



**FM GLOBAL LOGISTICS HOLDINGS BERHAD**  
Registration No. 199601008064 (380410-P)

# servicematters

ANNUAL REPORT 2024

- Sea Freight
- Air Freight
- Land Freight
- 3PL, Warehouse & Distribution
- Haulage
- Customs Brokerage
- Land Transportation
- E-Commerce Fulfilment
- Last Mile Services



# servicematters



**servicematters** is a powerful testament to FM Global Logistics Holdings Berhad's ("FM") exponential growth and commitment to excellence since its inception in 1988. Over nearly four decades, FM has marked a significant shift, maturing from traditional logistics practices to a comprehensive approach that integrates exceptional service with sustainability and resilience.

Our experienced and skilled workforce adeptly navigates the complexities of integrated logistics, assimilating our core value of exemplary service. Despite ongoing disruptions in global logistics, our attention to detail remains crucial, as every aspect of our operations is intricately linked to delivering high calibre value and ensuring our clients' success.

We have made deliberate strides to incorporate sustainable practices into our integrated logistics operations, focusing on creating tangible and intangible value as part of our strategic blueprint. This approach infuses Environmental, Social and Governance ("ESG") standards throughout our operations, apart from ensuring our steadfast financial performance.

This trajectory further demonstrates how value-added services are coupled with responsible and forward-thinking practices, which is evident in our consistent financial and non-financial performance over the years.

By emphasising continuous operational improvement and adopting a broader, more impactful role in shaping the future of integrated logistics, we are dedicated to addressing industry challenges, embracing sustainability, delivering unparalleled service and creating value for all stakeholders in an ever-evolving business landscape.

## Your Connection to the World

FM is simplifying logistics to connect businesses, customers and communities through efficient, reliable and safer solutions.

**Our Vision** is to be a global, innovative, sustainable and integrated leading supply chain logistics partner to support and advance the United Nations Sustainable Development Goals (UNSDG) 5Ps of People, Planet, Prosperity, Peace and Partnerships.

# 28<sup>th</sup> Annual General Meeting

**Broadcast Venue:**

Connexion Conference & Event Centre  
The Vertical, Pinnacle 3 (Level M1)  
Bangsar South City, No. 8, Jalan Kerinchi  
59200 Kuala Lumpur, Malaysia

**Date:**

Tuesday, 26 November 2024

**Time:**

10:00 a.m.



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Scan this QR Code for  
the online copy of the  
Annual Report 2024.

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## Future Focused



### PEOPLE

Building a High Performance Culture



### CUSTOMERS

Listening & Improving Service



### QUALITY

Meeting Expectations & Continually Improving Satisfaction Levels



### GROWTH

Being Innovative to Achieve Success



# 01

## Executive Summary

- 4 About Us
- 6 FM Integrated Freight & Logistics Services
- 8 Chairman's Statement
- 14 Management Discussion & Analysis





# About Us



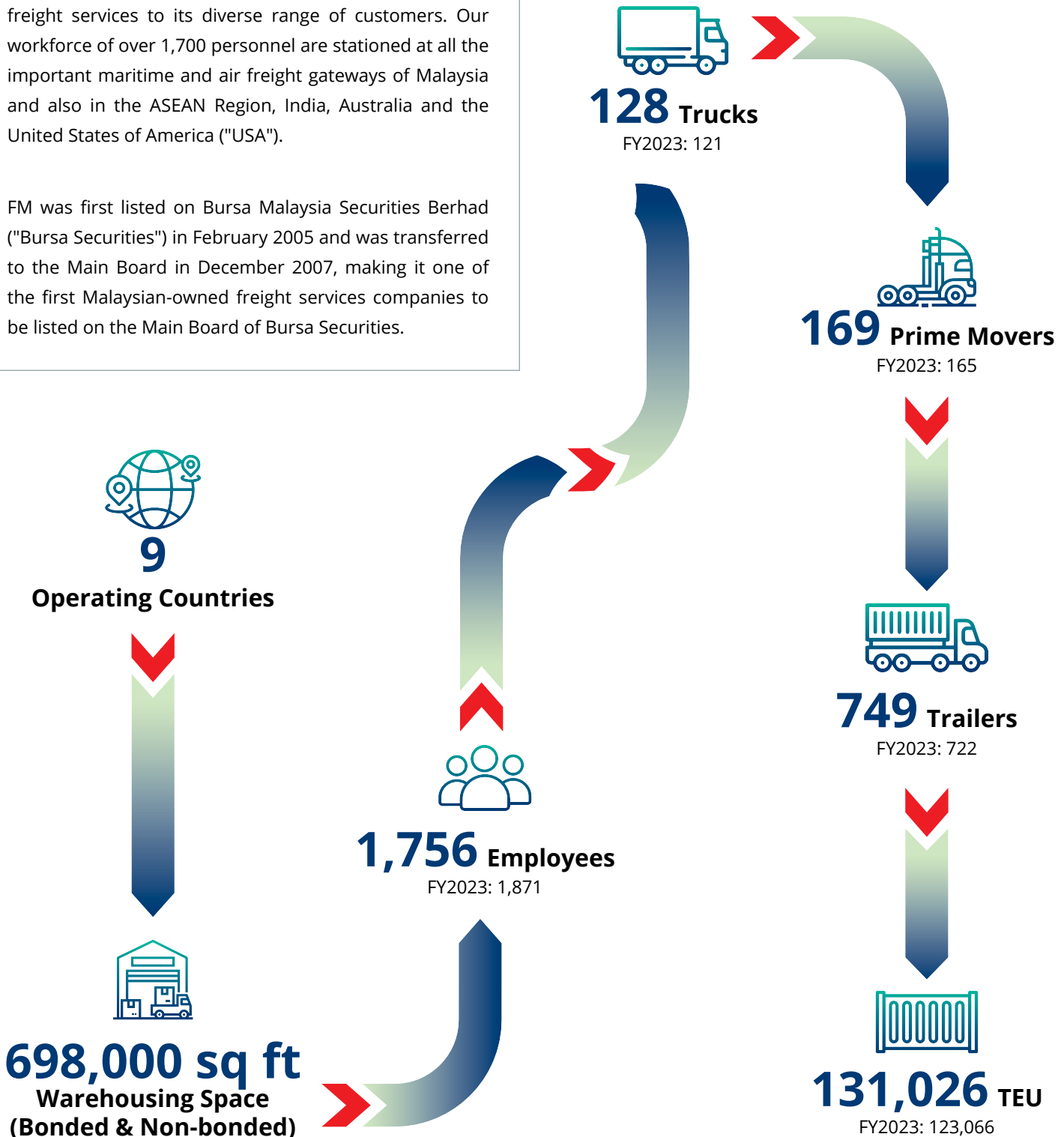
Established in 1988, FM Global Logistics Holdings Berhad (“FM” or “the Group”) stands as a preferred International Freight Services Provider headquartered in Malaysia. We specialise in integrated **International Freight Services**, encompassing Sea Freight Less Than Container Load (“LCL”), Full Container Load (“FCL”), Air Freight and Land Freight services, including cross-border trucking services.

Within our **Domestic Logistics** segment, we offer a wide array of services, including Third Party Logistics (“3PL”), Warehousing & Distribution and Supporting Services. These services extend to Customs Brokerage, Haulage, E-Commerce Fulfilment and Last Mile Delivery, offering our clients with a seamless and integrated logistics experience.

About Us (continued)

This enables the Group to offer dedicated and reliable freight services to its diverse range of customers. Our workforce of over 1,700 personnel are stationed at all the important maritime and air freight gateways of Malaysia and also in the ASEAN Region, India, Australia and the United States of America ("USA").

FM was first listed on Bursa Malaysia Securities Berhad ("Bursa Securities") in February 2005 and was transferred to the Main Board in December 2007, making it one of the first Malaysian-owned freight services companies to be listed on the Main Board of Bursa Securities.





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



# Global Integrated International Freight & Logistics Services

FM is a leading international freight forwarder in the ASEAN Region, operating as an intermediate agent between importers/exporters and carriers.



## International and Domestic Sea Freight Services LCL/FCL

FM's extensive experience in export/import sea freight services ensures efficient handling of customers' cargo movement internationally and between Peninsular Malaysia and Sabah/Sarawak.





### International and Domestic Air Freight Services

FM handles inbound and outbound air freight services both internationally and between Peninsular Malaysia and Sabah/ Sarawak. We are part of an established worldwide network of air freight forwarders, offering seamless air freight services to all major destinations.



### Haulage & Customs Clearance

FM operates an extensive fleet of prime movers and trailers, delivering comprehensive door-to-door and port-to-port solutions for its FCL clients. In addition, FM offers professional and efficient customs clearance services for both sea and air freight forwarding, ensuring seamless logistics management.



### Project Management

FM's Project Management Department is equipped to handle the organisation and shipping of all oversized cargo.



### 3PL, Warehousing & Distribution

FM operates a total of 698,000 square feet ("sq ft") of bonded and non-bonded ambient and cool warehouses. We offer a one-stop centre for storage, value-added services and distribution, and E-Commerce Fulfilment services.



### Land Transportation

FM's extensive fleet of 128 trucks, 169 prime movers and 749 trailers enables door-to-door delivery and cross-border services spanning across Peninsular Malaysia. Our services extend between Malaysia, Singapore and Thailand. We accommodate a range of transportation services, including Full Truck Load, Less Than Truck Load and Container Haulage.



### Last Mile Delivery

FM, through its wholly owned subsidiary Parcel To Post Services Sdn. Bhd., operates Business-to-Business ("B2B") and Business-to-Consumer ("B2C") Last Mile Delivery services.

# Chairman's Statement

## Dear Valued Shareholders,

Reflecting on the Financial Year Ended 30 June 2024 ("FY2024"), we have observed the evolving dynamics within the global logistics industry and the broader economic environment.

FY2024 presented challenges, including the normalisation of freight rates and fluctuating import/export demand across most industries, particularly in Q1 and Q2 FY2024 (July to December 2023) due to typical seasonal patterns and rising operational costs driven by inflationary pressures.

These trends aligned with global market data for this period, where factors such as inflation, geopolitical tensions and shifting consumer demand patterns further impacted trade growth (*Sources: UNCTAD, Global Trade Reports 2023*).

Despite these external challenges, FM has stayed focused on operational adaptability, strategic expansion and resolute commitment to sustainable growth.



Chairman's Statement (continued)

**KEY ECONOMIC AND INDUSTRY TRENDS INFLUENCING OUR PERFORMANCE**

During the year, the global logistics industry faced downward pressures. Geopolitical uncertainties, inflationary trends and evolving trade policies continued to reshape the landscape of global supply chains. Freight rates, which surged during the peak of the pandemic, have gradually returned to pre-pandemic levels. While the rate adjustments impacted revenue, we experienced a more stable cost environment, enabling FM to realign and optimise operations to support long-term sustainability.

In Malaysia, our primary market, economic growth showed a steady improvement, with GDP growing by 3.7% in 2023 and accelerating to 5.1% in the first half of 2024 after a period of moderate expansion.

*(Source: Department of Statistics Malaysia).*

This progressive growth pattern corresponded with broader global economic conditions while also reflecting the relative strength of our Domestic Logistics segment, which experienced improved performance in FY2024. Our strategic investments in 3PL, Warehousing & Distribution have influenced the increasing demand for Domestic Logistics, allowing us to better serve our customers and mitigate the overarching concerns in International Freight.

**FINANCIAL HIGHLIGHTS: STABILITY AMID REVENUE DECLINE**

In FY2024, FM registered total Revenue of RM817.5 million, representing a 13.8% decline compared to FY2023 due to the regularisation of freight rates following the pandemic's exceptional conditions. However, it is essential to note that, excluding the Revenue hike in FY2022 and FY2023, Revenue for this reporting period reflected a 7.1% increase compared to pre-pandemic levels in FY2021. Our Twenty-Foot Equivalent Unit ("TEU") volume reached a record 131,026 TEU, a 6.5% increase year-on-year ("YoY"), demonstrating the strength of our operations and the stability of demand for our freight services.

Profit Before Tax ("PBT") decreased by 25.0% to RM46.7 million, impacted by higher operating expenses and financing costs due to investments in landbanks for warehousing, prime movers and trucks, as well as depreciation. Similarly, Profit After Tax and Minority Interests ("PATAMI") stood at RM30.9 million, indicating a 26.4% contraction YoY. While financial performance may have dipped, FM has persevered to maintain a respectable Return on Equity ("ROE") of 7.6%. This stability proves the Group's ability to manage capital efficiently and deliver value to shareholders, even amid revenue fluctuations.

Our balance sheet reflects financial strength, with total assets at RM824.8 million, supported by a balanced mix of current and non-current assets. FM's net gearing ratio of 0.32x is a testament to our conservative capital structure, providing flexibility to pursue strategic investments. With ample cash reserves of RM90.4 million, we preserve sufficient liquidity to meet short-term obligations while positioning ourselves to capitalise on near-term growth prospects and business expansions.



**Revenue (RM Million)**

**RM817.5**

FY2023: RM948.4  
FY2022: RM1,152.9



**Profit Before Tax (RM Million)**

**RM46.7**

FY2023: RM62.3  
FY2022: RM66.6



**Profit After Tax and Minority Interest (RM Million)**

**RM30.9**

FY2023: RM42.0  
FY2022: RM45.6



**Net Assets Per Share (sen)**

**0.77**

FY2023: 0.69  
FY2022: 0.65

## Chairman's Statement (continued)

**STRATEGIC OVERVIEW AND BUSINESS PERFORMANCE**

In FY2024, FM continued to adapt to the variables of the global logistics industry. The year was marked by major constraints, including freight rates' adjustment and persistent volatility in international markets. FM faced formidable external pressures but rose to the occasion by identifying areas for improvement and strengthening operational capabilities. The dedication and expertise of our teams was crucial in orchestrating effective strategies, which ultimately drove business performance and reinforced our growth trajectory, diversification, resource optimisation, productivity enhancement and streamlined operations.

In FY2024, FM encountered a mixed performance across its International Logistics segments. Revenue in the Sea and Air Freight segments saw a downturn due to the recalibration of freight rates back to pre-pandemic levels. The Sea Freight segment decreased by 21.5%, while the Air Freight business reported a 16.2% drop, reflecting the impediments in international trade. Despite these setbacks, the continued strong performance in the Land Freight segment provided essential support by registering a 10.2% YoY growth, making it a notable revenue driver amidst fluctuating global markets.

Geographically, Indonesia proved to be a standout performer in FY2024, with the posting a 13.6% YoY increase in revenue and a corresponding rise in profit. Our expanding presence in Southeast Asia, with Indonesia serving as a buoyant market for FM, has helped to balance the slower trade activity in other regions.

Tapping into the success in Southeast Asia, FM continued to make deliberate inroads internationally. Our expanded presence in North America, through the acquisition of the IOS Group, remains a key part of our long-term growth strategy. Despite the current decline in global trade volumes, North America presents opportunities, and we are upbeat that our capabilities and experience in this territory will enable us to capture new growth as trade volumes recover.

In FY2024, the acquisition of CAC Logistics Services Pte. Ltd. in Singapore solidifies our foothold in one of Southeast Asia's key logistics hubs and enhances our warehousing and distribution capacities and capabilities.

Singapore's strategic location in intra-Asia trade lanes offers FM a greater ability to elevate its integrated freight management services and meet customers' needs across this geographical area. This acquisition forms part of the Group's long-term value creation to capitalise on regional trade opportunities, particularly in the fast-growing cross-border logistics sector.

## Chairman's Statement (continued)

In the Domestic Logistics segment, FM expanded its 3PL, Warehousing & Distribution infrastructure in response to the increasing demand for integrated logistics solutions in Malaysia, driven by rapid urbanisation and evolving customer needs.

At the time of reporting, we are in the process of acquiring four parcels of land covering 11.34 acres in Setia Alaman Industrial Park, Mukim in Klang, Selangor. This expansion is anticipated to extend our warehousing capabilities, stimulated by rising customer demands, and ensuring long-term scalability. We foresee that this investment is in tandem with a broader supply chain shift, where stakeholders increasingly prioritise traceability and sustainability.

Customers are seeking reliable end-to-end logistics solutions that address ESG concerns. Our expansion of domestic operations exhibits our adaptability to shifting market conditions while reinforcing our commitment to operational resilience and endurance.

Building and maintaining strategic relationships require ongoing efforts to secure competitive advantages in the global integrated freight management and logistics landscape. It demands more than transactional interactions; it calls for sustained engagement, mutual trust and a deep understanding of partner needs. Through these alliances, we have negotiated favourable freight rates, secured dependable space allocations and maintained flexibility in our service agreements.

These partnerships enable meaningful collaboration on operational efficiencies, allowing us to respond swiftly to market volatility and supply chain disruptions. Our strong business networks have been critical in insulating our operations from deeper shocks in a global environment weighed down by geopolitical tensions and economic uncertainties.

Our approach is not just about maintaining business relationships; as it is about leveraging them to drive long-term stability. This proactive networking, combined with our relentless pursuit of optimising operations, sustainability and responsible corporate governance, strengthens FM's position in an increasingly complex market. As we move through FY2024 and onwards, these connections will remain central to our growth strategy, ensuring we stay adaptable and competitive to cushion against untoward circumstances or risks that may affect our operations.



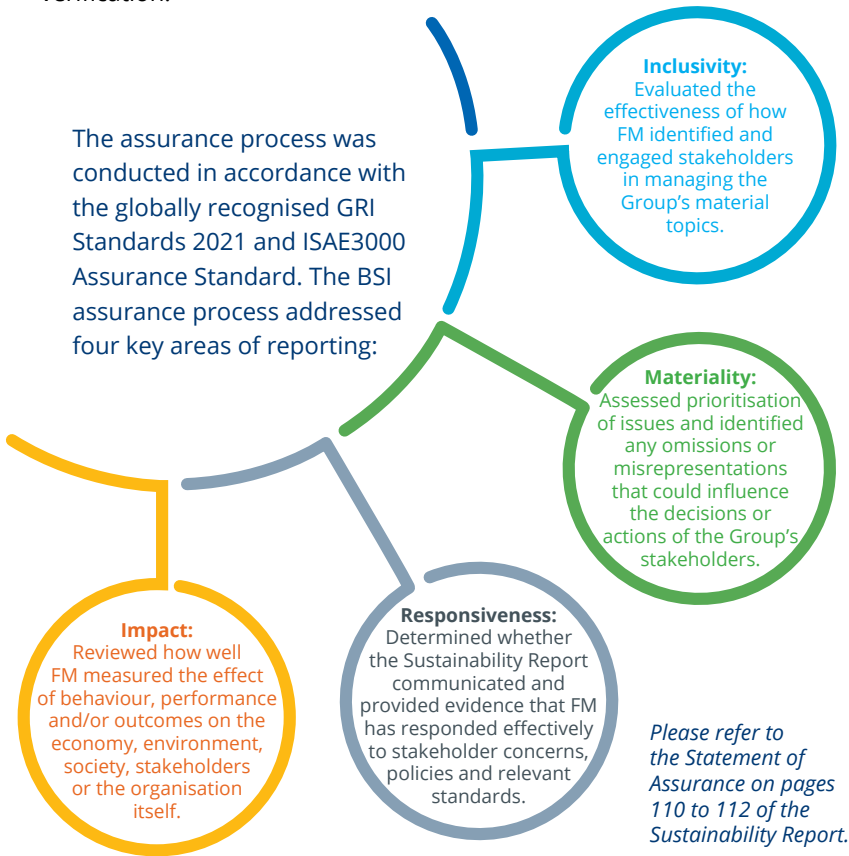
Chairman's Statement (continued)

**DRIVING LONG-TERM GROWTH THROUGH SUSTAINABILITY AND ESG CONCERNS FOR LONG-TERM GROWTH**

In the international integrated freight logistics industry, sustainability has emerged as a necessary driver of business success, influencing everything from operational efficiency to market competitiveness. As stakeholders increasingly prioritise ESG responsibility, FY2024 was a transformative year for FM in advancing our sustainability agenda.

Our inclusion in the FTSE4Good Bursa Malaysia Index and FTSE4Good Bursa Malaysia Shariah Index in June 2023 highlights our commitment to meeting global sustainability standards. This recognition affirms our responsible practices within the integrated logistics sector and catalyses our competitive advantage on the international stage. By integrating sustainable practices into every facet of our operations, we set a clear direction for our future ESG initiatives, ensuring FM stimulates sustainable growth and delivers responsible integrated logistics solutions globally.

FM achieved a milestone in transparency and accountability by completing its first external limited assurance for the FY2024 Sustainability Report by appointing the British Standards Institute ("BSI") to undertake the Sustainability Report Assurance and data verification.



• **ENVIRONMENTAL INITIATIVES**

In FY2024, we focused on reducing our environmental footprint through energy efficiency initiatives. 1,210 solar panels were installed at The Central Business Hub (Lot 37B Warehouse), generating more than 100 MWh annually. This initiative contributed to a reduction in overall energy consumption at the site. These renewable energy ("RE") efforts helped reduce our carbon emissions and visibly supported our environmental stewardship goals.

• **DIVERSITY, EQUITY AND INCLUSION ("DEI")**

FM took decisive strides in advancing DEI throughout the reporting period. As of FY2024, women comprised 46% of our workforce, emphasising our commitment to cultivating an inclusive workplace culture.

We are determined to invest in initiatives that promote equal opportunities, allowing us to access a more expansive talent pool and drive innovation at every level of the organisation.

• **CORPORATE SOCIAL RESPONSIBILITY ("CSR")**

In FY2024, our CSR efforts spanned several regions, including contributions to Yayasan Taiwan Buddhist Tzu-Chi Malaysia, Youth Development Programmes in the Philippines and the *Iftar* celebration in Indonesia during *Ramadan*, which brought employees together for a shared cultural experience.

These initiatives reflect our continued mission to create positive societal impacts alongside our operational achievements.

Chairman's Statement (continued)

**• GOVERNANCE AND ETHICAL STANDARDS**

In FY2024, we prioritised transparency, accountability and ethical business practices to maintain our compliance with ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018 standards. This commitment reflects our adherence to both global and local best practices in quality management, environmental sustainability and occupational safety.

Anti-Bribery & Anti-Corruption (“ABAC”) and Whistleblowing (“WB”) training programmes continued to be conducted throughout FY2024, ensuring that our Corporate Governance and Sustainability Governance frameworks remain aligned with ethical standards and best practices.

**PROGRESSING WITH CONFIDENCE**

As we enter FY2025, FM's tactical approach is purposefully positioned to gain traction, particularly in Southeast Asia. The new 200,000 square feet warehouse in Port Klang, Selangor, slated to be completed by Q2 2025, will markedly impact our logistics capabilities, provide exceptional customer service and push us to outperform the benchmarks set with each passing year.

Our Domestic Logistics expansion plans are complemented by efforts to tap into new opportunities in international markets through calculated acquisitions and investments. By harnessing technology and digitalisation initiatives, we aim to refine operational capabilities to reduce our carbon footprint further. This deliberate focus on sustainability ensures we remain agile and competitive in an ever-evolving global landscape, aligning our strategies with the Group's aspirations.

**IN APPRECIATION**

On behalf of FM's Board of Directors, I would like to express my sincere appreciation to all those who have played a part in our journey this year.

To our shareholders, regulatory bodies, customers, vendors, business partners and stakeholders, your trust and support have been invaluable, particularly during a period of shifting market conditions. We are grateful for your continued confidence as we continue driving sustainable, long-term value.

A special thanks goes to our Management Team and employees. Your dedication, hard work and adaptability have been integral to our success. I would also like to extend my gratitude to my fellow Board Members for their insight, guidance and contributions, which have been instrumental in navigating the challenges and opportunities during FY2024.

During the reporting period, we concentrated on strengthening our operations, improving operational effectiveness and investing in infrastructure to support our long-term strategies. We envision these initiatives will deliver encouraging outcomes, and we remain focused on building our capabilities in the coming years to sustain FM's continuous advancement.

As we embark on FY2025, we have earmarked our efforts to surpass industry benchmarks and establish new standards for embedding sustainability and operational excellence within the Group. Our path toward these ambitious goals is driven by the results of our collective efforts, from our Board members to employees, from our clients to business partners, and the dedication of all our stakeholders.

The road ahead is indeed exciting, and we will continue to build on our strengths, pursue new opportunities and remain responsible corporate leaders in the global integrated logistics industry.

Thank you.

**TENGGU NURUL AZIAN BINTI TENGGU SHAHRIMAN**

Chairperson

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*Disclaimer: The following Management Discussion and Analysis ("MD&A") is intended to convey the Management's perspective on the operating performance and financial review of FM for the financial year ended 30 June 2024 ("FY2024"). We recommend you read the MD&A in conjunction with the Financial Statements, notes thereto, and other information included in the Annual Report. The MD&A is presented according to the Main Market Listing Requirements ("MMLR") of Bursa Securities and the Malaysian Financial Reporting Standards ("MFRS"), and relates to the disclosure requirements per the Malaysian Code on Corporate Governance. Significant details on the Group's business operations, performance and strategy, as well as financial review and position, governance, risks and capital management, are covered in the MD&A. Your attention is also drawn to sections on our human capital management and sustainability efforts. This MD&A contains forward-looking statements that enable investors to gauge FM's business prospects and make informed investment decisions. However, they involve inherent risks and uncertainties and other factors that are, in many cases, beyond our control. The forward-looking statements include, but are not limited to, for instance, our 2025 business prospects and outlook, as well as our expectations regarding the macroeconomic and socio-geographic conditions and their anticipated impact on the Group's business operations. We have tried, wherever possible, to identify such statements by using words such as 'anticipate', 'expect', 'intend', 'plan', 'believe' and words of similar substance in connection with any discussion of future performance. Although FM 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.*



# Management Discussion & Analysis

## THE YEAR IN REVIEW

### GLOBAL ECONOMIC TRENDS AND RECOVERY

During the financial year under review, the global economic landscape was marked by a mix of recovery and ongoing challenges. While there were signs of moderate economic rebound in certain regions, geopolitical instability and supply chain disruptions impacted trade flows and consumer sentiment. Inflationary pressures in advanced economies led to central bank interventions, such as interest rate hikes, further influencing global trade dynamics. These factors collectively shaped the environment for all industries worldwide, including integrated logistics.

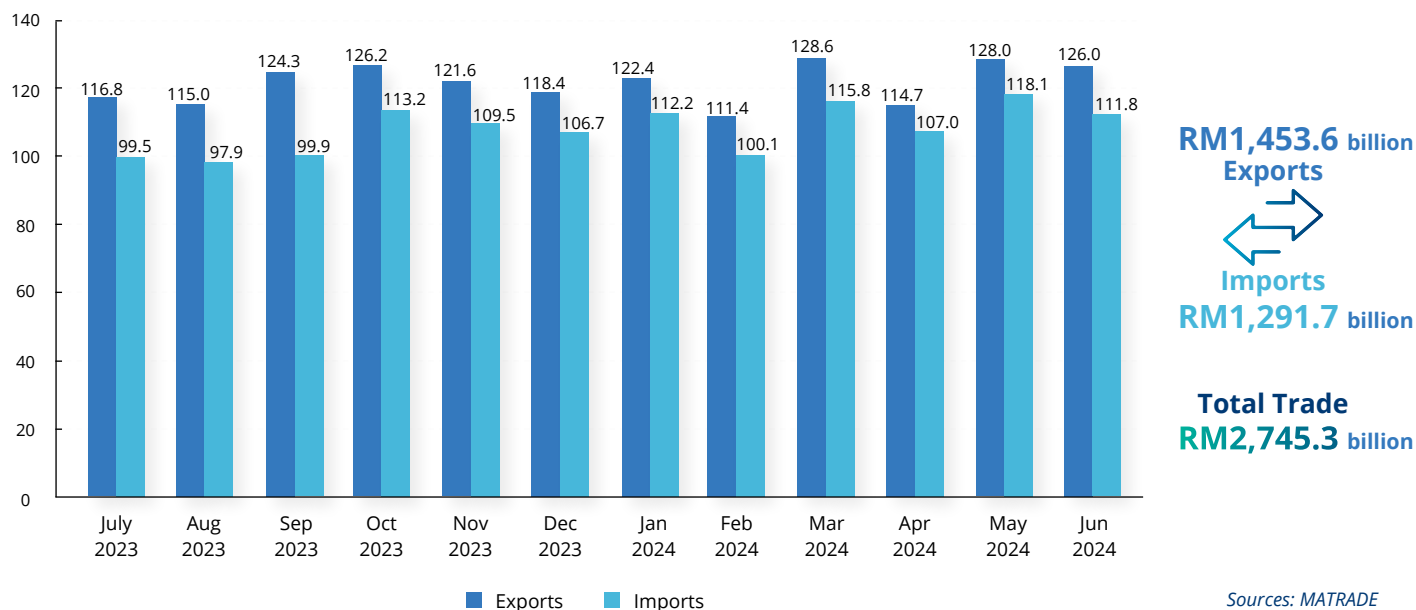
Freight rates, which had surged during the peak of the COVID-19 pandemic between 2020 and 2022, continued stabilising during the year in review. Although shipping volumes remained robust in some sectors, the market experienced improved logistics efficiency and a rebalancing of supply and demand. These developments contributed to freight rates normalising towards pre-pandemic levels, offering a more predictable cost environment for businesses reliant on freight services.

### MALAYSIA'S ECONOMIC PERFORMANCE

Following a robust GDP growth of 8.7% in 2022, Malaysia's economy began stabilising. By 2023, GDP growth moderated to 3.7%, with the first half of 2024 increasing to 5.1%, reflecting a measured pace of economic expansion following the post-pandemic rebound. *(Source: Department of Statistics Malaysia)*. This change indicates a shift towards a more sustainable and balanced growth pattern, allowing the economy to adjust to inflation and rising interest rates.

Despite the moderation in growth, Malaysia's stable economic environment and participation in trade agreements like the Regional Comprehensive Economic Partnership ("RCEP") and the Comprehensive and Progressive Agreement for Trans-Pacific Partnership ("CPTPP") helped diversify trade opportunities.

MONTHLY TRADE (RM BILLION) JULY 2023 - JUNE 2024



## Management Discussion & Analysis (continued)



### ADDRESSING POST-PANDEMIC FY2024 PERFORMANCE

FM's performance remained above pre-pandemic levels, supported by domestic business development and geographical expansion efforts. The Group continues to traverse market challenges while positioning itself for future opportunities through its expertise in freight management, which is supported by its stable financial standing and adaptability.

Further details are provided in subsequent sections of this Management Discussion and Analysis.

### FINANCIAL PERFORMANCE INSIGHTS FOR FY2024

#### HIGHEST REVENUE EXCLUDING COVID-19 PANDEMIC YEAR

Over the past two decades, FM has achieved a Compounded Annual Growth Rate ("CAGR") of 10% in Group Revenue between FY2003 and FY2024, reflecting its agility and adaptability.

In FY2024, FM posted Revenue of RM817.5 million, reflecting a RM130.9 million or 13.8% YoY decrease against RM948.4 million in the preceding year. Although Revenue decreased, we are pleased to note that FY2024 marked the highest Revenue generated for the past two decades, excluding the extraordinary circumstances of FY2022 and FY2023 during the COVID-19 pandemic. Specifically, this represents a RM54.1 million or 7.1% increase compared with Revenue generated in FY2021, which amounted to RM763.4 million.

FM experienced growth in its Land Freight segment, which saw a 10.2% increase in revenue compared to the prior year. In addition, the Domestic Logistics segment comprising 3PL, Warehousing & Distribution recorded a 10.7% increase in Revenue. These gains helped to offset some of the broader challenges faced by the Group's core businesses.

Management Discussion & Analysis (continued)

**STEADY PROFIT GROWTH AMIDST CHALLENGING CONDITIONS**

FM has maintained a long-term profit trajectory, achieving a CAGR of 9.2% in Profit Before Tax (“PBT”) between FY2003 and FY2024. This growth underscores FM’s adept financial management and strategic foresight in navigating an evolving logistics market.

FM’s capability to capitalise on regional trade expansion and the rising demand for logistics services has been rewarding. This is evidenced by the steady upward trend in PBT, which peaked at RM66.6 million in FY2022. This reflects the effective execution of FM’s growth strategies.

However, in FY2024, PBT fell by 25.0% to RM46.7 million, which was expected after the extraordinary performance of the preceding year. Higher operating expenses, finance costs and increased depreciation in ongoing investments also impacted the Group’s profitability in FY2024. PATAMI declined by 26.4% to RM30.9 million compared to RM42.0 million achieved in FY2023. Excluding the exceptional COVID-19 period (FY2022 and FY2023), FM recorded a 9.8% or RM4.2 million, and 14.3% or RM3.9 million improvement in PBT and PATAMI, respectively, against FY2021.

Reflecting the overall decline in profitability, Earnings Per Share (“EPS”) fell to 5.53 sen from 7.52 sen in the previous year.

**Revenue (RM Million)**

**RM817.5**

FY2023: RM948.4  
FY2022: RM1,152.9

**Profit After Tax and Minority Interest (RM Million)**

**RM30.9**

FY2023: RM42.0  
FY2022: RM45.6

**Profit Before Tax (RM Million)**

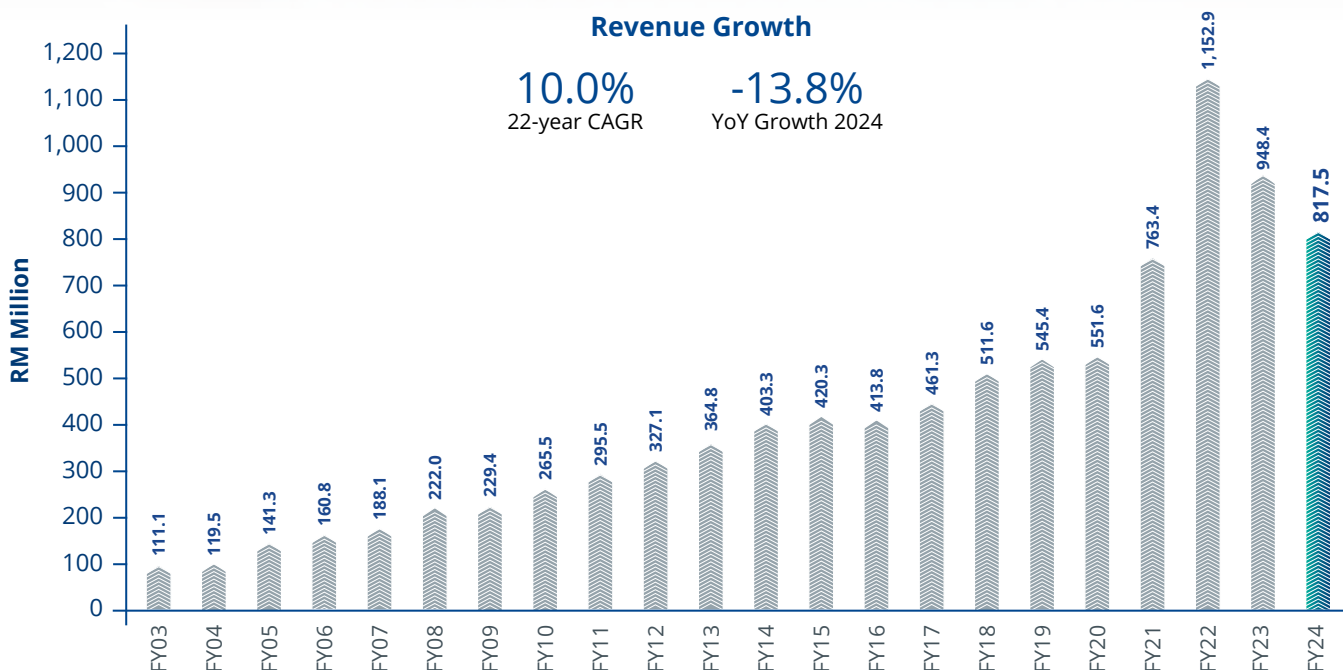
**RM46.7**

FY2023: RM62.3  
FY2022: RM66.6

**Earnings Per Share (sen)**

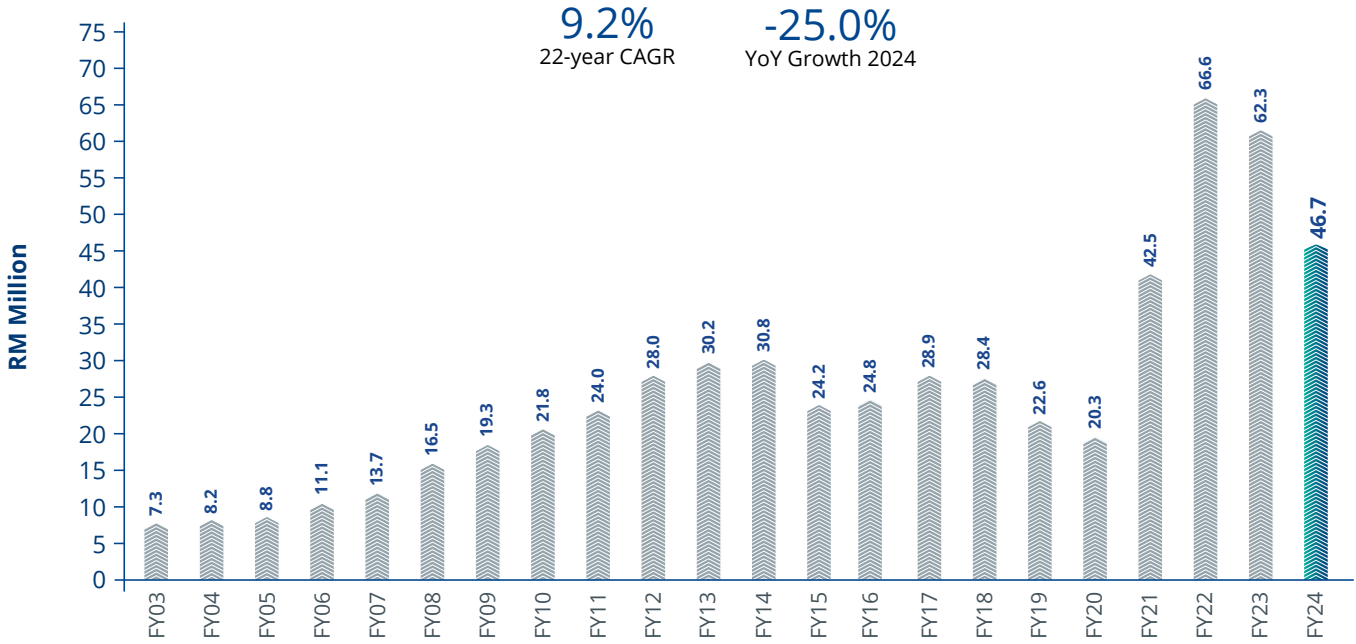
**RM5.53**

FY2023: RM7.52  
FY2022: RM8.16

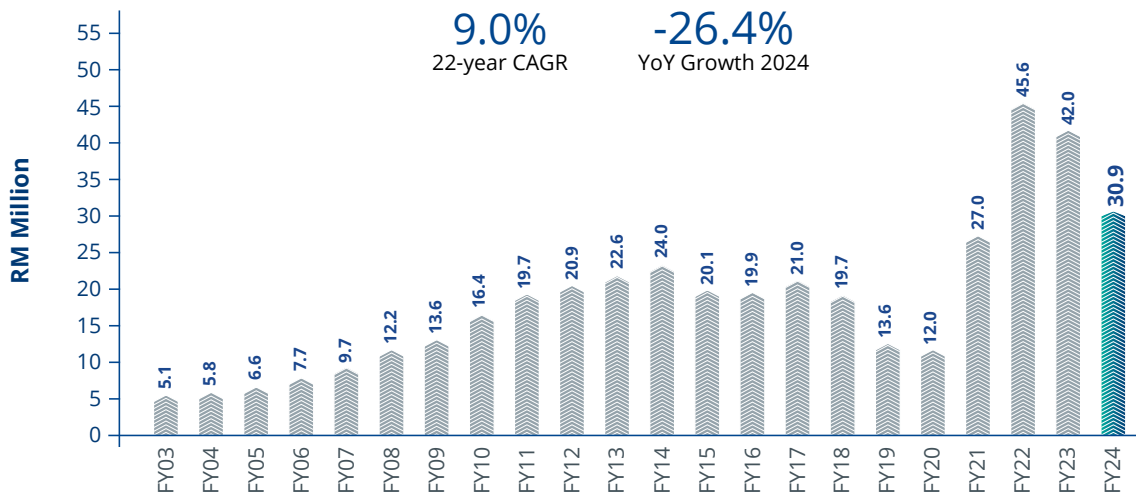


Management Discussion & Analysis (continued)

Long Term Profit Trend - PBT

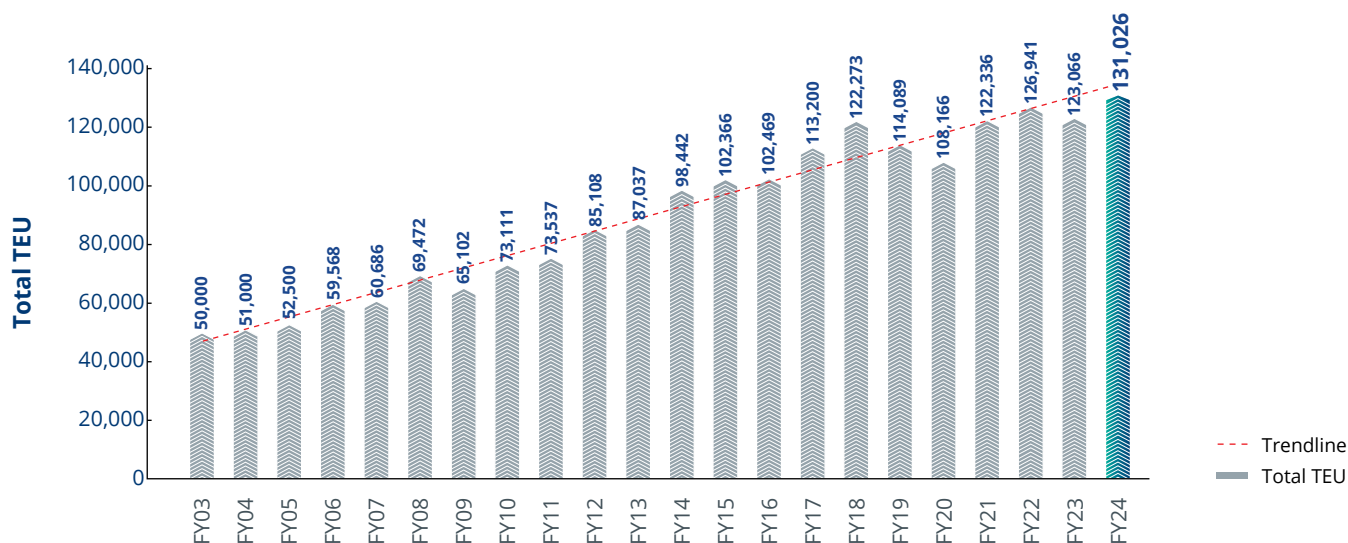


Earnings Track Record - PATAMI



Management Discussion & Analysis (continued)

Consistent Growth in Twenty-Foot Equivalent Units (“TEU”)



The Revenue decline occurred despite a 6.5% YoY increase in TEU, which was attributed to a normalisation of freight rates. The total volume of TEU has increased steadily over the years, with FY2024 marking the highest level recorded at 131,026 TEU.

Stronger business relationships with business partners and growing customer demand primarily drove this growth. These factors supported our ability to handle increased volumes, reflecting our stable operational performance. While the overall trendline shows gradual and consistent growth, the peak in FY2024 highlights the impact of strengthening partnerships and customer engagement. The Group’s ability to respond to these demands has contributed to the sustained rise in TEU volumes.

**REVIEW OF FINANCIAL POSITION**

As of 30 June 2024, FM maintained a healthy financial position, as evidenced by its balance sheet. Total assets stood at RM824.8 million, supported by a well-balanced mix of current and non-current assets, indicating sufficient liquidity and operational stability. The manageable net gearing ratio of 0.32x highlights our Management’s conservative capital structure, which allows for continued flexibility in financing and operational expansion without undue financial risk.

FM’s current assets totalled RM325.0 million, of which RM231.7 million were receivables. Cash and bank balances stood at RM90.4 million, providing adequate liquidity to meet short-term obligations, including dividend payments. The level of cash reserves supports the Group’s ability to pay dividends while maintaining operational flexibility.

**Current and Non-Current Assets**

FM’s non-current assets are mainly property, plant and equipment (RM258.7 million) and right-of-use assets (RM202.8 million), reflecting sound investments in logistics infrastructure and lease agreements. A recent revaluation exercise added RM43.1 million to the asset base, reflecting an upward adjustment in the market value of FM’s landbanks and buildings.

## Management Discussion & Analysis (continued)



This recalibration strengthened the Group's asset base, reflecting current market conditions. FM's strategic investments in integrated logistics infrastructure are expected to generate increasing returns, leveraging economies of scale to provide a stronger foundation for future financial planning and scalable operational decision-making.

### Current and Non-Current Liabilities

As of the reporting period, FM's total liabilities stood at RM372.4 million, with current liabilities accounting for RM203.1 million, which included RM98.6 million in payables and RM71.8 million in short-term borrowings. Supported by cash reserves exceeding short-term borrowing levels, FM has demonstrated a healthy liquidity position.

Non-current liabilities amounted to RM169.3 million, primarily due to long-term borrowings of RM96.6 million and deferred tax liabilities of RM36.5 million. The moderate long-term debt signals a prudent approach to leverage, keeping debt manageable relative to earnings. A low net gearing ratio of 0.32x further underscores the Group's solid balance sheet, ensuring ample capacity to raise additional funds without compromising financial stability.

### Equity and Shareholders' Funds

With Shareholders' Funds reaching RM432.2 million, the Group's fundamentals are solid and gaining traction for long-term growth and dividend distributions.

The reported Return on Equity ("ROE") of 7.6% reflects a decrease from the extraordinary high of 11.3% achieved in FY2023, yet it marks FM's resilience in maintaining shareholder returns amidst wider market headwinds.

Our steadfast commitment to financial discipline and effective cost management has enabled us to uphold a competitive ROE, indicative of strategic pragmatism in navigating a challenging operating landscape.

### Dividend Distribution: A Testament to Our Shareholder Commitment

FM has consistently maintained a payout ratio exceeding 40% of PATAMI since FY2015. For the Financial Year Ended 30 June 2024, the Group declared a total dividend of 4.0 sen per share, consisting of an interim dividend of 1.0 sen per ordinary share, which was paid on 12 April 2024 and a second interim single tier dividend of 3.0 sen per ordinary share, paid on 18 October 2024.

The total dividend declared for FY2024 amounted to RM22.3 million (FY2023: RM22.3 million), equivalent to a ratio of 72%, up from 53% in FY2023, representing the highest ratio in two decades. This elevated payout ratio reflects FM's ability to generate healthy cash flow amidst the challenges faced in the integrated logistics sector and fluid global market landscape.

By sustaining its dividend per share and raising the payout ratio, the Group's business imperative is focused on rewarding shareholders while reinforcing its foundational obligation to operational resilience and long-term growth.

## Management Discussion &amp; Analysis (continued)

## INSIGHTS ON BUSINESS AND SEGMENTAL PERFORMANCE IN FY2024

### NAVIGATING MARKET SHIFTS IN FY2024

The Group continues to adjust to global market conditions, focusing on strategic growth despite economic uncertainties. In FY2024, we concentrated on expanding market share in two key areas:

- leveraging existing customer relationships to drive business growth; and
- actively pursuing new client acquisition and investment opportunities that can enhance long-term growth.

Managing over 131,000 TEU in FY2024, FM navigated the evolving market environment as global trade growth remained moderate. The World Trade Organization ("WTO") forecasted world trade growth of 2.6% for 2024, an improvement from the 1.2% recorded in 2023. While the trade landscape continues to shift, FM's established operations are on firm footing to manage these challenges and adapt to emerging opportunities.

### SOUTHEAST ASIA AND GLOBAL EXPANSION

FM recognises Southeast Asia's importance as a burgeoning growth region. With operations in Malaysia, Thailand, Indonesia, the Philippines, Vietnam and Singapore, FM has deepened its presence across these key markets. The Group's International reach extends beyond Southeast Asia to include Australia, India and the United States of America ("USA").

During the reporting period, we expanded operations in Singapore via the acquisition of CAC Logistics Services Pte. Ltd. to further support the Group's long-term goals of diversification and growth in high-potential areas.

### EXPANDING OPPORTUNITIES IN NORTH AMERICA

Building on its acquisition of the IOS Group of Companies in the USA in FY2022, FM continues establishing and expanding its reach in North America, one of the largest logistics markets globally. Though global trade demand has somewhat softened, this positions FM to explore further opportunities in a vast market, in meeting the Group's long-term objective of geographical diversification.

FM also continues to work with a global network of independent contract agents, allowing for flexibility in pursuing business opportunities in markets where it does not have a physical presence.

## RESILIENCE IN A COMPETITIVE MARKET

Our resilience in navigating challenging market conditions stems from our continued efforts on operational efficiency and service quality.

In FY2024, FM maintained compliance with international standards, including ISO 9001:2015 Quality Management System, ISO 45001:2018 Occupational Health and Safety Management System and ISO 14001:2015 Environmental Management System, underscoring the Group's commitment to delivering quality services. FM also retained its Authorised Economic Operator ("AEO") certification, streamlining customs processes and enhancing operational efficiency. Combined with certifications, including the Good Distribution Practice for Medical Devices ("GDPMD") and Halal Certification from the Department of Islamic Development Malaysia ("JAKIM"), FM can continue to serve niche markets effectively.

FM's 698,000 square feet of warehousing capacity and diversified logistics services have allowed the Group to offer tailored solutions across key sectors in response to clients' needs and requirements.

Upon completion of the new facility in Port Klang, Selangor, an additional approximately 200,000 square feet of warehouse and storage space will be available. This increase in capacity is expected to enhance the Group's third-party logistics (3PL) warehouse and distribution services in Malaysia, supporting its commitment to operational efficiency and improved service offerings.

The Group's transportation fleet, consisting of 301 vehicles, remains a key asset, providing flexibility and customisation in integrated logistics solutions.

## Management Discussion & Analysis (continued)



### WORKFORCE AND CAPACITY EXPANSION

In FY2024, FM's workforce consisted of 1,756 employees to support business and operational needs. The addition of new employees addresses the skills gap left by retiring personnel. Approximately 68% of FM's workforce is based in Malaysia, while the remaining 32% is located in international offices.

### SEGMENTAL PERFORMANCE REVIEW

#### INTERNATIONAL FREIGHT

In FY2024, The International Freight Division contributed RM578.2 million (FY2023: RM715.4 million), accounting for 70.7% of total Revenue. There was a 19.2% YoY decline due to the normalisation of freight rates, which affected the Sea Freight and Air Freight segments. The decrease in Revenue for these segments was offset by an increase in Land Freight, which recorded a growth of 10.2%, reaching RM37.7 million in FY2024.

Despite the Revenue decline, the Sea and Land Freight segments experienced growth of 3.7% and 30.3% in TEU, respectively. Consequently, the combined TEU volume demonstrated a 6.5% increase, driven by reliable business relationships with third-party carrier networks, direct connections to exporters and importers in Malaysia, and an expanding presence in overseas markets. These factors were key drivers of the increase in freight volume. Conversely, volume in the Air Freight segment was reduced by 11.6% to 9.1 million kilogrammes.

#### DOMESTIC LOGISTICS

In contrast, the Domestic Logistics Division recorded a more upbeat financial performance, contributing RM239.3 million and a 2.7% Revenue increase YoY. This segment represented 29.3% of the total Revenue for FY2024, reflecting a stronger performance than the International Freight segment.

- The 3PL, Warehousing & Distribution segment saw growth of 10.7%, to RM131.8 million.
- Supporting Services, which include customs brokerage, haulage, e-commerce fulfilment and last-mile delivery, experienced a slight decline of 5.6%, contributing RM107.5 million.



Management Discussion & Analysis (continued)



**GEOGRAPHICAL OPERATIONAL REVIEW**

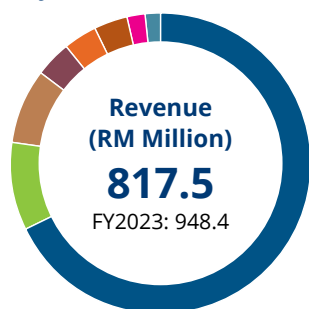
In FY2024, FM experienced a revenue decline across most regions, reflecting the unavoidable challenges in the global logistics market. Malaysian Operations contributed RM553.9 million or 67.8% of total Group Revenue, representing a 13.2% decrease from RM638.0 million in FY2023. The decline was primarily due to the normalisation of freight rates, which returned to pre-pandemic levels.

Overseas Operations followed a similar trend, contributing RM263.6 million or 32.2% of Group Revenue, marking a 15.1% decline from RM310.4 million in FY2023.

Among FM’s international markets, Australia was the largest revenue contributor, with RM78.0 million (or 9.5% of total Group Revenue), despite a significant 31.9% decline from the prior year. Indonesia, however, posted RM66.1 million or 8.1% of total Group Revenue, with a 13.6% YoY increase, marking a growth in an otherwise subdued year. Singapore, a new addition to the Group's portfolio, contributed RM16.0 million or 2.0% of total Group Revenue in its first period of contributions.

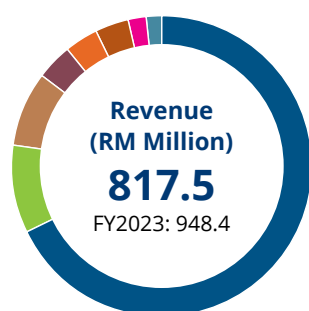
While business activity increased in Australia, Indonesia and India, overall revenue from these regions were lower YoY, which was influenced by the continued normalisation of freight rates. Vietnam and Thailand saw sharper declines, particularly in the Air Freight segments, due to a slowdown in trade demand. The USA also reported weaker revenue despite commendable contributions from the IOS Group of Companies.

**FY2024  
Financial Performance  
by Market (RM Million)**



- Malaysia **553.9**  
FY2023: 638.0
- Indonesia **66.1**  
FY2023: 58.2
- India **29.5**  
FY2023: 33.9
- Singapore **16.0**  
FY2023: -
- Australia **78.0**  
FY2023: 114.5
- USA **32.8**  
FY2023: 52.8
- Thailand **27.8**  
FY2023: 32.3
- Vietnam **13.4**  
FY2023: 18.7

**FY2024  
Share by Market (%)**



- Malaysia **67.8%**  
FY2023: 67.3%
- Indonesia **8.1%**  
FY2023: 6.1%
- India **3.6%**  
FY2023: 3.6%
- Singapore **2.0%**  
FY2023: -
- Australia **9.5%**  
FY2023: 12.0%
- USA **4.0%**  
FY2023: 5.6%
- Thailand **3.4%**  
FY2023: 3.4%
- Vietnam **1.6%**  
FY2023: 2.0%

**Malaysia**  
**553.9**  
FY2023: 638.0

**Overseas**  
**263.6**  
FY2023: 310.4

Enhanced capacity utilisation in warehousing and distribution facilitated the increase in revenue for Domestic Logistics. By effectively capitalising on rising demand in domestic markets, the Division contributed to the overall positive performance of this segment.

## Management Discussion &amp; Analysis (continued)



On the profitability side, PBT aligned with revenue trends. Malaysia contributed RM36.7 million, representing a 9.8% drop from FY2023. Overseas Operations accounted for RM11.4 million, reflecting a 33.7% decline YoY. Indonesia recorded RM6.2 million in PBT, an 8.8% increase from FY2023.

Meanwhile, Australia saw a 58.3% decrease in PBT, contributing RM2.5 million. Thailand and Vietnam registered further declines, with Thailand down 81.8% to RM0.2 million and Vietnam posting a 122.2% drop, resulting in a loss of RM0.2 million in the financial period. Singapore posted a marginal contribution to PBT, with RM0.5 million, reflecting its partial contribution in FY2024.

FM's results reflect the pressures the global logistics industry faced in FY2024, with the normalisation of freight rates and demand dynamics affecting revenue and profitability across its operations.

However, Indonesia showed relative resilience, with growth in revenue and PBT, despite the challenging conditions in other regions.

## BUSINESS RISKS AND MITIGATION MEASURES

As a vital part of global trade, the freight and logistics industry remains susceptible to various risks, including economic volatility, infrastructural constraints, labour shortages and emerging technological and sustainability challenges. These factors are inherent to the industry and demand continuous attention to effective risk management.

### MANAGING GLOBAL RISKS

Global trade faces persistent downside risks, from geopolitical tensions to the growing impact of climate change on supply chains. Rising inflation and tighter financial conditions continue to affect demand for goods and services, increasing strain on the logistics sector. FM acknowledges these global challenges, enhancing its focus on operational risk management to adapt to these demanding conditions.

Management Discussion & Analysis (continued)

**RESILIENCE AND ADAPTATION**

In the past three years, heightened economic instability has reinforced the importance of agility in managing risks. FM continues enhancing its Enterprise Risk Management (“ERM”) system to improve efficiency and adaptability.

This approach has allowed the Group to remain resilient amidst constant threats, ensuring the stability of its operations while adapting to external pressures.

**FOCUS ON CYBERSECURITY**

In FY2023, cybersecurity emerged as a key area of concern. In response, FM adopted a risk mitigation strategy in FY2024 to safeguard its digital infrastructure. Daily monitoring allowed us to identify and address potential cybersecurity threats swiftly, preventing breaches, privacy violations and data losses. When unauthorised applications were detected, immediate actions were taken, including removing the software, conducting antivirus scans and revising user access policies.

Collaboration with department heads further ensured that any vulnerabilities were quickly contained. These proactive measures significantly reduced the risk of security incidents, protecting both FM's operations and its clients' data.

**COMPREHENSIVE RISK MANAGEMENT**

FM's risk management approach goes beyond prevention, focusing on proactive measures to manage and mitigate the impact of potential threats. This extends across several key areas:

**EFFECTIVE IMPACT CONTROL**

Our strategy focuses on more than just risk avoidance; it empowers us to proactively manage and mitigate the impact when threats arise.

**ENHANCED DECISION-MAKING**

By implementing risk management practices, we instill confidence in our decision-making processes, ensuring that choices are well informed and aligned with our long-term objectives.

**ATTAINING STRATEGIC GOALS & KEY PERFORMANCE INDICATORS (“KPIs”)**

Our risk management framework is tailored to safeguard against potential disruptions and advance toward our strategic goals/KPIs, ensuring stability and growth.

**BUILDING TRUST**

We cultivate trust among our valued stakeholders, including customers, employees and partners, by demonstrating our commitment to responsible risk management.

**OPERATIONAL STABILITY**

Our approach contributes to stabilising our commercial operations, safeguarding against unforeseen disruptions that could impact our day-to-day activities.

**ASSET PROTECTION**

We prioritise the protection of our valuable human resources and assets, ensuring resilience in overcoming various risks and threats.

**ECONOMIC GAINS**

Our proactive efforts lead to economic gains by preventing potential losses, bolstering our financial health and fostering sustainability in a volatile business landscape.

## Management Discussion & Analysis (continued)

### OPERATIONAL RISKS

Operational risks are generally within the Group's control, typically stemming from gaps in processes, policies or systems. Issues such as incorrect cargo handling, inventory discrepancies and billing errors can disrupt business operations, damage the Group's reputation and potentially result in the loss of clients.

**Mitigation:** In FY2024, FM strengthened control measures by continuously monitoring operational processes and enforcing the compliance protocols. Regular training was provided to cargo handling and inventory management staff to ensure consistency in mitigating potential risks.

While the overall risk profile remained unchanged from the previous year, our team adheres to the ERM framework to monitor and assess risks, ensuring that these remain within acceptable thresholds.

### EXTERNAL RISKS

As an international integrated freight and logistics provider, FM is subject to external market volatility. Economic downturns and supply chain disruptions can impact sales and volume.

**Mitigation:** In FY2024, FM maintained its strategy of strengthening partnerships with third-party carriers and expanding its client base. In addition, we continued to extend our presence in strategic markets to mitigate cyclical downturns. To counterbalance fluctuations in business for International Freight, FM focused on enhancing its core capabilities in Domestic Logistics, ensuring resilience in a dynamic environment.

### SUPPLY CHAIN RISKS

FM's International Freight Services depend on third-party carriers for sea, air and land transportation. Delays or failures by these vendors can directly impact client deliveries.

**Mitigation:** In FY2024, FM expanded its presence with operations across nine states in Malaysia, 44 offices in nine countries and a vast network of agents spanning over 100 major shipping ports globally. By building strategic partnerships with international freight carriers and domestic distributors, particularly in Southeast Asia, FM continues to manage operations effectively.

With careful oversight and clear communication channels, the Group remains proactive in addressing potential issues with vendors and ensuring reliable delivery performance.

### HEALTH, SAFETY, SECURITY AND ENVIRONMENT ("HSSE") COMPLIANCE RISKS

Non-compliance with HSSE regulations poses risks such as workplace accidents and injuries, potentially affecting employee wellbeing, public safety and damaging the Group's reputation.

**Mitigation:** In FY2024, FM adhered to its Standard Operating Procedures ("SOPs"), ensuring alignment with local regulations. Compliance with ISO 9001:2015, ISO 14001:2015, ISO 45001:2018, GDPMD and Halal Certification was regularly reviewed.

Weekly knowledge-sharing sessions were conducted on near-miss incidents. Annual refresher training reinforced safety awareness, while safety protocols, including audits, inspections and the provision of safety equipment, were implemented to address and mitigate potential hazards effectively.

### LEGAL AND REGULATORY RISK

Non-compliance with legal and regulatory requirements can lead to fines, legal actions and reputational damage.

**Mitigation:** In FY2024, FM continued its focus on compliance by maintaining a dedicated team responsible for ensuring adherence to relevant laws and regulations.

The Group-level Anti-Bribery & Anti-Corruption ("ABAC") Policy remained a key focus, supported by awareness campaigns and employee training. New hires are required to acknowledge the ABAC policy during onboarding and all employees undergo periodic refresher training sessions. Regular compliance audits and a record-keeping system are in place to monitor and document compliance efforts.

## Management Discussion &amp; Analysis (continued)

**CYBERSECURITY RISKS**

Cybersecurity has become a growing concern for the international freight and logistics industry, particularly as supply chains increasingly rely on interconnected data systems. The rising data exchange between stakeholders, clients and carriers has heightened vulnerabilities, leading to a notable increase in cyber incidents such as ransomware attacks.

**Mitigation:** In FY2024, FM allocated additional resources to reinforce cybersecurity measures. Security protocols, regular system testing and continuous monitoring have been implemented to identify and address potential vulnerabilities. Employee awareness programmes were conducted regularly, promoting a collective effort to strengthen cybersecurity across the Group.

**OTHER RISKS**

FM monitors additional risk categories, including business continuity, liquidity and currency exchange rates. Current evaluations indicate these risks remain low.

*For further details, refer to the Statement of Risk Management and Internal Control.*

**STEERING OUR FUTURE COURSE****STRATEGIC FOCUS AND EVOLUTION**

FM's sustainability strategy in FY2024 built on its earlier initiatives but expanded its scope to cover the entire value chain. This year's theme, **servicematters**, reflects the Group's shift towards a broader engagement with all stakeholders, including employees, customers and suppliers. FM remained committed to responsible business practices while emphasising the need for long-term value creation.

**HUMAN CAPITAL AND DEVELOPMENT**

Investment in human capital continued to be a focal point, with increased funding allocated for learning and development compared to previous years. This reflects a commitment to enhancing employee skills and fostering organisational growth.

The training programmes spanned across all levels, ensuring that FM's leadership and employees were equipped to drive the Group forward in a rapidly changing market. Continuous professional development was encouraged, contributing to an internal workforce that supports the Group's sustainability aspirations.

**OPERATIONAL EXCELLENCE**

FM maintained key certifications in FY2024, demonstrating its commitment to operational excellence and sustainability. Notable certifications included the AEO and Halal Certification for Transportation (MS 2400-1:2019), augmenting FM's logistics capabilities.

**FY2024 SUSTAINABILITY HIGHLIGHTS**

In FY2024, FM built on its established foundation, advancing its sustainable growth strategy with new initiatives and achievements. We focused on creating long-term value through targeted investments in human capital, operational efficiency and environmental stewardship. Our sustainability strategy, which began with internal capability-building, has now matured into an approach that caters to best practices and stakeholders' evolving expectations.

**ENVIRONMENTAL STEWARDSHIP IN ENERGY AND EMISSIONS**

A highlight for FY2024 was FM's ongoing efforts to reduce its carbon footprint. The successful installation of 1,210 solar panels at the Central Business Hub (Lot 37B warehouse) in Port Klang generated more than 100 MWh annually, aligning with the Group's plans to widen the range of its energy efficiency initiatives. This RE project has reduced FM's reliance on conventional energy sources, staging its efforts in more sustainable operations.

## Management Discussion & Analysis (continued)

The Group has been transitioning to cleaner fuel by incorporating EURO 3 compliant vehicles into its fleet, a move aimed at improving fuel efficiency, reducing emissions and minimising its environmental impact. Alongside these efforts, we have initiated the purchasing process of EURO 5 compliant prime movers, with delivery scheduled for FY2025, marking a significant step forward in advancing emission control technology and supporting environmental sustainability. These ongoing efforts are part of the Group's approach toward improving operational efficiency to reduce its carbon footprint.

### SOCIAL RESPONSIBILITY AND COMMUNITY ENGAGEMENT

FM actively celebrates cultural diversity across its global workforce through a series of inclusive events. These activities promote mutual respect, understanding and collaboration among employees of different backgrounds. Festivities in Malaysia include Buka Puasa events, Hari Raya gatherings, Chinese New Year gatherings, Deepavali celebrations and Christmas to encourage cultural exchange and team bonding. Staff birthdays, annual dinners and long service awards are also organised to acknowledge employees' dedication and loyalty. In addition, inter-department and groupwide sporting and social events are encouraged to promote team spirit and support the health and wellbeing of our employees.

Globally, FM hosted events such as the Songkran celebration in Thailand and Christmas festivities in the Philippines, USA and Australia, emphasising local traditions and a sense of community. These efforts demonstrate FM's ongoing dedication to building a cohesive, engaged and culturally inclusive workplace while aligning with its social responsibility goals.

### STRENGTHENING SUSTAINABILITY FOR FUTURE GROWTH

We foresee deeper engagement incorporating ESG principles across all business areas. Our attention to these initiatives and efforts to strengthen stakeholder relationships are expected to support our ability to mitigate future challenges. This approach further positions FM to identify and leverage emerging opportunities in sustainability, ensuring long-term operational stability and expansion. FM remains dedicated to creating a business model that delivers economic growth and positive societal impact, enabling value generation and competitiveness in a rapidly changing global landscape.

## OUTLOOK AND PROSPECTS

### ECONOMIC OUTLOOK

We expect a more favourable performance in FY2025, supported by the global economic recovery. In its July 2024 World Economic Outlook, the International Monetary Fund projects global growth to remain steady at 3.2% for 2024, with a slight rise to 3.3% in 2025. Similarly, the WTO forecasts a 2.6% increase in global merchandise trade in 2024, improving to 3.3% by 2025. Malaysia's Q2 2024 GDP growth of 5.9% exceeded expectations, signalling sustained domestic recovery, with Bank Negara Malaysia revising its growth projections to the upper range of 4.0% to 5.0% for the year.

### BUSINESS PROSPECTS

Given these trends, FM approaches FY2025 with cautious optimism. Acknowledging the potential challenges, we anticipate a better performance in FY2025, aligned with projected improvements in global trade and economic conditions.

The Group's strategy for the coming year will emphasise expanding market and customer coverage, both domestically and internationally. With the international trade environment evolving, the focus will be on increasing cargo volumes as well as negotiating and securing competitive shipping rates with key carriers.

## Management Discussion &amp; Analysis (continued)

This strategy will be complemented by a suite of services, including trucking, customs brokerage and warehousing, to provide customers with a seamless logistics solution. In tandem, the Group will synchronise its investment strategy with the increasing demand for warehousing and distribution infrastructure, particularly within the Domestic Logistics Division.

The positive outlook is underpinned by a gradual recovery in global and regional economies, which are expected to stabilise in the medium term. FM will continue to focus on improving its service offerings, particularly in the Domestic Logistics and International Freight Divisions.

As economic conditions evolve, we aim to balance growth initiatives with risk management, ensuring we remain adaptable in the rapidly changing and unpredictable business environment. For nearly four decades, FM has steered the complexities of the global integrated logistics landscape through hard work and visionary leadership. Our journey, a blend of organic growth and strategic partnerships, has enabled us to enrich our service offerings and address customers' needs.

As we evolve, we recognise that our success depends on our ability to tap into collaborative relationships while remaining agile in a changing market. By leveraging cutting-edge technology and nurturing a talented workforce, we are intent on seizing emerging opportunities based on calculated risks and comprehensive due diligence.

Our journey has been about forging lasting relationships and creating value for all stakeholders. **servicematters** hold us in good stead, guided by our principles to gain advantage and ride the waves of uncertainties with determination and resilience.

## OVERVIEW: STRATEGIC DEVELOPMENTS IN MALAYSIAN PORTS

*Port Klang, Southeast Asia's second-largest port, has ascended to 11<sup>th</sup> place in the 2023 rankings of the world's top 100 busiest container ports, as reported by Lloyd's List. Meanwhile, the Port of Tanjung Pelepas ("PTP") has been recognised as the fifth most efficient container port globally and holds the top position in Southeast Asia, as stated in the 2023 Container Port Performance Index ("CPPI").*

*Malaysia's ports are gearing up for 2024, poised to play a climactic role in driving trade growth and capitalising on the global economic recovery. Despite challenges such as the Red Sea crisis, Malaysia's strategic geographical position and its ports' capability to handle increased traffic provide an advantageous edge. However, the potential for reverting trade routes could temper this current momentum.*

*The nation continues to attract foreign direct investment ("FDI") from global technology leaders, prompting port operators to undertake long-term expansion projects to solidify Malaysia's status as an international maritime and logistics hub. While leveraging the current environment, it remains imperative for Malaysia to adopt a proactive approach, adapting to potential shifts in global trade and ensuring infrastructure development keeps pace with increasing demands.*



*Intense competition looms from Singapore, renowned for its advanced technology and global partnerships, alongside emerging contenders like Vietnam and Indonesia, which are modernising their ports and offering lower operational costs. In response, Malaysian port operators focus on expansion strategies and infrastructure investment, guided by initiatives such as the New Industrial Master Plan 2030, which is anticipated to sustain long-term growth.*

*(Source: Business Times)*

# 02

## Performance & Leadership

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# Financial Highlights

| STATEMENTS OF COMPREHENSIVE INCOME (RM'000) | FY2020            | FY2021  | FY2022    | FY2023  | FY2024  |
|---|-------------------|---------|-----------|---------|---------|
| Revenue                                     | 551,609           | 763,431 | 1,152,945 | 948,361 | 817,477 |
| Profit Before Taxation                      | 20,267            | 42,496  | 66,613    | 62,252  | 46,656  |
| Profit After Tax and Minority Interest      | 12,045            | 27,035  | 45,585    | 42,007  | 30,895  |
| Net Earnings Per Share (sen)                | 2.16 <sup>^</sup> | 4.84    | 8.16      | 7.52    | 5.53    |
| Gross Dividend Per Share (sen)              | 2.00              | 4.00    | 4.00      | 4.00    | 4.00    |

| STATEMENTS OF FINANCIAL POSITION (RM'000) | FY2020            | FY2021  | FY2022  | FY2023  | FY2024  |
|---|-------------------|---------|---------|---------|---------|
| No. of Shares in Issue ('000)             | 279,222           | 558,445 | 558,445 | 558,445 | 558,445 |
| Paid-up Share Capital                     | 104,290           | 104,290 | 104,290 | 104,290 | 104,290 |
| Reserves                                  | 186,271           | 228,109 | 257,285 | 279,729 | 327,953 |
| Net Assets Per Share (RM)                 | 0.52 <sup>^</sup> | 0.60    | 0.65    | 0.69    | 0.77    |

<sup>^</sup> The comparative figures have been adjusted, taking into account the issuance of bonus shares on the basis of 1:1 in the Financial Year Ended 30 June 2021.

| REVENUE ANALYSIS (RM Million)       | FY2020       | FY2021       | FY2022         | FY2023       | FY2024       |
|-------------------------------------|--------------|--------------|----------------|--------------|--------------|
| <b>Contribution by Service Type</b> |              |              |                |              |              |
| International Freight               | 418.4        | 609.7        | 988.9          | 715.4        | 578.2        |
| Domestic Logistics                  | 133.2        | 153.7        | 164.0          | 233.0        | 239.3        |
| <b>Total</b>                        | <b>551.6</b> | <b>763.4</b> | <b>1,152.9</b> | <b>948.4</b> | <b>817.5</b> |



■ International Freight  
**70.7%**  
FY2023: 75.4%

■ Domestic Logistics  
**29.3%**  
FY2023: 24.6%



■ Malaysia  
**67.8%**  
FY2023: 67.3%

■ Australia  
**9.5%**  
FY2023: 12.0%

■ Indonesia  
**8.1%**  
FY2023: 6.1%

■ USA  
**4.0%**  
FY2023: 5.6%

■ India  
**3.6%**  
FY2023: 3.6%

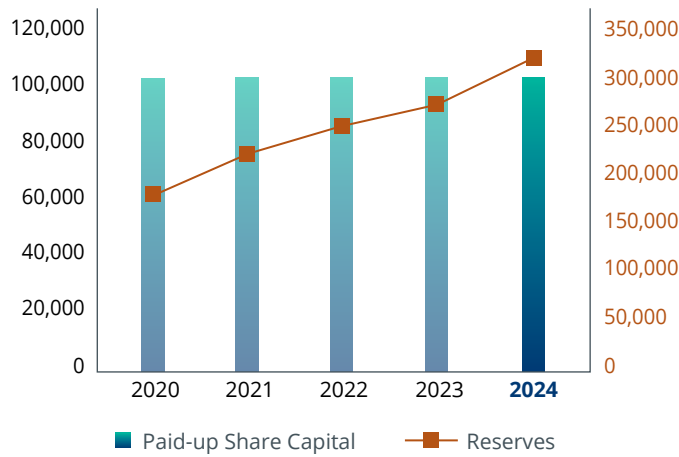
■ Thailand  
**3.4%**  
FY2023: 3.4%

■ Singapore  
**2.0%**  
FY2023: 0%

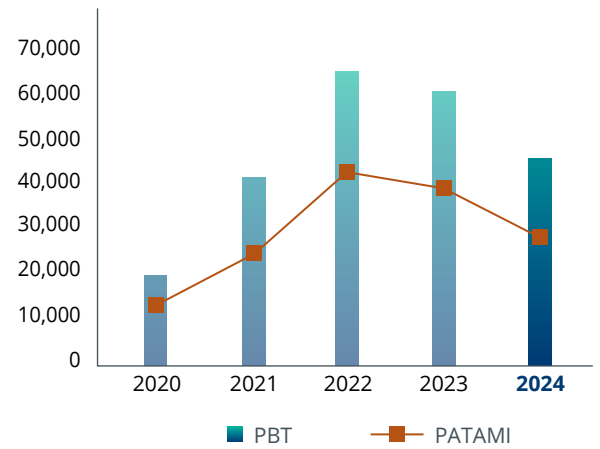
■ Vietnam  
**1.6%**  
FY2023: 2.0%

Financial Highlights (continued)

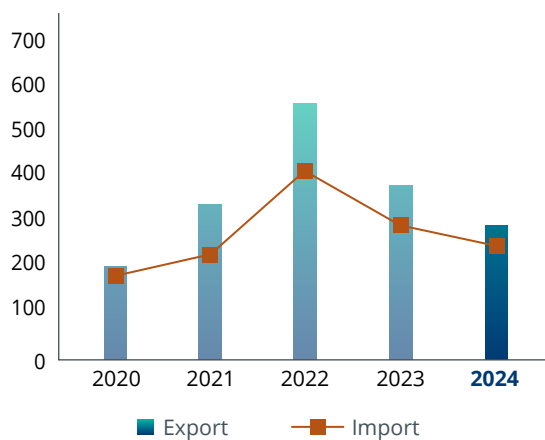
**SHAREHOLDERS' FUNDS (RM'000)**



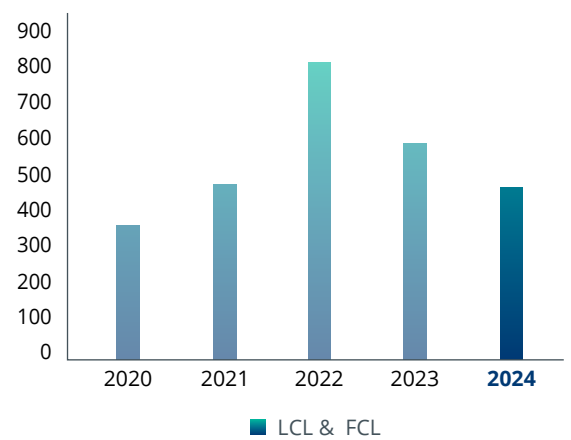
**PROFIT BEFORE TAX ("PBT")/  
PROFIT AFTER TAX AND MINORITY  
INTEREST ("PATAMI") (RM'000)**



**REVENUE ANALYSIS BY SERVICE TYPE (RM Million)**



**REVENUE ANALYSIS BY CONTAINER MODE (RM Million)**



# Corporate Information

## BOARD OF DIRECTORS

**Tengku Nurul Azian**  
**Binti Tengku Shahrman**  
*Chairperson/  
 Independent Non-Executive Director*

**Chew Chong Keat**  
*Group Managing Director*

**Yang Heng Lam**  
*Executive Director*

**Gan Siew Yong**  
*Executive Director*

**Ong Looi Chai**  
*Executive Director*

**Soh Chin Teck**  
*Independent Non-Executive Director*

**Lau Swee Chin**  
*Independent Non-Executive Director*

**Francis Lee Fook Wah**  
*Non-Independent Non-Executive Director*

## AUDIT AND RISK MANAGEMENT COMMITTEE

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

## NOMINATION AND REMUNERATION COMMITTEE

Chairperson  
**Lau Swee Chin**  
 Independent Non-Executive Director

Members  
**Tengku Nurul Azian**  
**Binti Tengku Shahrman**  
 Independent Non-Executive Director

**Soh Chin Teck**  
 Independent Non-Executive Director

## COMPANY SECRETARIES

**Foo Pei Koon** (MAICSA 7067238)  
 (SSM Practicing Certificate No. 202108000380)

**Te Hock Wee** (MAICSA 7054787)  
 (SSM Practicing Certificate No. 202008002124)

## REGISTERED OFFICE

Unit 30-01, Level 30, Tower A,  
 Vertical Business Suite, Avenue 3,  
 Bangsar South, No. 8, Jalan Kerinchi,  
 59200 Kuala Lumpur, Malaysia.

☎ +603-2783 9191  
 🏠 +603-2783 9111  
 ✉ info@my.tricorglobal.com

## HEAD/MANAGEMENT OFFICE

Lot 37, Lebuhr Sultan Mohamed 1,  
 Kawasan Perindustrian Bandar Sultan  
 Suleiman, 42000 Port Klang,  
 Selangor Darul Ehsan, Malaysia.

☎ +603-3176 1111 /  
 +603-3322 3111  
 🏠 +603-3176 8634  
 🌐 www.fmgloballogistics.com

## PRINCIPAL BANKERS

Bangkok Bank Berhad  
 Hong Leong Bank Berhad  
 HSBC Amanah Malaysia Berhad  
 Maybank Islamic Berhad  
 OCBC Al-Amin Bank Berhad  
 RHB Islamic Bank Berhad

## AUDITORS

**Crowe Malaysia PLT**  
 [Firm No. 201906000005  
 (LLP0018817-LCA) & AF 1018]  
 Chartered Accountants  
 Level 16, Tower C, Megan Avenue II,  
 12, Jalan Yap Kwan Seng,  
 50450 Kuala Lumpur, Malaysia.  
 ☎ +603-2788 9999  
 🏠 +603-2788 9998  
 🌐 www.crowe.my

## SOLICITORS

Wong Lu Peen & Tunku Alina  
 Advocates & Solicitors

## SHARE REGISTRAR

**Tricor Investor & Issuing House Services Sdn. Bhd.**  
 [Registration No. 197101000970 (11324-H)]  
 Unit 32-01, Level 32, Tower A,  
 Vertical Business Suite, Avenue 3,  
 Bangsar South, No. 8, Jalan Kerinchi,  
 59200 Kuala Lumpur, Malaysia.  
 ☎ +603-2783 9299  
 🏠 +603-2783 9222  
 ✉ is.enquiry@my.tricorglobal.com

## STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia  
 Securities Berhad  
 Stock Code : FM  
 Stock No. : 7210  
 Sector : Transportation & Logistics  
 (Listed on Second Board on 3 February 2005)

# Corporate Structure

as at 30 September 2024



**FM GLOBAL LOGISTICS HOLDINGS BERHAD**  
Registration No. 199601008064 (380410-P)



\* Dormant Companies

# Board of Directors' Profile

## TENGGU NURUL AZIAN BINTI TENGGU SHAHRIMAN

Chairperson/Independent Non-Executive Director

Age/Gender : **61/Female**

Nationality : **Malaysian**

Tengku Nurul Azian Binti Tengku Shahrman was appointed to the Board on 21 August 2019. She is a member of the Audit and Risk Management Committee and was appointed as a member of the Nomination and Remuneration Committee on 27 August 2024.

She graduated with a Law Degree from the School of Oriental & African Studies, University of London. After graduation, she obtained her Barrister of Law from the Honourable Society of the Inner Temple and was subsequently admitted to and enrolled as an Advocate and Solicitor of the High Court in Malaya.

Tengku Nurul Azian started her career in 1988 as an Advocate and Solicitor with Messrs. Shook Lin & Bok before pursuing a career in investment banking in 1992. She has over 18 years of broad experience in investment banking and corporate finance. Her last position was Head of Corporate Finance in RHB Investment Bank Berhad, a member of the RHB Banking Group, an integrated financial services group in Malaysia.

In 2010, she was appointed as the Director of Education and Human Capital Development in the Performance Management and Delivery Unit ("PEMANDU") and held this position until 2017. She was the Executive Vice President and Partner of PEMANDU Associates Sdn. Bhd., a management consultancy firm until June 2020.

Other than the Company, she is also an Independent Non-Executive Director of Dutch Lady Milk Industries Berhad, PPB Group Berhad and Sunway REIT Management Sdn. Bhd. (the management company of Sunway REIT, which is listed on Bursa Malaysia Securities Berhad).

## CHEW CHONG KEAT

Group Managing Director

Age/Gender : **63/Male**

Nationality : **Malaysian**

Mr Chew Chong Keat was appointed to the Board on 20 March 1996.

He graduated from the University of Manchester, the United Kingdom in 1984 with a Bachelor's Degree in Economics. He also holds a Diploma from the Business Education Council National, United Kingdom and a Diploma of Competence in Freight Forwarding from the International Federation of Freight Forwarders ("FIATA").

As one of the Group's co-founders, he serves on the board of several subsidiaries and associated companies of the Group. He is principally responsible for managing the Group's business and corporate affairs. With over 35 years of experience in freight forwarding and logistics services, he plays a key role in setting the direction of the Group's business strategies.

## YANG HENG LAM

Executive Director

Age/Gender : **61/Male**

Nationality : **Malaysian**

Mr Yang Heng Lam was appointed to the Board on 20 March 1996. He also serves on the board of all subsidiaries and associated companies of the Group. He helms the business development and operations divisions, encompassing the development of global air and ocean agencies, and numerous divisions namely the ocean import, customs brokerage, air freight, parcel, warehouse and transport divisions. He played a key role in identifying suitable partners for the establishment of offices in Thailand, Indonesia, the Philippines, India and the USA.

He founded Cargo World Network and Star Cargo Alliance, part of the global freight forwarding network for the Group, and serves as the President of both organisations.

He has over 35 years of experience in the freight forwarding and logistics industry and has been instrumental in securing and maintaining major customers for the Group.

## Board of Directors' Profile (continued)

**GAN SIEW YONG**

Executive Director

Age/Gender : **62/Female**Nationality : **Malaysian**

Madam Gan Siew Yong joined the Board on 20 March 1996. She also serves on the board of several subsidiary companies of the Group. As the Head of the Export Division, she is principally responsible for the export-related services of the Group and is actively involved in negotiating ocean freight rates and securing container space with the shipping lines.

Backed by more than 35 years of experience and supported by a strong team, she has been instrumental in establishing the Group's Full Container Load ("FCL") and Less than Container Load ("LCL") consolidation business in all international major ports.

**ONG LOOI CHAI**

Executive Director

Age/Gender : **56/Male**Nationality : **Malaysian**

Mr Ong Looi Chai was appointed to the Board on 1 June 2006. He joined the Group in 1989, securing attachment with the Port Klang headquarters. In 1995, he assumed the position of Branch Manager in Penang and was instrumental in the growth and development of the Penang branch.

He is currently responsible for the overall business development in the northern region of West Malaysia and East Malaysia. He also leads the business development of the Group's overseas offices in Thailand and Indonesia.

**SOH CHIN TECK**

Independent Non-Executive Director

Age/Gender : **66/Male**Nationality : **Malaysian**

Mr Soh Chin Teck was appointed to the Board on 30 September 2019. He is the Chairman of the Audit and Risk Management Committee and a member of the Nomination and Remuneration Committee (following the merger of the Nomination Committee and Remuneration Committee into a single board committee on 27 August 2024).

He holds a Bachelor of Economics Degree from Monash University, Australia, and a Master of Business Administration - International Management from RMIT University, Australia. He is a Fellow of the Institute of Chartered Accountants Australia and New Zealand and a member of the Malaysian Institute of Accountants.

He has more than 13 years of experience in member firms of Deloitte Singapore, Sydney and Kuala Lumpur. He was a former Executive Director and General Manager of CSR Building Materials (M) Sdn. Bhd. and was a Business Director and board member of Rockwool Malaysia Sdn. Bhd. He also held the chairmanship of FMM Malaysian Insulation Manufacturers Group and the Deputy Managing Director position of Saint-Gobain Malaysia Sdn. Bhd.

Other than the Company, he is also an Independent Non-Executive Director of PPB Group Berhad.

## Board of Directors' Profile (continued)

**LAU SWEE CHIN**

Independent Non-Executive Director

Age/Gender : **61/Female**Nationality : **Malaysian**

Madam Lau Swee Chin was appointed to the Board on 21 August 2018. She is the Chairperson of the Nomination and Remuneration Committee (following the merger of the Nomination Committee and Remuneration Committee into a single board committee on 27 August 2024) and a member of the Audit and Risk Management Committee.

She started her career in the Audit Department of Hanafiah Raslan & Mohamad before pursuing her studies at the Institute of Chartered Secretaries and Administrators ("ICSA").

She completed her ICSA studies in 1986 and subsequently obtained her Associate Membership of ICSA in 1993. She joined TAMS Secretarial Sdn. Bhd. in 1987 where she was later promoted as Head of the Company Secretarial Department.

In 2003, she joined Miomira Corporate Services Sdn. Bhd. as a Partner and Head of the Company Secretarial Department.

Her responsibilities covered the incorporation of companies and business enterprises, public listing, company secretarial services, deregistration and liquidation, and advisory services.

Following her retirement in 2014, she set up a new partnership, Eco Gifts Shoppe, where the company's primary focus is on importing natural oils from selected countries for local distribution in Malaysia.

**Notes:**

**FAMILY RELATIONSHIPS:** Mdm Gan Siew Yong is the spouse of Mr Chew Chong Keat. Save as disclosed, none of the Directors has any family relationship with any director and/or major shareholder of the Company.

**DIRECTORSHIP OF PUBLIC COMPANIES:** Save as disclosed above, none of the Directors holds any other directorships in public companies and listed issuers in Malaysia other than the Company.

**NUMBER OF BOARD MEETINGS ATTENDED:** Details of Board meeting attendance of each Director are disclosed in the Corporate Governance Overview Statement of this Annual Report.

**CONVICTIONS:** None of the Directors has been convicted of any offences (other than traffic offences, if any) within the past 5 years, nor any public sanction or penalty imposed by the relevant regulatory bodies during the financial year ended 30 June 2024.

**CONFLICT OF INTEREST:** None of the Directors has any conflict of interest with the Company.

**KEY SENIOR MANAGEMENT:** The Executive Directors sitting on the Board also occupy the offices of the Key Senior Management of the Company.

**FRANCIS LEE FOOK WAH**

Non-Independent Non-Executive Director

Age/Gender : **58/Male**Nationality : **Singaporean**

Mr Francis Lee Fook Wah was appointed to the Board on 20 September 2023.

He graduated from the National University of Singapore with a Bachelor's Degree in Accountancy in 1990 and obtained a Master's Degree in Business Administration (Investment and Finance) from the University of Hull, UK in 1993. He is a Chartered Accountant and a non-practising member of the Institute of Singapore Chartered Accountants. He is also a member of the Singapore Institute of Directors.

He was appointed as the Chief Financial Officer of Vibrant Group Limited on 1 April 2019 and on 1 September 2020, he was also appointed as an Executive Director. He is responsible for the overall management of the finance functions of Vibrant Group Limited and its subsidiaries, matters relating to regulatory compliance and reporting, and overseeing the Group's human resource matters.

Previously, he was the chief financial officer of OKH Global Ltd. a company listed on the SGX-ST from 2015 to 2017. Between 2005 and 2011, he also served as an executive director, finance director and chief financial officer of Man Wah Holdings Ltd. a company listed on the Hong Kong Stock Exchange. He began his career in 1990 in the Commercial Crime Division of the Criminal Investigation Department of Singapore, where he served as a senior investigation officer. In 1993, he served as an assistant manager in OCBC Bank conducting credit analysis. Between 1994 and 2001, he worked as a dealers' representative for Deutsche Morgan Securities. He then served at the Singapore branch of the Bank of China between 2001 and 2004 as a relationship manager. Between 2004 and 2005, he was with AP Oil International Ltd. as investment and project manager.

He is an independent director of Joyas International Holdings Ltd. and Pavillon Holdings Ltd. and non-executive, non-independent director of Figtree Holdings Ltd.



