital contributed by non-controlling interests of subsidiaries		-	446	-	-
Repayments of:					
- lease liabilities	20(h)	(23,817)	(17,412)	-	-
- revolving credit	20(h)	(50,355)	(8,000)	-	-
- term loans	20(h)	(10,139)	(7,957)	-	-
Net cash (used in)/generated from financing activities		(109,677)	31,168	(22,337)	(11,169)
Net increase in cash and cash equivalents		14,393	52,221	15	6,471
Effects of exchange rate changes on cash and cash equivalents		(72)	(171)	-	-
Cash and cash equivalents at beginning of the financial year		98,101	46,051	12,772	6,301
Cash and cash equivalents at end of the financial year	20(d)	112,422	98,101	12,787	12,772

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

Notes to the Financial Statements

30 June 2023

1. CORPORATE INFORMATION

FM Global Logistics Holdings Berhad (“the Company”) is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad.

The registered office of the Company is located at Unit 30-01, Level 30, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur.

The principal place of business of the Company is located at Lot 37, Lebuhr Sultan Mohamed 1, Kawasan Perindustrian Bandar Sultan Suleiman, 42000 Port Klang, Selangor Darul Ehsan.

The consolidated financial statements for the financial year ended 30 June 2023 comprise the Company and its subsidiaries and the interests of the Group in associates and joint ventures. 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 18 October 2023.

2. PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding. The principal activities and details of the subsidiaries are disclosed in Note 7 to the financial statements. There have been no significant changes in the nature of these activities 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”), International Financial Reporting Standards (“IFRSs”) and the requirements 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 42.1 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.

4. OPERATING SEGMENTS

The Group is principally engaged in the freight forwarding and logistics industry. The Group has arrived at seven (7) (2022: seven (7)) reportable segments that are organised and managed separately according to the nature of services that is logistics, which requires different business and marketing strategies.

The reportable segments are Malaysia, Australia, Indonesia, Thailand, Vietnam, India, and the United States of America ("USA"), which are involved in providing integrated freight forwarding and logistics services such as sea freight, air freight, land freight, warehouse and distribution and supporting services.

Other operating segments comprise operations related to investment holding and provision of management services, provision of IT application solutions, support services and trading of goods.

The accounting policies of operating segments are the same as those described in the respective sections of the notes to the financial statements.

The Group evaluates operating segments' performance on the basis of profit or loss from operations before tax not including non-recurring losses such as goodwill impairment.

Inter-segment revenue is priced along the same lines as sales to external customers and is eliminated in the consolidated financial statements. These policies have been applied consistently throughout the current and previous financial years.

Segment assets exclude current tax assets and deferred tax assets.

Segment liabilities exclude current tax liabilities and deferred tax liabilities. Details are provided in the reconciliation from segment assets and segment liabilities to the statements of financial position of the Group.

Notes to the Financial Statements
30 June 2023 (continued)

4. OPERATING SEGMENTS (CONTINUED)

	Logistics					Other operating segments		Total RM'000		
	Malaysia RM'000	Australia RM'000	Indonesia RM'000	Thailand RM'000	Vietnam RM'000	India RM'000	USA RM'000		Eliminations RM'000	
2023										
Revenue										
Total revenue	655,851	115,279	60,694	34,925	19,484	37,025	59,257	(36,257)	948,361	
Inter-segment revenue	(17,878)	(820)	(2,480)	(2,570)	(802)	(3,145)	(6,459)	36,257	-	
Revenue from external customers	637,973	114,459	58,214	32,355	18,682	33,880	52,798	-	948,361	
Finance costs	(7,572)	(109)	(21)	(84)	(19)	(68)	-	65	(7,808)	
Share of profit of associates	3	-	-	-	-	-	-	-	3	
Share of profit of joint ventures	-	-	-	-	-	-	-	2,593	-	2,593
Segment profit before income tax	40,749	6,045	5,708	1,095	940	2,016	1,396	(1,307)	62,252	
Investments in associates	454	-	-	-	-	-	-	-	454	
Investments in joint ventures	-	-	-	-	-	-	-	10,414	-	10,414
Other investments	16,409	-	-	-	-	-	-	2,157	-	18,566
Additions to non-current assets other than financial instruments	32,006	465	711	35	40	32	153	2,553	-	35,995
Segment assets	573,685	26,690	33,854	13,770	7,073	8,588	23,115	109,282	(110,538)	685,519
Segment liabilities	295,337	11,766	10,540	7,952	1,021	4,185	20,374	53,520	(154,659)	250,036

Notes to the Financial Statements
30 June 2023 (continued)

	Logistics							Other operating segments RM'000	Eliminations RM'000	Total RM'000
	Malaysia RM'000	Australia RM'000	Indonesia RM'000	Thailand RM'000	Vietnam RM'000	India RM'000	USA RM'000			
4. OPERATING SEGMENTS (CONTINUED)										
2023 (continued)										
Other material non-cash items										
Depreciation: - property, plant and equipment	7,424	184	339	89	72	34	32	123	433	8,730
- right-of-use assets	18,611	880	582	160	181	-	-	-	-	20,414
Amortisation of intangible assets	-	-	-	-	-	-	1	110	-	111
Impairment losses on: - trade receivables	173	77	-	-	22	218	8	-	-	498
Provision for post-employment benefits obligation	-	-	396	-	-	-	-	-	-	396
Reversal of impairment losses: - trade receivables	(878)	-	(928)	(108)	(2)	(351)	(3)	-	-	(2,270)
- other receivables	-	-	-	-	-	-	-	(710)	-	(710)

Notes to the Financial Statements
30 June 2023 (continued)

4. OPERATING SEGMENTS (CONTINUED)

2022	Logistics					Other operating segments		Total RM'000		
	Malaysia RM'000	Australia RM'000	Indonesia RM'000	Thailand RM'000	Vietnam RM'000	India RM'000	USA RM'000		Eliminations RM'000	
Revenue										
Total revenue	794,821	124,811	65,147	47,962	43,846	41,630	72,653	1,586	(39,511)	1,152,945
Inter-segment revenue	(20,933)	(992)	(2,940)	(4,699)	(1,508)	(1,857)	(4,996)	(1,586)	39,511	-
Revenue from external customers	773,888	123,819	62,207	43,263	42,338	39,773	67,657	-	-	1,152,945
Finance costs	(5,407)	(102)	(21)	(82)	(18)	(102)	-	-	57	(5,675)
Share of loss of associates	2	-	-	-	-	-	-	-	-	2
Share of profit of joint ventures	-	-	-	-	-	-	-	2,439	-	2,439
Segment profit before income tax	44,823	3,883	5,240	2,105	3,982	1,482	1,865	3,125	108	66,613
Investments in associates	451	-	-	-	-	-	-	-	-	451
Investments in joint ventures	-	-	-	-	-	-	-	9,402	-	9,402
Other investments	-	-	-	-	-	-	-	1,689	-	1,689
Additions to non-current assets other than financial instruments	51,798	51	140	139	89	32	50	41	-	52,340
Segment assets	657,651	29,966	27,081	12,690	11,957	10,396	27,872	90,937	(116,167)	752,383
Segment liabilities	382,969	18,631	8,298	8,492	2,585	7,984	25,048	48,725	(160,187)	342,545

Notes to the Financial Statements
30 June 2023 (continued)

	←		Logistics						→		Total RM'000
	Malaysia RM'000	Australia RM'000	Indonesia RM'000	Thailand RM'000	Vietnam RM'000	India RM'000	USA RM'000	Other operating segments RM'000	Eliminations RM'000		
4. OPERATING SEGMENTS (CONTINUED)											
2022 (continued)											
Other material non-cash items											
Depreciation:											
- property, plant and equipment	7,613	117	334	77	85	63	9	71	433	8,802	
- right-of-use assets	12,847	901	528	185	170	-	-	-	-	14,631	
Amortisation of intangible assets	-	-	-	-	-	-	-	265	-	265	
Impairment losses on:											
- other receivables	1	-	-	-	-	-	-	-	-	1	
- property, plant and equipment	891	-	-	-	-	-	-	-	-	891	
- trade receivables	1,298	142	413	57	-	273	8	-	-	2,191	
Provision for post-employment benefits obligation	-	-	610	-	-	-	-	-	-	610	
Reversal of impairment losses:											
- trade receivables	(179)	-	-	-	(1)	-	-	-	-	(180)	
- other receivables	(590)	-	-	-	-	-	-	-	-	(590)	
- property, plant and equipment	(226)	-	-	-	-	-	-	-	-	(226)	

Notes to the Financial Statements
30 June 2023 (continued)**4. OPERATING SEGMENTS (CONTINUED)**

Reconciliations of reportable segment revenues, profit or loss, assets and liabilities to the corresponding amounts of the Group are as follows:

	2023 RM'000	2022 RM'000
Profit for the financial year		
Total profit or loss for reportable segments	62,252	66,613
Tax expense	(15,100)	(16,852)
Profit for the financial year of the Group per consolidated statement of profit or loss	47,152	49,761
Assets		
Total assets for reportable segments	685,519	752,383
Deferred tax assets	1,228	1,130
Current tax assets	2,286	1,020
Assets of the Group per consolidated statement of financial position	689,033	754,533
Liabilities		
Total liabilities for reportable segments	250,036	342,545
Deferred tax liabilities	31,488	31,038
Current tax liabilities	2,988	4,213
Liabilities of the Group per consolidated statement of financial position	284,512	377,796

Major customers

The Group does not have any major customers with revenue equal to or more than ten percent (10%) of the revenue of the Group.

Notes to the Financial Statements
30 June 2023 (continued)

5. PROPERTY, PLANT AND EQUIPMENT

Group	Balance as at 1.7.2022 RM'000	Additions RM'000	Disposals RM'000	Written off RM'000	Depreciation charge for the financial year RM'000	Reclassification RM'000	Translations adjustments RM'000	Balance as at 30.6.2023 RM'000
Carrying amount								
At valuation								
Freehold land	65,660	-	-	-	-	-	-	65,660
Buildings	104,667	-	-	-	(2,818)	-	61	101,910
At cost								
Machinery, furniture and fittings	5,606	2,274	(91)	(3)	(1,607)	-	12	6,191
Office equipment	3,533	4,789	(60)	(6)	(1,418)	-	29	6,867
Renovations	2,176	870	-	-	(459)	-	21	2,608
Motor vehicles	1,088	386	(85)	-	(677)	972	40	1,724
Forklifts	-	-	-	-	(77)	89	-	12
Storage containers	1,331	13	-	-	(128)	-	-	1,216
Prime movers and trailers	780	-	(79)	-	(363)	951	-	1,289
Tugboats and barges	4,044	-	-	-	(1,161)	-	134	3,017
Construction-in-progress	18	361	-	-	-	-	-	379
Plant and machinery	-	1,322	-	-	(22)	-	-	1,300
	188,903	10,015	(315)	(9)	(8,730)	2,012	297	192,173

Notes to the Financial Statements
30 June 2023 (continued)

5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Group	At 30.6.2023				
	Cost RM'000	Valuation RM'000	Accumulated depreciation RM'000	Accumulated impairment losses RM'000	Carrying amount RM'000
At valuation					
Freehold land	-	65,660	-	-	65,660
Buildings	-	107,572	(5,662)	-	101,910
At cost					
Machinery, furniture and fittings	24,076	-	(17,885)	-	6,191
Office equipment	23,157	-	(16,290)	-	6,867
Renovations	5,029	-	(2,421)	-	2,608
Motor vehicles	14,738	-	(13,014)	-	1,724
Forklifts	4,254	-	(4,242)	-	12
Storage containers	2,035	-	(819)	-	1,216
Prime movers and trailers	26,431	-	(25,142)	-	1,289
Tugboats and barges	7,087	-	(3,078)	(992)	3,017
Construction-in-progress	379	-	-	-	379
Plant and machinery	1,322	-	(22)	-	1,300
	108,508	173,232	(88,575)	(992)	192,173

Notes to the Financial Statements
30 June 2023 (continued)

5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Group	Balance as at 1.7.2021 RM'000	Additions RM'000	Disposals RM'000	Written off RM'000	Depreciation charge for the financial year RM'000	Impairment losses RM'000	Reversal of impairment losses RM'000	Acquisition of subsidiaries RM'000	Reclassification RM'000	Translations adjustments RM'000	Balance as at 30.6.2022 RM'000
Carrying amount											
At valuation											
Freehold land	65,660	-	-	-	-	-	-	-	-	-	65,660
Buildings	107,462	-	-	-	(2,817)	-	-	-	-	22	104,667
At cost											
Machinery, furniture and fittings	6,336	892	(38)	-	(1,604)	-	-	22	-	(2)	5,606
Office equipment	3,821	1,240	(136)	(126)	(1,264)	-	-	-	-	(2)	3,533
Renovations	1,945	707	(111)	(209)	(394)	-	226	-	-	12	2,176
Motor vehicles	1,053	-	(19)	-	(563)	-	-	-	597	20	1,088
Storage containers	174	1,224	-	-	(67)	-	-	-	-	-	1,331
Prime movers and trailers	1,097	-	-	-	(980)	-	-	-	663	-	780
Tugboats and barges	5,872	-	-	-	(1,113)	(891)	-	-	-	176	4,044
Construction -in-progress	-	18	-	-	-	-	-	-	-	-	18
	193,420	4,081	(304)	(335)	(8,802)	(891)	226	22	1,260	226	188,903

Notes to the Financial Statements
30 June 2023 (continued)

5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Group	At 30.6.2022				
	Cost RM'000	Valuation RM'000	Accumulated depreciation RM'000	Accumulated impairment losses RM'000	Carrying amount RM'000
At valuation					
Freehold land	-	65,660	-	-	65,660
Buildings	-	107,488	(2,821)	-	104,667
At cost					
Machinery, furniture and fittings	22,014	-	(16,408)	-	5,606
Office equipment	18,715	-	(15,182)	-	3,533
Renovations	4,100	-	(1,924)	-	2,176
Motor vehicles	13,197	-	(12,109)	-	1,088
Forklifts	4,024	-	(4,024)	-	-
Storage containers	2,022	-	(691)	-	1,331
Prime movers and trailers	26,341	-	(25,561)	-	780
Tugboats and barges	6,767	-	(1,832)	(891)	4,044
Construction-in-progress	18	-	-	-	18
	97,198	173,148	(80,552)	(891)	188,903

Notes to the Financial Statements
30 June 2023 (continued)

5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

- (a) All items of property, plant and equipment are initially measured at cost. After initial recognition, property, plant and equipment except for land and buildings are stated at cost less accumulated depreciation and any accumulated impairment losses.

Land and buildings are stated at valuation, which are the fair values at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Land and buildings are revalued regularly (or at least once in every three (3) years) to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

Depreciation is calculated to write down the cost or valuation 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 industry within which the Group operates. The principal depreciation periods and annual rates are as follows:

Buildings	50 years
Machinery, furniture and fittings	10% - 33%
Office equipment	10% - 66%
Renovations	10% - 25%
Motor vehicles	10% - 20%
Forklifts	20%
Storage containers	10%
Prime movers and trailers	10%
Tugboats and barges	7 years
Plant and machinery	10%

Freehold land has unlimited useful life and is not depreciated.

Construction work-in-progress included in property, plant and equipment are not depreciated as these assets are not yet available for use.

- (b) Had the revalued assets been carried out at cost less accumulated depreciation, the carrying amount would have been:

	Group	
	2023	2022
	RM'000	RM'000
Freehold land	42,480	42,480
Buildings	69,674	71,598
	112,154	114,078

Notes to the Financial Statements
30 June 2023 (continued)**5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)**

(c) The fair value of land and buildings (at valuation) of the Group are categorised as follows:

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
2023				
Freehold land	-	65,660	-	65,660
Buildings	-	101,910	-	101,910
	-	167,570	-	167,570
2022				
Freehold land	-	65,660	-	65,660
Buildings	-	104,667	-	104,667
	-	170,327	-	170,327

- (i) There were no transfers between Level 1, Level 2 and Level 3 fair value measurements during the financial year ended 30 June 2023.
- (ii) Level 2 fair value of land and buildings (at valuation) was determined by external and independent property valuer, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued. The property valuer provides the fair value of the land and buildings (at valuation) of the Group on a regular basis.
- (iii) The fair value measurements of the land and buildings (at valuation) were based on the highest and best use, which did not differ from their actual use.
- (d) During the financial year, the Group made the following cash payments to purchase property, plant and equipment:

	Group	
	2023 RM'000	2022 RM'000
Purchase of property, plant and equipment	10,015	4,081
Financed by leased liabilities arrangements	(276)	-
Cash payments on purchase of property, plant and equipment	9,739	4,081

Notes to the Financial Statements
30 June 2023 (continued)

5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

- (e) Property, plant and equipment charged as security for banking facilities granted to the Group as disclosed in Notes 24 and 28 to the financial statements are as follows:

	Group	
	2023 RM'000	2022 RM'000
Carrying amount		
Freehold land	65,000	65,000
Buildings	100,609	103,358
	165,609	168,358

6. INTANGIBLE ASSETS

Group	Balance as at 1.7.2022 RM'000	Adjustment RM'000	Amortisation charge for the financial year RM'000	Balance as at 30.6.2023 RM'000
Goodwill on consolidation	7,922	(121)	-	7,801
Computer software	230	-	(111)	119
	8,152	(121)	(111)	7,920

Group	← As at 30.6.2023 →		
	Cost RM'000	Accumulated amortisation and impairment RM'000	Carrying amount RM'000
Goodwill on consolidation	8,791	(990)	7,801
Computer software	2,668	(2,549)	119
	11,459	(3,539)	7,920

Notes to the Financial Statements
30 June 2023 (continued)**6. INTANGIBLE ASSETS (CONTINUED)**

Group	Balance	Acquisition	Written	Amortisation	Balance
	as at	of		charge	as at
	1.7.2021	subsidiaries	off	for the	30.6.2022
	RM'000	RM'000	RM'000	financial	RM'000
				year	
				RM'000	
Goodwill on consolidation	-	7,922	-	-	7,922
Computer software	497	-	(2)	(265)	230
	497	7,922	(2)	(265)	8,152

Group	As at 30.6.2022		
	Cost	Accumulated	Carrying
	RM'000	amortisation	amount
		and	RM'000
		impairment	
		RM'000	
Goodwill on consolidation	8,912	(990)	7,922
Computer software	2,668	(2,438)	230
	11,580	(3,428)	8,152

- (a) Intangible assets are initially measured at cost. After initial recognition, intangible assets, excluding goodwill are carried at cost less accumulated amortisation and any accumulated impairment losses.
- (b) Goodwill recognised in a business combination is an asset at the acquisition date and is initially measured at cost. After initial recognition, goodwill is measured at cost less accumulated impairment losses.

Notes to the Financial Statements
30 June 2023 (continued)

6. INTANGIBLE ASSETS (CONTINUED)

(c) Goodwill on consolidation

For the purpose of impairment testing, goodwill is allocated to the operating divisions of the Group, which represents the lowest level within the Group at which the goodwill is monitored for internal management purposes. The carrying amount of goodwill allocated to each unit is as follows:

	Group	
	2023	2022
	RM'000	RM'000
Logistics:		
- United States of America	7,801	7,922
- Malaysia	943	943
- Thailand	32	32
- Australia	4	4
Others	11	11
	8,791	8,912
Less: Impairment losses		
Logistics:		
- Malaysia	(943)	(943)
- Thailand	(32)	(32)
- Australia	(4)	(4)
Others	(11)	(11)
	7,801	7,922
	7,801	7,922

Goodwill is tested for impairment on an annual basis by comparing the carrying amount with the recoverable amount of the cash-generating units ("CGUs") based on estimation of the value-in-use, which requires significant judgements, estimates about the future results and key assumptions made by the management. Value-in-use is determined by discounting the future cash flows to be generated from the continuing use of the CGUs based on the following assumptions, where applicable:

	Average Gross Margin		Growth Rate		Discount Rate	
	2023	2022	2023	2022	2023	2022
	%	%	%	%	%	%
IOS Group	20.53	9.40	1.80	1.80	10.66	10.92

Notes to the Financial Statements
30 June 2023 (continued)**6. INTANGIBLE ASSETS (CONTINUED)**

(c) Goodwill on consolidation (continued)

- (i) Average gross margin Average gross margin achieved in 5 years immediately before the period increased for expected efficiency improvements and cost saving measures.
- (ii) Growth rate Based on expected projection of GDP growth rate in the United States of America.
- (iii) Discount rate (pre-tax) Reflects specific risks relating to the relevant CGUs.

The values assigned to the key assumptions represent management's assessment of future trends in the CGUs and are based on both external sources and internal historical data.

The management is not aware of any reasonably possible change in the above key assumptions that would cause the carrying amounts of the CGUs to materially exceed their recoverable amounts.

- (d) Computer software that does not form an integral part of the related hardware is treated as intangible assets with finite useful lives and is amortised on a straight line basis over its estimated useful life of five (5) years.

7. INVESTMENTS IN SUBSIDIARIES

	Company	
	2023	2022
	RM'000	RM'000
Unquoted equity shares, at cost	43,373	43,373
Equity loan to a subsidiary	26,161	26,161
	69,534	69,534
Less: Impairment losses	(6,781)	(6,781)
	62,753	62,753

- (a) Investments in subsidiaries are measured at cost in the separate financial statements of the Company. Non-controlling interests are measured at their proportionate share of the net assets of subsidiaries, unless another measurement basis is required by MFRSs.
- (b) Equity loan to a subsidiary is unsecured and interest-free. Equity loan represents non-trade loan granted by the Company to a subsidiary for which settlement is neither planned nor likely to occur in the foreseeable future and is intended to provide the subsidiary with a long-term source of additional capital.

Notes to the Financial Statements
30 June 2023 (continued)

7. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

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

Name of company	Country of incorporation/ Principal place of business	Effective interest in equity		Principal activities
		2023	2022	
FM Global Logistics (M) Sdn. Bhd.	Malaysia	100%	100%	Provision of freight services
FM Multimodal Services Sdn. Bhd.	Malaysia	100%	100%	Provision of freight services
FM Global Logistics (KUL) Sdn. Bhd.	Malaysia	100%	100%	Provision of freight services
# FM Worldwide Logistics Sdn. Bhd.	Malaysia	100%	100%	Provision of freight services
# Resolute Marine Sdn. Bhd.	Malaysia	100%	100%	Provision of freight services
# FM Global Logistics (Melaka) Sdn. Bhd.	Malaysia	100%	100%	Dormant
# AIF Marine Sdn. Bhd.	Malaysia	100%	100%	Provision of freight services
# Advance International Freight Sdn. Bhd.	Malaysia	100%	100%	Dormant
# FMG Capital & Management Sdn. Bhd. ("FMGC")	Malaysia	100%	100%	Investment holding
# Freight Management MSC Sdn. Bhd.	Malaysia	100%	100%	Developing, providing and maintaining IT software application solutions
Symphony Express Sdn. Bhd.	Malaysia	80%	80%	Provision of freight services
# Exterian Enterprise Sdn. Bhd.	Malaysia	100%	100%	Provision of freight services
# FM Hubwire Sdn. Bhd.	Malaysia	100%	65%	Dormant
Parcel To Post Services Sdn. Bhd.	Malaysia	100%	100%	Provision of parcel services
+ FMGL Overseas Venture Limited	Hong Kong	100%	100%	Investment holding

Notes to the Financial Statements
30 June 2023 (continued)**7. INVESTMENTS IN SUBSIDIARIES (CONTINUED)**

(c) The details of the subsidiaries are as follows (continued):

Name of company	Country of incorporation/ Principal place of business	Effective interest in equity		Principal activities
		2023	2022	
# Transenergy Shipping Pte. Ltd.	Malaysia	100%	100%	Provision of marine services
# Transenergy Shipping Management Sdn. Bhd.	Malaysia	100%	100%	Dormant
Subsidiaries of FMGL Overseas Venture Limited				
# FM Global Logistics (S'pore) Pte. Ltd.	Singapore	100%	100%	Provision of freight services
FM Global Logistics Ventures Sdn. Bhd. ("FMGLV")	Malaysia	100%	100%	Investment holding
Subsidiaries of FM Global Logistics Ventures Sdn. Bhd.				
* PT. FM Global Logistics ("PTFM")	Indonesia	67%	67%	Provision of freight services
+ FM Global Logistics Pty. Ltd.	Australia	55%	55%	Provision of integrated freight forwarding and logistic services
# FM Global Logistics Co., Ltd.	Thailand	49%	49%	Provision of freight services
+^ FM Global Korea Corporation	South Korea	-	100%	Dormant
* FM Global Logistics Company Limited	Vietnam	98%	98%	Provision of freight services
+ FM Global Logistics (HK) Limited	Hong Kong	100%	100%	Dormant
#@ FM Global Logistics (India) Private Limited	India	51%	51%	Provision of integrated freight forwarding and logistic services
+ FM Global Logistics (USA), LLC	United States of America	100%	100%	Provision of freight services
# Star Cargo Network Pte. Ltd.	Singapore	100%	100%	Provision of freight services
+ Star Cargo Alliance Pte. Ltd.	Singapore	100%	100%	Dormant
+ Inter-Orient Services	United States of America	85%	85%	Provision of freight forwarding services

Notes to the Financial Statements
30 June 2023 (continued)

7. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

(c) The details of the subsidiaries are as follows (continued):

Name of company	Country of incorporation/ Principal place of business	Effective interest in equity		Principal activities
		2023	2022	
+ Inter-Orient Corporation	United States of America	85%	85%	Provision of freight forwarding services
+ Noble Shipping Corporation	United States of America	85%	85%	Provision of freight forwarding services
Subsidiaries of FM Global Logistics Company Limited, Vietnam				
* FM-TCI Global Logistics Company Limited	Vietnam	80%	80%	Provision of freight services
Subsidiary of FMG Logistics Co., Ltd.				
# FM Global Logistics Co., Ltd.	Thailand	21%	21%	Provision of freight services
Subsidiaries of FM Global Logistics (M) Sdn. Bhd.				
# FM Contract Logistics Sdn. Bhd.	Malaysia	100%	100%	Dormant
Subsidiaries of FMG Capital & Management Sdn. Bhd.				
Centro Maxx Sdn. Bhd.	Malaysia	100%	100%	Trading of goods
# Advance Retail Services Sdn. Bhd.	Malaysia	100%	100%	Dormant
# FMX Logistics Sdn. Bhd.	Malaysia	100%	100%	Dormant
Subsidiaries of Exterian Enterprise Sdn. Bhd.				
+ Exterian Capital Pte. Ltd.	Singapore	100%	100%	Investment holding
# Ω FMG Logistics Co., Ltd. ("FMGT")	Thailand	24%	24%	Provision of freight services
Subsidiary of Advance International Freight Sdn. Bhd.				
# Ω FMG Logistics Co., Ltd. ("FMGT")	Thailand	25%	25%	Provision of freight services

Notes to the Financial Statements
30 June 2023 (continued)**7. INVESTMENTS IN SUBSIDIARIES (CONTINUED)**

(c) The details of the subsidiaries are as follows (continued):

Name of company	Country of incorporation/ Principal place of business	Effective interest in equity		Principal activities
		2023	2022	
Subsidiary of Parcel To Post Services Sdn. Bhd.				
+ Parcel To Post Services (S) Pte. Ltd.	Singapore	100%	100%	Provision of parcel services
Subsidiary of FM Global Logistics (India) Private Limited				
#@ FM Global Consolidation Services Private Limited	India	80%	80%	Provision of integrated freight forwarding and logistic services

+ *Subsidiaries are consolidated based on management accounts for the financial year ended 30 June 2023. The financial statements of these subsidiaries are not required to be audited in their country of incorporation.*

* *Subsidiaries audited by member firms of Crowe Global of which Crowe Malaysia PLT is a member.*

Subsidiaries audited by other firms of chartered accountants.

@ *Subsidiary had financial year ended 31 March 2023 and was consolidated based on management accounts for the financial year ended 30 June 2023.*

Ω *Although the Company owns less than half of the voting power in FMGT, the Company controls this subsidiary by virtue of an agreement with the other investor of FMGT. Consequently, the Company consolidates its investment in this subsidiary at 100% effective interest in equity.*

^ *This subsidiary was strike off during the financial year.*

Notes to the Financial Statements
30 June 2023 (continued)

7. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

(d) The subsidiaries of the Group that have material non-controlling interests ("NCI") are as follows:

	PT. FM Global Logistics	FM Global Logistics Pty. Ltd.	FM Global Logistics Co., Ltd.	Other individual immaterial subsidiaries	Total
2023					
NCI percentage of ownership and voting interests	33%	45%	30%		
Carrying amount of NCI (RM'000)	8,354	6,619	1,950	3,579	20,502
Profit allocated to NCI (RM'000)	1,397	2,076	272	1,400	5,145
Other comprehensive income allocated to NCI (RM'000)	(145)	-	-	-	(145)
Dividend paid to NCI (RM'000)	-	(672)	-	(83)	(755)
2022					
NCI percentage of ownership and voting interests	33%	45%	30%		
Carrying amount of NCI (RM'000)	6,358	4,966	1,485	2,353	15,162
Profit allocated to NCI (RM'000)	1,224	1,230	546	1,176	4,176
Other comprehensive income allocated to NCI (RM'000)	(79)	-	-	-	(79)
Dividend paid to NCI (RM'000)	-	-	-	(400)	(400)

The NCI of all other subsidiaries that are not wholly-owned by the Group are deemed to be immaterial.

Notes to the Financial Statements
30 June 2023 (continued)**7. INVESTMENTS IN SUBSIDIARIES (CONTINUED)**

- (e) The summarised financial information before intra-group elimination of the subsidiaries that have material NCI as at the end of the reporting period are as follows:

	PT. FM Global Logistics RM'000	FM Global Logistics Pty. Ltd. RM'000	FM Global Logistics Co., Ltd. RM'000
2023			
Assets and liabilities			
Non-current assets	3,497	1,010	369
Current assets	32,359	25,680	14,304
Non-current liabilities	(62)	(267)	(27)
Current liabilities	(10,478)	(11,714)	(8,148)
Net assets	25,316	14,709	6,498
Results			
Revenue	60,694	115,279	34,925
Profit for the financial year	4,232	4,612	908
Total comprehensive income	4,232	4,612	908
Cash flows generated from operating activities	5,569	2,482	1,216
Cash flows used in investing activities	(489)	(29)	(598)
Cash flows used in financing activities	(463)	(2,602)	(240)
Net increase/(decrease) in cash and cash equivalents	4,617	(149)	378

Notes to the Financial Statements
30 June 2023 (continued)

7. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

- (e) The summarised financial information before intra-group elimination of the subsidiaries that have material NCI as at the end of the reporting period are as follows (continued):

2022	PT. FM Global Logistics RM'000	FM Global Logistics Pty. Ltd. RM'000	FM Global Logistics Co., Ltd. RM'000
Assets and liabilities			
Non-current assets	3,429	1,612	576
Current assets	24,749	28,354	12,861
Non-current liabilities	(105)	(651)	(165)
Current liabilities	(8,807)	(18,280)	(8,322)
Net assets	19,266	11,035	4,950
Results			
Revenue	65,147	124,811	47,962
Profit for the financial year	3,709	2,733	1,819
Total comprehensive income	3,709	2,733	1,819
Cash flows generated from operating activities	999	5,480	2,294
Cash flows used in investing activities	(293)	(51)	(133)
Cash flows used in financing activities	(601)	(975)	(160)
Net increase in cash and cash equivalents	105	4,454	2,001

Restriction imposed by shareholders' agreements

In certain subsidiaries not wholly-owned by the Company, the non-controlling shareholders hold protective right, which restricts the ability of the Group to transfer its shares to any other third party at any point in time, unless approval is obtained from the non-controlling interest shareholders.

Notes to the Financial Statements
30 June 2023 (continued)**8. INVESTMENTS IN ASSOCIATES**

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Unquoted equity shares, at cost	6,045	6,045	-	4,323
Share of post-acquisition losses	(3,991)	(3,994)	-	-
	2,054	2,051	-	4,323
Less: Impairment losses	(1,600)	(1,600)	-	(4,323)
	454	451	-	-

(a) Investments in associates are measured at cost less impairment losses, if any, in the separate financial statements of the Company and accounted for using the equity method in the consolidated financial statements of the Group.

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

Name of company	Country of incorporation/ Principal place of business	Effective interest in equity		Principal activities
		2023	2022	
*@ Blue Oceanic Shipyard Co., Ltd. <i>(formerly known as YKP-FM Global Shipyard Co., Ltd.)</i>	Thailand	-	31%	Development and operation of shipyard
Associate of FM Global Logistics (M) Sdn. Bhd.				
* FM Distribution Sdn. Bhd.	Malaysia	49%	49%	Provision of warehouse services
Associate of FM Global Logistics Ventures Sdn. Bhd.				
*^ Hubwire Sdn. Bhd.	Malaysia	-	20%	Provision of e-commerce business

* Associates audited by other firms of chartered accountants.

^ This associate was strike off during the financial year.

@ During the financial year, the associate increased its issued and paid-up share capital by way of issuance of 4,200,000 new ordinary shares. This resulted in a dilution in equity interest from 31% to 7% and thus, classified as other investments in Note 10 to the financial statements.

Notes to the Financial Statements
30 June 2023 (continued)

8. INVESTMENTS IN ASSOCIATES (CONTINUED)

(c) The summarised financial information of the associates is as follows:

2023	FM Distribution Sdn. Bhd. RM'000		
Assets and liabilities			
Current assets			792
Current liabilities			(4)
Net assets			<u>788</u>
Results			
Revenue			126
Profit for the financial year			6
Total comprehensive income			<u>6</u>
2022	FM Distribution Sdn. Bhd. RM'000	Blue Oceanic Shipyards Co., Ltd. RM'000	Hubwire Sdn. Bhd. RM'000
Assets and liabilities			
Non-current assets	-	12,255	-
Current assets	785	5,677	-
Current liabilities	(3)	(32,256)	-
Net assets/(liabilities)	<u>782</u>	<u>(14,324)</u>	<u>-</u>
Results			
Revenue	81	344	-
Profit/(Loss) for the financial year	4	(1,574)	-
Total comprehensive income/(expense)	<u>4</u>	<u>(1,574)</u>	<u>-</u>

Notes to the Financial Statements
30 June 2023 (continued)**8. INVESTMENTS IN ASSOCIATES (CONTINUED)**

- (d) The reconciliation of net assets of the associates to the carrying amount of the investments in associates is as follows:

	FM Distribution Sdn. Bhd. RM'000	Total RM'000
As at 30 June 2023		
Share of net assets of the Group	386	386
Goodwill	68	68
Carrying amount in the statements of financial position	<u>454</u>	<u>454</u>
Share of results of the Group for the financial year ended 30 June 2023		
Share of profit/other comprehensive income of the Group	<u>3</u>	<u>3</u>

	FM Distribution Sdn. Bhd. RM'000	Blue Oceanic Shipyard Co., Ltd. RM'000	Hubwire Sdn. Bhd. RM'000	Total RM'000
As at 30 June 2022				
Share of net assets of the Group	383	-	342	725
Goodwill	68	-	1,258	1,326
Less: Impairment losses	-	-	(1,600)	(1,600)
Carrying amount in the statements of financial position	<u>451</u>	<u>-</u>	<u>-</u>	<u>451</u>
Share of results of the Group for the financial year ended 30 June 2022				
Share of profit/other comprehensive income of the Group	<u>2</u>	<u>-</u>	<u>-</u>	<u>2</u>

Notes to the Financial Statements
30 June 2023 (continued)

8. INVESTMENTS IN ASSOCIATES (CONTINUED)

- (e) In the previous financial year, the Group had not recognised losses relating to Blue Oceanic Shipyard Co., Ltd. (formerly known as YKP-FM Global Shipyard Co., Ltd.) and Hubwire Sdn. Bhd., where their share of losses exceeded the Group's interest in these associates. The Group's cumulative share of unrecognised losses at the end of the reporting period was RM5,722,997 of which RM687,750 was the share of the current financial year's losses. The Group had no obligation in respect of these losses.

9. INVESTMENTS IN JOINT VENTURES

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Unquoted equity shares, at cost	3,607	3,607	-	-
Share of post-acquisition profits	6,807	5,795	-	-
	10,414	9,402	-	-

- (a) Investments in joint ventures are measured at cost less impairment losses, if any, in the separate financial statements of the Company. The Group has determined that all of its joint arrangements structured through separate vehicles provide rights to the net assets and are therefore, classified as joint ventures. The Group accounts for investments in joint ventures using the equity method.

Notes to the Financial Statements
30 June 2023 (continued)**9. INVESTMENTS IN JOINT VENTURES (CONTINUED)**

(b) The details of the joint ventures are as follows:

Name of company	Country of incorporation/ Principal place of business	Effective interest in equity		Principal activities
		2023	2022	
Joint ventures of FM Global Logistics Ventures Sdn. Bhd.				
* FM Global Logistics (Phil.), Inc.	Philippines	50%	50%	Provision of integrated freight forwarding and logistics services
*^ Amass Freight Middle East FZCO	United Arab Emirates	50%	50%	Investment holding
CN FM Logistics (Malaysia) Sdn. Bhd.	Malaysia	50%	50%	Provision of freight services

* *Joint ventures audited by other firms of chartered accountants.*^ *Joint venture had financial year ended 31 December 2022 and was equity accounted based on management accounts for the financial year ended 30 June 2023.*

Notes to the Financial Statements
30 June 2023 (continued)

9. INVESTMENTS IN JOINT VENTURES (CONTINUED)

(c) The summarised financial information of the joint ventures is as follows:

2023	CN FM Logistics (Malaysia) Sdn. Bhd. RM'000	FM Global Logistics (Phil.), Inc. RM'000	Amass Freight Middle East FZCO RM'000
Assets and liabilities			
Non-current assets	88	3,444	1,050
Current assets	4,551	15,052	8,765
Non-current liabilities	(9)	-	-
Current liabilities	(1,384)	(7,138)	(5,551)
Net assets	3,246	11,358	4,264
Results			
Revenue	16,860	43,227	23,720
Administrative expenses	(16,097)	(40,129)	(22,396)
Profit for the financial year	763	3,098	1,324
2022			
Assets and liabilities			
Non-current assets	102	3,108	395
Current assets	4,817	12,911	10,413
Current liabilities	(2,436)	(5,671)	(6,793)
Net assets	2,483	10,348	4,015
Results			
Revenue	17,620	33,298	56,926
Administrative expenses	(17,138)	(30,637)	(55,193)
Profit for the financial year	482	2,661	1,733

Notes to the Financial Statements
30 June 2023 (continued)**9. INVESTMENTS IN JOINT VENTURES (CONTINUED)**

- (d) The reconciliation of net assets of the joint ventures to the carrying amount of the investments in joint ventures is as follows

	CN FM Logistics (Malaysia) Sdn. Bhd. RM'000	FM Global Logistics (Phil.), Inc. RM'000	Amass Freight Middle East FZCO RM'000	Total RM'000
As at 30 June 2023				
Share of net assets of the Group	1,623	5,679	2,132	9,434
Goodwill	-	980	-	980
Carrying amount in the statements of financial position	1,623	6,659	2,132	10,414
Share of results of the Group for the financial year ended 30 June 2023				
Share of profit by the Group for the financial year	382	1,549	662	2,593
Dividend received from joint venture	-	(1,044)	(537)	(1,581)
As at 30 June 2022				
Share of net assets of the Group	1,241	5,174	2,007	8,422
Goodwill	-	980	-	980
Carrying amount in the statements of financial position	1,241	6,154	2,007	9,402
Share of results of the Group for the financial year ended 30 June 2022				
Share of profit by the Group for the financial year	241	1,331	867	2,439

Notes to the Financial Statements
30 June 2023 (continued)

10. OTHER INVESTMENTS

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Non-current				
Equity security:				
- Unquoted shares in Malaysia	360	360	-	-
Current				
Equity securities:				
- Unit trust funds quoted in Malaysia	16,409	-	-	-
- Quoted shares outside Malaysia	1,797	1,329	-	-
Total other investments	18,566	1,689	-	-

- (a) Equity securities which are not held for trading for which the Group has irrevocably elected to recognise at fair value through other comprehensive income. These are strategic investments for which the Group considers this classification to be appropriate and relevant.
- (b) All regular way purchases and sales of financial assets are recognised or derecognised using trade date accounting.
- (c) The fair values of quoted shares are determined by reference to the exchange quoted market bid prices at the close of the business at the end of the reporting period.

The fair value of unquoted shares in Malaysia is estimated based on the market approach model. Management obtained the industry share price from observable market data divided by price to earnings ratio ("P/E"), and multiplied by profit after taxation of the investee to derive the estimated fair value. Management believes that the estimated fair value resulting from this valuation model is reasonable and the most appropriate at the end of the reporting period.

- (d) During the financial year, an associate of the Company increased its issued and paid-up share capital by way of issuance of 4,200,000 new ordinary shares. This resulted in a dilution in equity interest from 31% to 7% and thus, classified as other investments. The fair value of this unquoted shares was fully impaired in previous financial years.
- (e) The Group invested its unit trust funds quoted in Malaysia, at net for a total cash consideration of RM16,195,376 and recognised a fair value gain of RM213,480 in the financial statements during the financial year.

Unit trust funds quoted in Malaysia, which are held by the Group are highly liquid, readily convertible to cash and are subject to insignificant risk of changes in value and hence, meet the definition to be classified as cash and cash equivalents (Note 20(d)).

- (f) At the end of the reporting period, the Group recognised a fair value gain on quoted shares of RM467,852 (2022: fair value loss – RM310,422) in the financial statements.

Notes to the Financial Statements
30 June 2023 (continued)**10. OTHER INVESTMENTS (CONTINUED)**

(f) The fair values of other investments of the Group are categorised as follows:

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Group				
2023				
Other investments				
- Unquoted shares in Malaysia	-	-	360	360
- Unit trust funds quoted in Malaysia	16,409	-	-	16,409
- Quoted shares outside Malaysia	1,797	-	-	1,797
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Group				
2022				
Other investments				
- Unquoted shares in Malaysia	-	-	360	360
- Quoted shares outside Malaysia	1,329	-	-	1,329

(g) The significant unobservable inputs used in determining the fair value measurement of Level 3 financial instruments as well as the relationship between key unobservable inputs and fair values, is detailed in the table below:

Financial instruments	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair values
<u>Financial assets</u>		
Unquoted investments in Malaysia	Industry price-earnings ratio of comparable competitors 7.94 (2022: 18.88)	The higher the price-earnings ratio, the higher the fair values of the unquoted investments would be.

Notes to the Financial Statements
30 June 2023 (continued)

11. RIGHT-OF-USE ASSETS

Group	Balance as at 1.7.2022	Depreciation charge for the financial year	Reassessment of lease liabilities	Reclassification	Translations adjustments	Balance as at 30.6.2023
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Long-term leasehold land	92,363	(1,366)	-	-	-	90,997
Motor vehicles	9,662	(2,228)	-	(972)	17	11,310
Machinery	8,739	(858)	-	-	-	8,363
Forklifts	1,121	(436)	-	(89)	-	1,610
Prime movers and trailers	31,194	(4,868)	-	(951)	-	37,672
Storage containers	446	(47)	-	-	-	399
Warehouse	9,610	(7,847)	760	-	-	9,214
Office	4,085	(2,764)	203	-	103	2,292
	157,220	(20,414)	963	(2,012)	120	161,857
Group	Balance as at 1.7.2021	Depreciation charge for the financial year	Reassessment of lease liabilities	Reclassification	Translations adjustments	Balance as at 30.6.2022
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Long-term leasehold land	70,239	(1,189)	-	-	-	92,363
Motor vehicles	8,729	(1,841)	-	(597)	(15)	9,662
Machinery	-	(188)	-	-	-	8,739
Forklifts	1,553	(432)	-	-	-	1,121
Prime movers and trailers	23,300	(3,606)	-	(663)	-	31,194
Storage containers	-	(24)	-	-	-	446
Warehouse	6,633	(4,551)	7,528	-	-	9,610
Office	2,713	(2,800)	4,134	-	38	4,085
	113,167	(14,631)	11,662	(1,260)	23	157,220

Notes to the Financial Statements
30 June 2023 (continued)**11. RIGHT-OF-USE ASSETS (CONTINUED)**

- (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 except for long-term leasehold land are stated at cost less accumulated depreciation and any accumulated impairment losses, and adjusted for any re-measurement of the lease liabilities.

Long-term leasehold land is stated at valuation, which is the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Long-term leasehold land is revalued regularly (or at least once in every three (3) years) to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

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:

Long-term leasehold land	60 years - 99 years
Motor vehicles	10% - 20%
Machinery	10%
Forklifts	20%
Prime movers and trailers	10%
Storage containers	10%
Warehouse	2 - 3 years
Office	2 - 4 years

- (b) Included in right-of-use assets of the Group, the long-term leasehold land with a carrying amount of RM90,997,396 (2022: RM92,363,285) is subject to fixed charges as security for banking facilities granted to the Group as disclosed in Notes 24 and 28 to the financial statements to secure certain lease liabilities of the Group.
- (c) The Group has certain leases with lease term of 12 months or less. The Group applies the “short-term lease” exemptions for these leases.
- (d) Had the revalued assets been carried out at cost less accumulated depreciation, the carrying amount would have been:

	Group	
	2023	2022
	RM'000	RM'000
Long-term leasehold land	43,841	44,504

Notes to the Financial Statements
30 June 2023 (continued)

11. RIGHT-OF-USE ASSETS (CONTINUED)

(e) The fair value of long-term leasehold land (at valuation) of the Group is categorised as follows:

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
2023				
Long-term leasehold land	-	90,997	-	90,997
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
2022				
Long-term leasehold land	-	92,363	-	92,363

- (i) There were no transfers between Level 1, Level 2 and Level 3 fair value measurements during the financial year ended 30 June 2023.
- (ii) Level 2 fair value of long-term leasehold land (at valuation) was determined by external and independent property valuer, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued. The property valuer provides the fair value of the long-term leasehold land (at valuation) of the Group on a regular basis.
- (iii) The fair value measurements of the long-term leasehold land (at valuation) was based on the highest and best use, which did not differ from their actual use.

(f) During the financial year, the Group made the following cash payments to acquire right-of-use assets:

	Group	
	2023 RM'000	2022 RM'000
Right-of-use assets acquired	25,980	48,259
Financed by lease liabilities arrangements	(23,763)	(23,942)
Financed by term loans	-	(19,979)
Other payables	-	388
Cash payments on right-of-use assets acquired	2,217	4,726

Notes to the Financial Statements
30 June 2023 (continued)**12. DEFERRED TAX (ASSETS)/LIABILITIES**

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

	Group	
	2023	2022
	RM'000	RM'000
Balance as at 1 July	29,908	29,870
Recognised in profit or loss (Note 32)		
- Originating and reversal of temporary differences	523	36
- Underprovision in prior years	59	92
Recognised in other comprehensive income		
- Actuarial loss on defined benefits plan	(124)	(68)
Exchange differences	(106)	(22)
	30,260	29,908
Presented after appropriate offsetting		
Deferred tax assets, net	(1,228)	(1,130)
Deferred tax liabilities, net	31,488	31,038
	30,260	29,908

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

	Group	
	2023	2022
	RM'000	RM'000
Deferred tax assets		
Balance as at 1 July	(1,130)	(918)
Recognised in profit or loss		
- Trade receivables	195	(106)
- Provision for post-employment benefits obligation	(145)	(170)
- Unused tax losses	1	273
- Others	(25)	(141)
Recognised in other comprehensive income		
- Actuarial loss on defined benefits plan	(124)	(68)
Balance as at 30 June	(1,228)	(1,130)

Notes to the Financial Statements
30 June 2023 (continued)

12. DEFERRED TAX (ASSETS)/LIABILITIES (CONTINUED)

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

	Group	
	2023 RM'000	2022 RM'000
Deferred tax liabilities		
Balance as at 1 July	31,038	30,788
Recognised in profit or loss		
- Property, plant and equipment	895	597
- Unrealised (loss)/gain on foreign currency transactions	(71)	27
- Crystallisation of deferred tax on revaluation reserve	(374)	(374)
Balance as at 30 June	31,488	31,038

- (c) The components of deferred tax assets and liabilities as at the end of the reporting period are as follows:

	Group	
	2023 RM'000	2022 RM'000
Deferred tax assets		
Trade receivables	(16)	(211)
Provision for post-employment benefits obligation	(635)	(490)
Unused tax losses	(32)	(33)
Actuarial loss on defined benefits plan	(187)	(63)
Others	(358)	(333)
	(1,228)	(1,130)
Deferred tax liabilities		
Property, plant and equipment	11,443	10,548
Unrealised (loss)/gain on foreign currency transactions	(34)	37
Revaluation of land and buildings	20,079	20,453
	31,488	31,038

Notes to the Financial Statements
30 June 2023 (continued)**12. DEFERRED TAX (ASSETS)/LIABILITIES (CONTINUED)**

- (d) The amounts of temporary differences for which no deferred tax assets have been recognised in the statements of financial position are as follows:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Unused tax losses	6,859	7,088	-	-
Unabsorbed capital allowances	1,453	1,338	-	-
Others	(281)	(294)	-	-
	8,031	8,132	-	-

13. TRADE RECEIVABLES

	Group	
	2023 RM'000	2022 RM'000
Third parties	157,688	234,876
Less: Impairment losses	(4,145)	(5,832)
Total trade receivables	153,543	229,044

- (a) Trade receivables are classified as financial assets measured at amortised cost.
- (b) Trade receivables are non-interest bearing and the normal credit terms granted by the Group ranges from 7 to 60 days (2022: 7 to 60 days) from date of invoices. They are recognised at their original invoice amounts, which represent their fair values on initial recognition.

Notes to the Financial Statements
30 June 2023 (continued)

13. TRADE RECEIVABLES (CONTINUED)

- (c) The information about the exposure to credit risk and the loss allowance calculated under MFRS 9 are summarised below:

Group	Gross amount RM'000	Loss allowance RM'000	Carrying amount RM'000
2023			
Current (not past due)	126,694	(282)	126,412
1 to 30 days past due	15,567	(115)	15,452
31 to 60 days past due	8,639	(513)	8,126
61 to 90 days past due	2,370	(932)	1,438
91 to 120 days past due	1,267	(350)	917
More than 120 days	2,796	(1,598)	1,198
	157,333	(3,790)	153,543
Credit impaired:			
- individually impaired	355	(355)	-
	157,688	(4,145)	153,543
2022			
Current (not past due)	181,576	(781)	180,795
1 to 30 days past due	25,476	(340)	25,136
31 to 60 days past due	11,257	(442)	10,815
61 to 90 days past due	3,979	(285)	3,694
91 to 120 days past due	1,608	(288)	1,320
More than 120 days	3,768	(1,630)	2,138
	227,664	(3,766)	223,898
Credit impaired:			
- individually impaired	7,212	(2,066)	5,146
	234,876	(5,832)	229,044

- (d) 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.

The Group uses an allowance matrix to measure the expected credit loss of trade receivables from individual customers. The expected loss rates are based on the Group's historical credit losses experienced over a one year period prior to the period end. The historical loss rates are then adjusted for current and forward-looking information on macroeconomic factors affecting the Group's customers. The Group has identified the gross domestic product (GDP) as the key macroeconomic factors.

For trade receivables, which are reported net, such impairments are recorded in a separate impairment account with the loss being recognised within 'Administrative Expenses' in the consolidated statement 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.

Management exercised significant judgement in determining the probability of default by trade receivables and appropriate forward looking information.

Notes to the Financial Statements
30 June 2023 (continued)**13. TRADE RECEIVABLES (CONTINUED)**

(e) The reconciliation of movements in the impairment losses on trade receivables are as follows:

	Group	
	2023 RM'000	2022 RM'000
At 1 July	5,832	3,815
Charged for the financial year	498	2,191
Reversal for the financial year	(2,270)	(180)
Exchange differences	85	6
	<hr/>	<hr/>
At 30 June	4,145	5,832
	<hr/> <hr/>	<hr/> <hr/>

(f) The Group determines concentration of credit risk by monitoring the country sector profile of its trade receivables on an ongoing basis. The credit risk concentration profile of the trade receivables of the Group at the end of the reporting period are as follows:

	Group			
	2023		2022	
	RM'000	% of total	RM'000	% of total
By country				
Domestic	103,916	68	148,677	65
Foreign	49,627	32	80,367	35
	<hr/>		<hr/>	
	153,543	100	229,044	100
	<hr/> <hr/>		<hr/> <hr/>	

The Company does not have any significant concentration of credit risk other than the amounts owing by subsidiaries and related companies, which constitutes 99.99% (2022: 99.99%) of total receivables of the Company as at the end of the reporting period.

(g) Foreign currency exposure profiles of trade receivables are as follows:

	Group	
	2023 RM'000	2022 RM'000
Ringgit Malaysia	103,916	148,677
US Dollar	26,897	41,878
Singapore Dollar	131	102
Australian Dollar	11,341	13,087
Thai Baht	6,019	6,460
Euro	25	-
Indonesian Rupiah	1,463	12,123
Vietnamese Dong	774	1,541
Indian Rupee	2,955	5,124
Brunei Dollar	22	-
Others	-	52
	<hr/>	<hr/>
	153,543	229,044
	<hr/> <hr/>	<hr/> <hr/>

Notes to the Financial Statements
30 June 2023 (continued)

13. TRADE RECEIVABLES (CONTINUED)

- (h) Sensitivity analysis of Ringgit Malaysia ("RM") against foreign currencies at the end of the reporting period, assuming that all other variables remain constant, are as follows:

	Group	
	2023	2022
	RM'000	RM'000
Effects of 5% changes to RM against foreign currencies		
Profit after tax		
- US Dollar	766	974

The exposure to the other currencies are not significant, hence the effects of the changes in the exchange rates are not presented.

14. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Other receivables and deposits				
Other receivables	7,510	31,537	-	-
Less: Impairment losses	-	(710)	-	-
	7,510	30,827	-	-
Deposits	5,378	6,985	1	1
	12,888	37,812	1	1
Prepayments				
Prepayments	11,573	11,358	5	5
	24,461	49,170	6	6

- (a) The Group and the Company have no significant concentration of credit risk that may arise from exposures to a single debtor or to groups of debtors.
- (b) The reconciliation of movements in the impairment losses on other receivables are as follows:

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
At 1 July	710	1,299	-	-
Charged for the financial year	-	1	-	-
Reversal for the financial year	(710)	(590)	-	-
At 30 June	-	710	-	-

Notes to the Financial Statements
30 June 2023 (continued)**14. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS (CONTINUED)**

(c) Foreign currency exposure profiles of other receivables are as follows:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Ringgit Malaysia	5,034	4,599	-	-
Singapore Dollar	-	20,793	-	-
US Dollar	43	1,898	-	-
Indonesian Rupiah	497	1,155	-	-
Australian Dollar	834	1,170	-	-
Thai Baht	235	315	-	-
Vietnamese Dong	169	203	-	-
Indian Rupee	698	694	-	-
	7,510	30,827	-	-

(d) Sensitivity analysis of RM against foreign currencies at the end of the reporting period, assuming that all other variables remain constant, are as follows:

	Group	
	2023 RM'000	2022 RM'000
Effects of 5% changes to RM against foreign currencies		
Profit after tax		
- Singapore Dollar	-	790
- US Dollar	1	71
- Thai Baht	-	15

The exposure to the other currencies are not significant, hence the effects of the changes in the exchange rates are not presented.

15. AMOUNTS OWING BY/(TO) SUBSIDIARIES

	Company	
	2023 RM'000	2022 RM'000
Amounts owing by subsidiaries	34,201	26,146
Amounts owing to subsidiaries	(7,105)	(47)

Company

- (a) The amounts owing by/(to) subsidiaries represent advances and payments made on behalf, which are unsecured, interest-free and payable upon demand in cash and cash equivalents.
- (b) The maturity profile of amounts owing to subsidiaries of the Company at the end of the reporting period based on contractual undiscounted repayment obligations is repayable on demand or within one year.
- (c) Amounts owing by/(to) subsidiaries are denominated in RM.

Notes to the Financial Statements
30 June 2023 (continued)

16. AMOUNTS OWING BY/(TO) ASSOCIATES

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Amounts owing by associates	-	3,376	-	3,076
Less: Impairment losses	-	(3,076)	-	(3,076)
	-	300	-	-
Amount owing to an associate	(7)	(11)	-	-

Group and Company

- (a) The amounts owing by/(to) associates represent mainly advances and payments made on behalf, which are unsecured, interest-free and payable upon demand in cash and cash equivalents.
- (b) The maturity profile of amount owing to an associate of the Group at the end of the reporting period based on contractual undiscounted repayment obligations is repayable on demand or within one year.
- (c) The reconciliation of movements in the impairment losses on amounts owing by associates are as follows:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
At 30 June	-	3,076	-	3,076

- (d) Foreign currency exposure profiles of amounts owing by associates are as follows:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
US Dollar	-	25	-	-
Thai Baht	-	275	-	-
	-	300	-	-

Notes to the Financial Statements
30 June 2023 (continued)**16. AMOUNTS OWING BY/(TO) ASSOCIATES (CONTINUED)****Group and Company (continued)**

- (e) Sensitivity analysis of RM against foreign currencies at the end of the reporting period, assuming that all other variables remain constant, are as follows:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Effects of 5% changes to RM against foreign currencies				
Profit after tax				
- US Dollar	-	1	-	-

- (f) Amounts owing by/(to) associates are denominated in RM.

17. AMOUNT OWING BY A RELATED COMPANY

	Company	
	2023 RM'000	2022 RM'000
Amount owing by a related company	28,210	26,034
Less: Impairment losses	(3,511)	(3,511)
	24,699	22,523

Company

- (a) The amount owing by a related company represent advances and payments made on behalf, which is unsecured, interest-free and payable upon demand in cash and cash equivalents.
- (b) Amount owing by a related company is denominated in RM.
- (c) The reconciliation of movements in the impairment losses on amount owing by a related company are as follows:

	Company	
	2023 RM'000	2022 RM'000
At 30 June	3,511	3,511

Notes to the Financial Statements
30 June 2023 (continued)

18. AMOUNTS OWING BY/(TO) RELATED PARTIES

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Amounts owing by related parties	12,882	341	3,076	-
Less: Impairment losses	(3,076)	-	(3,076)	-
	9,806	341	-	-
Amount owing to a related party	(489)	-	-	-

Group and Company

- (a) The amounts owing by/(to) related parties represent trade transactions and advances and payments made on behalf, which are unsecured, interest-free and payable upon demand in cash and cash equivalents, except for trade transactions that have credit terms ranging from 30 to 60 days (2022: 30 to 60 days) from date of invoices.
- (b) The maturity profile of amount owing to a related party of the Group at the end of the reporting period based on contractual undiscounted repayment obligations is repayable on demand or within one year.
- (c) The reconciliation of movements in the impairment losses on amounts owing by related parties are as follows:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
At 30 June	3,076	-	3,076	-

- (d) Foreign currency exposure profiles of amounts owing by related parties are as follows:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Singapore Dollar	7,933	-	-	-
Thai Baht	1,386	-	-	-
Ringgit Malaysia	487	341	-	-
	9,806	341	-	-

Notes to the Financial Statements
30 June 2023 (continued)**18. AMOUNTS OWING BY/(TO) RELATED PARTIES (CONTINUED)****Group and Company (continued)**

- (e) Sensitivity analysis of RM against foreign currencies at the end of the reporting period, assuming that all other variables remain constant, are as follows:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Effects of 5% changes to RM against foreign currencies				
Profit after tax				
- Singapore Dollar	301	-	-	-

- (f) Amount owing to a related party is denominated in Thai Baht. Sensitivity analysis of RM against foreign currency at the end of the reporting period is not presented as the effect is immaterial to the Group.

19. AMOUNTS OWING BY/(TO) JOINT VENTURES

	Group	
	2023 RM'000	2022 RM'000
Amounts owing by joint ventures	593	1,677
Amounts owing to joint ventures	(131)	(394)

Group

- (a) The amounts owing by/(to) joint ventures represent trade transactions and payments made on behalf, which are unsecured, interest-free and payable upon demand in cash and cash equivalents, except for trade transactions that have credit terms ranging from 30 to 60 days (2022: 30 to 60 days) from date of invoices.
- (b) The maturity profile of amounts owing to joint ventures of the Group at the end of the reporting period based on contractual undiscounted repayment obligations is repayable on demand or within one year.
- (c) Foreign currency exposure profiles of amounts owing by joint ventures are as follows:

	Group	
	2023 RM'000	2022 RM'000
US Dollar	245	763

Notes to the Financial Statements
30 June 2023 (continued)

19. AMOUNTS OWING BY/(TO) JOINT VENTURES (CONTINUED)

Group (continued)

- (d) Sensitivity analysis of RM against foreign currencies at the end of the reporting period, assuming that all other variables remain constant, are as follows:

	Group	
	2023	2022
	RM'000	RM'000
Effects of 5% changes to RM against foreign currencies		
Profit after tax		
- US Dollar	9	29

- (e) Amounts owing to joint ventures is denominated in US Dollar. Sensitivity analysis of RM against foreign currency at the end of the reporting period is not presented as the effect is immaterial to the Group.

20. CASH AND CASH EQUIVALENTS

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Cash in hand	290	440	-	-
Cash at bank	96,832	100,181	12,787	12,772
Fixed deposits with licensed banks	8,610	5,413	-	-
	105,732	106,034	12,787	12,772

- (a) The weighted average effective interest rate of deposits of the Group at the end of the reporting period is as follows:

	Group	
	2023	2022
Weighted average effective interest rate		
- Fixed rate	3.32%	1.30%

Sensitivity analysis for fixed rate deposits at the end of the reporting period is not presented as fixed rate instruments are not affected by changes in interest rates.

- (b) The fixed deposits of the Group as at 30 June 2023 have maturity periods ranging from 1 month to 12 months (2022: 1 month to 12 months).
- (c) Included in the fixed deposits with licensed banks of the Group is an amount of RM5,684,800 (2022: RM4,875,057), which has been pledged to licensed banks as security for banking facilities granted to the Group as disclosed in Note 28 to the financial statements.

Notes to the Financial Statements
30 June 2023 (continued)**20. CASH AND CASH EQUIVALENTS (CONTINUED)**

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

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Cash and bank balances	97,122	100,621	12,787	12,772
Fixed deposits with licensed banks	8,610	5,413	-	-
	105,732	106,034	12,787	12,772
Less:				
Bank overdrafts - secured (Note 28)	(3,486)	(2,520)	-	-
Fixed deposits placed with licensed banks with original maturity of more than three (3) months	(549)	(538)	-	-
Fixed deposits pledged to licensed banks	(5,684)	(4,875)	-	-
Add:				
Short-term funds (Note 10)	16,409	-	-	-
	112,422	98,101	12,787	12,772

- (e) No expected credit losses were recognised arising from the cash and bank balances and deposits with financial institutions because the probabilities of default by these financial institutions were negligible.
- (f) Foreign currency exposure profiles of cash and cash equivalents are as follows:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Ringgit Malaysia	42,645	46,481	12,779	12,765
US Dollar	26,684	31,734	5	4
Singapore Dollar	2,534	2,607	-	-
Indonesian Rupiah	14,342	7,532	-	-
Thai Baht	5,235	3,675	-	-
Australian Dollar	7,982	9,253	-	-
Vietnamese Dong	5,324	4,592	-	-
Indian Rupee	968	108	-	-
Euro	9	2	-	-
Hong Kong Dollar	9	50	3	3
	105,732	106,034	12,787	12,772

Notes to the Financial Statements
30 June 2023 (continued)

20. CASH AND CASH EQUIVALENTS (CONTINUED)

- (g) Sensitivity analysis of RM against foreign currencies at the end of the reporting period, assuming that all other variables remain constant, are as follows:

	Group	
	2023 RM'000	2022 RM'000
Effects of 5% changes to RM against foreign currencies		
Profit after tax		
- US Dollar	601	264

The exposure to the other currencies are not significant, hence the effects of the changes in the exchange rates are not presented.

- (h) The reconciliation of liabilities arising from financing activities are as follows:

Group	Term loans RM'000	Lease liabilities RM'000	Revolving credit RM'000	Total RM'000
2023				
At 1 July	83,504	54,168	63,355	201,027
<u>Changes in financing cash flows</u>				
Proceeds from drawdown	443	-	5,000	5,443
Repayment of borrowing principal	(10,139)	(23,817)	(50,355)	(84,311)
Repayment of borrowing interests	(3,128)	(3,449)	(1,698)	(8,275)
	(12,824)	(27,266)	(47,053)	(87,143)
<u>Non-cash changes</u>				
Acquisition of new leases	-	24,039	-	24,039
Reassessment of leases (Note 23)	-	963	-	963
Finance charges recognised in cost of sales	-	558	-	558
Finance charges recognised in finance costs (Note 30)	3,128	2,891	1,698	7,717
Foreign translation differences	14	169	-	183
	3,142	28,620	1,698	33,460
At 30 June	73,822	55,522	18,000	147,344

Notes to the Financial Statements
30 June 2023 (continued)**20. CASH AND CASH EQUIVALENTS (CONTINUED)**

(h) The reconciliation of liabilities arising from financing activities are as follows (continued):

Group	Term loans RM'000	Lease liabilities RM'000	Revolving credit RM'000	Total RM'000
2022				
At 1 July	46,907	35,986	14,500	97,393
<u>Changes in financing cash flows</u>				
Proceeds from drawdown	44,567	-	56,855	101,422
Repayment of borrowing principal	(7,957)	(17,412)	(8,000)	(33,369)
Repayment of borrowing interests	(2,037)	(2,368)	(1,467)	(5,872)
	34,573	(19,780)	47,388	62,181
<u>Non-cash changes</u>				
Acquisition of new leases	-	23,942	-	23,942
Reassessment of leases (Note 23)	-	11,662	-	11,662
Finance charges recognised in cost of sales	-	329	-	329
Finance charges recognised in finance costs (Note 30)	2,037	2,039	1,467	5,543
Foreign translation differences	(13)	(10)	-	(23)
	2,024	37,962	1,467	41,453
At 30 June	83,504	54,168	63,355	201,027

21. SHARE CAPITAL

	Group and Company			
	2023		2022	
	Number of shares '000	RM'000	Number of shares '000	RM'000
Issued and fully paid				
At beginning/At end of the financial year	558,445	104,290	558,445	104,290

The owners of the parent are entitled to receive dividends as and when declared by the Company and are entitled to one (1) vote per ordinary share at meetings of the Company. All ordinary shares rank pari passu with regard to the residual assets of the Company.

The new ordinary shares issued rank pari passu in all respects with the existing ordinary shares of the Company.

Notes to the Financial Statements
30 June 2023 (continued)

22. RESERVES

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Non-distributable:				
Foreign exchange translation reserve	3,608	541	-	-
Revaluation reserve	81,911	83,129	-	-
	85,519	83,670	-	-
Distributable:				
Retained earnings	194,210	173,615	17,280	14,260
	279,729	257,285	17,280	14,260

(a) Foreign exchange translation reserve

The foreign exchange translation reserve is used to record foreign currency exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the presentation currency of the Group. It is also used to record the exchange differences arising from monetary items, which form part of the net investment in foreign operations of the Group, where the monetary item is denominated in either the functional currency of the reporting entity or the foreign operation.

(b) Revaluation reserve

The revaluation reserve arose from the revaluation of land and buildings.

Notes to the Financial Statements
30 June 2023 (continued)**23. LEASE LIABILITIES**

	Group	
	2023	2022
	RM'000	RM'000
At 1 July	54,168	35,986
Additions	24,039	23,942
Interest expense recognised in cost of sales	558	329
Interest expense recognised in finance costs	2,891	2,039
Changes due to reassessment of lease term	963	11,662
Repayment of principal	(23,817)	(17,412)
Repayment of interest expense	(3,449)	(2,368)
Exchange differences	169	(10)
	<hr/>	<hr/>
At 30 June	55,522	54,168
	<hr/> <hr/>	<hr/> <hr/>
Analysed by:-		
Current liabilities	20,965	19,251
Non-current liabilities	34,557	34,917
	<hr/>	<hr/>
	55,522	54,168
	<hr/> <hr/>	<hr/> <hr/>

- (a) The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

The lease liability is subsequently measured at amortised cost using the effective interest method. It is remeasured when there is a change in the future lease payments (other than lease modification that is not accounted for as a separate lease) with the corresponding adjustment is made to the carrying amount of the right-of-use asset or is recognised in profit or loss if the carrying amount has been reduced to zero.

- (b) The table below summaries the maturity profile of the lease liabilities of the Group at the end of the reporting period based on contractual undiscounted repayment obligations:

Group	Within one year RM'000	One to five years RM'000	Total RM'000
2023			
Lease liabilities	23,197	37,518	60,715
	<hr/>	<hr/>	<hr/>
2022			
Lease liabilities	21,503	38,201	59,704
	<hr/>	<hr/>	<hr/>

Notes to the Financial Statements
30 June 2023 (continued)

23. LEASE LIABILITIES (CONTINUED)

(c) Foreign currency exposure profiles of lease liabilities were as follows:

	Group	
	2023 RM'000	2022 RM'000
Ringgit Malaysia	54,055	51,496
Australian Dollar	933	1,580
Indonesian Rupiah	159	425
Thai Baht	185	303
Vietnamese Dong	170	327
Indian Rupee	20	37
	55,522	54,168

(d) Sensitivity analysis of RM against foreign currencies at the end of the reporting period was not presented as there was no effect of the changes in the exchange rates due to they represent the functional currencies of the respective entities of the Group.

24. TERM LOANS

	Group	
	2023 RM'000	2022 RM'000
Secured		
Term loan I	-	238
Term loan II	-	290
Term loan III	11,029	15,025
Term loan IV	20,073	21,634
Term loan V	6,427	6,871
Term loan VI	169	238
Term loan VII	9,867	9,867
Term loan VIII	10,112	10,112
Term loan IX	16,145	19,229
Total term loans	73,822	83,504
Term loans are repayable as follows:		
Current liabilities:		
- not later than one (1) year	9,682	10,194
Non-current liabilities:		
- later than one (1) year but not later than two (2) years	10,548	9,687
- later than two (2) years but not later than five (5) years	20,539	26,468
- later than five (5) years	33,053	37,155
	64,140	73,310
	73,822	83,504

Notes to the Financial Statements
30 June 2023 (continued)**24. TERM LOANS (CONTINUED)**

- (a) Term loan I was repayable by 119 monthly instalments of RM34,167 plus one final instalment of RM34,127 and bore interest at 1.50% per annum above the effective cost of fund of the bank.

Term loan II was repayable by 119 monthly instalments of RM24,167 plus one final instalment of RM24,127 and bore interest at 1.50% per annum above the effective cost of fund of the bank.

The term loans I and II were secured by way of a charge over long-term leasehold land and building of a subsidiary as disclosed in Notes 5 and 11 to the financial statements and were guaranteed by the Company in the previous financial year. Both term loans I and II have been fully repaid during the financial year.

- (b) Term loan III is repayable by 119 monthly instalments of RM333,000 plus one final instalment of RM373,300 and bears interest at 1.00% (2022: 1.00%) per annum above the effective cost of fund of the bank.

The term loan III is secured by way of a charge over freehold land and building of a subsidiary as disclosed in Note 5 to the financial statements and is guaranteed by the Company.

- (c) Term loan IV is repayable by 179 monthly instalments of RM167,000 plus one final instalment of RM107,000 and bears interest at 0.90% (2022: 0.90%) per annum above the effective cost of fund of the bank.

The term loan IV is secured by way of a charge over long-term leasehold land and building of a subsidiary as disclosed in Notes 5 and 11 to the financial statements and is guaranteed by the Company.

- (d) Term loan V is repayable by 180 monthly instalments of RM58,522 inclusive of profit until full settlement of the facility and bears interest at 2.40% (2022: 2.40%) per annum below the base financing rate of the bank.

The term loan V is secured by way of a charge over long-term leasehold land and building of a subsidiary as disclosed in Notes 5 and 11 to the financial statements and is guaranteed by the Company.

- (e) Term loan VI is repayable by 48 monthly instalments of RM7,897 and bears interest at 8.25% (2022: 8.25%) per annum.

- (f) Term loan VII is repayable by 180 monthly instalments of RM68,140 inclusive of profit until full settlement of the facility and bears interest at 2.40% (2022: 2.40%) per annum below the base financing rate of the bank.

The term loan VII is secured by way of a charge over long-term leasehold lands of a subsidiary as disclosed in Note 11 to the financial statements and is guaranteed by the Company.

- (g) Term loan VIII is repayable by 180 monthly instalments of RM69,829 inclusive of profit until full settlement of the facility and bears interest at 2.40% (2022: 2.40%) per annum below the base financing rate of the bank.

The term loan VIII is secured by way of a charge over long-term leasehold lands of a subsidiary as disclosed in Note 11 to the financial statements and is guaranteed by the Company.

- (h) Term loan IX is repayable by 60 monthly instalments of RM257,012, followed by 59 monthly instalments of RM76,322 plus one final instalment of RM76,282 and bears interest at 1.00% (2022: 1.00%) per annum above the effective cost of fund of the bank.

The term loan IX is secured by way of a charge over freehold land and building of a subsidiary as disclosed in Note 5 to the financial statements and is guaranteed by the Company.

Notes to the Financial Statements
30 June 2023 (continued)

24. TERM LOANS (CONTINUED)

- (i) The interest rate profiles of the term loans as at end of the reporting period are as follows:

	Group	
	2023	2022
	RM'000	RM'000
Floating rate	73,822	83,504

- (j) The weighted average effective interest rate of the term loans of the Group as at the end of the reporting period is 4.10% (2022: 3.46%).
- (k) The fair values of term loans are estimated by discounting expected future cash flows at market incremental lending rate for similar types of lending and borrowing at the end of the reporting period.

The fair value of term loans are categorised as Level 2 in the fair value hierarchy. There is no transfer between levels in the hierarchy during the financial year.

- (l) The table below summaries the maturity profile of the term loans of the Group at the end of the reporting period based on contractual undiscounted repayment obligations:

Group	Within one year RM'000	One to five years RM'000	Over five years RM'000	Total RM'000
2023				
Term loans	11,311	37,012	37,574	85,897
2022				
Term loans	12,144	42,414	42,723	97,281

- (m) Sensitivity analysis of RM against foreign currency at the end of the reporting period is not presented as there is no effect of the changes in the exchange rate as it represents the functional currency of the entities of the Group.
- (n) Sensitivity analysis of interest rates for the floating rate instruments at the end of the reporting period, assuming all other variables remain constant is as follows:

	Group	
	2023	2022
	RM'000	RM'000
Effects of 100bp changes to profit after tax		
Floating rate instruments	561	635

Notes to the Financial Statements
30 June 2023 (continued)**25. POST-EMPLOYMENT BENEFITS OBLIGATION**

PT. FM Global Logistics (“PTFM”), a subsidiary of FM Global Logistics Ventures Sdn. Bhd. (“FMGLV”), operates a defined benefits plan for its employees. The employee benefits scheme was valued by an independent qualified actuary using the projected unit credit method.

PTFM provides its employees with the retirement, disability, death and voluntarily resignation benefits. PTFM uses the current income of employer to fund pension payment whenever it is required. The figures presented in the financial statements cover the potential excess of benefits stipulated under Labor Law in Indonesia over the balance in the Saving Plan.

(a) The amount recognised in the statements of financial position is analysed as follows:

	Group	
	2023 RM'000	2022 RM'000
Present value of defined benefits obligation	3,738	2,514

(b) The following table sets out the reconciliation of defined benefits plan:

	Group	
	2023 RM'000	2022 RM'000
Balance as at 1 July	2,514	1,579
Current service cost	544	296
Net interest cost	175	121
Excess benefits paid	4	2
Past service cost	94	191
Impact of change in attribution method	(421)	-
Included in profit or loss (Note 31)	396	610
Re-measurements		
Actuarial gain from:		
- Effect on changes in actuarial assumptions	275	156
- Experience adjustments	287	150
Included in other comprehensive income (Note 32(d))	562	306
Exchange differences	284	57
Benefits paid	(18)	(38)
Balance as at 30 June	3,738	2,514

Notes to the Financial Statements
30 June 2023 (continued)

25. POST-EMPLOYMENT BENEFITS OBLIGATION (CONTINUED)

(c) Movements in the present value of the defined benefits obligation in the current year are as follows:

	Group	
	2023	2022
	RM'000	RM'000
Opening defined benefits obligation	2,514	1,579
Current service cost	544	296
Net interest cost	175	121
Excess benefits paid	4	2
Past service cost	94	191
Impact of change in attribution method	(421)	-
Re-measurement gains:		
- Actuarial gains on benefits payments	287	150
- Actuarial gains on changes in actuarial assumptions	275	156
Benefits paid	(18)	(38)
Foreign currencies translation	284	57
Closing defined benefits obligation	3,738	2,514

(d) The principal actuarial assumptions used in respect of the funded defined benefits plan of the Group are as follows:

	Group	
	2023	2022
	%	%
Discount rate	6.70	7.85
Expected rate of wage increase	11.00	11.00

(e) The employee benefits of the Group are exposed to changes in discount rate and expected rate of salary. However, the volatility of these changes is considered low, and hence, sensitivity analysis for employee benefits is not presented.

Notes to the Financial Statements
30 June 2023 (continued)**26. TRADE PAYABLES**

	Group	
	2023	2022
	RM'000	RM'000
Trade payables	51,284	82,398

- (a) Trade payables are classified as financial liabilities and measured at amortised cost using the effective interest method.
- (b) Trade payables are non-interest bearing and the normal trade credit terms granted to the Group range from 7 to 90 days (2022: 7 to 90 days) from date of invoices.
- (c) The maturity profile of the Group's trade payables at the end of the reporting period based on contractual undiscounted repayment obligations is repayable on demand or within one year.
- (d) Foreign currency exposure profiles of trade payables are as follows:

	Group	
	2023	2022
	RM'000	RM'000
Ringgit Malaysia	26,127	38,783
US Dollar	12,345	31,563
Australian Dollar	5,342	4,129
Indonesian Rupiah	1,967	2,228
Indian Rupee	1,326	2,371
Thai Baht	1,802	1,875
Euro	1,500	917
Singapore Dollar	81	128
Vietnamese Dong	435	55
Japanese Yen	14	13
Others	345	336
	51,284	82,398

- (e) Sensitivity analysis of RM against foreign currencies at the end of the reporting period, assuming that all other variables remain constant, are as follows:

	Group	
	2023	2022
	RM'000	RM'000
Effects of 5% changes to RM against foreign currencies		
Profit after tax		
- US Dollar	265	450

The exposure to the other currencies are not significant, hence the effects of the changes in the exchange rates are not presented.

Notes to the Financial Statements
30 June 2023 (continued)

27. OTHER PAYABLES AND ACCRUALS

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Other payables	10,772	8,066	-	-
Accruals	27,201	40,031	176	157
	37,973	48,097	176	157

- (a) The maturity profile of the Group's and of the Company's other payables and accruals at the end of the reporting period based on contractual undiscounted repayment obligations are repayable on demand or within one year.
- (b) Foreign currency exposure profiles of other payables and accruals are as follows:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Ringgit Malaysia	27,650	38,407	176	157
Australian Dollar	3,804	3,993	-	-
Indonesian Rupiah	3,000	2,352	-	-
Hong Kong Dollar	-	22	-	-
US Dollar	1,326	876	-	-
Thai Baht	1,579	1,417	-	-
Indian Rupee	378	690	-	-
Others	236	340	-	-
	37,973	48,097	176	157

- (c) Sensitivity analysis of RM against foreign currencies at the end of the reporting period is not presented as the effect is immaterial to the Group.

Notes to the Financial Statements
30 June 2023 (continued)**28. SHORT-TERM BORROWINGS**

	Group	
	2023 RM'000	2022 RM'000
Bank overdrafts - secured	3,486	2,520
Revolving credit	18,000	63,355
	21,486	65,875

- (a) The bank overdrafts and revolving credit of the Group are secured by way of:
- (i) fixed deposits with licensed banks of the Group (Note 20);
 - (ii) long-term leasehold land and buildings of the Group (Notes 5 and 11); and
 - (iii) fixed and floating charge over the assets of subsidiaries.
- (b) The bank overdrafts and revolving credit are guaranteed by the Company.
- (c) The maturity profile of the Group's bank overdrafts and revolving credit at the end of the reporting period based on contractual undiscounted repayment obligations are repayable on demand or within one year.
- (d) Foreign currency exposure profiles of bank overdrafts and revolving credit are as follows:

	Group	
	2023 RM'000	2022 RM'000
Ringgit Malaysia	21,486	64,902
Indian Rupee	-	973
	21,486	65,875

- (e) Sensitivity analysis of RM against foreign currencies at the end of the previous reporting period was not presented as there was no effect of the changes in the exchange rates as it represented the functional currencies of the entities of the Group.
- (f) The weighted average effective interest rate of the bank overdrafts and revolving credit of the Group as at the end of the reporting period is 6.16% and 4.15% (2022: 7.02% and 3.61%) respectively.
- (g) Sensitivity analysis of interest rates for the floating rate instruments at the end of the reporting period is not presented as the effect is immaterial to the Group.

Notes to the Financial Statements
30 June 2023 (continued)

29. REVENUE

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<u>Revenue from Contracts with Customers</u>				
Freight forwarding and logistics services	948,337	1,152,835	-	-
Sale of goods	24	110	-	-
<u>Revenue from Other Sources</u>				
Dividend income	-	-	26,153	18,600
	948,361	1,152,945	26,153	18,600

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Timing of revenue recognition				
Over time:				
Freight forwarding and logistics services	948,337	1,152,835	-	-
At a point in time:				
Sale of goods	24	110	-	-
Dividend income	-	-	26,153	18,600
	948,361	1,152,945	26,153	18,600

Disaggregation of revenue from contracts with customers based on geographical location has been presented in the operating segments, Note 4 to the financial statements.

Revenue is recognised by reference to each distinct performance obligation in the contract with customer and is measured at consideration specified in the contract of which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, net of sales and service tax, returns, rebates and discounts.

Notes to the Financial Statements
30 June 2023 (continued)**29. REVENUE (CONTINUED)**

The Group recognises revenue when (or as) it transfers control over a product or service to customer. An asset is transferred when (or as) the customer obtains control of that asset. Depending on the substance of the contract, revenue is recognised when the performance obligation is satisfied, which may be at a point in time or over time. The Group transfers control of a good or service at a point in time unless one of the following over time criteria is met:-

- The customer simultaneously receives and consumes the benefits provided as the Group performs.
- The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.
- The Group's performance does not create an asset with an alternative use and the Group has an enforceable right to payment for performance completed to date.

(a) Services

Revenue from freight forwarding and logistics services are recognised over time in the period in which the services are rendered. For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided because the customer receives and uses the benefits simultaneously.

(b) Sale of goods

Revenue from sale of goods is recognised when the Group has transferred control of the goods to the customer, being when the goods have been delivered to the customer and upon its acceptance. Following delivery, the customer has full discretion over the manner of distribution and price to sell the goods, and bears the risks of obsolescence and loss in relation to the goods. A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

(c) Dividend income

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

30. FINANCE COSTS

	Group	
	2023	2022
	RM'000	RM'000
Interest expense on:		
- bank overdrafts	64	98
- lease liabilities	2,891	2,039
- revolving credit	1,698	1,467
- term loans	3,128	2,037
- others	27	34
	7,808	5,675

Notes to the Financial Statements
30 June 2023 (continued)

31. PROFIT BEFORE TAX

Other than those disclosed elsewhere in the financial statements, the following amounts have been included in arriving at profit before tax:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Profit before tax is arrived at after charging:				
Auditors' remuneration:				
- audit fees:				
- Crowe Malaysia PLT	249	213	77	68
- Crowe Global Member Firms	61	55	-	-
- Other auditors	144	110	-	-
- non-audit fees:				
- Crowe Malaysia PLT	62	48	62	48
Amortisation of intangible assets	111	265	-	-
Bad debts written off:				
- trade receivables	752	1,043	-	-
Depreciation:				
- property, plant and equipment	8,730	8,802	-	-
- right-of-use assets	20,414	14,631	-	-
Directors' remunerations:				
- Fees:				
- payable by the Company	492	465	492	465
- payable by the subsidiaries	233	218	-	-
- Other emoluments:				
- paid by the Company	56	56	56	56
- paid by the subsidiaries	16,268	13,380	-	-
Expenses relating to short-term leases	1,041	1,602	-	-
Fair value loss on quoted shares	-	310	-	-
Impairment losses on:				
- other receivables	-	1	-	-
- property, plant and equipment	-	891	-	-
- trade receivables	498	2,191	-	-
Intangible assets written off	-	2	-	-
Loss on foreign currency transactions:				
- realised	997	1,615	-	-
- unrealised	231	54	-	-
Property, plant and equipment written off	9	335	-	-

Notes to the Financial Statements
30 June 2023 (continued)**31. PROFIT BEFORE TAX (CONTINUED)**

Other than those disclosed elsewhere in the financial statements, the following amounts have been included in arriving at profit before tax (continued):

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Profit before tax is arrived at after charging (continued):				
Provision for post-employment benefits obligation	396	610	-	-
Admin expenses payable to a joint venture	-	116	-	-
Profit before tax is arrived at after crediting:				
Bad debts recovered	370	134	-	-
Fair value gain on:				
- short-term fund	213	-	-	-
- quoted shares	468	-	-	-
Gain on disposal of property, plant and equipment	414	279	-	-
Gain on foreign currency transactions:				
- realised	923	1,488	-	10
- unrealised	1,370	507	296	391
Gross dividends from:				
- subsidiaries	-	-	26,153	18,600
- quoted shares	54	33	-	-
Interest income received from:				
- fixed deposits and repo	252	75	-	-
- current and savings accounts	402	112	169	40
Lease income from:				
- third parties	4,662	4,628	-	-
- a joint venture	77	77	-	-
Reversal of impairment losses on:				
- other receivables	710	590	-	-
- property, plant and equipment	-	226	-	-
- trade receivables	2,270	180	-	-

(a) Interest income

Interest income is recognised as it accrues, using the effective interest method.

(b) Lease income

Lease income is accounted for on a straight line basis over the lease term.

Notes to the Financial Statements
30 June 2023 (continued)

32. TAX EXPENSE

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Current tax expense based on profit for the financial year	14,434	17,694	40	10
Deferred tax (Note 12)	523	36	-	-
	14,957	17,730	40	10
Under/(over) provision in prior years:				
- income tax	84	(970)	(1)	(3)
- deferred tax (Note 12)	59	92	-	-
	143	(878)	(1)	(3)
Total income tax expense	15,100	16,852	39	7

- (a) The Malaysian income tax is calculated at the statutory tax rate of twenty-four percent (24%) (2022: twenty-four percent (24%)) of the estimated taxable profit for the fiscal year.
- (b) Tax expenses for other tax authorities are calculated at the rates prevailing in those respective jurisdictions.
- (c) A reconciliation of tax expense applicable to the profit before tax at the statutory tax rate to tax expense at the effective tax rate of the Group and of the Company is as follows:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Profit before tax	62,252	66,613	25,396	17,879
Tax at the statutory rate of 24% (2022: 24%)	14,940	15,987	6,095	4,291
Tax effects in respect of:				
Share of results of associates	(1)	-	-	-
Share of results of joint ventures	(622)	(585)	-	-
Non-allowable expenses	2,062	3,321	293	279
Non-taxable income	(1,008)	(630)	(6,348)	(4,560)
Deferred tax assets not recognised	-	58	-	-
Utilisation of deferred tax assets previously not recognised	(24)	(3)	-	-
Crystallisation of deferred tax on revaluation reserve	(374)	(374)	-	-
Lower tax rate in foreign jurisdiction	(16)	(44)	-	-
	14,957	17,730	40	10
Under/(Over) provision in prior years:				
- income tax	84	(970)	(1)	(3)
- deferred tax	59	92	-	-
	15,100	16,852	39	7

Notes to the Financial Statements
30 June 2023 (continued)**32. TAX EXPENSE (CONTINUED)**

(d) Tax on each component of other comprehensive income is as follows:

	Group					
	Before tax RM'000	2023 Tax effect RM'000	After tax RM'000	Before tax RM'000	2022 Tax effect RM'000	After tax RM'000
Items that will be reclassified subsequently to profit or loss						
Foreign currency translations	4,236	-	4,236	546	-	546
Items that will not be reclassified subsequently to profit or loss						
Actuarial loss on defined benefits plan (Note 25)	(562)	124	(438)	(306)	68	(238)

33. DIVIDENDS

	Group and Company			
	2023		2022	
	Gross dividend per share sen	Amount of dividend net of tax RM'000	Gross dividend per share sen	Amount of dividend net of tax RM'000
In respect of the financial year ended 30 June 2022/2021				
- Third interim single tier dividend	2.0	11,169	1.0	5,585
In respect of the financial year ended 30 June 2023/2022				
- First interim single tier dividend	1.0	5,584	1.0	5,584
- Second interim single tier dividend	1.0	5,584	1.0	5,584
	4.0	22,337	3.0	16,753

The Company paid a third interim single tier dividend of 2.0 sen per ordinary share amounting to RM11,168,897 for the financial year ended 30 June 2023 on 13 October 2023. The financial statements for the current financial year do not reflect this dividend and it would be accounted for as an appropriation of retained earnings in the financial year ending 30 June 2024.

The Directors do not recommend the payment of any final dividend in respect of the financial year ended 30 June 2023.

Notes to the Financial Statements
30 June 2023 (continued)

34. EMPLOYEE BENEFITS

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Salaries, wages and bonuses	96,433	93,743	56	56
Contributions to defined contribution plans	8,877	9,498	-	-
Social security contributions	789	664	-	-
Defined benefits plan (Note 25)	396	610	-	-
Other benefits	3,792	3,328	-	-
	110,287	107,843	56	56

Included in the employee benefits of the Group and of the Company are Directors' remunerations amounting to RM16,324,077 (2022: RM13,436,400) and RM56,000 (2022: RM56,000) respectively.

35. EARNINGS PER SHARE

(a) Basic

Basic earnings per ordinary share for the financial year is calculated by dividing the profit for the financial year attributable to equity holders of the parent by the weighted average number of ordinary shares outstanding during the financial year.

	Group	
	2023 '000	2022 '000
Profit attributable to equity holders of the parent (RM)	42,007	45,585
Weighted average number of ordinary shares in issue (unit)	558,445	558,445
Basic earnings per ordinary share (sen)	7.52	8.16

(b) Diluted

Diluted earnings per ordinary share for the financial year is calculated by dividing the profit for the financial year attributable to equity holders of the parent by the weighted average number of ordinary shares outstanding during the financial year adjusted for the effects of dilutive potential ordinary shares.

	Group	
	2023 '000	2022 '000
Profit attributable to equity holders of the parent (RM)	42,007	45,585
Weighted average number of ordinary shares in issue applicable to diluted earnings per ordinary share (unit)	558,445	558,445
Diluted earnings per ordinary share (sen)	7.52	8.16

Notes to the Financial Statements
30 June 2023 (continued)**36. 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 may be individuals or other parties.

The Company has controlling related party relationship with its direct and indirect subsidiaries.

The relationships and identities between the Group and its other related parties are as follows:

Related parties	Relationships
Nankai Global Logistics (M) Sdn. Bhd.	Related by control of key management personnel
Advance Logistics Sdn. Bhd.	Related by control of key management personnel
FM Distribution Sdn. Bhd.	An associate of a subsidiary, namely FM Global Logistics (M) Sdn. Bhd.
Hubwire Sdn. Bhd.	An associate of a subsidiary, namely FM Global Logistics Ventures Sdn. Bhd.
FM Global Logistics (Phil.), Inc.	A joint venture of a subsidiary, namely FM Global Logistics Ventures Sdn. Bhd.
CN FM Logistics (Malaysia) Sdn. Bhd.	A joint venture of a subsidiary, namely FM Global Logistics Ventures Sdn. Bhd.

(b) Significant related party transactions

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

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Freight charges received/ receivable from:				
- FM Global Logistics (Phil.), Inc.	1,965	1,804	-	-
- CN FM Logistics (Malaysia) Sdn. Bhd.	7,585	6,005	-	-
Freight charges paid/payable to:				
- Advance Logistics Sdn. Bhd.	127	138	-	-
- FM Global Logistics (Phil.), Inc.	1,847	1,644	-	-
- CN FM Logistics (Malaysia) Sdn. Bhd.	1,408	1,461	-	-
Dividend paid/payable to a Director of a subsidiary	-	400	-	-

Notes to the Financial Statements
30 June 2023 (continued)

36. RELATED PARTY DISCLOSURES (CONTINUED)

(b) Significant related party transactions (continued)

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

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Administrative income received/receivable from an associate				
- FM Distribution Sdn. Bhd.	18	18	-	-
Administrative expenses paid/payable to a joint venture	-	116	-	-
Lease income received/receivable from a joint venture	77	77	-	-
Software rental income received/receivable from a joint venture	1	14	-	-
Lease expense paid/payable to a joint venture	24	24	-	-
Gross dividends received from subsidiaries	-	-	26,153	18,600

The related party transactions described above were carried out on terms and conditions not materially different from those obtainable from transactions with unrelated parties.

Information regarding outstanding balances arising from related party transactions as at 30 June 2023 is disclosed in Notes 15, 16, 17, 18 and 19 to the financial statements respectively.

Notes to the Financial Statements
30 June 2023 (continued)**36. RELATED PARTY DISCLOSURES (CONTINUED)**

(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 remunerations of Directors and other key management personnel during the financial year are as follows:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Fees	725	683	492	465
Short-term employee benefits	14,958	12,204	56	56
Contributions to defined contribution plans	1,366	1,232	-	-
	17,049	14,119	548	521

37. COMMITMENTS

Capital commitments

	Group	
	2023 RM'000	2022 RM'000
Capital expenditure in respect of purchase of property, plant and equipment:		
- contracted but not provided for	11,248	24,754

38. FINANCIAL GUARANTEE CONTRACTS

	Group	
	2023 RM'000	2022 RM'000
Corporate guarantee given to financial institutions for credit facilities granted to subsidiaries, limit up to RM302,739,500 (2022: RM268,739,500)	102,568	153,256

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specific debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Notes to the Financial Statements
30 June 2023 (continued)

38. FINANCIAL GUARANTEE CONTRACTS (CONTINUED)

Financial guarantee contracts are recognised initially as liabilities at fair value, net of transaction costs. Subsequent to initial recognition, financial guarantee contracts are recognised as income in profit or loss over the period of the guarantee or, when there is no specific contractual period, recognised in profit or loss upon discharge of the guarantee. If the debtor fails to make payment relating to a financial guarantee contract when it is due and the Company, as the issuer, is required to reimburse the holder for the associated loss, the liability is measured at the higher of the amount of the credit loss determined in accordance with the expected credit loss model and the amount initially recognised less cumulative amortisation.

39. CAPITAL AND FINANCIAL RISK MANAGEMENT

(a) Capital management

The primary objective of the capital management of the Group is to maintain a strong capital base, good credit rating and healthy capital ratios to support its businesses and maximise its shareholders' value.

To manage the capital structure, the Group uses various methods including issuance of new shares, distribution of cash and share dividend payments to shareholders and debt financing. No changes were made in the objectives, policies or processes during the financial years ended 30 June 2023 and 30 June 2022.

The Group monitors capital utilisation on the basis of net debt-to-equity ratio, which is net debt divided by total capital. The Group includes within net debt, borrowings and lease liabilities less cash and cash equivalents. Capital represents equity attributable to the owners of the parent. The net debt-to-equity ratios as at 30 June 2023 and 30 June 2022 are as follows:

	Note	Group	
		2023 RM'000	2022 RM'000
Lease liabilities	23	55,522	54,168
Term loans	24	73,822	83,504
Short-term borrowings	28	21,486	65,875
Less: Cash and cash equivalents	20	(105,732)	(106,034)
Net debt		45,098	97,513
Total capital		384,019	361,575
Net debt-to-equity ratio		0.12	0.27

Pursuant to the requirements of Practice Note No. 17/2005 of the Bursa Malaysia Securities Berhad, the Group is required to maintain a consolidated shareholders' equity equal to or not less than the 25% of the issued and paid-up capital (excluding treasury shares) and such shareholders' equity is not less than RM40.0 million. The Company has complied with this requirement for the financial year ended 30 June 2023.

The Group is not subject to any other externally imposed capital requirements.

39. CAPITAL AND FINANCIAL RISK MANAGEMENT (CONTINUED)**(b) Financial risk management**

The overall financial risk management objective of the Group is to optimise its shareholders' value and not to engage in speculative transactions.

The Group is exposed mainly to foreign currency risk, interest rate risk, credit risk and liquidity and cash flow risk. Information on the management of the related exposures is detailed below:

(i) Credit risk

Cash deposits and trade receivables could give rise to credit risk, which requires the loss to be recognised if a counterparty fails to perform as contracted. The counterparties are major licensed financial institutions and reputable multinational organisations. It is the policy of the Group to monitor the financial standing of these counterparties on an ongoing basis to ensure that the Group is exposed to minimal credit risk.

The primary exposure of the Group to credit risk arises through its trade receivables. The trading terms of the Group with its customers are mainly on credit. The average credit period is two (2) months for major customers. Each customer has a maximum credit limit and the Group seeks to maintain strict control over its outstanding receivables to minimise credit risk. Overdue balances are reviewed regularly by senior management.

The credit risk profiles have been disclosed in Note 13 to the financial statements.

(ii) Liquidity and cash flow risks

The Group actively manages its debt maturity profile, operating cash flows and availability of funding so as to ensure that all operating, investing and financing needs are met. In executing its liquidity risk management strategy, the Group measures and forecasts its cash commitments and maintains a level of cash and cash equivalents deemed adequate to finance the activities of the Group. In addition, the Group strives to maintain available banking facilities at a reasonable level to meet its business needs.

The analysis of financial instruments by remaining contractual maturities has been disclosed in Notes 15, 16, 19, 23, 24, 26, 27 and 28 to the financial statements respectively.

(iii) Interest rate risk

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

The primary interest rate risk of the Group relates to interest-earning deposits and interest-bearing borrowings from financial institutions. The fixed-rate deposits and borrowings of the Group are exposed to a risk of changes in their fair values due to changes in interest rates. The floating rate borrowings of the Group are exposed to a risk of change in cash flows due to changes in interest rates. The Group does not use derivative financial instruments to hedge this risk.

The interest rate profile and sensitivity analysis of interest rate risk have been disclosed in Notes 20, 23, 24 and 28 to the financial statements respectively.

39. CAPITAL AND FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Financial risk management (continued)

(iv) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument would fluctuate because of changes in foreign exchange rates.

The Group is exposed to foreign currency risk on transactions that are denominated in currencies other than functional currencies of the operating entities. The Company did not have any foreign currency exposure on its transactions.

It is not the policy of the Group to enter into foreign exchange contracts in managing its foreign exchange risk resulting from cash flows on transactions denominated in foreign currency as transactions denominated in foreign currency are minimal.

The Group is also exposed to foreign currency risk in respect of its overseas investments. The Group and the Company do not hedge this exposure with foreign currency borrowings.

The sensitivity analysis for foreign currency risk has been disclosed in Notes 13, 14, 16, 19, 20, 26, 27 and 28 to the financial statements respectively.

(v) Market risk

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

The Group is exposed to equity price risks arising from quoted investments held by the Group. Quoted equity instrument outside Malaysia is listed on the Tokyo Stock Exchange, which is held for strategic rather than trading purpose. Short-term funds are unit trust funds quoted in Malaysia. These instruments are classified as financial assets designated at fair value through profit or loss.

At the end of the reporting period, the maximum exposure of the Group to market risk is represented by the total carrying amount of these financial assets recognised in the statements of financial position, which amounted to approximately RM18,205,533 (2022: RM1,328,825). There has been no change to the exposure of the Group to market risk or the manner in which the risk is managed and measured.

The sensitivity analysis of market risk has been disclosed in Note 10 to the financial statements.

Notes to the Financial Statements
30 June 2023 (continued)**40. SIGNIFICANT EVENTS SUBSEQUENT TO THE END OF THE REPORTING PERIOD**

- (i) On 29 August 2023, the Company disposed of its entire equity interest of 50,000 ordinary shares in Exterian Enterprise Sdn. Bhd. to the Group Managing Director, Chew Chong Keat, for a total cash consideration of RM50,000. Consequently, Exterian Enterprise Sdn. Bhd. ceased to be a subsidiary of the Company.

Concurrently, the Company entered into a settlement agreement with Chew Chong Keat, for the settlement of a sum of RM4,150,000 in cash as full and final settlement for part of advances owing by Exterian Enterprise Sdn. Bhd. to the Group.

- (ii) On 25 September 2023, FM Global Logistics Ventures Sdn. Bhd., an indirect wholly-owned subsidiary of the Company entered into a sale and purchase agreement with several independent third parties to acquire the entire issued and paid up share capital of CAC Logistics Services Pte. Ltd., for a total cash consideration of SGD5,500,000 (equivalent to approximately RM18,858,950).

41. CONTINGENT LIABILITY

FM Global Logistics (M) Sdn. Bhd. ("FMGLM" or "Plaintiff"), a wholly-owned subsidiary of the Company had a civil suit at the Shah Alam High Court ("the Court") since 1 November 2019 against Prestige Sports Sdn. Bhd. ("the Defendant") for warehousing and logistics services amounting to RM1,918,909. The Defendant filed a counterclaim against FMGLM for damages and tort of conversion amounting RM8,862,965. On 8 August 2022, the Court delivered its judgement and allowed the Plaintiff's total claim of RM2,065,396 and dismissed the Defendant's claims. Subsequently, the Defendant filed an appeal against the Court's judgement. On 5 September 2023, the Court of Appeal unanimously dismissed the appeal and affirmed the Court's judgement.

Notes to the Financial Statements
30 June 2023 (continued)

42. ADOPTION ON NEW MFRSS AND AMENDMENTS TO MFRSS

42.1 New MFRSS adopted during the financial year

The Group and the Company adopted the following Standards of the MFRS Framework that were issued by the Malaysian Accounting Standards Board ("MASB") during the financial year:

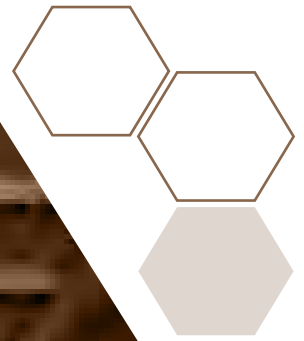
Title	Effective Date
Amendments to MFRS 3: Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 116: Property, Plant and Equipment - Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137: Onerous Contracts - Cost of Fulfilling a Contract	1 January 2022
Annual Improvements to MFRS Standards 2018 - 2020	1 January 2022

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

42.2 New MFRSS that have been issued, but only effective for annual periods beginning on or after 1 January 2023

Title	Effective Date
MFRS 17: Insurance Contracts	1 January 2023
Amendments to MFRS 17: Insurance Contracts	1 January 2023
Amendment to MFRS 17: Initial Application of MFRS 17 and MFRS 9 - Comparative Information	1 January 2023
Amendments to MFRS 108: Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 101: Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to MFRS 112: International Tax Reform - Pillar Two Model Rules	1 January 2023
Amendments to MFRS 16: Lease Liability in a Sale and Leaseback	1 January 2024
Amendment to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to MFRS 101: Non-current liabilities with Covenants	1 January 2024
Amendments to MFRS 107 and MFRS 7: Supplier Finance Arrangements	1 January 2024
Amendments to MFRS 121: Lack of Exchangeability	1 January 2025
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

The Group does not expect the adoption of the above Standards to have a significant impact on the financial statements.



Diligence

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Analysis of Shareholdings

As At 29 September 2023

Total No. of Share Capital : 558,444,830 ordinary shares
 Class of Shares : Ordinary shares
 Voting Right : One vote per ordinary share

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Holders	%	No. of Shares	%
Less than 100	139	2.69	5,471	0.00
100 – 1,000	833	16.11	452,000	0.08
1,001 – 10,000	2,415	46.72	13,279,630	2.38
10,001 – 100,000	1,534	29.68	49,308,735	8.83
100,001 to less than 5% of issued shares	244	4.72	158,413,690	28.37
5% and above of issued shares	4	0.08	336,985,304	60.34
Total	5,169	100.00	558,444,830	100.00

SUBSTANTIAL SHAREHOLDERS

According to the Register of Substantial Shareholders as at 29 September 2023

Name	Direct Interest		Indirect Interest	
	No. of Shares	%	No. of Shares	%
Chew Chong Keat	134,375,228	24.06	551,698@	0.10
Singapore Enterprises Private Limited	111,977,400	20.05	-	-
Yang Heng Lam	102,610,076	18.37	1,964,896#	0.35
Khua Kian Keong	-	-	111,977,400^	20.05

@ Deemed interested in shares held by his children.

Deemed interested in shares held by his spouse and children.

^ Deemed interested by virtue of his interest in Singapore Enterprises Private Limited.

Analysis of Shareholdings
As At 29 September 2023 (continued)**DIRECTORS' SHAREHOLDINGS**

According to the Register of Directors' Shareholdings as at 29 September 2023

Directors	Direct Interest		Indirect Interest	
	No. of Shares	%	No. of Shares	%
Chew Chong Keat	134,375,228	24.06	551,698@	0.10
Yang Heng Lam	102,610,076	18.37	1,964,896#	0.35
Gan Siew Yong	24,295,608	4.35	551,698@	0.10
Ong Looi Chai	10,045,466	1.80	633,000#	0.11
Tengku Nurul Azian Binti Tengku Shahrman	-	-	-	-
Soh Chin Teck	-	-	-	-
Lau Swee Chin	-	-	-	-
Francis Lee Fook Wah	-	-	-	-

@ Deemed interested in shares held by their children.

Deemed interested in shares held by their spouse and children.

Analysis of Shareholdings
As At 29 September 2023 (continued)

THIRTY (30) LARGEST SHAREHOLDERS

No.	Name of Shareholders	No. of Shares Held	%
1.	CHEW CHONG KEAT	134,375,228	24.06
2.	HSBC NOMINEES (ASING) SDN BHD EXEMPT AN FOR CREDIT SUISSE (SG BR-TST-ASING)	100,000,000	17.91
3.	YANG HENG LAM	59,115,864	10.59
4.	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR YANG HENG LAM (PB)	43,494,212	7.79
5.	GAN SIEW YONG	24,295,608	4.35
6.	SINGAPORE ENTERPRISES PRIVATE LIMITED	11,977,400	2.14
7.	SEE KOK HING	10,380,140	1.86
8.	ONG LOOI CHAI	10,006,040	1.79
9.	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR SUSY DING (CEB)	7,800,000	1.40
10.	FOO SOOK WAN	6,316,406	1.13
11.	TANG GEONG KOANG	4,760,498	0.85
12.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR WONG TET FUI (8054679)	3,879,000	0.69
13.	PHILLIP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR WONG YEE HUI	2,600,000	0.47
14.	TER LEONG YAP	2,036,300	0.36
15.	NIOW SOO SEE	1,957,946	0.35
16.	CH'NG BENG KIAN	1,922,700	0.34

Analysis of Shareholdings
As At 29 September 2023 (continued)**THIRTY (30) LARGEST SHAREHOLDERS (CONTINUED)**

No.	Name of Shareholders	No. of Shares Held	%
17.	NG CHEE SENG	1,900,000	0.34
18.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR WONG YEE HUI (8095789)	1,756,700	0.31
19.	WONG YEE HUI	1,710,000	0.31
20.	RHB NOMINEES (ASING) SDN BHD NAIGAI TRANS LINE LTD	1,642,850	0.29
21.	CHEW PHEK YING	1,542,998	0.28
22.	RHB NOMINEES (ASING) SDN BHD PHILIP LIN	1,518,000	0.27
23.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR YONG LOY HUAT (7000875)	1,500,000	0.27
24.	YEOW SOON GUAT	1,374,596	0.25
25.	DYNAQUEST SDN. BHD.	1,279,800	0.23
26.	WONG CHONG NGIN	1,150,000	0.21
27.	KENANGA NOMINEES (TEMPATAN) SDN BHD RAKUTEN TRADE v FOR L.LAKSHMANAN A/L V.LAKSHMANAN	1,000,500	0.18
28.	LIM SOON HUAT	1,000,000	0.18
29.	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR YONG CHEN VOON	958,500	0.17
30.	HLB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR YAP KOK KHEN	940,000	0.17
TOTAL		444,191,286	79.54

List of Properties

POSTAL ADDRESS/LOCATION	DESCRIPTION	EXISTING USE	LAND AREA (SQUARE FEET)	TENURE OF LAND (YEARS)	APPROXIMATE AGE OF BUILDING	DATE OF LAST REVALUATION*/ DATE OF ACQUISITION	NET BOOK VALUE AS AT 30.06.23 RM'000
Geran No. 2893, Lot 1841 Seksyen 4, Bandar Butterworth, Daerah Seberang Perai Utara, Pulau Pinang Pulau Mutiara. Postal Address: No. 4453, Jalan Bagan Luar, 12000 Butterworth, Pulau Pinang Pulau Mutiara.	Three (3) storey terrace shophouse	Office	1,019	Freehold	48 years	30 June 2021*	330 (Land) 323 (Building)
Geran No. 2892, Lot 1840, Seksyen 4, Bandar Butterworth, Daerah Seberang Perai Utara, Pulau Pinang Pulau Mutiara. Postal Address: No. 4454, Jalan Bagan Luar, 12000 Butterworth, Pulau Pinang Pulau Mutiara.	Three (3) storey terrace shophouse	Office	1,021	Freehold	48 years	30 June 2021*	330 (Land) 330 (Building)
Master Title: H.S (D) 49488 and 49489, PT 49974 and 49975, Mukim Klang, Daerah Klang, Selangor Darul Ehsan. Postal Address: No. 45-2A, 2 nd Floor, Jalan Sungai Chandong 15, Bandar Armada Putra, Pulau Indah, 42920 Port Klang, Selangor Darul Ehsan.	Office Unit	Vacant	Nil	99 years ending on 19 October 2102	23 years	30 June 2021*	16 (Building)
Master Title: H.S (D) 49488 and 49489, PT 49974 and 49975, Mukim Klang, Daerah Klang, Selangor Darul Ehsan. Postal Address: No. 45-2B, 2 nd Floor, Jalan Sungai Chandong 15, Bandar Armada Putra, Pulau Indah, 42920 Port Klang, Selangor Darul Ehsan.	Office Unit	Vacant	Nil	99 years ending on 19 October 2102	23 years	30 June 2021*	12 (Building)
H.S (D) 116412, PT 239, Mukim Bandar Sultan Sulaiman, Daerah Klang, Selangor Darul Ehsan. Postal Address: Lot 37, Jalan Lebu Sultan Mohamed 1, Kawasan Bandar Sultan Suleiman, 42000 Port Klang, Selangor Darul Ehsan.	Industrial land	Warehouse and Office	644,811	99 years ending on 2105	17 years	30 June 2021*	43,755 (Land) 61,713 (Building)
H.S (D) 116367, PT 183 Mukim Bandar Sultan Sulaiman, Daerah Klang, Selangor Darul Ehsan. Postal Address: Lot 24, Jalan Lebu Sultan Mohamed 1, Kawasan Perindustrian Bandar Sultan Suleiman, 42000 Port Klang, Selangor Darul Ehsan.	Industrial land	Warehouse and Office	217,797	99 years ending on 30 June 2105	30 years	30 June 2021*	15,862 (Land) 16,411 (Building)

List of Properties (continued)

POSTAL ADDRESS/LOCATION	DESCRIPTION	EXISTING USE	LAND AREA (SQ. FEET)	TENURE OF LAND (YEARS)	APPROXIMATE AGE OF BUILDING	DATE OF LAST REVALUATION*/ DATE OF ACQUISITION	NET BOOK VALUE AS AT 30.06.23 RM'000
H.S (D) 37855, PT 478 Mukim 6, Daerah Seberang Perai Tengah, Pulau Pinang Pulau Mutiara. Postal Address: No. 1077, Lorong Perusahaan Maju 1, Kawasan Perusahaan F4, 13600 Perai, Pulau Pinang Pulau Mutiara.	Industrial land	Warehouse and Office	92,424	60 years ending on 30 October 2052	28 years	30 June 2021*	4,313 (Land) 6,000 (Building)
H.S (D) 261818, Lot No. PT598 Pekan Hicom, Daerah Petaling, Selangor Darul Ehsan. Postal Address: Lot 5, Persiaran Sabak Bernam, Section 26 (Hicom), 40400 Shah Alam, Selangor Darul Ehsan.	Industrial land	Warehouse and Office	371,990	Freehold	34 years	30 June 2021*	65,000 (Land) 9,545 (Building)
HS (D) 37850, PT476, Mukim 6, Daerah Seberang Perai Tengah, Negeri Pulau Pinang. Postal Address: Plot No. 61, Lorong Perusahaan Maju 3, Kawasan Perusahaan Perai Fasa 4, 13600 Perai, Pulau Pinang.	Industrial land	Warehouse and Office	87,121	60 years ending on 23 September 2052	27 years	30 June 2021*	4,108 (Land) 6,940 (Building)
H.S.(M) 42050, PT 65647, Tempat Selat Klang Utara, Jalan Sultan Suleiman Alauddin/KU17, Bandar Sultan Suleiman, 42000 Pelabuhan Klang, Selangor Darul Ehsan.	Industrial land	Vacant	152,267	99 years ending on 7 December 2110	-	28 February 2022	11,350 (Land)
H.S. (M) 42053, PT65650, Tempat Selat Klang Utara, Jalan Sultan Suleiman Alauddin/KU17, Bandar Sultan Suleiman, 42000 Pelabuhan Klang, Selangor Darul Ehsan.	Industrial land	Vacant	160,503	99 years ending on 7 December 2110	-	28 February 2022	11,610 (Land)
Ruko CBD Jababeka Blok B No. 18, Jl. Niaga Raya Kav. AA3, Pasirsari, Cikarang Selatan, Bekasi, Jawa Barat. Zip code : 17530	Office Unit	Office	624	8 years ending on 24 September 2026, after that extend every 30 years	14 years	30 June 2021*	268 (Building)
Ruko CBD Jababeka Blok B No. 19, Jl. Niaga Raya Kav. AA3, Pasirsari, Cikarang Selatan, Bekasi, Jawa Barat. Zip code : 17530	Office Unit	Office	624	8 years ending on 24 September 2026, after that extend every 30 years	14 years	30 June 2021*	315 (Building)

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the 27th Annual General Meeting of FM Global Logistics Holdings Berhad (“the Company”) will be conducted entirely through live streaming from the **Broadcast Venue at The Vertical, Connexion Conference & Event Centre, The Vertical, Pinnacle 3 (Level M1), Bangsar South City, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia** on **Thursday, 23 November 2023** at **10.00 a.m.**, to transact the following businesses:-

AS ORDINARY BUSINESS:-

- | | |
|---|--|
| 1. To receive the Audited Financial Statements for the financial year ended 30 June 2023 together with the Reports of the Directors and Auditors thereon. | Please refer to Note 1 of the Explanatory Notes to the Agenda |
| 2. To approve the payment of Directors’ fees up to an aggregate amount of RM500,000 for the financial year ending 30 June 2024, to be paid monthly in arrears. | Ordinary Resolution 1 |
| 3. To approve the payment of Directors’ benefits up to an aggregate amount of RM80,000 for the period from 23 November 2023 until the next annual general meeting of the Company. | Ordinary Resolution 2 |
| 4. To re-elect the following Directors who are retiring pursuant to Clause 125 of the Constitution of the Company:- | |
| (a) Yang Heng Lam | Ordinary Resolution 3 |
| (b) Ong Looi Chai | Ordinary Resolution 4 |
| 5. To re-elect Francis Lee Fook Wah who is retiring pursuant to Clause 130 of the Constitution of the Company. | Ordinary Resolution 5 |
| 6. To re-appoint Crowe Malaysia PLT as Auditors of the Company and to authorise the Directors to fix their remuneration. | Ordinary Resolution 6 |

AS SPECIAL BUSINESS:-

To consider and, if thought fit, to pass the following resolutions, with or without modification(s): -

- | | |
|--|------------------------------|
| 7. PROPOSED RENEWAL OF SHAREHOLDERS’ MANDATE FOR SHARE BUY-BACK | Ordinary Resolution 7 |
| <p>“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:</p> | |

Notice of Annual General Meeting (continued)

- (i) 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;
- (ii) 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
- (iii) 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."

Notice of Annual General Meeting (continued)

8. SPECIAL RESOLUTION**WAIVER OF PRE-EMPTIVE RIGHTS UNDER SECTION 85 OF THE COMPANIES ACT 2016****Special Resolution**

“THAT pursuant to Section 85 of the Companies Act 2016 read together with Clause 15 of the Constitution of the Company, approval be and is hereby given for the waiver of 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 8 – Authority to Issue and Allot Shares pursuant to Sections 75 and 76 of the Companies Act 2016.”

9. AUTHORITY TO ISSUE AND ALLOT SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016**Ordinary Resolution 8**

“THAT contingent upon the passing of the Special Resolution on waiver of pre-emptive rights under Section 85 of the Companies Act 2016 (“the 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 authorised 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 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 the Company.”

10. 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,

FONG SOK YEE (MAICSA 7066501) (SSM PC NO. 202008001180)

TE HOCK WEE (MAICSA 7054787) (SSM PC NO. 202008002124)

Company Secretaries

Kuala Lumpur

25 October 2023

Notice of Annual General Meeting (continued)

NOTES:-

- a. The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairman of the meeting to be present at the main venue of the meeting. Shareholders **WILL NOT BE ALLOWED** to attend the 27th Annual General Meeting (“27th AGM”) in person at the Broadcast Venue on the day of the meeting. Shareholders are to attend, speak (including posing questions to the Board via real time submission of typed texts) and vote remotely at the 27th AGM via the remote participation and voting (“RPV”) facilities provided by Tricor Investor & Issuing House Services Sdn Bhd via TIIH Online website at <https://tiih.online>. Please refer to the Administrative Guide for the 27th AGM available at <https://fmgloballogistics.listedcompany.com/AR2023.html> on registration, participation and voting at the 27th AGM.
- b. In respect of deposited securities, only members whose names appear in the Record of Depositors on 14 November 2023 (General Meeting Record of Depositors) shall be eligible to participate in the 27th AGM or appoint proxy(ies) to participate on his behalf at the meeting.
- c. A member, including an authorised nominee, entitled to attend, speak and vote at the meeting may appoint not more than two (2) proxies to attend, speak and vote for him. A proxy need not be a member of the Company.
- d. Where a member is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 which holds ordinary shares 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.
- e. 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.
- f. The appointment of proxy(ies) may be made in the following manner and must be received by the Company not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof:-
 - i. In hard copy form
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, the 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 via TIIH Online website at <https://tiih.online>
Please refer to the Administrative Guide of the 27th AGM for further information on electronic lodgement of Proxy Form via TIIH Online.
- g. Any authority pursuant to which such an appointment is made by a power of attorney must be deposited with the Company’s Share Registrar 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, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia not less than 48 hours before the time appointed for holding the general meeting or adjourned general meeting 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.
- h. Please ensure ALL the particulars as required in the Proxy Form are completed, signed and dated accordingly.
- i. Last date and time for lodging the Proxy Form is **Tuesday, 21 November 2023 at 10.00 a.m.**
- j. For a corporate member who has appointed a representative instead of a proxy to attend the meeting, please deposit the original or duly certified certificate of appointment executed in the manner as stated in the Proxy Form with the Company’s Share Registrar 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, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia if it has not been lodged with the Company’s Share Registrar earlier.
- k. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the Notice of the 27th AGM will be put to vote by poll.

EXPLANATORY NOTES TO THE AGENDA:**1. Item 1 of the Agenda – Audited Financial Statements for the financial year ended 30 June 2023**

This agenda item is meant for discussion only. The provisions of Section 248(2) and 340(1)(a) of the Companies Act 2016 (“Act”) require the audited financial statements and the reports of the Directors and Auditors thereon be laid before the Company at its annual general meeting. Hence, this agenda item is not a business which requires a motion to be put forward for voting.

Notice of Annual General Meeting (continued)

EXPLANATORY NOTES TO THE AGENDA (CONTINUED):**2. Ordinary Resolution 1 – Payment of Directors’ fees**

This proposed resolution, if passed, will facilitate the payment of Directors’ fees for the financial year ending 30 June 2024.

The Directors’ fees payable to Directors are calculated based on the current board size and assuming that all Directors will hold office until the end of the financial year 2024. 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.

3. Ordinary Resolution 2 – Payment of Directors’ Benefits

Directors’ benefits are meeting allowance payable to all Directors and in determining the estimated amount, the Board has considered various factors including the current board size and number of scheduled meetings for the Board and Board Committee for the period from 23 November 2023 until the next annual general meeting. 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.

4. Ordinary Resolutions 3, 4 and 5 – Re-election of retiring Directors

Mr Yang Heng Lam, Mr Ong Looi Chai and Mr Francis Lee Fook Wah are standing for re-election as Directors of the Company and being eligible, have offered themselves for re-election at the 27th AGM.

Their profiles are disclosed in the Board of Directors’ Profile of the Annual Report 2023.

Save as disclosed, the retiring Directors have no conflict of interest with the Company and its subsidiaries. The Nomination Committee (“NC”) has considered the performance and contribution, time and commitment, calibre and personality, and fit and properness of the retiring Directors as well as their objectivity and capability. Based on the recommendation of the NC, the Board is supportive of their re-election based on the following justifications:-

i. Ordinary Resolution 3 – Re-election of Yang Heng Lam as Executive Director

Mr Yang Heng Lam contributes tremendously to the Group by overseeing the Group’s operations as well as directing business growth and strategic direction of the Group. His expertise and hard work had been instrumental to the growth and development of the Group.

ii. Ordinary Resolution 4 – Re-election of Ong Looi Chai as Executive Director

Mr Ong Looi Chai possesses relevant qualification, knowledge and experience which complement the Board’s competencies. He has been involved in the Group’s business operation and able to provide valuable input to steer the Group forward.

iii. Ordinary Resolution 5 – Re-election of Francis Lee Fook Wah as Non-Independent Non-Executive Director

Mr Francis Lee Fook Wah was appointed to the Board on 20 September 2023. He has extensive experience in financial management and regulatory compliance which complement the Board’s competencies.

5. Ordinary Resolution 7 – Proposed Renewal of Shareholders’ Mandate for Share Buy-Back

The proposed resolution, if passed, will empower the Company to purchase its own shares up to 10% of the total number of issued shares of the Company. This authority, unless revoked or varied at a general meeting, will expire at the next annual general meeting of the Company.

Further information relating to this proposed resolution is set out in the Statement to Shareholders dated 25 October 2023.

6. Special Resolution – Waiver of Pre-emptive Rights under Section 85 of the Act

The provision of Section 85 of the Act requires all new shares or other convertible securities of the Company be first offered to shareholders in proportion to their existing holdings.

The purpose of this Special Resolution is to seek waiver from the shareholders on their statutory pre-emptive rights pursuant to Section 85 of the Act. This Special Resolution, if passed, will allow the Directors to issue and allot new shares in the Company from time to time without having to offer the new shares to be issued equally to all existing shareholders of the Company.

7. Ordinary Resolution 8 – Authority to Issue and Allot Shares pursuant to Sections 75 and 76 of the Act

The proposed Ordinary Resolution 8, if passed, will empower the Directors to issue and allot shares up to an aggregate amount not exceeding 10% of the total number of issued shares (excluding treasury shares) of the Company for the time being for such purposes as the Directors consider would be in the best interest of the Company without having to convene separate general meetings. This authority, unless revoked or varied by the Company in a general meeting, will expire at the conclusion of the next annual general meeting of the Company.

This is a renewal of the mandate obtained from shareholders at the last annual general meeting held on 28 November 2022. Subject to the passing of the Special Resolution on the waiver of pre-emptive rights under Section 85 of the Act, the proposed Ordinary Resolution 8, if passed, will 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, acquisitions or such other application as the Directors may deem fit in the best interest of the Company.

As of the date of this notice, the Company did not issue any new shares pursuant to the mandate granted by the shareholders at the last annual general meeting.

**FM GLOBAL LOGISTICS HOLDINGS BERHAD**Registration No. 199601008064 (380410-P)
(Incorporated in Malaysia)

Proxy Form

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

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

being (a) member(s) of FM Global Logistics Holdings Berhad, hereby appoint:-

Full Name in Block Letters		Proportion of Shareholdings
NRIC / Passport No.		
Full Address		%
Email Address		

*and,

Full Name in Block Letters		Proportion of Shareholdings
NRIC / Passport No.		
Full Address		%
Email Address		
		100%

or failing *him / her, the Chairman of the Meeting as *my / our *proxy / proxies to attend and to vote for *me / us on *my / our behalf at the 27th Annual General Meeting of the Company, which will be conducted entirely through live streaming from the Broadcast Venue at The Vertical, Connexion Conference & Event Centre, The Vertical, Pinnacle 3 (Level M1), Bangsar South City, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia on Thursday, 23 November 2023 at 10.00 a.m., and at any adjournment thereof and to vote as indicated below:

RESOLUTIONS		FOR	AGAINST
Ordinary Resolution 1	To approve the payment of Directors' fees for the financial year ending 30 June 2024, to be paid monthly in arrears.		
Ordinary Resolution 2	To approve the payment of Directors' benefits.		
Ordinary Resolution 3	To re-elect Yang Heng Lam as Director of the Company.		
Ordinary Resolution 4	To re-elect Ong Looi Chai as Director of the Company.		
Ordinary Resolution 5	To re-elect Francis Lee Fook Wah as Director of the Company.		
Ordinary Resolution 6	To re-appoint Crowe Malaysia PLT as Auditors of the Company.		
Ordinary Resolution 7	Proposed Renewal of Shareholders' Mandate for Share Buy-Back.		
Special Resolution	Waiver of Pre-emptive Rights under Section 85 of the Companies Act 2016.		
Ordinary Resolution 8	Authority to Issue and Allot Shares pursuant to Sections 75 and 76 of the Companies Act 2016.		

(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 _____ 2023

Telephone no. during office hours:

[Signature / Common Seal of shareholder(s)]

NOTES:-

- a. The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairman of the meeting to be present at the main venue of the meeting. Shareholders **WILL NOT BE ALLOWED** to attend the 27th Annual General Meeting ("27th AGM") in person at the Broadcast Venue on the day of the meeting. Shareholders are to attend, speak (including posing questions to the Board via real time submission of typed texts) and vote remotely at the 27th AGM via the remote participation and voting ("RPV") facilities provided by Tricor Investor & Issuing House Services Sdn Bhd via TIH Online website at <https://tjih.online>. Please refer to the Administrative Guide for the 27th AGM available at <https://fmgloballogistics.listedcompany.com/AR2023.html> on registration, participation and voting at the 27th AGM.
- b. In respect of deposited securities, only members whose names appear in the Record of Depositors on 14 November 2023 (General Meeting Record of Depositors) shall be eligible to participate in the 27th AGM or appoint proxy(ies) to participate on his behalf at the meeting.
- c. A member, including an authorised nominee, entitled to attend, speak and vote at the meeting may appoint not more than two (2) proxies to attend, speak and vote for him. A proxy need not be a member of the Company.
- d. Where a member is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 which holds ordinary shares 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.
- e. 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.
- f. The appointment of proxy(ies) may be made in the following manner and must be received by the Company not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof:
 - i. In hard copy form
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, the 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 via TIH Online website at <https://tjih.online>
Please refer to the Administrative Guide of the 27th AGM for further information on electronic lodgement of Proxy Form via TIH Online.

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FM GLOBAL LOGISTICS HOLDINGS BERHAD

Registration No. 199601008064 (380410-P)

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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- g. Any authority pursuant to which such an appointment is made by a power of attorney must be deposited with the Company's Share Registrar 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, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia not less than 48 hours before the time appointed for holding the general meeting or adjourned general meeting 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.
- h. Please ensure ALL the particulars as required in the Proxy Form are completed, signed and dated accordingly.
- i. Last date and time for lodging the Proxy Form is **Tuesday, 21 November 2023 at 10.00 a.m.**
- j. For a corporate member who has appointed a representative instead of a proxy to attend the meeting, please deposit the **original or duly certified certificate** of appointment executed in the manner as stated in the Proxy Form with the Company's Share Registrar 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, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia if this has not been lodged with the Company's Share Registrar earlier.
- k. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the Notice of the 27th AGM will be put to vote by poll.

Group Directory

NO	AREA	ADDRESS	TEL	FAX
MALAYSIA				
1.	PORT KLANG	FM GLOBAL LOGISTICS (M) SDN. BHD. (Company No. 85740-U) Lot 37, Lebuah Sultan Mohamed 1, Kawasan Perindustrian Bandar Sultan Suleiman, 42000 Port Klang, Selangor Darul Ehsan. General Email address : gen@fmgloballogistics.com Website : www.fmgloballogistics.com	+603-3176 1111 +603-3322 3111	+603-3176 8634
2.	PORT KLANG	FM MULTIMODAL SERVICES SDN. BHD. (Company No. 251269-V) Lot 37B, Lebuah Sultan Mohamed 1, Kawasan Perindustrian Bandar Sultan Suleiman, 42000 Port Klang, Selangor Darul Ehsan. Email : general@fmmultimodal.com	+603-3176 6888	+603-3176 3993 +603-3176 4209
3.	PORT KLANG	CN FM LOGISTICS (MALAYSIA) SDN. BHD. (Company No. 1416773-T) Lot 37B, Lebuah Sultan Mohamed 1, Kawasan Perindustrian Bandar Sultan Suleiman, 42000 Port Klang, Selangor Darul Ehsan. General Email address : enquiry@cnfmlogistics.com	+603-3176 5336	+603-3176 5636
4.	KELANA JAYA	FM GLOBAL LOGISTICS (KUL) SDN. BHD. (Company No. 199558-U) (KLIA-Warehouse & Operation office) Lot C3A, Block C, Malaysia Airlines Freight Forwarders Complex, Free Commercial Zone, KLIA Cargo Village, Kuala Lumpur International Airport, 64000 Sepang, Selangor Darul Ehsan. (KELANA JAYA) Suite 1601-2, Level 16, Tower 2, Wisma AmFIRST, Jalan SS7/15, Jalan Stadium, 47301 Kelana Jaya, Selangor Darul Ehsan. Email : enquiry-air@fmgloballogistics.com	+603-8787 2990	+603-8787 2933
5.	SHAH ALAM	PARCEL TO POST SERVICES SDN. BHD. (Company No. 1224580-W) Lot 14, Lorong Keluli 1C, Kawasan Perindustrian Bukit Raja, 40000 Shah Alam, Selangor. Email : hello@parceltopost.com	+603-3362 5666	
6.	JOHOR BAHRU	FM GLOBAL LOGISTICS (M) SDN. BHD. (Company No. 85740-U) No. 2, Jalan Tiong Emas 5, Kawasan Perindustrian Tebrau, 81100 Johor Bahru, Johor Darul Takzim. General Email address : enquiry-my@fmgloballogistics.com	+607-350 0959	+607-361 2621

Group Directory (continued)

NO	AREA	ADDRESS	TEL	FAX
MALAYSIA				
7.	BUTTERWORTH	FM GLOBAL LOGISTICS (M) SDN. BHD. (Company No. 85740-U) No. 4453 & 4454, Jalan Bagan Luar, 12000 Butterworth, P.W. Pulau Pinang. Email Address : enquiry-pen@fmgloballogistics.com	+604-331 4358	
8.	PENANG	FM GLOBAL LOGISTICS (KUL) SDN. BHD. (Company No. 199558-U) Block A-Unit 8, Cargo Agent Building, MAS Cargo Complex, Penang International Airport, 11900 Bayan Lepas, Pulau Pinang Pulau Mutiara. Email : enquiry-air@fmgloballogistics.com	+604-640 4943 +604-640 4944	+604-640 4948
9.	IPOH	FM GLOBAL LOGISTICS (M) SDN. BHD. (Company No. 85740-U) 1B (2 nd Floor), Persiaran Greentown 9, Greentown Business Centre, 30450 Ipoh, Perak Darul Ridzuan. General Email Address : fmipoh@fmgloballogistics.com Email : cs_ipoh@fmgloballogistics.com	+605-242 1600 +605-255 1382 +605-255 1389 +605-243 1381 +605-242 1358	+605-255 1380 +605-255 1446
10.	MELAKA	FM GLOBAL LOGISTICS (M) SDN. BHD. (Company No. 85740-U) No. 1-2, Jalan PPMP 1, Pusat Perniagaan Malim Permai, 75250 Hang Tuah Jaya, Malim, Melaka Bandar Bersejarah. General Email Address : sales_mel@fmgloballogistics.com	+606-336 8888	+606-336 7777
11.	KUANTAN	FM GLOBAL LOGISTICS (M) SDN. BHD. (Company No. 85740-U) A-43, Tingkat 1, Lorong Balok Perdanan 3/1, Balok Perdana, 26100 Kuantan, Pahang Darul Makmur. General Email Address : azha@fmgloballogistics.com	+609-584 0359 +609-584 0459	+609-584 0159
12.	BUKIT KAYU HITAM	FM GLOBAL LOGISTICS (M) SDN. BHD. (Company No. 85740-U) No. 6, Tingkat 1, Susuran Cenggal Emas, Kompleks Cenggal Emas, 06050 Bukit Kayu Hitam, Kedah Darul Aman. Email : fmbkadmin@fmgloballogistics.com	+604-922 1098	+604-922 1098
13.	KUCHING	FM MULTIMODAL SERVICES SDN. BHD. (Company No. 251269-V) Lot 1255, Block 8, MTLD Demak Laut Industrial Park, Jalan Bako, 93050 Kuching, Sarawak, Malaysia Email : general@fmmultimodal.com	+082-496 143	

Group Directory (continued)

NO	AREA	ADDRESS	TEL	FAX
THAILAND				
FM GLOBAL LOGISTICS CO., LTD.				
1.	BANGKOK	Richmond Building 11 th Floor 75/25 Soi Sukhumvit 26, Klongton, Klongtoey, Bangkok, 10110 Thailand. Email : enquiry-th@fmgloballogistics.com	+66-2 661 2400-6	+66-2 661 2407-8
2.	SADAO	97 Moo 2 Kanjanavanich Road, Samnak kham, Sadao, Songkhla 90320 Thailand.	+66-74-802089	
INDONESIA				
PT. FM GLOBAL LOGISTICS				
1.	JAKARTA	Rukan Artha Gading Niaga Blok H No. 11, Jl. Bulevar Artha Gading, Kelapa Gading 14240, Jakarta Utara, Indonesia. Email : enquiry-id@fmgloballogistics.com	+62-21 4585 6727 +62-21 4585 0905	
2.	JAKARTA	Jakarta Cengkareng Airport Office & Warehouse Soewarna Integrated Business Park Warehouse Area, Block E3 Soekarno Hatta, International Airport Tangerang 19110, Indonesia. Email : enquiry-id@fmgloballogistics.com	+62-21 5591 1270	
3.	CIKARANG	Ruko CBD Jababeka Blok B No. 18 & 19, Jl. Niaga Raya Kav AA3, Cikarang Baru, Bekasi 17550 Kawasan Industri Jababeka Tahap 2, Indonesia. Email : enquiry-id@fmgloballogistics.com	+62-21 893 4869 +62-21 893 4913 +62-21 8984 2368	
4.	BANDUNG	Topaz Commercial TC-78, Jl. Boulevard Selatan - Summarecon Bandung, Bandung 40294, Indonesia. Email : enquiry-id@fmgloballogistics.com	+62-22 753 5706 +62-22 753 5719 +62-22 8730 4055 +62-22 756 5687	
5.	MEDAN (BELAWAN)	Graha Harmoni Building 5 th Floor, Jln. Gaharu No. 2B, Harmoni, Medan Timur, Kota Medan, Sumatera Utara 20235, Indonesia. Email : enquiry-id@fmgloballogistics.com	+62-61 414 1723 +62-61 414 1785	
6.	SURABAYA	Wisma AGI - 3rd. Fl, Unit A, Jl. Tidar No. 17-19, Surabaya 60251, Jawa Timur, Indonesia. Email : enquiry-id@fmgloballogistics.com	+62-31 531 8903	

Group Directory (continued)

NO	AREA	ADDRESS	TEL	FAX
VIETNAM FM GLOBAL LOGISTICS COMPANY LIMITED FM-TC GLOBAL LOGISTICS CO., LTD				
1.	HO CHI MINH	Unit 1205, 12 th Floor, Citilight Tower, 45 Vo Thi Sau Street, Dakao Ward, District 1, Ho Chi Minh City, Vietnam. Email : enquiry-vn@fmgloballogistics.com	+8428-3823 8628	+8428-3823 7868
2.	HAIPHONG	Unit 516A, 5 th Floor, TD Business Center, Lot 20A, Le Hong Phong Street, Dong Khe Ward, Ngo Quyen District, Hai Phong City, Vietnam. Email : enquiry-vn@fmgloballogistics.com	+ 84225-3722 168	+ 84225-3722 998
3.	HA NOI	12 th Floor, Mipec Tower, 229 Tay Son Street, Nga Tu So Ward, Dong Da District, Ha Noi City, Vietnam. Email : enquiry-vn@fmgloballogistics.com	+ 8424-6683 1836	
INDIA FM GLOBAL LOGISTICS (INDIA) PVT. LTD.				
1.	CHENNAI	23, Andhra Chamber of Commerce Building, 2 nd floor, 3 rd Cross Street. West CIT Nagar, Nandanam, Chennai - 600035, Tamilnadu, India. Email : Dhamu.maa@fmgloballogistics.com, acc-maa@fmgloballogistics.com	+91 44 4854 6088	+91 442 433 2045
2.	MUMBAI	V TIMES SQUARE, Office Number 1003, 10 th Floor, Plot Number 03, Sector 15, C B D Belapur, Navi Mumbai 400614 Email : nadeem@fmgloballogistics.com, abdul@fmgloballogistics.com	+91 226 846 3300	+91 226 846 3301
3.	JAIPUR	307, 3 rd Floor, Amrpali Plaza, Amrpali Circle, Vaishali Nagar, Jaipur 302021 Email : Girish-jaipur@fmgloballogistics.com, cs-jaipur@fmgloballogistics.com	+91 978 468 9968	
4.	KANPUR	40/119, 3 rd Floor, Hospital Road, Parade, Kanpur-208001 (U.P.) India Email : karim-kanpur@fmgloballogistics.com	+91 700 727 7741	
INDIA FM GLOBAL CONSOLIDATION SERVICES PVT LTD				
1.	AHMEDABAD	Sakar IX, 4 th Floor, B-411, OPP Gold City Cinema, Ashram road, Ahmedabad - 380009 Email : ram@fmgloballogistics.com	+91 734 95 025	
2.	NEW DELHI	502, 5 th flr, Kushal Bazar 32-33, Nehru Plae, New Delhi - 110019 Email : bikku@fmgloballogistics.com	+91 955 513 3384	

Group Directory (continued)

NO	AREA	ADDRESS	TEL	FAX
AUSTRALIA FM GLOBAL LOGISTICS PTY. LTD.				
1.	FREMANTLE	6 Rivers Street Bibra Lake WA 6163, Australia. Email : brad@fmgloballogistics.com.au	+61 8 9314 2004	+61 8 9314 6004
2.	MELBOURNE	Suite 3, 7/9 Mallett Rd Tullamarine VIC 3043, Australia. Email : verena@fmgloballogistics.com.au	+61 3 7031 8800	
3.	ADELAIDE	Level 2, 306 St Vincent Street, Port Adelaide SA 5015, Australia. Email : darren@fmgloballogistics.com.au	+61 8 7119 0499	
4.	BRISBANE	Unit 29, 16 Crockford Street, Northgate QLD 4013, Australia. Email : brad.evans@fmgloballogistics.com.au	+61 7 3709 0400	
5.	SYDNEY	680/684 Old Princess Highway Sutherland NSW 2232, Australia. Email : ross@fmgloballogistics.com.au	+61 2 7500 5050	
PHILIPPINES FM GLOBAL LOGISTICS (PHIL.), INC.				
1.	MANILA	2/F, TMI Centre Arzobispo St, Intramuros, Manila, Philippines. Email : elma@fmgloballogistics.com	+63 - 2- 85270221 +63 - 2- 85270224	+63 - 2- 85270209
2.	CEBU	Plaridel St. Looc Mandaue City, Cebu, Philippines. Email : dante-ph@fmgloballogistics.com	+63 - 32- 3450937 +63 - 32- 3449698	
3.	PARANAQUE	G/F Unit 22 Cargo Village Complex Ninoy Aquino cor. Multinational Aves. Brgy. Sto. Niño, Parañaque City, Philippines. Email : airfreight-ph@fmgloballogistics.com	+63 - 2- 88390538 +63 - 2- 88390539	+63 - 2- 88390411
4.	LAS PIÑAS	Las Pinas Cargo Complex Previously Francisco Motors Compound J. Aguilar Ave., CAA Road, Las Pinas City Email : elma@fmgloballogistics.com Email : irene-ph@fmgloballogistics.com	+63 - 2- 83767090	
UAE AMASS MIDDLE EAST SHIPPING SERVICES LLC				
1.	DUBAI	202, Sultan Business Centre, Oud Metha, P.O. Box 33463, Dubai, UAE Email : jay.prakash@dxb.amassfreight.com	+971 4 2255551	+971 4 2221794
USA FM GLOBAL LOGISTICS (USA), LLC				
1.	LOS ANGELES	735 W. Emerson Ave Monterey Park, CA 91745, USA Email : info-usa@fmgloballogistics.com	323-982-8007	323-982-8711
USA INTER-ORIENT SERVICES				
1.	LOS ANGELES	735 W. Emerson Ave Monterey Park, CA 91745, USA Email : info@interorientalservices.com	323-263-1820	323-604-1837

GRI Contents Index FY2023

Page indications in this index refer to FMGL Annual Report 2023 ("the Report") unless otherwise noted. The Sustainability Report is contained in the Report on pages 46 to 87.

FMGL's 2023 Annual Report has been prepared with reference to the GRI Standards 2016, 2018 and 2021, which refer to standards issue date, not the date of the information presented in this report.

GRI STANDARD/OTHER SOURCE	DISCLOSURE	SDG	PAGE NUMBER	REMARKS	
GENERAL DISCLOSURES					
GRI 2: General Disclosures 2021	2-1	Organisational details	-	4-7	About Us
	2-2	Entities included in the organisation's sustainability reporting	-	4-7 41	About Us Corporate Structure
	2-3	Reporting period, frequency and contact point	-	50 51	Reporting Period and Scope Feedback
	2-4	Restatements of information	-	60	FY2022: LED lights initiative target savings of GHG emissions.
	2-5	External assurance	-	-	No external assurance
	2-6	Activities, value chain and other business relationships	-	4-7 8-14 16-35 40 65-69	About Us Chairman's Statement Management Discussion & Analysis Corporate Information Economic & Governance
	2-7	Employees	8; 10	75-87	Social
	2-8	Workers who are not employees	5; 8; 16	-	FMGL has contract workers, part time employees and interns.
	2-9	Governance structure and composition	5; 16	53-54 93-108	Sustainability Governance Structure Corporate Governance Overview Statement
	2-10	Nomination and selection of the highest governance body	5; 6; 16	40 93-108	Corporate Information Corporate Governance Overview Statement
	2-11	Chair of the highest governance body	16	93-108	Corporate Governance Overview Statement
	2-12	Role of the highest governance body in overseeing the management of impacts	16	53-54	Sustainability Governance Structure
	2-13	Delegation of responsibility for managing impacts	-	53-54 58-64 109-112	Sustainability Governance Structure Materiality Matters Statement on Risk Management and Internal Control
	2-14	Role of the highest governance body in sustainability reporting	-	53-54	Sustainability Governance Structure
	2-15	Conflicts of interest	16	93-108 109-112	Corporate Governance Overview Statement Statement on Risk Management and Internal Control
	2-16	Communication of critical concerns	-	58-64 68 69 93-108 89-92 109-112	Materiality Matters Balancing Risk and Opportunities Risk Mitigation Corporate Governance Overview Statement Audit and Risk Management Committee Report Statement on Risk Management and Internal Control
	2-17	Collective knowledge of the highest governance body	-	42-44	Board of Directors' Profile
	2-18	Evaluation of the performance of the highest governance body	-	- 93-108	Board Charter, Directors' Fit & Proper Policy at www.fmgloballogistics.com/investor/ Corporate Governance Overview Statement
	2-19	Remuneration policies	-	93-108 89-92 109-112	Remuneration Policy and Procedure for Directors and Senior Management at www.fmgloballogistics.com/Investor/ Corporate Governance Overview Statement Audit and Risk Management Committee Report Statement on Risk Management and Internal Control

GRI Contents Index FY2023 (continued)

GRI STANDARD/OTHER SOURCE	DISCLOSURE	SDG	PAGE NUMBER	REMARKS	
GENERAL DISCLOSURES (continued)					
GRI 2: General Disclosures 2021	2-20	Process to determine remuneration	-	93-108	Corporate Governance Overview Statement
				89-92	Audit and Risk Management Committee Report
				109-112	Statement on Risk Management and Internal Control
	2-22	Statement on sustainable development strategy	-	16-35	Management Discussion & Analysis
				48-49	Enhancing Sustainability: A Commitment to Progress
				50-51	Shaping a More Sustainable Future
				52	Sustainability Roadmap
				93-108	Corporate Governance Overview Statement
	2-23	Policy commitments	16	54	Code of Conduct, Supplier Code of Conduct at www.fmgloballogistics.com/investor/
				70-76	Environmental
	2-24	Embedding policy commitments	-	54	Sustainability Policy
					Code of Conduct, Supplier Code of Conduct at www.fmgloballogistics.com/investor/
				65-69	Economic & Governance
		70-76	Environmental		
	2-25	Processes to remediate negative impacts	-	16-35	Management Discussion & Analysis
28-29				Managing Risks	
68				Balancing Risk and Opportunities	
69				Risk Mitigation	
70-76				Environmental	
109-112				Statement on Risk Management and Internal Control	
2-26	Mechanisms for seeking advice and raising concerns	16	-	Investor Relations at www.fmgloballogistics.com/investor/	
			51	Feedback Contact for info at www.fmgloballogistics.com/contact-us/	
2-27	Compliance with laws and regulations	-	58-64	Materiality Matters	
			65-69	Economic & Governance	
			70-76	Environmental	
			93-108	Corporate Governance Overview Statement	
			109-112	Statement on Risk Management and Internal Control	
116-216	Financial Statements				
2-28	Membership associations	-	55	Memberships in Associations	
2-29	Approach to stakeholder engagement	-	56-57	Stakeholder Engagement	
2-30	Collective bargaining agreements	8	-	FMGL does not subscribe to collective bargaining in employment. Nevertheless, we are open to discussions with employees on various matters such as remuneration, benefits, workplace conditions and pertinent matters.	
MATERIAL TOPICS					
GRI 3: Material Topics 2021	3-1	Process to determine material topics	-	58-64	Materiality Matters
	3-2	List of material topics	-	58-64	Materiality Matters
ECONOMIC PERFORMANCE					
GRI 3: Material Topics 2021	3-3	Management of material topics	-	All material matters sections	Throughout the Annual Report and Sustainability Report
	GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	8; 9	38-39
				16-35	Management Discussion & Analysis
				34-35	Value Creation Model
				65-69	Economic & Governance
				116-216	Financial Statements
201-2	Financial implications and other risks and opportunities due to climate change	13	38-39	Financial Highlights	
			16-35	Management Discussion & Analysis	
			65-69	Economic & Governance	
			70-76	Environmental	
			116-216	Financial Statements	

GRI Contents Index FY2023 (continued)

GRI STANDARD/OTHER SOURCE	DISCLOSURE	SDG	PAGE NUMBER	REMARKS	
GENERAL DISCLOSURES (continued)					
ECONOMIC PERFORMANCE (continued)					
GRI 201: Economic Performance 2016	201-3	Defined benefit plan obligations and other retirement plans	-	-	FMGL abides by all relevant laws of the countries where we operate.
	201-4	Financial assistance received from government	-	77-85 78	Social Employee training and development claimable courses under HRD Corp.
MARKET PRESENCE					
GRI 202: Market Presence 2016	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	1; 5; 8	-	The compensation we offer is based on the minimum wage and internal equity of the respective positions as well as the employee's skill set and/ or experience. As far as possible, we strive to offer all our employees comparable compensation structures and monitor compliance with minimum standards.
	202-2	Proportion of senior management hired from the local community	1; 5; 8	-	Majority of the Senior Management are hired from the local community.
INDIRECT ECONOMIC IMPACTS					
GRI 203: Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported	5; 6; 8; 9; 11	4-7 8-14 16-35	About Us Chairman's Statement Management Discussion & Analysis
	203-2	Significant indirect economic impacts	1; 3; 6; 8	4-7 8-14 16-35 34-35 86-87	About Us Chairman's Statement Management Discussion & Analysis Value Creation Model CSR Four Core Pillars
PROCUREMENT PRACTICES					
GRI 3: Material Topics 2021	3-3	Management of material topics	-	65-69 93-108 109-112	Economic & Governance Corporate Governance Overview Statement Statement on Risk Management and Internal Control
ANTI-CORRUPTION					
GRI 3: Material Topics 2021	3-3	Management of material topics	-	27-29 58-64 93-108 109-112	Key Material Concerns Materiality Matters Corporate Governance Overview Statement Statement on Risk Management and Internal Control
				27-29 109-112	Key Material Concerns Statement on Risk Management and Internal Control
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	16	27-29 109-112	Key Material Concerns Statement on Risk Management and Internal Control
	205-2	Communication and training about anti-corruption policies and procedures	16	27-29 58-64 93-108 109-112	Key Material Concerns Materiality Matters Corporate Governance Overview Statement Statement on Risk Management and Internal Control
	205-3	Confirmed incidents of corruption and actions taken	16	-	There were no incidences reported during FY2023
ANTI-COMPETITIVE BEHAVIOUR					
GRI 3: Material Topics 2021	3-3	Management of material topics	-	-	None
GRI 206: Anti-competitive Behaviour 2016	206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	16	-	None
TAX					
GRI 207: Tax 2019	207-1	Approach to tax	1; 10; 17	116-216	Financial Statements
	207-2	Tax governance, control, and risk management	1; 10; 17	89-92 109-112	Audit and Risk Management Committee Report Statement on Risk Management and Internal Control
	207-3	Stakeholder engagement and management of concerns related to tax	1; 10; 17	- 16-35 56-57 116-216	Investor Relations at www.fmgloballogistics.com/investor/ Management Discussion & Analysis Stakeholder Engagement Financial Statements
	207-4	Country-by-country reporting	-	116-216	Financial Statements

GRI Contents Index FY2023 (continued)

GRI STANDARD/OTHER SOURCE	DISCLOSURE	SDG	PAGE NUMBER	REMARKS	
GENERAL DISCLOSURES (continued)					
MATERIALS					
GRI 301: Materials 2016	301-1	Materials used by weight or volume	8; 12	-	Establishing Groundwork
	301-2	Recycled input materials used	8; 12	58-64	Materiality Matters
	301-3	Reclaimed products and their packaging materials	8; 12	70-76	Environmental
ENERGY					
GRI 3: Material Topics 2021	3-3	Management of material topics	-	58-64 70-76	Materiality Matters Environmental
	GRI 302: Energy 2016	302-1	Energy consumption within the organisation	6; 7; 8; 9; 11; 12; 13; 14; 15; 17	71-72
302-2		Energy consumption outside of the organisation	7; 8; 12; 13	-	Establishing Groundwork
302-3		Energy intensity	6; 7; 8; 9; 11; 12; 13; 14; 15; 17	72	Energy Intensity FY2023
302-4		Reduction of energy consumption	6; 7; 8; 12; 13	72	Energy Intensity FY2023
302-5		Reductions in energy requirements of products and services	7; 8; 12; 13	72	Energy Intensity FY2023
WATER AND EFFLUENTS					
GRI 3: Material Topics 2021	3-3	Management of material topics	-	58-64 70-76	Materiality Matters Environmental
	GRI 303: Water and Effluents 2018	303-1	Interactions with water as a shared resource	3; 6; 12	71 70-76
303-2		Management of water discharge-related impacts	3; 6; 12	70-76	Environmental
303-3		Water withdrawal	6; 12	70-76	Environmental
303-4		Water discharge	3; 6; 12	70-76	Environmental
303-5		Water consumption	6	70	FMGL Water Consumption FY2023
BIODIVERSITY					
GRI 3: Material Topics 2021	3-3	Management of material topics	-	58-64 70-76	Materiality Matters Environmental
	GRI 304: Biodiversity 2016	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	3; 6; 13; 14; 15	4-7 70-76
304-2		Significant impacts of activities, products and services on biodiversity	3; 6; 13; 14; 15	-	None
304-3		Habitats protected or restored	6; 13; 14; 15	70-76	Environmental
304-4		IUCN Red List species and national conservation list species with habitats in areas affected by operations	6; 13; 14; 15	70-76	Environmental

GRI Contents Index FY2023 (continued)

GRI STANDARD/OTHER SOURCE	DISCLOSURE	SDG	PAGE NUMBER	REMARKS	
GENERAL DISCLOSURES (continued)					
EMISSIONS					
GRI 3: Material Topics 2021	3-3	Management of material topics	-	58-64 70-76	Materiality Matters Environmental
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	3; 12; 13; 14; 15	73-74	GHG Emissions FY2023
	305-2	Energy indirect (Scope 2) GHG emissions	3; 12; 13; 14; 15	73-74	GHG Emissions FY2023
	305-3	Other indirect (Scope 3) GHG emissions	3; 12; 13; 14; 15	-	Establishing Groundwork
	305-4	GHG emissions intensity	3; 13; 14; 15	73-74	GHG Emissions FY2023
	305-5	Reduction of GHG emissions	3; 12; 13; 14; 15	-	Establishing Groundwork
	305-6	Emissions of ozone-depleting substances ("ODS")	3; 12; 13; 14; 15	-	Establishing Groundwork
	305-7	Nitrogen oxides ("NOx"), sulfur oxides ("SOx"), and other significant air emissions	3; 12; 13; 14; 15	58-64	Materiality Matters
WASTE					
GRI 3: Material Topics 2021	3-3	Management of material topics	-	77-85	Social
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	3; 6; 11; 12	75	Scheduled Waste Disposal FY2023
	306-2	Management of significant waste-related impacts	3; 8; 11; 12	48-54 58-64 70-76	ESG Framework Materiality Matters Environmental
	306-3	Waste generated	3; 6; 11; 12; 15	75	Scheduled Waste Disposal FY2023
	306-5	Waste directed to disposal	3; 6; 11; 12; 15	75	Scheduled Waste Disposal FY2023
SUPPLIER ENVIRONMENTAL ASSESSMENT					
GRI 3: Material Topics 2021	3-3	Management of material topics	-	- 65-69	The Group's Procurement Policy Economic & Governance
GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	-	-	None
	308-2	Negative environmental impacts in the supply chain and actions taken	-	-	None
EMPLOYMENT					
GRI 3: Material Topics 2021	3-3	Management of material topics	-	- - 77-85	Diversity Policy at www.fmgloballogistics.com/investor/ Employee Handbook and offer letters Social
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	5; 8; 10	35	New Hires FY2023
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	3; 5; 8	77-85	Social
	401-3	Parental leave	3; 5; 8	-	Leave Allocation
LABOUR/MANAGEMENT RELATIONS					
GRI 402: Labour/Management Relations 2016	402-1	Minimum notice periods regarding operational changes	8	79 -	Labour Management Relations As and when required

GRI Contents Index FY2023 (continued)

GRI STANDARD/OTHER SOURCE	DISCLOSURE	SDG	PAGE NUMBER	REMARKS	
GENERAL DISCLOSURES (continued)					
OCCUPATIONAL HEALTH AND SAFETY					
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	3; 8	77-85	Social
	403-2	Hazard identification, risk assessment, and incident investigation	3; 8	77-85	Social
	403-3	Occupational health services	3; 8	77-85	Social
	403-4	Worker participation, consultation, and communication on occupational health and safety	3; 8; 16	61, 63	Health, Safety, Social and Environment ("HSSE") Training
	403-5	Worker training on occupational health and safety	3; 8	61, 63	HSSE Training
	403-6	Promotion of worker health	3; 8	61, 63	HSSE Training
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	3; 8	61, 63	HSSE Training
	403-8	Workers covered by an occupational health and safety management system	3; 8	84	Work Related Incidents FY2023
	403-9	Work-related injuries	3; 5; 8	77-85	Social
	403-10	Work-related ill health	3; 8; 16	-	No reported incidences during FY2023
TRAINING AND EDUCATION					
GRI 3: Material Topics 2021	3-3	Management of material topics	-	-	Diversity Policy at www.fmgloballogistics.com/investor/ Social
	404-1	Average hours of training per year per employee	4; 5; 8	85	Training FY2023
GRI 404: Training and Education 2016	404-2	Programmes for upgrading employee skills and transition assistance programmes	4; 5; 8	77-85	Average 6.99 hours
	404-3	Percentage of employees receiving regular performance and career development reviews	5; 8; 10	-	Annually
DIVERSITY AND EQUAL OPPORTUNITY					
GRI 3: Material Topics 2021	3-3	Management of material topics	-	-	Diversity Policy at www.fmgloballogistics.com/investor/ Social
	405-1	Diversity of governance bodies and employees	5; 8	42-44 77-85	Board of Directors' Profile Social
GRI 405: Diversity and Equal Opportunity 2016	405-2	Ratio of basic salary and remuneration of women to men	5; 8; 10	-	The basic salary and remuneration we offer is based on the market rate and internal equity of the respective positions as well as the employee's skill set and experience. As far as possible, we strive to offer all our employees comparable compensation structures and monitor compliance with minimum standards.
	NON-DISCRIMINATION				
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	5; 8	-	No occurrences of discrimination of any type was reported during FY2023. Corporate Code of Business Conduct and Work Ethics Policy available at www.fmgloballogistics.com .
	FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING				
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	8	-	FMGL does not use collective bargaining but engages in discussions with employees on various matters, including compensation, benefits, workplace conditions, and relevant issues.

GRI Contents Index FY2023 (continued)

GRI STANDARD/OTHER SOURCE	DISCLOSURE	SDG	PAGE NUMBER	REMARKS
GENERAL DISCLOSURES (continued)				
CHILD LABOUR				
GRI 408: Child Labour 2016	408-1 Operations and suppliers at significant risk for incidents of child labour	5; 8; 16	-	FMGL opposes to child labour or other forms of exploitation that also includes our vendors and suppliers.
FORCED OR COMPULSORY LABOUR				
GRI 409: Forced or Compulsory Labour 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour	5; 8; 16	-	FMGL opposes to forced or compulsory labour or other forms of exploitation that also includes our vendors and suppliers.
SECURITY PRACTICES				
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	16	-	We outsource security to providers under service agreements, ensuring SOP compliance. Our HSSE Committee monitors personnel behaviour with monthly reviews.
RIGHTS OF INDIGENOUS PEOPLES				
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples	2; 16	-	No Incidents reported during FY2023
LOCAL COMMUNITIES				
GRI 3: Material Topics 2021	3-3 Management of material topics	-	70-76	Environmental
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programmes	1; 2; 3, 4, 8, 9, 11, 16, 17	70-76	Environmental
	413-2 Operations with significant actual and potential negative impacts on local communities	1; 2; 3, 4, 8, 9, 11, 16, 17	70-76	Environmental
SUPPLIER SOCIAL ASSESSMENT				
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	5; 8; 16	-	None
	414-2 Negative social impacts in the supply chain and actions taken	5; 8; 16	-	None
PUBLIC POLICY				
GRI 415: Public Policy 2016	415-1 Political contributions	16	-	None
CUSTOMER HEALTH AND SAFETY				
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	3; 16	70-76	Environmental
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	3; 16	-	No incidents reported during FY2023
MARKETING AND LABELLING				
GRI 417: Marketing and Labelling 2016	417-2 Incidents of non-compliance concerning product and service information and labeling	16	-	During 2023, FMGL has not been notified through the available channels of any significant sanction for non-compliance concerning product and service information and labeling.
	417-3 Incidents of non-compliance concerning marketing communications	16	-	During 2023, FMGL has not been notified through the available channels of any significant sanction for non-compliance concerning marketing communications.
CUSTOMER PRIVACY				
GRI 3: Material Topics 2021	3-3 Management of material topics	-	-	Privacy Policy Notice at www.fmgloballogistics.com/investor/
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	16	-	During 2023, FMGL has not been notified through the available channels of any significant sanction for the breach of the customer's privacy and personal data protection rules.

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