

DIRECTORS' Report

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 30 June 2009.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are disclosed in Note 9 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 for the financial year | 15,048 | 2,927 |
| Attributable to: Equity holders of the Company | 13,564 | - |
| Minority interest | 1,484 | |
| | 15,048 | 2,927 |

DIVIDENDS

Dividends paid since the end of the previous financial year were as follows:

| | Company RM′000 |
|------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|
| In respect of the financial year ended 30 June 2008: Final dividend of 2.5 sen per ordinary share, less tax of 25%, paid on 19 January 2009 | 2,282 |
| In respect of the financial year ended 30 June 2009: Interim dividend of 2.0 sen per ordinary share, less tax of 25%, paid on 15 July 2009 | 1,826 |
| interim dividend of 2.0 sen per ordinary share, less tax of 25%, paid off 15 July 2005 | 4,108 |

The Directors proposed a final dividend of 2.5 sen per ordinary share, less tax of 25% amounting to RM2,282,143, in respect of the financial year ended 30 June 2009, subject to the approval of the members at the forthcoming Annual General Meeting.

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.

ISSUE OF SHARES AND DEBENTURES

The Company did not issue any shares and debentures during the financial year.

OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued shares of the Company during the financial year.

DIRECTORS

The Directors who held office since the date of the last report are:

Datuk Dr. Haji Noordin bin Haji Ab. Razak Chew Chong Keat Yang Heng Lam Gan Siew Yong Aaron Sim Kwee Lein Ong Looi Chai Chua Tiong Hock

Khua Kian Keong (Alternate Director to Chua Tiong Hock)

DIRECTORS' INTERESTS

The Directors holding office at the end of the financial year and their beneficial interests in ordinary shares in the Company during the financial year ended 30 June 2009 as recorded in the Register of Directors' Shareholdings kept by the Company under Section 134 of the Companies Act, 1965, were as follows:

| | < Number of ordinary shares of RM0.50 each> | | | |
|-------------------------|---------------------------------------------|--------|------|------------|
| | Balance | | | Balance |
| | as at | | | as at |
| | 1.7.2008 | Bought | Sold | 30.6.2009 |
| Shares in the Company | | | | |
| <u>Direct interests</u> | | | | |
| Chew Chong Keat | 33,902,597 | - | - | 33,902,597 |
| Gan Siew Yong | 5,281,642 | - | - | 5,281,642 |
| Yang Heng Lam | 22,276,031 | - | - | 22,276,031 |
| Ong Looi Chai | 1,429,928 | - | - | 1,429,928 |
| Indirect interests | | | | |
| Khua Kian Keong | 24,342,857 | - | - | 24,342,857 |
| Chua Tiong Hock | 24,342,857 | - | - | 24,342,857 |
| Yang Heng Lam | 175,000* | - | - | 175,000* |

^{*} Interest of spouse by virtue of Section 134 (12)(c) of the Companies Act, 1965.

By virtue of Section 6A of the Companies Act, 1965, Chew Chong Keat, Yang Heng Lam, Khua Kian Keong and Chua Tiong Hock are deemed to have interests in the shares of all the subsidiaries to the extent the Company has an interest.

Other than as stated above, none of the other Directors holding office at the end of the financial year held any interest in shares of the Company or of its related corporations during the financial year.

DIRECTORS' REPORT (Cont'd)

DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the Directors have received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the Directors as shown in the financial statements) 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 have arisen by virtue of the significant related party transactions as disclosed in Note 35 to the financial statements.

There were no arrangements during and at the end of the financial year, to which the Company is a party, which had the object of enabling Directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY

(I) AS AT THE END OF THE FINANCIAL YEAR

- (a) Before the income statements and balance sheets of the Group and of the Company were made out, the Directors took reasonable steps:
 - to ascertain that proper action had been taken in relation to the writing off of bad debts and the making
 of provision for doubtful debts and satisfied themselves that all known bad debts had been written off
 and that adequate provision had been made for doubtful debts; and
 - (ii) to ensure that any current assets other than debts, which were unlikely to realise their book values 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.

(II) FROM THE END OF THE FINANCIAL YEAR TO THE DATE OF THIS REPORT

- (c) The Directors are not aware of any circumstances:
 - which would render the amounts written off for bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any material extent; and
 - (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:
 - 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 and of the Company to meet their obligations as and when they fall due.

OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY (Cont'd)

(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 the report or financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

- (a) On 30 July 2008, the Company announced that the application by its wholly-owned subsidiary, Freight Management (M) Sdn. Bhd. for Investment Tax Incentives for a period of five (5) years under the Integrated Logistics Services had been approved by Malaysian Industrial Development Authority ("MIDA") via letter dated 10 July 2008.
- (b) On 27 August 2008, the Company incorporated a wholly-owned company limited by shares known as Icon Freight International Inc. ("IFII"), in British Virgin Islands. The authorised share capital of IFII is USD50,000 comprising 50,000 ordinary shares of USD1 each and current paid-up capital is USD100. IFII is currently dormant and its principal activity is intended to be that of investment holding.
- (c) On 18 September 2008, Icon Line (Malaysia) Sdn. Bhd. ("ILSB") received approval from Badan Koordinasi Penanaman Modal ("BKPM") for change of status of PT. Icon Freight Indonesia from a Non Penanaman Modal Asing to a Penanaman Modal Asing ("PMA") Company. The intended issued and paid-up capital of PT. Icon Freight Indonesia on becoming a PMA Company will be IDR4,500,000,000. ILSB has yet to subscribe to the shares of PT. Icon Freight Indonesia.
- (d) On 24 September 2008, the Company proposed a further extension of time for a period of 6 months up to 12 April 2009, to implement the proposed placement of up to 12,171,428 new Freight Management Holdings Bhd. ("FMH") shares of RM0.50 each ("Placement Shares") representing up to 10% of the enlarged issued and paid-up share capital of FMH after the Bonus Issue ("Proposed Placement").
 - On 17 October 2008, Securities Commission ("SC") approved the Company's application for the extension of time up to and including 12 April 2009, to implement the Proposed Placement.
 - On 17 April 2009, the SC rejected the Company's application for an extension of time from 12 April 2009 to 12 October 2009 via its letter dated 17 April 2009. In view that the implementation of the Proposed Placement is not feasible due to unfavourable current market condition, the Company resolved to abort the Proposed Placement.
- (e) On 6 November 2008, the Company announced that its wholly-owned subsidiary, ILSB subscribed for 22,050 shares of IDR100,000 each at par for a total cash consideration of IDR2,205,000,000 in the capital of PT Icon Freight Indonesia, representing 49% of the issued and paid-up capital of PT Icon Freight Indonesia.
- (f) On 2 January 2009, the Company announced that its wholly-owned subsidiary, ILSB entered into a Joint Venture Agreement on 31 December 2008 to set up a joint venture company in Thailand via the incorporation of a joint venture company known as Icon Freight Services Company Ltd. ("IFSCL"). The Joint Venture Company will have an authorised share capital of THB5,000,000 divided into 10,000 ordinary shares of THB500 each.

DIRECTORS' REPORT (Cont'd)

SIGNIFICANT EVENT SUBSEQUENT TO THE BALANCE SHEET DATE

(a) On 2 July 2009, the Company announced that its wholly-owned subsidiary, ILSB has subscribed for 24,500 shares of THB100 each at par for a total cash consideration of THB2,450,000 in the capital of IFSCL, a joint venture company in Thailand, representing 49% of the issued and paid up share capital of IFSCL.

It was mutually agreed that the nominal value of the shares to be allotted be changed from THB500 to THB100 per share.

AUDITORS

The auditors, BDO Binder, have expressed their willingness to continue in office.

Signed on behalf of the Board in accordance with a resolution of the Directors.

Chew Chong Keat

Director

Port Klang 8 October 2009 Yang Heng Lam Director

FREIGHT MANAGEMENT HOLDINGS BHD 380410-P

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annual report 2009

STATEMENT BYDirectors

In the opinion of the Directors, the financial statements set out on pages 38 to 97 have been drawn up in accordance with applicable approved Financial Reporting Standards in Malaysia and the provisions of the Companies Act, 1965 so as to give a true and fair view of the state of affairs of the Group and of the Company as at 30 June 2009 and of the results of the operations of the Group and of the Company and of the Company for the financial year then ended.

On behalf of the Board,

Chew Chong Keat

Director

Port Klang 8 October 2009 Yang Heng Lam Director

STATUTORY Declaration

I, Chew Chong Keat, being the Director primarily responsible for the financial management of Freight Management Holdings Bhd., do solemnly and sincerely declare that the financial statements set out on pages 38 to 97 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly) Chew Chong Keat declared by the abovenamed at) Kuala Lumpur this) 8 October 2009)

Before me:

PESURUHJAYA SUMPAH S. IDERAJU W 451 COMMISSIONER FOR OATHS

INDEPENDENT Auditors' Report

to the Members of Freight Management Holdings Bhd. (Incorporated in Malaysia)

Report on the Financial Statements

We have audited the financial statements of Freight Management Holdings Bhd., which comprise the balance sheets as at 30 June 2009 of the Group and of the Company, and the income statements, statements of changes in equity and cash flow statements of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 38 to 97.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with applicable approved Financial Reporting Standards in Malaysia and the provisions of the Companies Act, 1965. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements 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 Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with applicable approved Financial Reporting Standards in Malaysia and the provisions of the Companies Act, 1965 so as to give a true and fair view of the state of affairs of the Group and of the Company as at 30 June 2009 and of the results of the operations of the Group and of the Company and of the Company and of the Company for the financial year then ended.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965, we also report the following:

- (a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.
- (b) We have considered the financial statements and the auditors' reports of all the subsidiaries of which we have not acted as auditors, which are indicated in Note 9 to the financial statements.

- (c) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purpose of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.
- The audit reports on the financial statements of the subsidiaries did not contain any qualification or any adverse (d) comment made under Section 174(3) of the Act.

Other Matters

Report on Other Legal and Regulatory Requirements (Cont'd)

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 and for no other purpose. We do not assume responsibility to any other person for the content of this report.

BDO Binder AF: 0206 **Chartered Accountants**

Kuala Lumpur 8 October 2009 **Law Kian Huat** 2855/07/10 (J) Partner

BALANCE Sheets as at 30 June 2009

| | | Gr | oup | Con | npany |
|---------------------------------|------|---------|---------|--------|--------|
| | | 2009 | 2008 | 2009 | 2008 |
| | NOTE | RM′000 | RM'000 | RM'000 | RM'000 |
| ASSETS | | | | | |
| Non-current assets | | | | | |
| Property, plant and equipment | 7 | 71,804 | 59,388 | - | - |
| Prepaid lease payments for land | 8 | 11,819 | 11,301 | - | - |
| Investments in subsidiaries | 9 | - | - | 35,929 | 35,928 |
| Investment in an associate | 10 | 146 | 115 | - | - |
| Other investment | 11 | 3 | 3 | - | - |
| Amounts owing by subsidiaries | 12 | - | - | 14,161 | 14,495 |
| Deferred tax assets | 23 | 160 | 79 | - | - |
| Goodwill on consolidation | 13 | 1,674 | 1,674 | - | - |
| | | 85,606 | 72,560 | 50,090 | 50,423 |
| Current assets | | | | | |
| Trade receivables | 14 | 31,931 | 39,562 | - | - |
| Other receivables, deposits and | 45 | | 0.540 | | |
| prepayments | 15 | 2,822 | 3,516 | 202 | 6 |
| Amounts owing by subsidiaries | 12 | - | - | 9,518 | 10,450 |
| Amount owing by an associate | 16 | 156 | 201 | - | - |
| Current tax asset | | 305 | 1,219 | 254 | 683 |
| Cash and bank balances | 17 | 27,288 | 18,385 | 11,302 | 7,840 |
| | | 62,502 | 62,883 | 21,276 | 18,979 |
| Non-current asset classified | | | | | |
| as held for sale | 18 | - | 5,266 | - | - |
| | _ | 62,502 | 68,149 | 21,276 | 18,979 |
| TOTAL ASSETS | | 148,108 | 140,709 | 71,366 | 69,402 |

| N EQUITY AND LIABILITIES | OTE | 2009 RM'000 | 2008 | 2009 | 2008 |
|------------------------------------------------------|-----|----------------|---------|--------|--------|
| | ОТЕ | DM/000 | | | |
| EQUITY AND LIABILITIES | | UIAI OOO | RM'000 | RM'000 | RM'000 |
| | | | | | |
| Equity attributable to equity holders of the Company | | | | | |
| Share capital | 19 | 60,857 | 60,857 | 60,857 | 60,857 |
| Reserves | 20 | 23,101 | 13,597 | 3,364 | 4,545 |
| | | 83,958 | 74,454 | 64,221 | 65,402 |
| Minority interest | | 8,220 | 5,945 | - | - |
| TOTAL EQUITY | | 92,178 | 80,399 | 64,221 | 65,402 |
| LIABILITIES | | | | | |
| Non-current liabilities | | | | | |
| Hire purchase and lease creditors | 21 | 8,324 | 4,561 | - | - |
| Term loans - secured | 22 | 13,358 | 16,407 | - | - |
| Deferred tax liabilities | 23 | 3,633 | 3,022 | - | - |
| | | 25,315 | 23,990 | - | - |
| Current liabilities | | | | | |
| Trade payables | 24 | 10,966 | 12,893 | - | - |
| Other payables and accruals | 25 | 9,094 | 10,201 | 423 | 471 |
| Amounts owing to subsidiaries | 12 | - | - | 4,896 | 1,728 |
| Hire purchase and lease creditors | 21 | 3,041 | 1,422 | - | - |
| Term loans - secured | 22 | 4,160 | 3,138 | - | - |
| Bankers' acceptances - secured | 26 | - | 2,237 | - | - |
| Revolving credit - secured | 27 | - | 1,500 | - | - |
| Bank overdrafts - secured | 28 | 1,024 | 2,511 | - | - |
| Dividends payable | | 1,826 | 1,801 | 1,826 | 1,801 |
| Current tax payable | | 504 | 617 | - | - |
| | _ | 30,615 | 36,320 | 7,145 | 4,000 |
| TOTAL LIABILITIES | _ | 55,930 | 60,310 | 7,145 | 4,000 |
| TOTAL EQUITY AND LIABILITIES | _ | 148,108 | 140,709 | 71,366 | 69,402 |

INCOME Statements

for the financial year ended 30 June 2009

| | | Gr | oup | Cor | npany |
|----------------------------------------------------------------------------------|------|-----------|-----------|---------|---------|
| | | 2009 | 2008 | 2009 | 2008 |
| | NOTE | RM'000 | RM'000 | RM'000 | RM'000 |
| Revenue | 29 | 229,424 | 221,999 | 7,040 | 7,841 |
| Cost of services | _ | (174,086) | (173,018) | - | - |
| Gross profit | | 55,338 | 48,981 | 7,040 | 7,841 |
| Other income | | 2,959 | 3,190 | 106 | 396 |
| Administrative expenses | | (37,388) | (34,044) | (2,850) | (3,006) |
| Finance costs | | (1,607) | (1,588) | - | (39) |
| Share of profit/(loss) in an associate | _ | 31 | (22) | - | - |
| Profit before tax | 30 | 19,333 | 16,517 | 4,296 | 5,192 |
| Tax expense | 31 | (4,285) | (3,129) | (1,369) | (1,315) |
| Profit for the financial year | _ | 15,048 | 13,388 | 2,927 | 3,877 |
| Attributable to: | | | | | |
| Equity holders of the Company | | 13,564 | 12,166 | 2,927 | 3,877 |
| Minority interest | _ | 1,484 | 1,222 | - | - |
| | _ | 15,048 | 13,388 | 2,927 | 3,877 |
| Earnings per ordinary share attributable to equity holders of the Company (sen): | | | | | |
| Basic earnings per ordinary share | 33 _ | 11.14 | 10.00 | | |

STATEMENTS OF Changes In Equity for the financial year ended 30 June 2009

| | ← Attri | butable to | equity holders | s of the Com | npany —> | | |
|-----------------------------------------------------------------------------|----------------|------------|----------------------|--------------|----------|----------|---------|
| GROUP | Share | Shara | Exchange translation | Retained | | Minority | Total |
| GNOOF | capital | premium | reserve | earnings | Total | interest | equity |
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| Balance as at 1 July 2007 | 42,600 | 4,075 | (71) | 19,096 | 65,700 | 4,396 | 70,096 |
| Foreign currency translations | - | - | 596 | - | 596 | 327 | 923 |
| Income and expense recognised directly in equity | - | - | 596 | - | 596 | 327 | 923 |
| Profit for the financial year | _ | - | - | 12,166 | 12,166 | 1,222 | 13,388 |
| Total recognised income and expense for the financial year | - | - | 596 | 12,166 | 12,762 | 1,549 | 14,311 |
| Share issue expenses | - | (405) | - | - | (405) | - | (405) |
| Dividends paid (Note 32) | - | - | - | (3,603) | (3,603) | - | (3,603) |
| Bonus issue (Note 19) | 18,257 | (3,670) | - | (14,587) | - | - | - |
| Balance as at 30 June 2008 | 60,857 | - | 525 | 13,072 | 74,454 | 5,945 | 80,399 |
| Foreign currency translations | - | - | 48 | - | 48 | 35 | 83 |
| Income and expense recognised directly in equity | - | - | 48 | - | 48 | 35 | 83 |
| Profit for the financial year | | - | - | 13,564 | 13,564 | 1,484 | 15,048 |
| Total recognised income and expense for the financial year | - | - | 48 | 13,564 | 13,612 | 1,519 | 15,131 |
| Ordinary share capital contributed by minority shareholders of a subsidiary | - | - | - | - | - | 756 | 756 |
| Dividends paid (Note 32) | | - | - | (4,108) | (4,108) | - | (4,108) |
| Balance as at 30 June 2009 | 60,857 | - | 573 | 22,528 | 83,958 | 8,220 | 92,178 |

STATEMENTS OF CHANGES IN EQUITY (Cont'd)

| COMPANY | Share | Share | Retained | Total |
|-------------------------------|---------|---------|----------|---------|
| | capital | premium | earnings | equity |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Balance as at 1 July 2007 | 42,600 | 4,075 | 18,858 | 65,533 |
| Profit for the financial year | - | - | 3,877 | 3,877 |
| Dividends paid (Note 32) | - | - | (3,603) | (3,603) |
| Share issue expenses | - | (405) | - | (405) |
| Bonus issue (Note 19) | 18,257 | (3,670) | (14,587) | |
| Balance as at 30 June 2008 | 60,857 | - | 4,545 | 65,402 |
| Profit for the financial year | - | - | 2,927 | 2,927 |
| Dividends paid (Note 32) | - | - | (4,108) | (4,108) |
| Balance as at 30 June 2009 | 60,857 | - | 3,364 | 64,221 |

CASH FLOW Statements

for the financial year ended 30 June 2009

| | | G | roup | Con | npany |
|--------------------------------------------------------|------|---------|---------|---------|---------|
| | | 2009 | 2008 | 2009 | 2008 |
| | NOTE | RM'000 | RM′000 | RM'000 | RM'000 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | | |
| Profit before tax | | 19,333 | 16,517 | 4,296 | 5,192 |
| Adjustments for: | | | | | |
| Allowance for doubtful debts | | 573 | 796 | - | - |
| Allowance for doubtful debts no longer required | | (373) | (347) | - | - |
| Amortisation of prepaid lease payments for land | 8 | 148 | 133 | | _ |
| Bad debts recovered | | (6) | (14) | _ | - |
| Bad debts written off | | 252 | 87 | - | - |
| Depreciation of property, plant and | | | | | |
| equipment | 7 | 5,299 | 3,740 | - | - |
| Dividend income | | - | - | (5,100) | (5,901) |
| Gain on disposal of property, plant and equipment | | (321) | (1,314) | | - |
| Interest expense | | 1,607 | 1,588 | - | 39 |
| Interest income | | (297) | (249) | (106) | (396) |
| Property, plant and equipment written off | 7 | 76 | 80 | - | - |
| Share of (profit)/loss in an associate | 10 | (31) | 22 | - | - |
| Unrealised gain on foreign currency transactions | | (32) | (77) | - | - |
| Operating profit/(loss) before working capital changes | | 26,228 | 20,962 | (910) | (1,066) |
| Decrease/(Increase) in trade receivables | | 7,089 | (5,056) | | - |
| Decrease/(Increase) in other receivables, | | | | | |
| deposits and prepayments | | 694 | (1,064) | (196) | 1 |
| Decrease in trade payables | | (1,836) | (1,661) | - | - |
| Increase/(Decrease) in other payables and accruals | | 603 | 2,768 | (48) | 105 |
| Decrease in amount owing by an associate | | 45 | 240 | - | - |
| Cash generated from/(used in) operations | | 32,823 | 16,189 | (1,154) | (960) |
| Interest paid | | (94) | (276) | | - |
| Tax paid | | (3,289) | (2,942) | - | - |
| Tax refunded | | 335 | 112 | 335 | 82 |
| Net cash from/(used in) operating activities | | 29,775 | 13,083 | (819) | (878) |

CASH FLOW STATEMENTS (Cont'd)

| | | G | roup | Con | Company | | |
|----------------------------------------------------------------------|------|----------|---------|---------|---------|--|--|
| | | 2009 | 2008 | 2009 | 2008 | | |
| | NOTE | RM'000 | RM'000 | RM'000 | RM'000 | | |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | | | |
| Acquisition of subsidiaries | | - | - | (1) | (100) | | |
| Repayments from subsidiaries | | - | - | 1,266 | 4,553 | | |
| Advances from/(Repayments to) subsidiaries | | - | - | 3,168 | (3,026) | | |
| Dividend received | | - | - | 3,825 | 4,367 | | |
| Interest received | | 297 | 249 | 106 | 396 | | |
| Withdrawals/(Placements) of fixed deposits pledged to licensed banks | | 745 | (678) | - | - | | |
| Proceeds from disposal of property, plant and equipment | | 353 | 2,141 | _ | _ | | |
| Purchase of property, plant and equipment | 7(a) | (3,464) | (6,861) | - | - | | |
| Net cash (used in)/from investing activities | | (2,069) | (5,149) | 8,364 | 6,190 | | |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | | | | |
| Proceeds from shares issued to minority shareholders | | 756 | - | - | - | | |
| Dividend paid | | (4,083) | (3,229) | (4,083) | (3,229) | | |
| (Repayments)/Drawdown of bankers' acceptances | | (2,237) | 979 | - | - | | |
| (Repayments)/Drawdown of revolving credit | | (1,500) | 1,500 | _ | - | | |
| Share issue expenses | | - | (406) | - | (406) | | |
| Repayments of term loans | | (5,745) | (1,689) | - | - | | |
| Repayments of hire purchase | | | | | | | |
| and lease creditors | | (2,234) | (859) | - | - (00) | | |
| Interest paid | | (1,513) | (1,312) | - | (39) | | |
| Net cash used in financing activities | | (16,556) | (5,016) | (4,083) | (3,674) | | |
| Net increase in cash and cash equivalents | | 11,150 | 2,918 | 3,462 | 1,638 | | |
| Cash and cash equivalents at beginning of financial year | | 11,864 | 8,888 | 7,840 | 6,202 | | |
| Effect of changes in foreign exchange | | (15) | 58 | - | - | | |
| Cash and cash equivalents at end of financial year | 34 | 22,999 | 11,864 | 11,302 | 7,840 | | |

NOTES TO THE Financial Statements

30 June 2009

1. CORPORATE INFORMATION

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 Level 18, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur.

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

The financial statements are presented in Ringgit Malaysia ('RM'), which is also the Company's functional currency. 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 8 October 2009.

2. PRINCIPAL ACTIVITIES

The company is principally engaged in investment holding. The principle activities of the subsidiaries are set out in Note 9 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 applicable approved Financial Reporting Standards ('FRSs') in Malaysia and the provisions of the Companies Act, 1965.

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 Basis of accounting

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.

The preparation of financial statements requires the Directors to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses and disclosure of contingent assets and liabilities. In addition, the Directors are also required to exercise their judgement in the process of applying the accounting policies. The areas involving such judgements, estimates and assumptions are disclosed in Note 6 to the financial statements. Although these estimates and assumptions are based on the Directors' best knowledge of events and actions, actual results could differ from those estimates.

4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

4.2 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and all its subsidiaries made up to the end of the financial year using the purchase method of accounting.

Under the purchase method of accounting, the cost of business combination is measured at the aggregate of fair value at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued plus any costs directly attributable to the business combination.

At the acquisition date, the cost of business combination is allocated to identifiable assets acquired, liabilities assumed and contingent liabilities in the business combination which are measured initially at their fair value at the acquisition date. The excess of the cost of business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities is recognised as goodwill (see Note 4.6 to the financial statements on goodwill). If the cost of business combination is less than the interest in the net fair value of the identifiable assets, liabilities and contingent liabilities, the Group will:

- (a) reassess the identification and measurement of the acquiree's identifiable assets, liabilities and contingent liabilities and the measurement of the cost of the combination; and
- (b) recognise immediately in profit or loss any excess remaining after the reassessment.

Where a business combination includes more than one exchange transaction, any adjustment to the fair values of the subsidiary's identifiable assets, liabilities and contingent liabilities relating to previously held interests of the Group is accounted for as a revaluation.

Subsidiaries are consolidated from the acquisition date, which is the date on which the Group effectively obtains control, until the date on which the Group ceases to control the subsidiaries. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the existence and effect of potential voting rights that are currently or convertible or exercisable are taken into consideration.

Intragroup balances, transactions and unrealised gains and losses on intragroup transactions are eliminated in full. Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. If a subsidiary uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to its financial statements in preparing the consolidated financial statements.

The gain or loss on disposal of a subsidiary, which is the difference between the net disposal proceeds and the Group's share of its net assets as of the date of disposal including the carrying amount of goodwill and the cumulative amount of any exchange differences that relate to the subsidiary, is recognised in the consolidated income statement.

Minority interest is that portion of the profit or loss and net assets of a subsidiary attributable to equity interests that are not owned, directly or indirectly through subsidiaries, by the Group. It is measured at the minority's share of the fair value of the subsidiaries' identifiable assets and liabilities at the acquisition date and the minority's share of changes in the subsidiaries' equity since that date.

Where losses applicable to the minority in a subsidiary exceed the minority's interest in the equity of that subsidiary, the excess and any further losses applicable to the minority are allocated against the Group's interest except to the extent that the minority has a binding obligation and is able to make additional investment to cover the losses. If the subsidiary subsequently reports profits, such profits are allocated to the Group's interest until the minority's share of losses previously absorbed by the Group has been recovered.

4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

4.2 Basis of consolidation (Cont'd)

Minority interest is presented in the consolidated balance sheet within equity and is presented in the consolidated statement of changes in equity separately from equity attributable to equity holders of the Company.

Minority interest in the results of the Group is presented in the consolidated income statement as an allocation of the total profit or loss for the financial year between the minority interest and equity holders of the Company.

Transactions with minority interests are treated as transactions with parties external to the Group. Disposals to minority interests result in gains and losses for the Group that are recorded in profit or loss. Purchases from minority interests result in goodwill, being the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary.

4.3 Property, plant and equipment and depreciation

All items of property, plant and equipment are initially measured at cost. Cost includes expenditure that is directly attributable to the acquisition of the asset.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that the future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. The carrying amount of parts that are replaced is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred. Cost also comprises the initial estimate of dismantling and removing the asset and restoring the site on which it is located for which the Group is obligated to incur when the asset is acquired, if applicable.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the asset and which has different useful life, is depreciated separately.

After initial recognition, property, plant and equipment except for freehold land and buildings are stated at cost less any accumulated deprecation and any accumulated impairment losses.

Depreciation is calculated to write off the cost or valuation of the assets to their residual values on a straight line basis over their estimated useful lives. The principal depreciation rates are as follows:

| Buildings | 2% |
|-----------------------------------|------------|
| Machinery, furniture and fittings | 7.5% - 25% |
| Office equipment | 7.5% - 25% |
| Renovations | 10% - 25% |
| Motor vehicles | 10% - 20% |
| Forklifts | 20% |
| Storage containers | 10% |
| Tug boats and barges | 5% |
| Prime movers and trailers | 10% |

Freehold land is not depreciated.

4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

4.3 Property, plant and equipment and depreciation (Cont'd)

At each balance sheet date, the carrying amount of an item of property, plant and equipment is assessed for impairment when events or changes in circumstances indicate that its carrying amount may not be recoverable. A write down is made if the carrying amount exceeds the recoverable amount (see Note 4.7 to the financial statements on impairment of assets).

The residual values, useful lives and depreciation method are reviewed at each financial year end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment. If expectations differ from previous estimates, the changes are accounted for as a change in an accounting estimate.

The carrying amount of an item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any, and the carrying amount is included in profit or loss.

4.4 Leases and hire purchase

(a) Finance leases and hire purchase

Assets acquired under finance leases and hire purchase which transfer substantially all the risks and rewards of ownership to the Group are recognised initially at amount equal to the fair value of the leased asset, or if lower, the present value of the minimum lease payments, each determined at the inception of the lease. The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the leases, if this is practicable to determine; if not, the Group's incremental borrowing rate is used. Any initial direct costs incurred by the Group are added to the amount recognised as an asset. The assets are capitalised as property, plant and equipment and the corresponding obligations are treated as liabilities. The property, plant and equipment capitalised are depreciated on the same basis as owned assets.

The minimum lease payments are apportioned between the finance charges and the reduction of the outstanding liability. The finance charges are recognised in profit or loss over the period of the lease term so as to produce a constant periodic rate of interest on the remaining lease and hire purchase liabilities.

(b) Operating leases

A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

Lease payments under operating leases are recognised as an expense on a straight-line basis over the lease term.

(c) Leases of land

Leasehold land that normally has an indefinite economic life and where the lease does not transfer substantially all the risk and rewards incidental to ownership is treated as an operating lease. The lump-sum upfront lease payments made on entering into or acquiring leasehold land are accounted for as prepaid lease payments and are amortised over the lease term on a straight line basis.

4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

4.5 Investments

(a) Subsidiaries

A subsidiary is an entity in which the Group and the Company have power to control the financial and operating policies so as to obtain benefits from its activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group has such power over another entity.

An investment in subsidiary, which is eliminated on consolidation, is stated in the Company's separate financial statements at cost less impairment losses, if any. On disposal of such an investment, the difference between the net disposal proceeds and its carrying amount is included in profit or loss.

(b) Associate

An associate is an entity over which the Group and the Company have significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

In the Company's separate financial statements, an investment in associate is stated at cost less impairment losses, if any.

An investment in associate is accounted for in the consolidated financial statements using the equity method of accounting. The investment in associate in the consolidated balance sheet is initially recognised at cost and adjusted thereafter for the post acquisition change in the Group's share of net assets of the investments.

The interest in the associate is the carrying amount of the investment in the associate under the equity method together with any long-term interest that, in substance, form part of the Group's net interest in the associate.

The Group's share of the profit or loss of the associate during the financial year is included in the consolidated financial statements, after adjustments to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases. Distributions received from the associate reduce the carrying amount of the investment. Adjustments to the carrying amount may also be necessary for changes in the Group's proportionate interest in the associate arising from changes in the associate's equity that have not been recognised in the associate's profit or loss. Such changes include those arising from the revaluation of property, plant and equipment and from foreign exchange translation differences. The Group's share of those changes is recognised directly in equity of the Group.

Unrealised gains and losses on transactions between the Group and the associate are eliminated to the extent of the Group's interest in the associate.

When the Group's share of losses in the associate equals or exceeds its interest in the associate, the carrying amounting of that interest is reduced to nil and the Group does not recognise further losses unless it has incurred legal or constructive obligations or made payments on its behalf.

4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

4.5 Investments (Cont'd)

(b) Associate (Cont'd)

The most recent available financial statements of the associate are used by the Group in applying the equity method. Where the reporting dates of the financial statements are not coterminous, the share of results is arrived at using the latest audited financial statements for which the difference in reporting dates is no more than three (3) months. Adjustments are made for the effects of any significant transactions or events that occur between the intervening period.

Upon disposal of an investment in associate, the difference between the net disposal proceeds and its carrying amount is included in profit or loss.

(c) Other investments

Non-current investments other than investments in subsidiaries, associates, jointly controlled entities and investment properties are stated at cost and an allowance for diminution in value is made where, in the opinion of the Directors, there is a decline other than temporary in the value of such investments. Where there has been a decline other than temporary in the value of an investment, such a decline is recognised as an expense in the period in which the decline is identified.

All current investments are carried at the lower of cost and market value, determined on an aggregate portfolio basis by category of investments.

Upon disposal of such investment, the difference between the net disposal proceeds and its carrying amount is recognised in the profit or loss.

4.6 Goodwill

Goodwill acquired in a business combination is recognised as an asset at the acquisition date and is initially measured at cost being the excess of the cost of business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities. After initial recognition, goodwill is measured at cost less accumulated impairment losses, if any. Goodwill is not amortised but instead tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill arising on acquisition of an associate is the excess of cost of investment over the Group's share of the net fair value of net assets of the associates' identifiable assets, liability and contingent liabilities at the date of acquisition.

Goodwill relating to the associate is included in the carrying amount of the investment and is not amortised. The excess of the Group's share of the net fair value of the associate's identifiable assets, liabilities and contingent liabilities over the cost of investment is included as income in the determination of the Group's share of the associate's profit or loss in the period in which the investment is acquired.

4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

4.7 Impairment of assets

The carrying amounts of assets, except for financial assets (excluding investments in subsidiaries and associate in this context), inventories, deferred tax assets and non-current asset held for sale, are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

Goodwill and intangible assets that have an indefinite useful life are tested annually for impairment or more frequently if events or changes in circumstances indicate that the goodwill or intangible asset might be impaired.

The recoverable amount of an asset is estimated for an individual asset. Where it is not possible to estimate the recoverable amount of the individual asset, the impairment test is carried out on the cash generating unit ('CGU') to which the asset belongs. Goodwill acquired in a business combination is from the acquisition date, allocated to each of the Group's CGU or groups of CGU that are expected to benefit from the synergies of the combination giving rise to the goodwill irrespective of whether other assets or liabilities of the acquiree are assigned to those units or groups of units.

The recoverable amount of an asset or CGU is the higher of its fair value less cost to sell and its value in use.

In estimating the value in use, the estimated future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the future cash flow estimates have not been adjusted. An impairment loss is recognised in the profit or loss when the carrying amount of the asset or the CGU, including the goodwill or intangible asset, exceeds the recoverable amount of the asset or the CGU. The total impairment loss is allocated, first, to reduce the carrying amount of any goodwill allocated to the CGU and then to the other assets of the CGU on a pro-rata basis of the carrying amount of each asset in the CGU.

The impairment loss is recognised in profit or loss immediately.

An impairment loss on goodwill is not reversed in subsequent periods. An impairment loss for other assets is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Such reversals are recognised as income immediately in profit or loss.

4.8 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one enterprise and a financial liability or equity instrument of another enterprise.

A financial asset is any asset that is cash, an equity instrument of another enterprise, a contractual right to receive cash or another financial asset from another enterprise, or a contractual right to exchange financial assets or financial liabilities with another enterprise under conditions that are potentially favourable to the Group.

A financial liability is any liability that is a contractual obligation to deliver cash or another financial asset to another enterprise, or a contractual obligation to exchange financial assets or financial liabilities with another enterprise under conditions that are potentially unfavourable to the Group.

4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

4.8 Financial instruments (Cont'd)

4.8.1 Financial instruments recognised on the balance sheets

Financial instruments are recognised on the balance sheets when the Group has become a party to the contractual provisions of the instrument.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends and losses and gains relating to a financial instrument or a component that is a financial liability shall be recognised as income or expense in profit or loss. Distributions to holders of an equity instrument are debited directly to equity, net of any related tax effect. Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle on a net basis or to realise the asset and settle the liability simultaneously.

(a) Receivables

Receivables including amounts owing by an associate and related parties, are classified as loans and receivables under FRS 132 *Financial Instruments: Disclosure and Presentation*. Known bad debts are written off and specific allowance is made for debts considered to be doubtful of collection.

Receivables are not held for trading purposes.

(b) Cash and cash equivalents

Cash and cash equivalents include cash and bank balances, deposits and other short term, highly liquid investments which are readily convertible to cash and are subject to insignificant risk of changes in value. For the purpose of the cash flow statements, cash and cash equivalents are presented net of bank overdrafts and pledged deposits, if any.

(c) Payables

Liabilities for trade and other amount payable, including amounts owing to related parties are recognised at the consideration to be paid in the future for goods and services received.

(d) Interest bearing loans and borrowings

Interest bearing loans and borrowings are recorded at the amount of proceeds received and interest accrued.

(e) Equity instruments

Ordinary shares are recorded at the nominal value and proceeds in excess of the nominal value of shares issued, if any, are accounted for as share premium. Both ordinary shares and share premium are classified as equity. Transaction costs of an equity transaction are accounted for as a deduction from equity, net of any related income tax benefit. Otherwise, they are charged to profit or loss.

Dividends to shareholders are recognised in equity in the period in which they are declared.

If the Company reacquires its own equity instruments, the consideration paid, including any attributable transaction costs is deducted from equity as treasury shares until they are cancelled. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments. Where such shares are issued by resale, the difference between the sales consideration and the carrying amount is shown as a movement in equity.

4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

4.8 Financial instruments (Cont'd)

4.8.2 Financial instruments not recognised on the balance sheets

There are no financial instruments not recognised on the balance sheets.

4.9 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset is capitalised as part of the cost of the asset until when substantially all the activities necessary to prepare the asset for its intended use or sale are completed, after which such expense is charged to profit or loss. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. Capitalisation of borrowing cost is suspended during extended periods in which active development is interrupted.

The amount of borrowing costs eligible for capitalisation is the actual borrowing costs incurred on the borrowing during the period less any investment income on the temporary investment of the borrowing.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

4.10 Income taxes

Income taxes include all domestic and foreign taxes on taxable profit.

Taxes in the income statement comprise current tax and deferred tax.

(a) Current tax

Current tax is the amount of income taxes payable or receivable in respect of the taxable profit or loss for a period.

Current tax for the current and prior periods is measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that have been enacted or substantively enacted by the balance sheet date.

(b) Deferred tax

Deferred tax is recognised in full using the liability method on temporary differences arising between the carrying amount of an asset or liability in the balance sheet and its tax base.

Deferred tax is recognised for all temporary differences, unless the deferred tax arises from goodwill or the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of transaction, affects neither accounting profit nor taxable profit.

A deferred tax asset is recognised only to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amount of a deferred tax asset is reviewed at each balance sheet date. If it is no longer probable that sufficient taxable profits will be available to allow the benefit of part or all of the deferred tax asset to be utilised, the carrying amount of the deferred tax asset will be reduced accordingly. When it becomes probable that sufficient taxable profits will be available, such reductions will be reversed to the extent of the taxable profits.

4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

4.10 Income taxes (Cont'd)

(b) Deferred tax (Cont'd)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same taxation authority.

Deferred tax will be recognised as income or expense and included in profit or loss for the period unless the tax relates to items that are credited or charged, in the same or a different period, directly to equity, in which case the deferred tax will be charged or credited directly to equity.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

4.11 Provisions

Provisions are recognised when there is a present obligation, legal or constructive, as a result of a past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the effect of the time value of money is material, the amount of provision will be discounted to its present value at a pre-tax rate that reflect current market assessments of the time value of money and the risks specific to the liability.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision will be reversed.

Provisions are not recognised for future operating losses. If the Group has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision.

4.12 Contingent liabilities and contingent assets

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Group does not recognise a contingent liability but discloses its existence in the financial statements.

A contingent asset is a possible asset that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group. The Group does not recognise contingent asset but discloses its existence where inflows of economic benefits are probable, but not virtually certain.

In the acquisition of subsidiaries by the Group under business combinations, contingent liabilities assumed are measured initially at their fair value at the acquisition date, irrespective of the extent of any minority interest.

4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

4.13 Employee benefits

4.13.1 Short term employee benefits

Wages, salaries, social security contributions, paid annual leave, paid sick leave, bonuses and non-monetary benefits are recognised as an expense in the financial year when employees have rendered their services to the Group.

Short term accumulating compensated absences such as paid annual leave are recognised as an expense when employees render services that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

Bonuses are recognised as an expense when there is a present, legal or constructive obligation to make such payments, as a result of past events and when a reliable estimate can be made of the amount of the obligation.

4.13.2 Defined contribution plans

The Company and its subsidiaries incorporated in Malaysia make contributions to a statutory provident fund and foreign subsidiaries make contributions to their respective countries' statutory pension schemes. The contributions are recognised as a liability after deducting any contribution already paid and as an expense in the period in which the employees render their services.

4.14 Foreign currencies

4.14.1 Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Ringgit Malaysia, which is also the Company's functional and presentation currency.

4.14.2 Foreign currency transactions and balances

Transactions in foreign currencies are converted into functional currencies at rates of exchange ruling at the transaction dates. Monetary assets and liabilities in foreign currencies at the balance sheet date are translated into functional currencies at rates of exchange ruling at that date unless hedged by forward foreign exchange contracts, in which case the rates specified in such forward contracts are used. All exchange differences arising from the settlement of foreign currency transactions and from the translation of foreign currency monetary assets and liabilities are included in the profit or loss in the period in which they arise. Non-monetary items initially denominated in foreign currencies, which are carried at historical cost are translated using the historical rate as of the date of acquisition, and non-monetary items which are carried at fair value are translated using the exchange rate that existed when the values were determined for presentation currency purposes.

4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

4.14 Foreign currencies (Cont'd)

4.14.3 Foreign operations

Financial statements of foreign operations are translated at financial year end exchange rates with respect to the assets and liabilities, and at exchange rates at the dates of the transactions with respect to the income statement. All resulting translation differences are recognised as a separate component of equity.

In the consolidated financial statements, exchange differences arising from the translation of net investment in foreign operations are taken to shareholders' equity. When a foreign operation is partially disclosed of or sold, exchange differences that were recorded in equity are recognised in profit or loss as part of the gain or loss on disposal.

Goodwill and fair value adjustments to the assets and liabilities arising from the acquisition of foreign operations are treated as assets and liabilities of the acquired entity and translated at the exchange rate ruling at the balance sheet date.

4.15 Revenue recognition

Revenue is measured at the fair value of the net consideration received or receivable.

Revenue is recognised to the extent that it is probable that the economic benefits associated with the transaction will flow to the Group, and the amount of revenue and the cost incurred or to be incurred in respect of the transaction can be reliably measured and specific recognition criteria have been met for each of the Group's activities as follows:

(a) Services

Revenue from freight and forwarding is recognised in profit or loss when the services are rendered. Income is recognised in the profit or loss on an accrual basis.

(b) Management fees

Management fees in respect of the rendering of management and consultation services to the subsidiaries are recognised on an accrual basis.

(c) Dividend income

Dividend income is recognised when the right to receive payment is established.

(d) Interest income

Interest income is recognised as it accrues, using the effective interest method.

(e) Rental income

Rental income is accounted for on a straight line basis over the lease term of an ongoing lease.

4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

4.16 Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. For this to be the case, the asset must be available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets and its sale must be highly probable.

The sale is expected to qualify for recognition as a completed sale within one (1) year from the date of classification. However, an extension of the period required to complete the sale does not preclude the assets from being classified as held for sale if the delay is caused by events or circumstances beyond the control of the Group and there is sufficient evidence that the Group remains committed to its plan to sell the assets.

Immediately before the initial classification as held for sale, the carrying amounts of the non-current assets are measured in accordance with applicable FRS. On initial classification as held for sale, non-current assets are measured at the lower of carrying amount before the initial classification as held for sale and fair value less costs to sell. The differences, if any, are recognised in profit or loss as impairment loss.

Non-current assets held for sale are classified as current assets on the face of the balance sheet and are stated at the lower of carrying amount immediately before initial classification and fair value less costs to sell and are not depreciated. Any cumulative income or expense recognised directly in equity relating to the non-current asset classified as held for sale is presented separately.

If the Group has classified an asset as held for sale but subsequently the criteria for classification is no longer met, the Group ceases to classify the asset as held for sale. The Group measures a non-current asset that ceases to be classified as held for sale at the lower of:

- (a) its carrying amount before the asset was classified as held for sale, adjusted for any depreciation, amortisation or revaluations that would have been recognised had the asset not been classified as held for sale; and
- (b) Its recoverable amount at the date of the subsequent decision not to sell.

4.17 Segment reporting

Segment reporting is presented for enhanced assessment of the Group's risks and returns. Business segments provide products or services that are subject to risks and returns that are different from those of other business segments. Geographical segments provide products or services within a particular economic environment that is subject to risks and returns that are different from those components operating in other economic environments.

Segment revenue, expense, assets and liabilities are those amounts resulting from the operating activities of a segment that are directly attributable to the segment and the relevant portion that can be allocated on a reasonable basis to the segment. Segment revenue, expense, assets and liabilities are determined before intragroup balances and intragroup transactions are eliminated as part of the consolidation process, except to the extent that such intragroup balances and transactions are between Group enterprises within a single segment.

5. ADOPTION OF NEW FRS AND AMENDMENTS TO FRS

- 5.1 New FRSs not adopted
 - (a) FRS 8 *Operating Segments* and the consequential amendments resulting from FRS 8 are mandatory for annual financial periods beginning on or after 1 July 2009.

FRS 8 sets out the requirements for disclosure of information on an entity's operating segments, products and services, the geographical areas in which it operates and its customers.

The requirements of this Standard are based on the information about the components of the entity that management uses to make decisions about operating matters. This Standard requires identification of operating segments on the basis of internal reports that are regularly reviewed by the entity's chief operating decision maker in order to allocate resources to the segment and assess its performance.

This Standard also requires the amount reported for each operating segment item to be the measure reported to the chief operating decision maker for the purposes of allocating resources to the segment and assessing its performance. Segment information for prior years that is reported as comparative information for the initial year of application would be restated to conform to the requirements of this Standard.

The Group does not expect any significant impact on the consolidated financial statements arising from the adoption of this Standard.

(b) FRS 4 *Insurance Contracts* and the consequential amendments resulting from FRS 4 are mandatory for annual financial periods beginning on or after 1 January 2010. FRS 4 replaces the existing FRS 202₂₀₀₄ *General Insurance Business* and FRS 203₂₀₀₄ *Life Insurance Business*.

This Standard applies to all insurance contracts, including reinsurance contracts that an entity issues and to reinsurance contracts that it holds. This Standard prohibits provisions for potential claims under contracts that are not in existence at the reporting date, and requires a test for the adequacy of recognised insurance liabilities and an impairment test for reinsurance assets. This Standard also requires an insurer to keep insurance liabilities in its balance sheet until they are discharged or cancelled, or expire, and to present insurance liabilities without offsetting them against related reinsurance assets.

By virtue of the exemption provided under paragraph 41AA of FRS 4, the impact of applying FRS 4 on the consolidated financial statements upon first adoption of the FRS as required by paragraph 30(b) of FRS 108 Accounting Policies, Change in Accounting Estimates and Errors is not disclosed.

The Group does not expect any significant impact on the consolidated financial statements arising from the adoption of this Standard.

(c) FRS 7 Financial Instruments: Disclosures and the consequential amendments resulting from FRS 7 are mandatory for annual financial periods beginning on or after 1 January 2010. FRS 7 replaces the disclosure requirements of the existing FRS 132 Financial Instruments: Disclosure and Presentation.

This Standard applies to all risks arising from a wide array of financial instruments and requires the disclosure of the significance of financial instruments for an entity's financial position and performance. By virtue of the exemption provided under paragraph 44AB of FRS 7, the impact of applying FRS 7 on the consolidated financial statements upon first adoption of the FRS as required by paragraph 30(b) of FRS 108 Accounting Policies, Change in Accounting Estimates and Errors is not disclosed.

5. ADOPTION OF NEW FRS AND AMENDMENTS TO FRS (Cont'd)

- 5.1 New FRSs not adopted (Cont'd)
 - (d) FRS 123 *Borrowing Costs* and the consequential amendments resulting from FRS 123 are mandatory for annual periods beginning on or after 1 January 2010.

This Standard removes the option of immediately recognising as an expense borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset. However, capitalisation of borrowing costs is not required for assets measured at fair value, and inventories that are manufactured or produced in large quantities on a repetitive basis, even if they take a substantial period of time to get ready for use or sale.

The Group does not expect any significant impact on the consolidated financial statements arising from the adoption of this Standard.

(e) FRS 139 Financial Instruments: Recognition and Measurement and the consequential amendments resulting from FRS 139 are mandatory for annual financial periods beginning on or after 1 January 2010.

This Standard establishes the principles for the recognition and measurement of financial assets and financial liabilities including circumstances under which hedge accounting is permitted. By virtue of the exemption provided under paragraph 103AB of FRS 139, the impact of applying FRS 139 on the consolidated financial statements upon first adoption of the FRS as required by paragraph 30(b) of FRS 108 is not disclosed.

(f) Amendments to FRS 2 *Share-based Payment: Vesting Conditions and Cancellations* are mandatory for annual financial periods beginning on or after 1 January 2010.

These amendments clarify that vesting conditions comprise service conditions and performance conditions only. Cancellations by parties other than the Group are accounted for in the same manner as cancellations by the Group itself and features of a share-based payment that are non-vesting conditions are included in the grant date fair value of the share-based payment.

These Amendments are not relevant to the Group's operations.

(g) Amendments to FRS 1 First-time Adoption of Financial Reporting Standards and FRS 127 Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate is mandatory for annual periods beginning on or after 1 January 2010.

These amendments allow first-time adopters to use a deemed cost of either fair value or the carrying amount under previous accounting practice to measure the initial cost of investments in subsidiaries, jointly controlled entities and associates in the separate financial statements. The cost method of accounting for an investment has also been removed pursuant to these amendments.

The Group does not expect any significant impact on the consolidated financial statements arising from the adoption of these Amendments.

5. ADOPTION OF NEW FRS AND AMENDMENTS TO FRS (Cont'd)

- 5.1 New FRSs not adopted (Cont'd)
 - (h) IC Interpretation 9 *Reassessment of Embedded Derivatives* is mandatory for annual financial periods beginning on or after 1 January 2010.

This Interpretation prohibits the subsequent reassessment of embedded derivatives unless there is a change in the terms of the host contract that significantly modifies the cash flows that would otherwise be required by the host contract.

The Group does not expect any significant impact on the consolidated financial statements arising from the adoption of this Interpretation.

(i) IC Interpretation 10 *Interim Financial Reporting and Impairment* is mandatory for annual financial periods beginning on or after 1 January 2010.

This Interpretation prohibits the reversal of an impairment loss recognised in a previous interim period in respect of goodwill or an investment in either an equity instrument or a financial asset carried at cost.

The Group does not expect any significant impact on the consolidated financial statements arising from the adoption of this Interpretation in future.

(j) IC Interpretation 11 FRS 2 – Group and Treasury Share Transactions is mandatory for annual periods beginning on or after 1 January 2010.

This Interpretation requires share-based payment transactions in which the Group receives services from employees as consideration for its own equity instruments to be accounted for as equity-settled, regardless of the manner of satisfying the obligations to the employees.

If the Group grants rights to its equity instruments to the employees of its subsidiaries, this Interpretation requires the Group to recognise the equity reserve for the obligation to deliver the equity instruments when needed whilst the subsidiaries shall recognise the remuneration expense for the services received from employees.

If the subsidiaries grant rights to equity instruments of the Group to its employees, this Interpretation requires the Group to account for the transaction as cash-settled, regardless of the manner the subsidiaries obtain the equity instruments to satisfy its obligations.

The Interpretation is not relevant to the Group's operations.

(k) IC Interpretation 13 *Customer Loyalty Programmes* is mandatory for annual periods beginning on or after 1 January 2010.

This Interpretation requires the separation of award credits as a separately identifiable component of sales transactions involving the award of free or discounted goods or services in the future. The fair value of the consideration received or receivable from the initial sale shall be allocated between the award credits and the other components of the sale.

If the Group supplies the awards itself, the consideration allocated to the award credits shall only be recognised as revenue when the award credits are redeemed. If a third party supplies the awards, the Group shall assess whether it is acting as a principal or agent in the transaction.

5. ADOPTION OF NEW FRS AND AMENDMENTS TO FRS (Cont'd)

- 5.1 New FRSs not adopted (Cont'd)
 - (k) IC Interpretation 13 *Customer Loyalty Programmes* is mandatory for annual periods beginning on or after 1 January 2010. (Cont'd)

If the Group is acting as the principal in the transaction, it shall measure its revenue as the gross consideration allocated to the award credits. If the Group is acting as an agent, it shall measure its revenue as the net amount retained on its own account, and recognise the net amount as revenue when the third party becomes obliged to supply the awards and entitled to receive the consideration for doing so.

The Group does not expect any significant impact on the consolidated financial statements arising from the adoption of this Interpretation in future.

(I) IC Interpretation 14 FRS 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction is mandatory for annual periods beginning on or after 1 January 2010.

This Interpretation applies to all post-employment defined benefits and other long-term employee defined benefits. This Interpretation clarifies that an economic benefit is available if the Group can realise it at some point during the life of the plan or when the plan liabilities are settled, and that it does not depend on how the Group intends to use the surplus.

A right to refund is available to the Group in stipulated circumstances and the economic benefit available shall be measured as the amount of the surplus at the balance sheet date less any associated costs. If there are no minimum funding requirements, the economic benefit available shall be determined as a reduction in future contributions as the lower of the surplus in the plan and the present value of the future service cost to the Group. If there is a minimum funding requirement for contributions relating to the future accrual of benefits, the economic benefit available shall be determined as a reduction in future contributions at the present value of the estimated future service cost less the estimated minimum funding required in each financial year.

This Interpretation is not relevant to the Group's operations.

(m) FRS 101 *Presentation of Financial Statements* is mandatory for annual periods beginning on or after 1 January 2010.

FRS 101 sets out the overall requirements for the presentation of financial statements, guidelines for their structure and minimum requirements for their content.

This Standard introduces the titles 'statement of financial position' and 'statement of cash flows' to replace the current titles 'balance sheet' and 'cash flow statement' respectively. A new statement known as the 'statement of comprehensive income' is also introduced in this Standard whereby all nonowner changes in equity are required to be presented in either one statement of comprehensive income or in two statements (i.e. a separate income statement and a statement of comprehensive income). Components of comprehensive income are not permitted to be presented in the statement of changes in equity.

This Standard also introduces a new requirement to present a statement of financial position as at the beginning of the earliest comparative period if there are applications of retrospective restatements that are defined in FRS 108, or when there are reclassifications of items in the financial statements.

ADOPTION OF NEW FRS AND AMENDMENTS TO FRS (Cont'd)

- 5.1 New FRSs not adopted (Cont'd)
 - (m) FRS 101 *Presentation of Financial Statements* is mandatory for annual periods beginning on or after 1 January 2010. (Cont'd)

Additionally, FRS 101 requires the disclosure of reclassification adjustments and income tax relating to each component of other comprehensive income, and the presentation of dividends recognised as distributions to owners together with the related amounts per share in the statement of changes in equity or in the notes to the financial statements.

This Standard introduces a new requirement to disclose information on the objectives, policies and processes for managing capital based on information provided internally to key management personnel as defined in FRS 124 *Related Party Disclosures*. Additional disclosures are also required for puttable financial instruments classified as equity instruments.

Apart from the new presentation and disclosure requirements described, the Group does not expect any other impact on the consolidation financial statements arising from the adoption of this Standard.

(n) Amendments to FRS 139, FRS 7 and IC Interpretation 9 are mandatory for annual periods beginning on or after 1 January 2010.

These amendments permit reclassifications of non-derivative financial assets (other than those designated at fair value through profit or loss upon initial recognition) out of the fair value through profit or loss category in rare circumstances. Reclassifications from the available-for-sale category to the loans and receivables category are also permitted provided there is intention and ability to hold that financial asset for the foreseeable future. All of these reclassifications shall be subjected to subsequent reassessments of embedded derivatives.

These amendments also clarifies the designation of one-sided risk in eligible hedged items and streamlines the terms used throughout the Standards in accordance with the changes resulting from FRS 101.

By virtue of the exemptions provided under paragraphs 103AB of FRS 139 and 44AB of FRS 7, the impact of applying these amendments on the consolidated financial statements upon first adoption of the FRS 139 and FRS 7 respectively as required by paragraph 30(b) of FRS 108 are not disclosed. However, the Group does not expect any impact on the consolidated financial statements arising from the adoption of the amendment to IC Interpretation 9.

(o) Amendments to FRS 132 *Financial Instruments: Presentation* is mandatory for annual periods beginning on or after 1 January 2010.

These amendments requires certain puttable financial instruments, and financial instruments that impose an obligation to deliver to counterparties a pro rate share of the net assets of the entity only on liquidation to be classified as equity.

Puttable financial instruments are defined as financial instruments that give the holder the right to put the instrument back to the issuer for cash, or another financial asset, or are automatically put back to the issuer upon occurrence of an uncertain future event or the death or retirement of the instrument holder.

5. ADOPTION OF NEW FRS AND AMENDMENTS TO FRS (Cont'd)

- 5.1 New FRSs not adopted (Cont'd)
 - (p) Improvements to FRSs (2009) are mandatory for annual periods beginning on or after 1 January 2010 are as follows:

| Amendment to FRS 5 | Non-current Assets Held for Sale and Discontinued Operations |
|----------------------|--------------------------------------------------------------------------|
| Amendment to FRS 8 | Operating Segments |
| Amendment to FRS 107 | Statement of Cash Flows |
| Amendment to FRS 108 | Accounting Policies, Changes in Accounting Estimates and Errors |
| Amendment to FRS 110 | Events after the Reporting Period |
| Amendment to FRS 116 | Property, Plant and Equipment |
| Amendment to FRS 117 | Leases |
| Amendment to FRS 118 | Revenue |
| Amendment to FRS 119 | Employee Benefits |
| Amendment to FRS 120 | Accounting for Government Grants and Disclosure of Government Assistance |
| Amendment to FRS 123 | Borrowing Costs |
| Amendment to FRS 127 | Consolidated and Separate Financial Statements |
| Amendment to FRS 128 | Investments in Associates |
| Amendment to FRS 129 | Financial Reporting in Hyperinflationary Economies |
| Amendment to FRS 131 | Interests in Joint Ventures |
| Amendment to FRS 134 | Interim Financial Reporting |
| Amendment to FRS 136 | Impairment of Assets |
| Amendment to FRS 138 | Intangible Assets |
| Amendment to FRS 140 | Investment Property |
| | |

The Group does not expect significant impact on the consolidated financial statements arising from the adoption of these new Amendments to FRSs.

6. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

6.1 Critical judgements made in applying accounting policies

There are no critical judgements made by management in the process of applying the Company's accounting policies that have the most significant effect on the amount recognised in these financial statements.

6.2 Key sources of estimation uncertainty

The following are key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next year.

(a) Impairment of goodwill on consolidation

The Group determines whether goodwill on consolidation is impaired at least on an annual basis. This requires an estimation of the value-in-use of the subsidiaries to which goodwill is allocated. Estimating a value-in-use amount requires management to make an estimate of the expected future cash flows from the subsidiaries and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

6. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (Cont'd)

6.2 Key sources of estimation uncertainty (Cont'd)

(b) Deferred tax assets

Deferred tax assets are recognised for all unused tax losses and unabsorbed capital allowances to the extent that it is probable that taxable profit will be available against which the losses and capital allowances can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

(c) Income tax

The Group has exposure to income taxes in numerous jurisdictions. Significant judgement is involved in determining the group-wide provision for income taxes. There are certain transactions and computations for which the final tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due.

(d) Depreciation of property, plant and equipment

The Group estimates the useful lives of property, plant and equipment based on the period over which the assets are expected to be available for use. The estimated useful lives of property, plant and equipment are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the relevant assets. It is possible that future results of operations could be materially affected by changes in the estimates brought about by changes in factors mentioned above. The amount and timing of recorded expenses for any period would be affected by changes in these factors and circumstances. A reduction in the estimated useful lives of the property, plant and equipment would increase the recorded expenses and decrease the non-current assets.

(e) Allowance for doubtful debts

The Group makes allowance for doubtful debts based on an assessment of the recoverability of receivables. Allowances are applied to receivables where events or changes in circumstances indicate that the carrying amounts may not be recoverable. The management specifically analyses historical bad debt, customer concentration, customer creditworthiness, current economic trends and changes in customer payment terms when making a judgment to evaluate the adequacy of allowance for doubtful debts. Where expectations differ from the original estimates, the differences will impact the carrying value of receivables.

(f) Fair values of borrowings

The fair values of borrowings are estimated by discounting future contractual cash flows at the current market interest rates available to the Group for similar financial instruments. It is assumed that the effective interest rates approximate the current market interest rates available to the Group based on its size and its business risk.

PROPERTY, PLANT AND EQUIPMENT 7.

| Balance | as at | 30.6.2009 | RM′000 | | 236 | 29,161 | 2,488 | 2,964 | 292 | 3,030 | 1,074 | 1,212 | 22,083 | 9,264 | 71,804 |
|--------------|---------------------|---------------|--------|-----------------|---------------|-----------|-----------------------------------|------------------|-------------|----------------|-----------|--------------------|----------------------|---------------------------|---------|
| | Reclassi- | fications | RM′000 | | | ı | _ | ı | ı | ı | 1 | (1) | ı | 1 | |
| Reclassified | from asset | held for sale | RM′000 | | ı | 4,600 | ı | ı | ı | ı | ı | ı | ı | ı | 4,600 |
| | Translations | adjustments | RM'000 | | | ı | (3) | (15) | (1) | (30) | ı | ı | 207 | ı | 158 |
| Depreciation | charge for | the year | RM′000 | | • | (748) | (324) | (962) | (43) | (645) | (202) | (282) | (1,266) | (827) | (5,299) |
| | Written | Hо | RM'000 | | 1 | ı | (2) | (33) | • | • | • | (38) | • | 1 | (20) |
| | | Disposals | RM′000 | | 1 | • | • | (1) | • | • | ı | (31) | • | 1 | (32) |
| | | Additions | RM′000 | | 1 | 1 | 548 | 1,457 | 33 | 1,849 | 926 | 146 | 4,332 | 3,774 | 13,065 |
| Balance | as at | 1.7.2008 | RM′000 | | 236 | 25,309 | 2,271 | 2,518 | 303 | 1,856 | 320 | 1,418 | 18,810 | 6,317 | 59,388 |
| Group | | | | Carrying amount | Freehold land | Buildings | Machinery, furniture and fittings | Office equipment | Renovations | Motor vehicles | Forklifts | Storage containers | Tug boats and barges | Prime movers and trailers | |

| Cost |
|--------|
| RM'000 |
| 236 |
| 31,769 |
| 3,742 |
| 6,561 |
| 451 |
| 6,894 |
| 1,282 |
| 2,667 |
| 27,102 |
| 10,295 |
| 666'06 |

7. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

| Group | Balance | | | | Depreciation | | Balance |
|-----------------------------------|-------------------|-----------|-----------|---------|------------------------|-----------------------------|--------------------|
| | as at 1.7.2007 | Additions | Disposals | Written | charge for the year | Translations adjustments | as at 30.6.2008 |
| | RM'000 | RM'000 | RM'000 | RM′000 | RM/000 | RM'000 | RM'000 |
| Carrying amount | | | | | | | |
| Freehold land | 236 | | | 1 | • | ı | 236 |
| Buildings | 25,159 | 999 | • | 1 | (516) | ı | 25,309 |
| Machinery, furniture and fittings | 1,783 | 777 | • | (33) | (260) | 4 | 2,271 |
| Office equipment | 2,322 | 936 | (1) | (26) | (719) | 9 | 2,518 |
| Renovations | 275 | 75 | 1 | (14) | (33) | 1 | 303 |
| Motor vehicles | 1,680 | 838 | (3) | (7) | (663) | 11 | 1,856 |
| Forklifts | 7 | 350 | 1 | 1 | (7) | ı | 350 |
| Storage containers | 1,639 | 202 | (158) | 1 | (265) | 1 | 1,418 |
| Tug boats and barges | 11,377 | 8,500 | (999) | 1 | (1,073) | 671 | 18,810 |
| Prime movers and trailers | 1 | 6,521 | 1 | 1 | (204) | 1 | 6,317 |
| | 44,478 | 18,865 | (827) | (80) | (3,740) | 692 | 59,388 |

| | \ | —At 30.6.2008 | ^ |
|-----------------------------------|----------------|---------------------------------------|------------------------------|
| | Cost RM'000 | Accumulated depreciation RM′000 | Carrying amount RM′000 |
| | 236 | | 236 |
| | 26,153 | 844 | 25,309 |
| Machinery, furniture and fittings | 3,220 | 949 | 2,271 |
| | 5,348 | 2,830 | 2,518 |
| | 418 | 115 | 303 |
| | 5,643 | 3,787 | 1,856 |
| | 412 | 62 | 350 |
| | 2,773 | 1,355 | 1,418 |
| | 22,505 | 3,695 | 18,810 |
| Prime movers and trailers | 6,521 | 204 | 6,317 |
| | 73,229 | 13,841 | 59,388 |

7. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

(a) During the financial year, the Group made the following cash payments to purchase property, plant and equipment:

| | Gı | roup |
|------------------------------------------------------------|---------|---------|
| | 2009 | 2008 |
| | RM′000 | RM'000 |
| Purchase of property, plant and equipment | 13,065 | 18,865 |
| Financed by hire purchase and lease arrangements | (5,968) | (5,784) |
| Financed by term loans | (3,633) | (4,547) |
| Other payables | | (1,673) |
| Cash payments on purchase of property, plant and equipment | 3,464 | 6,861 |

(b) As at 30 June 2009, the net carrying amount of the Group's property, plant and equipment under hire purchase and lease arrangements are as follows:

| | G | roup |
|-----------------------------------|--------|--------|
| | 2009 | 2008 |
| | RM'000 | RM'000 |
| Machinery, furniture and fittings | 69 | - |
| Motor vehicles | 2,606 | 1,415 |
| Office equipments | 151 | 172 |
| Forklifts | 938 | 344 |
| Prime movers and trailers | 9,265 | 4,619 |
| | 13,029 | 6,550 |

Details of the terms and conditions of the hire purchase and lease arrangements are disclosed in Note 21 and Note 39 to the financial statements respectively.

(c) Property, plant and equipment pledged as securities for banking facilities granted to the Group as disclosed in Note 22 and Note 28 to the financial statements are as follows:

| | G | roup |
|-----------------|--------|--------|
| | 2009 | 2008 |
| | RM'000 | RM'000 |
| Carrying amount | | |
| Freehold land | 236 | 236 |
| Buildings | 28,689 | 25,309 |
| Barges | 14,938 | 11,649 |
| | 43,863 | 37,194 |

8. PREPAID LEASE PAYMENTS FOR LAND

| Group | Balance as at 1.7.2008 RM'000 | Reclassified from asset held for sale RM'000 | Amortisation charge for the year RM'000 | Balance as at 30.6.2009 RM′000 |
|--------------------------|----------------------------------------|-------------------------------------------------------|--------------------------------------------------|-----------------------------------------|
| Carrying amount | | | | |
| Long term leasehold land | 11,301 | 666 | (148) | 11,819 |
| | | Balance | Amortisation | Balance |
| | | as at | charge for | as at |
| Group | | 1.7.2007 | the year | 30.6.2008 |
| | | RM'000 | RM'000 | RM'000 |
| Carrying amount | | | | |
| Long term leasehold land | | 11,434 | (133) | 11,301 |

- (a) Prepaid lease payments for land have been pledged as securities for banking facilities granted to the Group as disclosed in Note 22 and Note 28 to the financial statements.
- (b) The title deed for long term leasehold land of a subsidiary has yet to be issued by the relevant authorities.

9. INVESTMENTS IN SUBSIDIARIES

| | Con | npany |
|---------------------------------|--------|--------|
| | 2009 | 2008 |
| | RM'000 | RM'000 |
| Unquoted equity shares, at cost | 35,929 | 35,928 |

The details of the subsidiaries are as follows:

| Name of company | Country of incorporation | Interest i held by 0 2009 | | Principal activities |
|-------------------------------------------|--------------------------|---------------------------------|------|-------------------------------|
| Citra Multimodal Services Sdn. Bhd. | Malaysia | 100% | 100% | Provision of freight services |
| FM-Hellmann Worldwide Logistics Sdn. Bhd. | Malaysia | 100% | 100% | Provision of freight services |
| FM Worldwide Logistics (Penang) Sdn. Bhd. | Malaysia | 100% | 100% | Provision of freight services |
| Freight Management (Ipoh) Sdn. Bhd. | Malaysia | 100% | 100% | Provision of freight services |
| Freight Management (M) Sdn. Bhd. | Malaysia | 100% | 100% | Provision of freight services |
| Freight Management (Melaka) Sdn. Bhd. | Malaysia | 100% | 100% | Provision of freight services |
| Freight Management (Penang) Sdn. Bhd. | Malaysia | 100% | 100% | Provision of freight services |
| Advance International Freight Sdn. Bhd. | Malaysia | 100% | 100% | Provision of freight services |

9. INVESTMENTS IN SUBSIDIARIES (Cont'd)

| | Country of | Interest ir | | |
|------------------------------------------------|---------------------------|-------------|------|-------------------------------------------------------------------------|
| Name of company | incorporation | 2009 | 2008 | Principal activities |
| Perspektif Gemilang Sdn. Bhd. | Malaysia | 100% | 100% | Investment holding |
| #Freight Management MSC Sdn. Bhd. | Malaysia | 100% | 100% | Developing, providing and maintaining IT software application solutions |
| #TCH Marine Pte. Ltd. | Singapore | 51% | 51% | Charterers of barges and tugboats |
| #FM Marine Pte. Ltd. | Singapore | 100% | 100% | Charterers of barges and tugboats |
| Icon Line (Malaysia) Sdn. Bhd. | Malaysia | 100% | 100% | Provision of freight services |
| +Icon Freight International Inc. | British Virgin Islands | 100% | - | Investment holding |
| Subsidiaries of Icon Line (Malaysia) Sdn. Bhd. | | | | |
| +^PT Icon Freight Indonesia | Indonesia | 49% | - | Provision of freight services |
| *Icon Freight Services Pty. Ltd. | Australia | 55% | 55% | Provision of integrated freight and logistic services |

- [^] Deemed subsidiary by virtue of control in the company.
- + Subsidiaries are consolidated based on unaudited management financial statements for the financial period ended 30 June 2009. The financial statements of these subsidiaries are not required to be audited in its country of incorporation for current year.
- * Subsidiary audited by member firms of BDO International.
- # Subsidiaries not audited by member firms of BDO International.

On 27 August 2008, the Company had incorporated a wholly-owned company limited by shares known as Icon Freight International Inc. in British Virgin Islands. The authorised share capital is USD50,000 comprising 50,000 ordinary shares of USD1.00 each and the current paid-up capital is USD100. Icon Freight International Inc. is currently dormant and its principal activity is intended to be that of investment holding.

On 6 November 2008, the Company's subsidiary, Icon Line (Malaysia) Sdn. Bhd. subscribed for 22,050 shares of IDR100,000 each at par for a total cash consideration of IDR2,205,000,000 in ordinary share capital of PT Icon Freight Indonesia, representing 49% of the issued and paid-up ordinary share capital of PT Icon Freight Indonesia. PT Icon Freight Indonesia is principally engaged in the provision of freight services.

10. INVESTMENT IN AN ASSOCIATE

| | G | iroup |
|------------------------------------|--------|--------|
| | 2009 | 2008 |
| | RM'000 | RM'000 |
| Unquoted equity shares, at cost | 49 | 49 |
| Share of post acquisition reserves | 97 | 66 |
| | 146 | 115 |

The detail of the associate, which was incorporated in Malaysia, is as follows:

| Interest in equity held by Group | | | | | |
|----------------------------------|------|------|---------------------------------|--|--|
| Name of company | 2009 | 2008 | Principal activity | | |
| FM Distribution Sdn. Bhd. | 49% | 49% | Provision of warehouse services | | |

The summarised financial information of the associate is as follows:

| | 2009 | 2008 |
|--------------------------------------|--------|--------|
| | RM'000 | RM'000 |
| Assets and liabilities | | |
| Non-current asset | 2 | 2 |
| Current assets | 342 | 354 |
| Total assets | 344 | 356 |
| Current liabilities | 185 | 260 |
| Total liabilities | 185 | 260 |
| Results | | |
| Revenue | 929 | 1,085 |
| Profit/(Loss) for the financial year | 63 | (45) |

11. OTHER INVESTMENT

| | | Group | |
|--------------------------------------|--------|--------|--|
| | 2009 | 2008 | |
| | RM'000 | RM'000 | |
| Unquoted shares in Malaysia, at cost | 3 | 3 | |

12. AMOUNTS OWING BY/(TO) SUBSIDIARIES

Company

Non-current

The amounts owing by subsidiaries represent advances which are unsecured, interest-free and repayable after 12 months. In the previous year, included in the amounts owing by subsidiaries was an amount of RM334,000 which bore interest at a rate of 7.75% per annum.

Current

The amounts owing by/(to) subsidiaries represent advances and payments made on behalf which are unsecured, interest-free and repayable on demand. In the previous year, included in amounts owing by subsidiaries was an amount of RM406,000 which bore interest at a rate of 7.75% per annum.

13. GOODWILL ON CONSOLIDATION

Group

The recoverable amount of goodwill as at the end of the financial year was determined based on a value in use calculation by discounting the future cash flows generated from the continuing use of the cash-generating unit ('CGU') and was based on the following assumptions:

- (a) Pre-tax cash flow projections based on the most recent financial budgets covering a five (5) years period.
- (b) Pre-tax discount rate of 6.14% was applied in determining the recoverable amount of CGU. The discount rate was estimated based on the Group's weighted average cost of debts.

The management believes that no reasonably possible change in any of the above key assumptions would cause the carrying values of the units to materially exceed their recoverable amounts.

14. TRADE RECEIVABLES

| | | Group |
|------------------------------------|--------|---------|
| | 2009 | 2008 |
| | RM′000 | RM'000 |
| Third parties | 32,890 | 40,569 |
| Less: Allowance for doubtful debts | (959) | (1,007) |
| | 31,931 | 39,562 |

- (a) Trade receivables are non-interest bearing and the normal trade credit terms granted range from 7 to 70 days from date of invoice.
- (b) Included in trade receivables is an amount of RM269,000 (2008: RM408,000) owing by a company in which a Director of the Company is the common director.

14. TRADE RECEIVABLES (Cont'd)

(c) The allowance for doubtful debts is net of bad debts written off as follows:

| | | Group |
|-----------------------|--------|--------|
| | 2009 | 2008 |
| | RM'000 | RM'000 |
| Bad debts written off | 222 | 88 |

- (d) Information on financial risks of trade receivables is disclosed in Note 39 to the financial statements.
- (e) The currency exposure profile of trade receivables are as follows:

| | G | roup |
|-------------------|--------|--------|
| | 2009 | 2008 |
| | RM'000 | RM′000 |
| Indonesian Rupiah | 192 | - |
| Thai Baht | 8 | - |
| Ringgit Malaysia | 24,449 | 30,841 |
| Singapore Dollar | 2,997 | 2,236 |
| US Dollar | 3,299 | 5,296 |
| Australian Dollar | 984 | 1,189 |
| Euro | 2 | - |
| | 31,931 | 39,562 |

15. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

| | (| Group | | Company | |
|-------------------|--------|--------|--------|---------|--|
| | 2009 | 2008 | 2009 | 2008 | |
| | RM'000 | RM'000 | RM'000 | RM'000 | |
| Other receivables | 185 | 396 | 6 | - | |
| Deposits | 545 | 1,477 | 1 | 1 | |
| Prepayments | 2,092 | 1,643 | 195 | 5 | |
| | 2,822 | 3,516 | 202 | 6 | |

The currency exposure profile of other receivables, deposits and prepayments are as follows:

| | G | Group | | Company | |
|-------------------|--------|--------|--------|---------|--|
| | 2009 | 2008 | 2009 | 2008 | |
| | RM'000 | RM'000 | RM'000 | RM'000 | |
| Indonesian Rupiah | 102 | - | - | - | |
| Ringgit Malaysia | 2,562 | 2,101 | 202 | 6 | |
| Singapore Dollar | 111 | 1,085 | - | - | |
| Australian Dollar | 47 | 144 | - | - | |
| Thai Baht | | 186 | - | - | |
| | 2,822 | 3,516 | 202 | 6 | |

16. AMOUNT OWING BY AN ASSOCIATE

Group

The amount owing by an associate represents trade transactions and payments made on behalf which are unsecured, interest-free and payable upon demand except for trade transactions which have a credit term of 30 days from the date of invoice.

Amount owing by an associate is denominated in Ringgit Malaysia ('RM').

17. CASH AND BANK BALANCES

| | (| Group | | mpany |
|------------------------------------|--------|--------|--------|--------|
| | 2009 | 2008 | 2009 | 2008 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Cash and bank balances | 12,608 | 7,336 | 1,202 | 1,140 |
| Fixed deposits with licensed banks | 4,580 | 4,349 | - | - |
| Short term deposit-Repo | 10,100 | 6,700 | 10,100 | 6,700 |
| | 27,288 | 18,385 | 11,302 | 7,840 |

- (a) The fixed deposits of the Group as at 30 June 2009 have maturity period of 14 days to 12 months (2008: 12 months).
- (b) Included in the fixed deposits with licensed banks of the Group is an amount of RM3,265,000 (2008: RM4,010,000) which has been pledged to licensed banks as securities for banking facilities granted to the Group as disclosed in Note 28 to the financial statements.
- (c) Information on financial risks of cash and bank balances is disclosed in Note 39 to the financial statements.
- (d) The currency exposure profile of cash and bank balances are as follows:

| | Group | | Company | |
|-------------------|--------|--------|---------|--------|
| | 2009 | 2008 | 2009 | 2008 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Ringgit Malaysia | 23,649 | 15,657 | 11,302 | 7,840 |
| US Dollar | 1,409 | 1,154 | - | - |
| Singapore Dollar | 1,088 | 1,374 | - | - |
| Australian Dollar | 58 | 200 | - | - |
| Indonesian Rupiah | 1,084 | - | - | - |
| | 27,288 | 18,385 | 11,302 | 7,840 |

18. NON-CURRENT ASSET CLASSIFIED AS HELD FOR SALE

Certain assets of the Group were presented as non-current asset held for sale in the previous financial year.

Subsequent to the cancellation of the arrangement for the disposal of the land and building at Lot 8, Lingkaran Sultan Mohamed 2, Bandar Sultan Suleiman and also as a result of the change to the plan for sale, the management had reclassified the non-current asset held for sale to prepaid lease payments for land and property, plant and equipment during the year.

The amounts of the non-current asset held for sale were as follows:

| | | Group |
|---------------------------------|--------|--------|
| | 2009 | 2008 |
| | RM'000 | RM'000 |
| Property, plant and equipment | - | 4,600 |
| Prepaid lease payments for land | | 666 |
| | | 5,266 |

19. SHARE CAPITAL

| | Group and Company | | | | |
|---------------------------------|-------------------|---------|-----------|---------|--|
| | | 2009 | | 2008 | |
| | Number | | Number | | |
| | of shares | | of shares | | |
| | ′000 | RM'000 | ′000 | RM'000 | |
| Ordinary shares of RM0.50 each: | | | | | |
| Authorised | 200,000 | 100,000 | 200,000 | 100,000 | |
| Issued and fully paid: | | | | | |
| Balance as at 1 July | 121,714 | 60,857 | 85,200 | 42,600 | |
| Bonus issue | - | - | 36,514 | 18,257 | |
| Balance as at 30 June | 121,714 | 60,857 | 121,714 | 60,857 | |

- (a) In the previous year, the issued and fully paid up share capital of the Company was increased from RM42,600,000 to RM60,857,000 by way of the bonus issue of 36,514,286 new ordinary shares of RM0.50 each on the basis of three (3) new ordinary shares for every seven (7) existing ordinary shares held by way of capitalisation of RM3,670,000 from the share premium and RM14,587,000 from retained earnings.
- (b) The holders of ordinary shares are entitled to receive dividends as and when declared by the Company and are entitled to one (1) vote per share at meeting of the Company. All ordinary shares rank pari passu with regard to the Company's residual assets.

NOTES TO THE FINANCIAL STATEMENTS

20. RESERVES

| | Group | | Company | |
|------------------------------|--------|--------|---------|--------|
| | 2009 | 2008 | 2009 | 2008 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Non distributable: | | | | |
| Exchange translation reserve | 573 | 525 | - | - |
| Distributable: | | | | |
| Retained earnings | 22,528 | 13,072 | 3,364 | 4,545 |
| | 23,101 | 13,597 | 3,364 | 4,545 |

(a) Exchange translation reserve

The 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 Group's presentation currency. It is also used to record the exchange differences arising from monetary items which form part of the Group's net investment in foreign operations, where the monetary item is denominated in either the functional currency of the reporting entity or the foreign operation.

(b) Retained earnings

Effective 1 January 2008, the Company is given the option to make an irrevocable election to move to a single tier system or continue to use its tax credit under Section 108 of the Income Tax Act 1967 for the purpose of dividend distribution until the tax credit is fully utilised or latest by 31 December 2013.

The Company has decided not to make this election and has sufficient tax credit under Section 108 of the Income Tax Act, 1967 and balance in the tax exempt account to frank the payment of dividends out of its entire retained earnings without incurring additional tax liabilities.

21. HIRE PURCHASE AND LEASE CREDITORS

| | Group | |
|------------------------------------------------------|---------|--------|
| | 2009 | 2008 |
| | RM'000 | RM'000 |
| Minimum hire purchase and lease payments: | | |
| - not later than one year | 3,660 | 1,751 |
| - later than one year and not later than five years | 9,091 | 5,046 |
| | 12,751 | 6,797 |
| Less: Future interest charges | (1,386) | (814) |
| Present value of hire purchase and lease liabilities | 11,365 | 5,983 |
| Repayable as follows: | | |
| Current liabilities: | | |
| - not later than one year | 3,041 | 1,422 |
| Non-current liabilities: | | |
| - later than one year and not later than five years | 8,324 | 4,561 |
| | 11,365 | 5,983 |

Information of financial risks of hire purchase and lease creditors is disclosed in Note 39 to the financial statements.

22. TERM LOANS - SECURED

| | Group | |
|------------------------------------------------------|--------|--------|
| | 2009 | 2008 |
| | RM'000 | RM'000 |
| Term loan I | - | 11 |
| Term loan II | 3,103 | - |
| Term loan III | 572 | 1,207 |
| Term loan IV | 1,130 | 1,739 |
| Term Ioan V | 2,370 | 4,677 |
| Term Ioan VI | 7,169 | 7,634 |
| Term Ioan VII | 1,474 | 1,986 |
| Term Ioan VIII | 1,700 | 2,291 |
| | 17,518 | 19,545 |
| Term loans are repayable as follows: | | |
| Current liabilities: | | |
| - not later than one year | 4,160 | 3,138 |
| Non-current liabilities: | | |
| - later than one year and not later than two years | 3,561 | 3,124 |
| - later than two years and not later than five years | 5,603 | 4,914 |
| - later than five years | 4,194 | 8,369 |
| | 13,358 | 16,407 |
| | 17,518 | 19,545 |

22. TERM LOANS - SECURED (Cont'd)

(a) Term loan I had been fully settled during the current financial year. Term loan II is repayable by 48 monthly instalments of SGD31,500 which is equivalent to RM75,695 (2008: Nil). Term loan II bears interest at 1.50% per annum above the bank's prime rate.

The term loan II is secured by way of:

- (i) mortgage over a barge and accompanying deed of covenants; and
- (ii) personal guarantee by one of the directors of a subsidiary.
- (b) Term loan III and IV are repayable by 48 monthly instalments of SGD24,484 and SGD24,543 which are equivalent to RM58,835 (2008: RM58,150) and RM58,977 (2008: RM58,290) respectively. Term loan III bears interest at a flat rate of 3.25% per annum and term loan IV is charged at 1.25% per annum above the bank's prime rate.

The term loans III and IV are secured by way of:

- (i) a charge over an open mortgage of a subsidiary's barges; and
- (ii) personal guarantee by one of the directors of a subsidiary.
- (c) Term loan V and VI are repayable by 180 monthly instalments of RM41,400 and RM66,200 respectively and bear interest at 1.0% per annum above the effective cost of fund of the bank.

The term loans V and VI are secured by way of:

- (i) a charge over prepaid lease payments for land of a subsidiary; and
- (ii) corporate guarantee by the Company
- (d) Term Ioan VII and VIII are repayable by 48 monthly instalments of SGD18,520 and SGD21,365 which are equivalent to RM44,504 (2008:RM43,985) and RM51,340 (2008:RM50,742) respectively. Term Ioan VII and VIII bear interest at 2.5% per annum over the bank's prevailing swap offer rate.

The term loans VII and VIII are secured by way of:

- (i) mortgage over barge; and
- (ii) deed of guarantee SGD2,106,000 by the Company, which is equivalent to RM5,061,000 (2008: RM5.002.000)
- (e) Information on financial risks of borrowings and its remaining maturity is disclosed in Note 39 to the financial statements.
- (f) The currency exposure profile of term loans are as follows:

| | | Group |
|------------------|--------|--------|
| | 2009 | 2008 |
| | RM'000 | RM'000 |
| Ringgit Malaysia | 9,539 | 12,322 |
| Singapore Dollar | 7,979 | 7,223 |
| | 17,518 | 19,545 |

23. DEFERRED TAX

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

| | Group | | Coi | npany |
|-----------------------------------------------|----------------|----------------|----------------|----------------|
| | 2009 RM′000 | 2008 RM′000 | 2009 RM′000 | 2008 RM′000 |
| Balance as at 1 July | 2,943 | 2,798 | | 4,900 |
| Recognised in the income statements (Note 31) | | | | |
| - current year | 521 | 340 | - | (4,900) |
| - under/(over) provision in prior years | 9 | (191) | - | - |
| Recognised in equity | | | | |
| - foreign currency translation | - | (4) | - | |
| Balance as at 30 June | 3,473 | 2,943 | - | - |
| Presented after appropriate offsetting: | | | | |
| Deferred tax assets, net | (160) | (79) | - | - |
| Deferred tax liabilities, net | 3,633 | 3,022 | - | |
| _ | 3,473 | 2,943 | - | - |

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

| | Group | | Company | |
|-------------------------------------|--------|--------|---------|--------|
| | 2009 | 2008 | 2009 | 2008 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Deferred tax assets | | | | |
| Balance as at 1 July | 215 | 94 | - | - |
| Recognised in the income statements | | | | |
| - Unused tax losses | 97 | 90 | - | - |
| - Unabsorbed capital allowances | 1 | 31 | - | - |
| Balance as at 30 June | 313 | 215 | - | - |

23. DEFERRED TAX (Cont'd)

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

| | Group | | Company | |
|-----------------------------------------------------------|--------|--------|---------|---------|
| | 2009 | 2008 | 2009 | 2008 |
| | RM'000 | RM'000 | RM′000 | RM'000 |
| Deferred tax liabilities | | | | |
| Balance as at 1 July | 3,158 | 2,892 | - | 4,900 |
| Recognised in the income statements | | | | |
| - Dividend receivables | - | - | - | (4,900) |
| - Property, plant and equipment | 641 | 245 | - | - |
| - Unrealised (loss)/gain on foreign currency transactions | (13) | 21 | - | - |
| Balance as at 30 June | 3,786 | 3,158 | - | - |

(c) The components of deferred tax assets and liabilities as at the end of the financial year prior to offsetting are as follows:

| | Group | | C | ompany |
|--------------------------------------------------|--------|--------|--------|--------|
| | 2009 | 2008 | 2009 | 2008 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Deferred tax assets | | | | |
| Unused tax losses | 187 | 90 | - | - |
| Unabsorbed capital allowances | 126 | 125 | - | - |
| _ | 313 | 215 | - | - |
| Deferred tax liabilities | | | | |
| Property, plant and equipment | 3,778 | 3,137 | - | - |
| Unrealised gain on foreign currency transactions | 8 | 21 | - | - |
| _ | 3,786 | 3,158 | - | - |

(d) The amount of temporary differences for which no deferred tax assets have been recognised in the balance sheets are as follows:

| | | Group | | ompany |
|-------------------------------|--------|--------|--------|--------|
| | 2009 | 2008 | 2009 | 2008 |
| | RM'000 | RM′000 | RM'000 | RM′000 |
| Unused tax losses | 44 | 44 | | - |
| Unabsorbed capital allowances | 4 | 4 | - | - |
| | 48 | 48 | - | - |

Deferred tax assets of a subsidiary have not been recognised in respect of these items as it is not probable that taxable profit of the subsidiary will be available against which the deductible temporary differences can be utilised.

The deductible temporary differences do not expire under current tax legislation.

ual report 2009

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

24. TRADE PAYABLES

- (a) Trade payables are non-interest bearing and the normal trade credit terms granted range from 7 to 90 days from date of invoice.
- (b) Information on financial risk of trade payables is disclosed in Note 39 to the financial statements.
- (c) The currency exposure profile of trade payables are as follows:

| | G | roup |
|-------------------|--------|--------|
| | 2009 | 2008 |
| | RM'000 | RM'000 |
| Ringgit Malaysia | 7,373 | 8,162 |
| US Dollar | 2,128 | 2,237 |
| Singapore Dollar | 485 | 936 |
| Australian Dollar | 651 | 682 |
| Thai Baht | 57 | 482 |
| Euro | 81 | 124 |
| British Pound | 38 | 69 |
| Hong Kong Dollar | 5 | 20 |
| Japanese Yen | 3 | 12 |
| Others | 145 | 169 |
| | 10,966 | 12,893 |

25. OTHER PAYABLES AND ACCRUALS

| | | Group | | ompany |
|----------------|--------|--------|--------|--------|
| | 2009 | 2008 | 2009 | 2008 |
| | RM'000 | RM'000 | RM'000 | RM′000 |
| Other payables | 2,129 | 3,571 | - | - |
| Accruals | 6,965 | 6,630 | 423 | 471 |
| | 9,094 | 10,201 | 423 | 471 |

- (a) Included in other payables is an amount of RM188,000 (2008: RM215,000) owing to companies in which Directors of the subsidiaries are the common directors.
- (b) The currency exposure profile of other payables and accruals are as follows:

| | G | Group | | npany |
|-------------------|--------|--------|--------|--------|
| | 2009 | 2008 | 2009 | 2008 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Ringgit Malaysia | 8,345 | 9,104 | 423 | 471 |
| Singapore Dollar | 381 | 641 | - | - |
| Australian Dollar | 237 | 456 | - | - |
| Indonesian Rupiah | 131 | - | - | - |
| | 9,094 | 10,201 | 423 | 471 |

26. BANKERS' ACCEPTANCES - SECURED

In the previous financial year, the bankers' acceptances of the Group were to partially finance the subsidiary's purchase of wagon slots for its rail freight business. This financing facility was secured by way of:

- (a) the relevant applicable trade contract notes; and
- (b) corporate guarantee by the Company.

Information on financial risk of bankers' acceptances – secured is disclosed in Note 39 to the financial statements.

27. REVOLVING CREDIT - SECURED

In the previous financial year, the revolving credit of the Group was secured by fixed deposits of the subsidiary.

Information on financial risk of revolving credit – secured is disclosed in Note 39 to the financial statements.

28. BANK OVERDRAFTS - SECURED

The bank overdrafts of the Group are secured by way of:

- (a) fixed deposits with licensed bank of the Group (Note 17);
- (b) freehold land and buildings, long term leasehold land and buildings and barges of the Group (Note 7 and Note 8);
- (c) fixed and floating charge over the assets of a subsidiary;
- (d) personal guarantee by one of the Directors of a subsidiary; and
- (e) corporate guarantee by the Company.

Information on financial risk of bank overdrafts - secured is disclosed in Note 39 to the financial statements.

29. REVENUE

| | | Group | | Company | |
|-------------------|---------|---------|--------|---------|--|
| | 2009 | 2008 | 2009 | 2008 | |
| | RM'000 | RM'000 | RM'000 | RM'000 | |
| Services rendered | 229,424 | 221,999 | | - | |
| Dividend income | - | - | 5,100 | 5,901 | |
| Management fees | | - | 1,940 | 1,940 | |
| | 229,424 | 221,999 | 7,040 | 7,841 | |

30. PROFIT BEFORE TAX

| | Group | | Company | |
|----------------------------------------------------------------------------------------------|-----------|--------------|---------|--------|
| | 2009 | 2008 | 2009 | 2008 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Profit before tax is arrived at after charging: | | | | |
| Allowance for doubtful debts | 573 | 796 | - | - |
| Amortisation of prepaid lease payments for land (Note 8) Auditors' remuneration: - statutory | 148 | 133 | - | - |
| - current year | 162 | 165 | 40 | 45 |
| - under provision in prior year | 33 | 2 | - | - |
| - non-statutory Bad debts written off | 3 | 3 | 3 | 3 |
| | 252 | 87 | - | - |
| Depreciation of property, plant and equipment (Note 7) Directors' remuneration: Fees: | 5,299 | 3,740 | - | - |
| - payable by the Company | 300 | 300 | 300 | 300 |
| - payable by the subsidiaries | 67 | 43 | - | - |
| Other emoluments: | | | | |
| - paid by the Company | 33 | 39 | 33 | 39 |
| - paid by the subsidiaries | 4,106 | 4,557 | - | - |
| Interest expense on: | | | | |
| - bank overdrafts | 65 | 135 | - | - |
| - hire purchase and lease - term loans | 569 | 190 | - | - |
| - term loans - bankers' acceptances | 944 16 | 1,122 106 | - | - |
| - revolving credit | 13 | 35 | - | |
| - advances from a subsidiary | - | - | _ | 39 |
| Property, plant and equipment written off (Note 7) | 76 | 80 | _ | - |
| Rental of office equipment | 86 | 59 | _ | _ |
| Rental of premises | 656 | 588 | _ | _ |
| And crediting: | | | | |
| Allowance for doubtful debts no longer required | 373 | 347 | _ | _ |
| Bad debts recovered | 6 | 14 | _ | _ |
| Gross dividend from subsidiaries | | - | 5,100 | 5,901 |
| Gain on disposal of property, plant and equipment | 321 | 1,314 | - | - |
| Gain on foreign currency transactions: | | | | |
| - realised | 1,623 | 79 | - | - |
| - unrealised | 32 | 77 | - | - |
| Interest income on: | | | | |
| - fixed deposits and repo | 272 | 197 | 100 | 55 |
| - current and savings accounts | 22 | 32 | 6 | 8 |
| - advances to subsidiaries | | - | - | 333 |
| - foreign current accounts | 3 | 20 | 4.040 | 4.040 |
| Management fees received from subsidiaries Rental income | - 450 | - 521 | 1,940 | 1,940 |
| Hemai illouille | 400 | 521 | | |

31. TAX EXPENSE

| | Group | | Company | |
|---------------------------------------------|--------|--------|---------|---------|
| | 2009 | 2008 | 2009 | 2008 |
| | RM'000 | RM′000 | RM'000 | RM'000 |
| Current tax expense based on profit for the | | | | |
| financial year | 3,691 | 2,846 | 1,275 | 6,240 |
| Deferred tax (Note 23) | 521 | 340 | - | (4,900) |
| | 4,212 | 3,186 | 1,275 | 1,340 |
| Under/(Over) provision in prior years: | | | | |
| - income tax | 64 | 134 | 94 | (25) |
| - deferred tax (Note 23) | 9 | (191) | - | - |
| | 73 | (57) | 94 | (25) |
| | 4,285 | 3,129 | 1,369 | 1,315 |

The Malaysian income tax is calculated at the statutory tax rate of 25% (2008: 26%) of the estimated taxable profit for the fiscal year. The Malaysian statutory tax rate has been reduced to 25% from the previous year's rate of 26% for the fiscal year of assessment 2008. The computation of deferred tax as at 30 June 2009 reflects these changes.

Tax expense for other taxation authorities are calculated at the rates prevailing in those respective jurisdictions.

The numerical reconciliation between the average effective tax rate and the applicable tax rate of the Group and of the Company are as follows:

| | Gr | Group | | pany |
|-------------------------------------------------------------------------------------|-----------|-----------|------------------|-----------|
| | 2009 % | 2008 % | 2009 % | 2008 % |
| Tax at Malaysian statutory tax rate of 25% (2008: 26%) | 25.00 | 26.00 | 25.00 | 26.00 |
| Tax effects in respect of: | | | | |
| Non-allowable expenses | 4.15 | 2.92 | 4.68 | 1.17 |
| Non-taxable income | (0.33) | (0.81) | - | (0.10) |
| Lower tax rate in foreign jurisdiction | (1.57) | (1.95) | - | - |
| Utilisation of previously unrecognised tax losses and unutilised capital allowances | - | (2.29) | - | _ |
| Investment tax incentive | (1.71) | - | - | - |
| Tax exempt income | (3.76) | (2.18) | - | - |
| Effect of changes in tax rate on deferred tax balances | - | (1.14) | - | (1.26) |
| Reduction in statutory tax rate on chargeable income up to RM500,000 for certain | | | | |
| subsidiaries | - | (1.26) | - | - |
| | 21.78 | 19.29 | 29.68 | 25.81 |
| Under/(Over) provision in prior years | | | | |
| - income tax | 0.33 | 0.81 | 2.19 | (0.48) |
| - deferred tax | 0.05 | (1.15) | - | - |
| Average effective tax rate | 22.16 | 18.95 | 31.87 | 25.33 |

32. DIVIDENDS

| | Group and Company | | | |
|--------------------------------------------------------------------------------------------------------|-------------------|-------------|-----------|-------------|
| | Gross | 2009 | Gross | 2008 |
| | dividend | Amount | dividend | Amount |
| | per share | of dividend | per share | of dividend |
| | | net of tax | | net of tax |
| | sen | RM'000 | sen | RM′000 |
| Final dividend, less tax of 25% (2008: 26%) in respect of the financial year ended 30 June 2008/2007 | 2.5 | 2,282 | 2.0 | 1,802 |
| Interim dividend, less tax of 25% (2008: 26%) in respect of the financial year ended 30 June 2009/2008 | 2.0 | 1.826 | 2.0 | 1.801 |
| 2003/2000 | 2.0 | 1,020 | 2.0 | 1,001 |
| _ | 4.5 | 4,108 | 4.0 | 3,603 |

A final dividend in respect of the year ended 30 June 2009 of 2.5 sen per ordinary share, less tax of 25%, amounting to RM2,282,143 has been proposed by the Directors after the balance sheet date for members' approval at the forthcoming Annual General Meeting. The financial statements for the current year do not reflect this proposed dividend. This dividend, if approved by members, will be accounted for as an appropriation of retained earnings in the year ending 30 June 2010.

33. EARNINGS PER ORDINARY SHARE

Basic

Basic earnings per ordinary share for the financial year is calculated by dividing the profit for the financial year to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year.

| | Group | |
|-----------------------------------------------------------|---------|---------|
| | 2009 | 2008 |
| | ′000 | ′000 |
| Profit attributable to equity holders of the Company (RM) | 13,564 | 12,166 |
| Weighted average number of ordinary shares in issue: | 121,714 | 121,714 |
| Basic earnings per ordinary share (sen) | 11.14 | 10.00 |

Diluted

The Company has no potential ordinary share in issue as at balance sheet date and therefore the diluted earnings per ordinary share has not been prepared.

34. CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the cash flow statements comprise the following balance sheet amounts:

| | Group | | Company | |
|------------------------------------------------|---------|---------|---------|--------|
| | 2009 | 2008 | 2009 | 2008 |
| | RM'000 | RM′000 | RM'000 | RM′000 |
| Cash and bank balances | 12,608 | 7,336 | 1,202 | 1,140 |
| Fixed deposits with licensed banks | 4,580 | 4,349 | - | - |
| Short term deposit - Repo | 10,100 | 6,700 | 10,100 | 6,700 |
| Bank overdrafts - secured (Note 28) | (1,024) | (2,511) | - | - |
| - | 26,264 | 15,874 | 11,302 | 7,840 |
| Less: Fixed deposits pledged to licensed banks | | | | |
| (Note 17) | (3,265) | (4,010) | - | - |
| | 22,999 | 11,864 | 11,302 | 7,840 |

35. 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 entities.

The Company has controlling related party relationship with its direct and indirect subsidiaries.

(b) In addition to the transactions detailed elsewhere in the financial statements, the Group and the Company had the following transactions with related parties during the financial year:

| | G | roup | Cor | npany |
|----------------------------------------------|--------|--------|--------|--------|
| | 2009 | 2008 | 2009 | 2008 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Freight charges received/receivable from: | | | | |
| - Tuck Sun & Co (M) Sdn. Bhd. | 2 | 4 | - | - |
| - TS Freight Services Sdn. Bhd. | 23 | 29 | - | - |
| - Poo Hua Pte. Ltd. | 10,477 | 6,131 | - | - |
| Freight charges paid/payable to: | | | | |
| - FM Forwarding Sdn. Bhd. | 2,321 | 2,110 | - | - |
| - Tuck Sun & Co (M) Sdn. Bhd. | 6 | 4 | - | - |
| - Advance Logistics Sdn. Bhd. | 3,182 | 3,549 | - | - |
| - TS Freight Services Sdn.Bhd. | 1 | 10 | - | - |
| Rental income received/receivable from: | | | | |
| - FM Distribution Sdn. Bhd. | 432 | 503 | - | - |
| Rental expenses paid/payable to: | | | | |
| - Poo Hua Pte. Ltd. | 43 | 42 | - | - |
| Warehouse services received/receivable from: | | | | |
| - FM Distribution Sdn. Bhd. | 52 | 111 | - | - |
| | | | | |

35. RELATED PARTY DISCLOSURES (Cont'd)

(b) In addition to the transactions 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 | |
|------------------------------------------------------|--------|--------|---------|--------|
| | 2009 | 2008 | 2009 | 2008 |
| | RM′000 | RM′000 | RM'000 | RM'000 |
| Administrative expenses paid/payable to a subsidiary | - | - | 1,833 | 1,872 |
| Gross dividend from subsidiaries | - | - | 5,100 | 5,901 |
| Management fees received from subsidiaries | - | - | 1,940 | 1,940 |
| Interest paid to a subsidiary | - | - | - | 39 |
| Interest received from subsidiaries | - | - | - | 333 |

The related party transactions described above were carried out on negotiated commercial terms.

| Related parties | Relationships |
|-------------------------------|--------------------------------------------------------------------------------|
| TS Freight Services Sdn. Bhd. | A director is related to Chew Chong Keat and Gan Siew Yong |
| Tuck Sun & Co (M) Sdn. Bhd. | A director is related to Chew Chong Keat and Gan Siew Yong |
| FM Forwarding Sdn. Bhd. | Related by a common director, namely Chew Chong Keat |
| Advance Logistics Sdn. Bhd. | Related by a common director of a subsidiary, namely Law Kok Voon |
| Poo Hua Pte. Ltd. | Related by a common director of a subsidiary, namely Tay Nguang Yeow Andrew |
| FM Distribution Sdn. Bhd. | An associate company of Freight Management (M) Sdn. Bhd. |

(c) Compensation of key management personnel

The remuneration of Directors and other key management personnel during the financial year was as follows:

| | Group | | Company | |
|---------------------------------------------|--------|--------|---------|--------|
| | 2009 | 2008 | 2009 | 2008 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Short term employee benefits | 3,726 | 4,142 | 33 | 39 |
| Contributions to defined contribution plans | 413 | 454 | - | - |
| | 4,139 | 4,596 | 33 | 39 |

36. CAPITAL COMMITMENTS

| | Group | |
|------------------------------------------------------------------------------|--------|--------|
| | 2009 | 2008 |
| | RM'000 | RM'000 |
| Capital expenditure in respect of purchase of property, plant and equipment: | | |
| - contracted but not provided for | 977 | 8,049 |
| - approved but not contracted for | | 1,071 |
| | 977 | 9,120 |

37. CONTINGENT LIABILITIES - UNSECURED

| | G | roup | Cor | npany |
|--------------------------------------------------------------------------------------------------------------------------------------------------|--------|--------|--------|--------|
| | 2009 | 2008 | 2009 | 2008 |
| | RM'000 | RM'000 | RM′000 | RM'000 |
| Bankers' guarantees in favour of third parties | 3,062 | 1,703 | - | - |
| Corporate guarantee given to financial institutions for credit facilities granted to subsidiaries, limit up to RM66,460,300 (2008: RM60,348,000) | - | - | 25,954 | 28,948 |
| Corporate guarantee given to financial institutions for hire purchase and lease facilities granted to subsidiaries, limit up to RM1,831,000 | | | | |
| (2008: RM1,048,000) | - | - | 1,062 | 779 |

38. SEGMENT REPORTING

Reporting format

Segment information is presented in respect of the Group's geographical segments as the primary reporting segment since the Group's risks and returns are affected predominantly by different geographical areas. However, there is no secondary format for reporting segment information as the Group operates principally in the freight and forwarding industry.

The Group operates principally in Malaysia. In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers. Segment assets are based on the geographical location of assets.

38. SEGMENT REPORTING (Cont'd)

Reporting format

The following table provides analysis of the Group revenue, results, assets, liabilities and other information by geographical segment:

| | Malaysia RM′000 | Singapore RM′000 | Australia RM'000 | Indonesia RM'000 | Elimination RM'000 | Total RM'000 |
|------------------------------------------------------------------|--------------------|---------------------|---------------------|---------------------|-----------------------|-----------------|
| 2009 | | | | | | |
| Revenue | | | | | | |
| Sales to external customers | 183,028 | 24,981 | 15,515 | 5,900 | - | 229,424 |
| Inter-segment sales | 1,574 | - | 74 | 248 | (1,896) | - |
| Total revenue | 184,602 | 24,981 | 15,589 | 6,148 | (1,896) | 229,424 |
| Results | | | | | | |
| Segment results | 17,094 | 4,039 | (248) | 24 | - | 20,909 |
| Finance costs | | | | | | (1,607) |
| Share of profit in an associate | 31 | - | - | - | - | 31 |
| Profit before tax | | | | | | 19,333 |
| Tax expense | | | | | | (4,285) |
| Profit for the financial year | | | | | | 15,048 |
| Assets | | | | | | |
| Segment assets | 114,340 | 29,299 | 1,577 | 2,281 | - | 147,497 |
| Investment in an associate | 146 | - | - | - | - | 146 |
| Unallocated assets | | | | | | 465 |
| Total assets | | | | | | 148,108 |
| Liabilities | | | | | | |
| Segment liabilities | 40,876 | 9,344 | 1,086 | 487 | - | 51,793 |
| Unallocated liabilities | | | | | | 4,137 |
| Total liabilities | | | | | | 55,930 |
| Other segment information | | | | | | |
| Capital expenditure | 8,151 | 4,339 | 60 | 515 | - | 13,065 |
| Depreciation | 3,882 | 1,272 | 87 | 58 | - | 5,299 |
| Amortisation | 148 | - | - | - | - | 148 |
| Other non-cash income | (695) | (1) | (39) | - | - | (735) |
| Other non-cash expenses other than depreciation and amortisation | 761 | 5 | 135 | 3 | - | 904 |

38. SEGMENT REPORTING (Cont'd)

| | Malaysia RM'000 | Singapore RM′000 | Australia | Indonesia | Elimination | Total RM'000 |
|--------------------------------------|--------------------|---------------------|-----------|-----------|-------------|-----------------|
| | KIVI UUU | KIVI UUU | RM'000 | RM'000 | RM'000 | KIVI UUU |
| 2008 | | | | | | |
| Revenue | | | | | | |
| Sales to external customers | 188,892 | 22,723 | 10,384 | - | - | 221,999 |
| Inter-segment sales | 201 | - | 32 | - | (233) | - |
| Total revenue | 189,093 | 22,723 | 10,416 | - | (233) | 221,999 |
| Results | | | | | | |
| Segment results | 13,899 | 4,568 | (340) | - | - | 18,127 |
| Finance costs | | | | | | (1,588) |
| Share of loss in an associate | (22) | - | - | - | - | (22) |
| Profit before tax | | | | | | 16,517 |
| Tax expense | | | | | | (3,129) |
| Profit for the financial year | | | | | | 13,388 |
| Assets | | | | | | |
| Segment assets | 106,317 | 25,566 | 2,147 | - | - | 134,030 |
| Non-current asset classified as held | | | | | | |
| for sales | 5,266 | - | - | - | - | 5,266 |
| Investment in an associate | 115 | - | - | - | - | 115 |
| Unallocated assets | | | | | | 1,298 |
| Total assets | | | | | | 140,709 |
| Liabilities | | | | | | |
| Segment liabilities | 46,003 | 9,290 | 1,378 | - | - | 56,671 |
| Unallocated liabilities | | | | | | 3,639 |
| Total liabilities | | | | | | 60,310 |
| Other segment information | | | | | | |
| Capital expenditure | 10,221 | 8,505 | 139 | - | - | 18,865 |
| Depreciation | 2,581 | 1,078 | 81 | - | - | 3,740 |
| Amortisation | 133 | - | - | - | - | 133 |
| Other non-cash income | (641) | (1,112) | - | - | - | (1,753) |
| Other non-cash expenses other than | 704 | - | 004 | | | 000 |
| depreciation and amortisation | 734 | 7 | 221 | - | - | 962 |

39. FINANCIAL INSTRUMENTS

(a) Financial risk management objectives and policies

The Group's financial risk management objective is to optimise value creation for shareholders whilst minimising the potential impact arising from fluctuations in foreign currency exchange and interest rates and the unpredictability of the financial markets.

The Group is exposed mainly to foreign currency risk, liquidity and cash flow risk, interest rate risk and credit risk. Information on the management of the related exposures are detailed below.

(i) Foreign currency risk

The Group and the Company are exposed to foreign currency risk on transactions that are denominated in currencies other than functional currencies of the operating entities.

It is not the Group's or the Company's policy 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 net unhedged financial assets and liabilities of the Group that are not denominated in their functional currencies are as follows:

| | | Functional | currencies | | |
|--------------------------|----------|------------|------------|-----------|--------|
| | Ringgit | Singapore | Australian | Indonesia | |
| | Malaysia | Dollar | Dollar | Rupiah | Total |
| | RM'000 | RM'000 | RM'000 | RM′000 | RM'000 |
| At 30 June 2009 | | | | | |
| <u>Trade receivables</u> | | | | | |
| US Dollar | 2,858 | - | 174 | 267 | 3,299 |
| Singapore Dollar | 364 | - | - | - | 364 |
| Ringgit Malaysia | - | 1,687 | - | - | 1,687 |
| Others | 8 | - | - | 1 | 9 |
| | 3,230 | 1,687 | 174 | 268 | 5,359 |
| Cash and bank balances | | | | | |
| US Dollar | 1,220 | - | 8 | 181 | 1,409 |
| Singapore Dollar | 2 | - | - | - | 2 |
| Ringgit Malaysia | _ | 1,646 | - | - | 1,646 |
| | 1,222 | 1,646 | 8 | 181 | 3,057 |
| <u>Trade payables</u> | | | | | |
| US Dollar | 1,959 | - | 26 | 142 | 2,127 |
| Singapore Dollar | 4 | - | 1 | - | 5 |
| Australian Dollar | 60 | - | - | - | 60 |
| Ringgit Malaysia | - | 474 | - | - | 474 |
| Others | 237 | 14 | 20 | - | 271 |
| | 2,260 | 488 | 47 | 142 | 2,937 |

39. FINANCIAL INSTRUMENTS (Cont'd)

(a) Financial risk management objectives and policies (Cont'd)

(i) Foreign currency risk (Cont'd)

| | Fur | nctional currenc | ies | |
|------------------------|----------|------------------|------------|--------|
| | Ringgit | Singapore | Australian | |
| | Malaysia | Dollar | Dollar | Total |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| At 30 June 2008 | | | | |
| Trade receivables | | | | |
| US Dollar | 4,171 | 1,030 | 95 | 5,296 |
| Singapore Dollar | 340 | - | - | 340 |
| Ringgit Malaysia | | 1,068 | - | 1,068 |
| | 4,511 | 2,098 | 95 | 6,704 |
| Cash and bank balances | | | | |
| US Dollar | 1,015 | _ | 139 | 1,154 |
| Ringgit Malaysia | | 70 | - | 70 |
| | 1,015 | 70 | 139 | 1,224 |
| Trade payables | | | | |
| Australian Dollar | 67 | - | - | 67 |
| Europe Dollar | 124 | - | - | 124 |
| British Pound | 69 | - | - | 69 |
| Hong Kong Dollar | 20 | - | - | 20 |
| Japanese Yen | 12 | - | - | 12 |
| US Dollar | 2,188 | - | 49 | 2,237 |
| Ringgit Malaysia | - | 462 | - | 462 |
| Thai Baht | 454 | 28 | - | 482 |
| Others | 169 | - | - | 169 |
| | 3,103 | 490 | 49 | 3,642 |

(ii) Interest rate risk

The Group's fixed-rate deposits with licensed financial institutions and borrowings are exposed to a risk of changes in their fair values due to changes in market interest rates. The Group's and Company's floating or variable-rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates. Short term receivables and payables are not exposed to interest rate risk. The Group monitors the interest rates on borrowings closely to ensure that the borrowings are maintained at favourable rates. There is no formal hedging policy with respect to interest rate exposure.

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39. FINANCIAL INSTRUMENTS (Cont'd)

(a) Financial risk management objectives and policies (Cont'd)

(ii) Interest rate risk (Cont'd)

The following tables set out the carrying amounts, the weighted average effective interest rates as at the balance sheet date and the remaining maturities of the Group's and the Company's financial instruments that are exposed to interest rate risk:

| | | Weighted average effective | | | | | | More | |
|-----------------------------------|------|----------------------------|------------------|-----------------|-----------------|-----------------|-----------------|-------------------|-----------------|
| | | interest | Within | 1-2 | 2 - 3 | 3 - 4 | 4 - 5 | than | |
| | NOTE | rate % | 1 year RM′000 | years RM′000 | years RM′000 | years RM′000 | years RM′000 | 5 years RM′000 | Total RM'000 |
| Group | | | | | | | | | |
| At 30 June 2009 | | | | | | | | | |
| Fixed rates | | | | | | | | | |
| Fixed deposits | 17 | 4.30 | 4,580 | • | • | ٠ | • | • | 4,580 |
| Short term deposits - Repo | 17 | 2.07 | 10,100 | • | • | • | • | • | 10,100 |
| Hire purchase and lease creditors | 21 | 6.02 | 3,041 | 2,948 | 2,632 | 2,075 | 699 | • | 11,365 |
| Term loan | 22 | 6.13 | 572 | 1 | ' | ' | ' | ' | 572 |
| Floating rates | | | | | | | | | |
| Bank overdrafts | 28 | 3.34 | 1,024 | • | • | • | • | • | 1,024 |
| Term loans | 22 | 4.47 | 3,588 | 3,561 | 2,984 | 1,481 | 1,138 | 4,194 | 16,946 |

39. FINANCIAL INSTRUMENTS (Cont'd)

(a) Financial risk management objectives and policies (Cont'd)

(ii) Interest rate risk (Cont'd)

| | | Weighted average effective | | | | | | More | |
|-----------------------------------|------|----------------------------------|--------|--------|--------|--------|--------|---------|--------|
| | | interest | Within | 1-2 | 2 - 3 | 3 - 4 | 4 - 5 | than | |
| | | rate | 1 year | years | years | years | years | 5 years | Total |
| | NOTE | % | RM′000 | RM′000 | RM′000 | RM′000 | RM'000 | RM′000 | RM'000 |
| Group | | | | | | | | | |
| At 30 June 2008 | | | | | | | | | |
| Fixed rates | | | | | | | | | |
| Fixed deposits | 17 | 3.64 | 4,349 | • | • | • | • | • | 4,349 |
| Short term deposits - Repo | 17 | 2.05 | 6,700 | • | • | • | • | • | 6,700 |
| Hire purchase and lease creditors | 21 | 5.94 | 1,422 | 1,404 | 1,269 | 1,156 | 732 | • | 5,983 |
| Term loan | 22 | 6.46 | 639 | 268 | • | • | | ٠ | 1,207 |
| Floating rates | | | | | | | | | |
| Bankers' acceptances | 26 | 4.30 | 2,237 | • | • | • | • | • | 2,237 |
| Revolving credit | 27 | 5.35 | 1,500 | • | • | • | • | • | 1,500 |
| Bank overdrafts | 28 | 5.70 | 2,511 | • | • | • | • | • | 2,511 |
| Term loans | 22 | 5.79 | 2,499 | 2,559 | 2,396 | 1,649 | 998 | 8,369 | 18,338 |

39. FINANCIAL INSTRUMENTS (Cont'd)

- (a) Financial risk management objectives and policies (Cont'd)
 - (iii) Liquidity and cash flow risk

The Group actively manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that all operating, investing and financing needs are met. In 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 Group's activities.

Short term flexibility is achieved by overdraft facilities.

(iv) Credit risk

Cash deposits and trade receivables may give rise to credit risk which requires the loss to be recognised if a counter party fails to perform as contracted. The counter parties are major international institutions and reputable multinational organisations. It is the Group's policy to monitor the financial standing of these counter parties on an ongoing basis to ensure that the Group is exposed to minimal credit risk.

The Group's primary exposure to credit risk arises through its trade receivables. The Group's trading terms with its customers are mainly on credit. The credit period is generally for a period of one (1) month, extending up to three (3) months for major customers. Each customer has a maximum credit limit and the Group seeks to maintain strict control over its outstanding receivables via a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management.

The concentration of credit risk in respect of trade receivables is limited due to the Group's large number of customers. The Group's historical experience in collection of accounts receivables falls within the recorded allowances. Due to these factors, the Directors believe that no additional credit risk beyond amounts provided for doubtful debts is inherent in the Group's trade receivables.

In respect of the deposits, cash and bank balances placed with major financial institutions in Malaysia, Singapore, Australia and Indonesia, the Directors believe that the possibility of non-performance by these financial institutions is remote on the basis of their financial strength.

39. FINANCIAL INSTRUMENTS (Cont'd)

(b) Fair values

The carrying amounts of the financial instruments of the Group and the Company as at balance sheet approximate their fair values due to the relatively short term maturity of the financial instruments except as set out below:

| | (| Group | Со | mpany |
|-----------------------------------|----------|--------|----------|--------|
| | Carrying | Fair | Carrying | Fair |
| | amount | value | amount | value |
| | RM′000 | RM'000 | RM′000 | RM'000 |
| At 30 June 2009 | | | | |
| Recognised | | | | |
| Unquoted investment | 3 | # | - | - |
| Amount owing by a subsidiary | - | - | 14,161 | * |
| Hire purchase and lease creditors | 11,365 | 12,487 | - | - |
| Term loan | 572 | 539 | - | - |
| At 30 June 2008 | | | | |
| Recognised | | | | |
| Unquoted investment | 3 | # | - | - |
| Amount owing by a subsidiary | - | - | 14,161 | * |
| Hire purchase and lease creditors | 5,983 | 5,820 | - | - |
| Term loan | 1,207 | 1,107 | - | - |

- # It is not practical to estimate the fair values of long term unquoted investment because of lack of quoted market prices and inability to estimate fair values without incurring excessive costs. The Directors believe that the carrying amounts represent the recoverable values.
- * It is not practical to estimate the fair values of the non-current amounts owing by a subsidiary due to lack of fixed repayment terms and inability to estimate fair values without incurring excessive costs. The Directors believe that the carrying amounts represent the recoverable values.

The methods and assumptions used by management to determine the fair values of the financial instruments are as follows:

- (i) The carrying amounts of financial assets and liabilities maturing within 12 months approximate their fair values due to the relatively short term maturity of these financial instruments.
- (ii) The fair values of hire purchase and lease creditors have been determined using discounted cash flows technique. The discount rates used are based on the market rates for the similar borrowings of the same remaining maturities.
- (iii) The Company provides financial guarantees to banks for credit facilities extended to certain subsidiaries. The fair values of these guarantees cannot be reasonably determined without incurring excessive cost.

40. EMPLOYEE BENEFITS

| | G | roup | Cor | npany |
|---------------------------------------------|--------|--------|--------|--------|
| | 2009 | 2008 | 2009 | 2008 |
| | RM′000 | RM'000 | RM′000 | RM'000 |
| Salaries, wages and bonuses | 20,572 | 19,297 | 33 | 39 |
| Contributions to defined contribution plans | 2,184 | 1,918 | - | - |
| Social security contributions | 160 | 142 | - | - |
| Other benefits | 879 | 799 | 6 | 2 |
| | 23,795 | 22,156 | 39 | 41 |

Included in the employee benefits of the Group and of the Company is Directors' remuneration amounting RM4,139,000 (2008: RM4,596,000) and RM33,000 (2008: RM39,000) respectively.

41. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

- (a) On 30 July 2008, the Company announced that the application by its wholly-owned subsidiary, Freight Management (M) Sdn. Bhd. for Investment Tax Incentives for a period of five (5) years under the Integrated Logistics Services had been approved by Malaysian Industrial Development Authority ("MIDA") via letter dated 10 July 2008.
- (b) On 27 August 2008, the Company incorporated a wholly-owned company limited by shares known as Icon Freight International Inc. ("IFII"), in British Virgin Islands. The authorised share capital of IFII is USD50,000 comprising 50,000 ordinary shares of USD1 each and current paid-up capital is USD100. IFII is currently dormant and its principal activity is intended to be that of investment holding.
- (c) On 18 September 2008, Icon Line (Malaysia) Sdn. Bhd. ("ILSB") received approval from Badan Koordinasi Penanaman Modal ("BKPM") for change of status of PT. Icon Freight Indonesia from a Non Penanaman Modal Asing to a Penanaman Modal Asing ("PMA") Company. The intended issued and paid-up capital of PT. Icon Freight Indonesia on becoming a PMA Company will be IDR4,500,000,000. ILSB has yet to subscribe to the shares of PT. Icon Freight Indonesia.
- (d) On 24 September 2008, the Company proposed a further extension of time for a period of 6 months up to 12 April 2009, to implement the proposed placement of up to 12,171,428 new Freight Management Holdings Bhd. ("FMH") shares of RM0.50 each ("Placement Shares") representing up to 10% of the enlarged issued and paid-up share capital of FMH after the Bonus Issue ("Proposed Placement").
 - On 17 October 2008, Securities Commission ("SC") approved the Company's application for the extension of time up to and including 12 April 2009, to implement the Proposed Placement.

On 17 April 2009, the SC rejected the Company's application for an extension of time from 12 April 2009 to 12 October 2009 via its letter dated 17 April 2009. In view that the implementation of the Proposed Placement is not feasible due to unfavourable current market condition, the Company resolved to abort the Proposed Placement.

41. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (Cont'd)

- (e) On 6 November 2008, the Company announced that its wholly-owned subsidiary, ILSB subscribed for 22,050 shares of IDR100,000 each at par for a total cash consideration of IDR2,205,000,000 in the capital of PT Icon Freight Indonesia, representing 49% of the issued and paid-up capital of PT Icon Freight Indonesia.
- On 2 January 2009, the Company announced that its wholly-owned subsidiary, ILSB entered into a Joint Venture Agreement on 31 December 2008 to set up a joint venture company in Thailand via the incorporation of a joint venture company known as Icon Freight Services Company Ltd. ("IFSCL"). The Joint Venture Company will have an authorised share capital of THB5,000,000 divided into 10,000 ordinary shares of THB500 each.

42. SIGNIFICANT EVENT SUBSEQUENT TO THE BALANCE SHEET DATE

- (a) On 2 July 2009, the Company announced that its wholly-owned subsidiary, ILSB has subscribed for 24,500 shares of THB100 each at par for a total cash consideration of THB2,450,000 in the capital of IFSCL, a joint venture company in Thailand, representing 49% of the issued and paid up share capital of IFSCL.
 - It was mutually agreed that the nominal value of the shares to be alloted be changed from THB500 to THB100 per share.

ANALYSIS OF Shareholdings as at 30 September 2009

SHARE CAPITAL

Authorised share capital : RM100,000,000 Issued and paid up share capital : RM60,857,143

Class of shares : Ordinary shares of RM0.50 each Voting rights : One (1) vote per ordinary share

DISTRIBUTION OF SHAREHOLDINGS

| Size of Shareholdings | No. of Shareholders | % | No. of Shareholders | % |
|--------------------------|------------------------|--------|------------------------|--------|
| Less Than 100 | 84 | 6.28 | 3,852 | 0.00 |
| 100 To 1,000 | 329 | 24.61 | 91,991 | 0.08 |
| 1,001 To 10,000 | 606 | 45.33 | 2,949,531 | 2.42 |
| 10,001 to 100,000 | 262 | 19.60 | 7,926,956 | 6.51 |
| 100,001 to Less Than 5% | 53 | 3.96 | 30,240,042 | 24.85 |
| 5% And Above | 3 | 0.22 | 80,501,914 | 66.14 |
| TOTAL | 1,337 | 100.00 | 121,714,286 | 100.00 |

DIRECTORS' SHAREHOLDINGS

| | Direct Int | erest | Indirect In | terest |
|---------------------------------------------------------|-----------------------|-------|-----------------------|--------|
| Names | No. of Shares Held | % | No. of Shares Held | % |
| CHEW CHONG KEAT | 33,902,597 | 27.85 | - | - |
| YANG HENG LAM | 22,276,031 | 18.30 | 175,000* | 0.14 |
| GAN SIEW YONG | 5,281,642 | 4.34 | - | - |
| DATUK DR HJ NOORDIN BIN HJ AB. RAZAK | - | - | - | - |
| AARON SIM KWEE LEIN | - | - | - | - |
| ONG LOOI CHAI | 1,429,928 | 1.17 | - | - |
| CHUA TIONG HOCK | - | - | 24,342,857^ | 20.00 |
| KHUA KIAN KEONG (alternate director to Chua Tiong Hock) | - | - | 24,342,857^ | 20.00 |

- * Deemed interested in shares held by his spouse by virtue of Section 134 of the Companies Act 1965.
- ^ Deemed interested in shares held via Singapore Enterprises Private Limited by virtue of Section 6A of the Companies Act 1965.

SUBSTANTIAL SHAREHOLDERS ACCORDING TO THE REGISTER OF SUBSTANTIAL SHAREHOLDERS

| | | Direct Int | erest | Indirect Into | erest |
|----|---------------------------------------|-----------------------|-------|-----------------------|-------|
| | Substantial Shareholders | No. of Shares Held | % | No. of Shares Held | % |
| | | Silares neiu | | Silares Helu | |
| 1. | CHEW CHONG KEAT | 33,902,597 | 27.85 | - | - |
| 2. | SINGAPORE ENTERPRISES PRIVATE LIMITED | 24,342,857 | 20.00 | - | - |
| 3. | YANG HENG LAM | 22,276,031 | 18.30 | 175,000* | 0.14 |

^{*} Deemed interested in shares held by his spouse by virtue of Section 134 of the Companies Act 1965.

TOP 30 SHAREHOLDERS AS AT 30 SEPTEMBER 2009

| | | No. of | |
|-----|------------------------------------------------------------------------------------------------------------|-------------|--------|
| No. | Names | Shares Held | % |
| 1 | CHEW CHONG KEAT | 33,902,597 | 27.85% |
| 2 | SINGAPORE ENTERPRISES PRIVATE LIMITED | 24,342,857 | 20.00% |
| 3 | YANG HENG LAM | 22,276,031 | 18.30% |
| 4 | GAN SIEW YONG | 5,281,642 | 4.34% |
| 5 | ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD (PHEIM ASSET MANAGEMENT SDN BHD FOR EMPLOYEES PROVIDENT FUND) | 2,402,657 | 1.97% |
| 6 | UNIVERSAL TRUSTEE (MALAYSIA) BERHAD | 1,844,271 | 1.52% |
| | (CIMB ISLAMIC SMALL CAP FUND) | | |
| 7 | MALAYSIA NOMINEES (TEMPATAN) SENDIRIAN BERHAD (GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (LPF)) | 1,586,857 | 1.30% |
| 8 | SEE KOK HING | 1,557,142 | 1.28% |
| 9 | ONG LOOI CHAI | 1,429,928 | 1.17% |
| 10 | MALAYSIA NOMINEES (TEMPATAN) SENDIRIAN BERHAD (GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (LBF)) | 1,200,000 | 0.99% |
| 11 | FOO SOOK WAN | 1,111,328 | 0.91% |
| 12 | CHIN YEW SOON | 1,057,442 | 0.87% |
| 13 | UNIVERSAL TRUSTEE (MALAYSIA) BERHAD (CIMB-PRINCIPAL SMALL CAP FUND 2) | 1,000,000 | 0.82% |
| 14 | MALAYSIA NOMINEES (TEMPATAN) SENDIRIAN BERHAD (GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (NULF 1)) | 700,000 | 0.58% |
| 15 | HSBC NOMINEES (ASING) SDN BHD (EXEMPT AN FOR MORGAN STANLEY & CO. INTERNATIONAL PLC) | 605,000 | 0.50% |
| 16 | TEH SWEE SIM | 509,904 | 0.42% |
| 17 | CHEW PHEK YING | 500,000 | 0.41% |
| 18 | CHIN YEW SOON | 500,000 | 0.41% |
| 19 | LIN, KUANG | 500,000 | 0.41% |
| 20 | WONG LEE CHOO | 480,131 | 0.39% |
| 21 | YVONNE KALATHINI A/P M.VIJAYARAJ | 440,000 | 0.36% |
| 22 | PUBLIC INVEST NOMINEES (TEMPATAN) SDN BHD | 432,357 | 0.36% |
| | (ACCOUNT FOR YOONG FUI KIEN) | | |
| 23 | RICHARD ENG | 428,571 | 0.35% |
| 24 | GOH CHONG WENG | 425,347 | 0.35% |
| 25 | CIMB GROUP NOMINEES (TEMPATAN) SDN BHD (BHLB TRUSTEE BERHAD FOR PRUSMALL-CAP FUND) | 400,028 | 0.33% |
| 26 | CIMSEC NOMINEES (TEMPATAN) SDN BHD (ACCOUNT FOR CHIN YEW SOON) | 359,957 | 0.30% |
| 27 | TODA TORU | 357,142 | 0.29% |
| 28 | HSBC NOMINEES (ASING) SDN BHD (EXEMPT AN FOR JPMORGAN CHASE BANK, NATIONAL ASSOCIATION) | 295,200 | 0.24% |
| 29 | NIOW SOO SEE | 266,428 | 0.22% |
| 30 | SO TIAM HOK | 264,557 | 0.22% |

LIST OF Properties held as at 30 June 2009

| Postal address / location | Description | Existing use | Land Area (square feet) | Tenure of land (years) | Approximate age of building | Date Acquired | Net book value as at 30.06.09 RM'000 |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------|-----------------|-------------------------------|---------------------------------------------|-----------------------------------|-------------------------|-----------------------------------------------|
| HS(D) 72751, PT 144740, Mukim Hulu Kinta, Daerah Kinta, Negeri Perak | 1½ storey terrace industrial factory | Tenanted | 4,490 | 99 years ending on 27 October 2097 | 8 years | 13 September 1996 | 315 |
| Postal Address: No 26, Jalan SCI 1/10, Sunway City, 31150 Ipoh, Perak Darul Ridzuan | | | | | | | |
| Geran No. 2893, Lot 1841 Seksyen 4, Bandar Butterworth, Daerah Seberang Perai Utara, Negeri Pulau Pinang Postal Address: No 4453, | Three (3) storey terrace shophouse | Office | 1,019 | Freehold | 34 years | 22 October 1994 | 426 |
| Jalan Bagan Luar, 12000 Butterworth, Penang | | | | | | | |
| HS(D) 116340, PT 152, Mukim Bandar Sultan Sulaiman, Daerah Klang, Negeri Selangor | Single storey warehouse building with a | Vacant | 87,120 | 99 years ending on 30 June 2105 | 13 years | 16 February 1996 | 5,026 |
| Postal Address: Lot 8, Lingkaran Sultan Mohamed 2, Kawasan Perusahaan Bandar Sultan Suleiman, 42000 Port Klang, Selangor Darul Ehsan | ngkaran building Mohamed san aan Bandar uleiman, ort Klang, | | | | | | |
| Geran No 2892, Lot 1840, Seksyen 4, Bandar Butterworth, Daerah Seberang Perai Utara, Negeri Pulau Pinang | Three (3) storey terrace shophouse | Office | 1,021 | Freehold | 34 years | 25 June 2002 | 472 |
| Postal Address: No 4454, Jalan Bagan Luar, 12000 Butterworth, Penang | | | | | | | |

| Postal address / location | Description | Existing use | Land Area (square feet) | Tenure of land (years) | Approximate age of building | Date Acquired | Net book value as at 30.06.09 RM'000 |
|--------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------|-------------------------|-------------------------------|-------------------------------------------|-----------------------------|-------------------------|-----------------------------------------------|
| Master Title: H.S(D) 49488 and 49489, PT 49974 and 49975 Mukim Klang, Daerah Klang, Negeri Selangor | Office Unit | Vacant | Nil | 99 years ending on 11 March 2095 | 9 years | 23 September 1998 | 70 |
| Postal Address: No. 78-2A, 2nd Floor, Jalan Sg. Chandong 15, Pulau Indah, 42100 Port Klang, Selangor Darul Ehsan | | | | | | | |
| Master Title: H.S(D) 49488 and 49489, PT 49974 and 49975 Mukim Klang, Daerah Klang, Negeri Selangor | Office Unit | Vacant | Nil | 99 years ending on 11 March 2095 | 9 years | 23 September 1998 | 63 |
| Postal Address: No. 78-2B, 2nd Floor, Jalan Sg. Chandong 15, Pulau Indah, 42100 Port Klang, Selangor Darul Ehsan | | | | | | | |
| HS(D) 116412, PT 239, Mukim Bandar Sultan Sulaiman, Daerah Klang, Negeri Selangor. | Industrial land | Warehouse and Office | 653,400 | 99 years ending on 30 June 2105 | 3 year | 16 September 2005 | (Land) 11,169 |
| Postal Address: Lot 37, Jalan Lebuh Sultan Mohamad 1, Kawasan Perindustrian Bandar Sultan Suleiman, 42000 Port Klang, Selangor Darul Ehsan | Warehouse cum 2-storey office building. | | | | | | (Building) 23,675 |

NOTICE OF Annual General Meeting

NOTICE IS HEREBY GIVEN that the Thirteenth Annual General Meeting of the Company will be held at Function Room: Permai 1, Kota Permai Golf & Country Club, No. 1 Jalan 31/100A, Kota Kemuning, Section 31, 40460 Shah Alam, Selangor Darul Ehsan on Monday, 30 November 2009 at 10.00 a.m. for the following purposes:

- To receive and adopt the Audited Financial Statements for the year ended 30 June 2009 and the Reports of the Directors and the Auditors thereon. (Please refer to Note No.2)
- 2. To approve the payment of Directors' Fees amounting to RM300,000 in respect of the financial year ended 30 June 2009.
- 3. To re-elect the following Directors retiring in accordance with Article 109 of the Articles of Association of the Company:
 - (a) Datuk Dr Hj Noordin Bin Hj Ab Razak
 - (b) Mr. Ong Looi Chai
- 4. To approve the payment of a final dividend of 2.5 sen per share less Malaysian Income tax at 25% for the year ended 30 June 2009.
- 5. To re-appoint Messrs BDO Binder as the Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration.

As Special Business

To consider and if thought fit, to pass the following resolutions:

6. Ordinary Resolution –

Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature

"THAT, approval be and is hereby given for the renewal of the Shareholders' Mandate for FMH Group of Companies to enter into the categories of recurrent transactions of a revenue or trading nature with related parties falling within the nature of transactions as set out in Section 3.3 under Part A of the Circular to Shareholders dated 6 November 2009, provided that such transactions are necessary for the Group's day-to-day operations and the transactions are carried out in the ordinary course of business and are on terms not more favourable to the related parties than those generally available to the public and are not to the detriment of minority shareholders.

AND THAT such approval shall continue to be in force until:

- (a) the conclusion of the next Annual General Meeting ("AGM") of the Company at which time it will lapse, unless by a resolution passed at the next AGM, the mandate is renewed; or
- (b) the expiration of the period within which the next AGM of the Company is required to be held pursuant to Section 143(1) of the Companies Act, 1965 ("Act") (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or
- (c) revoked or varied by resolution passed by the shareholders in a general meeting;

ORDINARY RESOLUTION 1

ORDINARY RESOLUTION 2 ORDINARY RESOLUTION 3

ORDINARY RESOLUTION 4

ORDINARY RESOLUTION 5

6. Ordinary Resolution -

Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature (Cont'd)

Whichever is the earlier.

AND THAT the Directors of the Company be and are hereby authorized to complete and do all such acts and things as they may consider expedient or necessary to give effect to this Ordinary Resolution.

7. Ordinary Resolution -

Proposed Renewal of Authority for Share Buy-Back by the Company

"THAT subject to the Company's Act, 1965, (as may be amended, modified or reenacted from time to time), the Main Market Listing Requirements of the Bursa Malaysia Securities Berhad and the approvals of all relevant governmental and / or regulatory authorities, the Company be and is hereby authorized to purchase such number of ordinary shares of RM0.50 each in the Company ("Proposed Renewal of Share Buy Back Authority") as may be determined by the Board from time to time on the Bursa Malaysia Securities Berhad upon such terms and conditions as the Board may deem fit and expedient in the interest of the Company provided the aggregate number of shares purchased pursuant to this resolution does not exceed ten percent (10%) of the issued and paid up share capital of the Company which amount to 121,714,286 ordinary shares of RM0.50 each as at 30 June 2009 and an amount not exceeding the total retained profits of RM3,364,067 based on the latest audited financial statements of the Company as at 30 June 2009, be allocated by the Company for the Proposed Renewal of Share Buy-Back Authority.

THAT such authority shall commence upon the passing of this resolution and shall remain in force until the conclusion of the next Annual General Meeting of the Company unless earlier revoked or varied by ordinary resolution of the shareholders of the Company in a general meeting;

THAT authority be and is hereby given to the Directors of the Company to decide in their discretion to retain the ordinary shares in the Company so purchased by the Company as treasury shares and / or cancel them and / or resell the treasury shares or distribute them as share dividend and / or subsequently cancel them;

AND FURTHER THAT authority be and is hereby given to the Directors of the Company to take all such steps as are necessary (including the appointment of stockbroking firm and the opening and maintaining of a Central Depository Account designated as a Share Buy-Back Account) and to enter into any agreements and arrangements with any party or parties to implement, finalise and give full effect to the aforesaid with full powers to assent to any conditions, modifications, variations and / or amendments (if any) as may be imposed by the relevant authorities and to do all such acts and things as the directors may deem fit and expedient in the interest of the Company."

ORDINARY RESOLUTION 6

ORDINARY RESOLUTION 7

NOTICE OF ANNUAL GENERAL MEETING (Cont'd)

8. Ordinary Resolution -

Authority to Allot and Issue shares pursuant to Section 132D of the Companies Act, 1965

"THAT pursuant to Section 132D of the Companies Act, 1965 and approvals from Bursa Malaysia Securities Berhad for the listing of and quotation for the additional shares so issued and other relevant authorities, where approval is necessary, authority be and is hereby given to the Directors to allot and issue shares in the Company at any time upon such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit provided always that the aggregate number of shares to be issued shall not exceed 10% of the issued share capital of the Company for the time being AND THAT such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company."

ORDINARY RESOLUTION 8

CLOSURE OF BOOKS

NOTICE IS ALSO HEREBY GIVEN that subject to the approval of the shareholders at the Thirteenth Annual General Meeting, a final dividend of 2.5 sen per share less Malaysian Income tax at 25%, will be payable on 20 January 2010 to shareholders whose names appear in the Record of Depositors at the close of business on 31 December 2009.

A Depositor shall qualify for entitlement only in respect of:

- Shares transferred into the Depositor's Securities Account before 5.00 p.m. on 31 December 2009 in respect of ordinary shares;
- b) Shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

By Order of the Board

TAN ENK PURN (MAICSA 7045521) LIM HOOI MOOI (MAICSA 0799764) Joint Company Secretaries

Kuala Lumpur 6 November 2009

NOTES

1. Appointment of Proxy

- A member of the Company entitled to attend and vote at the meeting may appoint not more than two (2) proxies to attend and vote instead of him. Where a member appoints two (2) proxies, he shall specify the proportion of his shareholdings to be represented by each proxy. A member of the Company who is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 may appoint one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
- A proxy need not be a member of the Company.
- The instrument appointing a proxy shall be in writing under the hands of the appointer or of his attorney duly authorised in writing, or if the appointer is a corporation, either under its common seal or the hand of its attorney duly authorised.
- The instrument of proxy must be deposited at the Company's Registered Office at Level 18, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur not later than forty-eight hours before the time appointed for holding the meeting.

2. Agenda No. 1

This item of the Agenda is meant for discussion only. The provisions of Section 169 of the Companies Act, 1965 require that the audited financial statements and the Reports of the Directors and Auditors thereon be laid before the Company at its Annual General Meeting. As such this Agenda item is not a business which requires a resolution to be put to vote by shareholders.

3. EXPLANATORY NOTES ON SPECIAL BUSINESS

(A) Ordinary Resolution 6

The proposed Ordinary Resolution 6 seeking Shareholders' Mandate to allow the Company and its subsidiaries to enter into Recurrent Related Party Transactions of a Revenue or Trading Nature is to enable the Company to comply with Paragraph 10.09, Part E of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The mandate will take effect from the date of the passing of the Ordinary Resolutions until the next Annual General Meeting of the Company.

(B) Ordinary Resolution 7

The proposed Ordinary Resolution 7, if passed, will empower the Directors of the Company to purchase the Company's shares up to ten percentage (10%) of the issued and paid up share capital of the Company ("Proposed Renewal of Share Buy-Back Authority") by utilizing the funds allocated which shall not exceed the total retained profits and share premium account of the Company. Further information on the Proposed Renewal of Share Buy-Back Authority is set out in the Statement to Shareholders of the Company dated 6 November 2009 which is despatched together with the Company's 2009 Annual Report.

(C) Ordinary Resolution 8

Ordinary Resolution No. 8 is proposed for the purpose of granting a renewed general mandate ("General Mandate") and if passed, will empower the Directors of the Company pursuant to Section 132D of the Companies Act, 1965, to issue and allot new shares in the Company from time to time provided that the aggregate number of shares issued pursuant to this General Mandate does not exceed 10% of the issued share capital of the Company for the time being. The General Mandate, unless revoked or varied by the Company in general meeting, will expire at the conclusion of the next Annual General Meeting of the Company.

As at the date of this Notice, no new shares had been issued by the Company pursuant to the mandate granted to the Directors at the last Annual General Meeting held on 25 November 2008 and which will lapse at the conclusion of the Thirteenth Annual General Meeting of the Company.

(D) Statement Accompanying Notice of Thirteenth Annual General Meeting

A statement accompanying this notice which contains additional information as required under Appendix 8A of Bursa Malaysia Main Market Listing Requirements is found on page 106 of the Annual Report dated 6 November 2009.

STATEMENT ACCOMPANYINGNotice of 13th Annual General Meeting

Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad

The details of the Directors who are standing for re-election (as per Ordinary Resolutions 2 & 3 as stated above) at the Thirteenth Annual General Meeting of Freight Management Holdings Bhd (the Company) which will be held at Function Room: Permai 1, Kota Permai Golf & Country Club, No. 1 Jalan 31/100A, Kota Kemuning, Section 31, 40460 Shah Alam, Selangor Darul Ehsan on Monday, 30 November 2009 at 10.00 a.m. are set out in Directors' Profiles appearing on pages 7 to 9 of the Annual Report 2009.

The details of any interest in the securities of the Company and its subsidiaries (if any) held by the said Directors are stated on pages 29 to 97 of the Financial Statements of the Annual Report 2009.



FREIGHT MANAGEMENT HOLDINGS BHD

380410-P (Incorporated in Malaysia)



| I/We | (| (I.C. No./Co. Registration No.) | | | |
|------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------|---------------------------------|------------------------|-----------------------|--|
| of | | | | | |
| being a member/members of F | reight Management Hol | dings Bhd, do hereby | appoint | | |
| | (| (I.C. No.) | | | |
| or failing him/her | (| (I.C. No.) | | | |
| or failing him/her the Chairmar Annual General Meeting of the 1 Jalan 31/100A, Kota Kemunin and at any adjournment thereo | Company to be held at F g, Section 31, 40460 Sha | unction Room: Perm | ai 1, Kota Permai Golf | & Country Club, No. | |
| AGENDA 1 | | | | | |
| To receive and adopt the Audended 30 June 2009. | ited Financial Statemen | its and the Reports o | f the Directors and Au | uditors for the year | |
| My/our proxy is to vote as indic | cated below: | | | | |
| AGENDA 2-8 | | | | | |
| Ordinary Resolutions | | | For | Against | |
| Ordinary Resolution 1 | | | For | Agamst | |
| Ordinary Resolution 2 | | | | | |
| Ordinary Resolution 3 | | | | | |
| Ordinary Resolution 4 | | | | | |
| Ordinary Resolution 5 | | | | | |
| Ordinary Resolution 6 | | | | | |
| Ordinary Resolution 7 | | | | | |
| Ordinary Resolution 8 | | | | | |
| Please indicate with a cross () resolutions. In the absence of s | pecific directions, your p | proxy will vote or abs | | st for or against the | |
| Dated this | day of | 2009 | | | |
| No. of shares held | CDS Accou | unt No. | | | |
| | | | Signature of Sh | areholder | |
| | | J | - | | |

Notes

- 1. A Member of the Company entitled to attend and vote at the meeting may appoint not more than two (2) proxies to attend and vote instead of him. Where a member appoints two (2) proxies, he shall specify the proportion of his shareholdings to be represented by each proxy. A member of the Company who is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
- 2. A proxy need not be a member of the Company.
- The instrument appointing a proxy shall be in writing under the hands of the appointer or of his attorney duly authorised in writing, or if the appointer is a corporation, either under its common seal or the hand of its attorney duly authorised.
- 4. The instrument of proxy must be deposited at the Company's Registered Office at Level 18, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur not later than forty-eight (48) hours before the time appointed for holding the meeting.



STAMP

The Company Secretary

FREIGHT MANAGEMENT HOLDINGS BHD

(Company No. 380410-P) Level 18, The Gardens North Tower Mid Valley City, Lingkaran Syed Putra 59200 Kuala Lumpur

please fold along this line (2)

CONTACT PARTICULARS of Freight Management Group

| MALAYSIA | | |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|------------------------------|
| | Tel | Fax |
| Head Office | | |
| FREIGHT MANAGEMENT HOLDINGS BHD. Wisma Freight Management, Lot 37, Lebuh Sultan Mohamed 1, Kaw. Perindustrian Bandar Sultan Suleiman, 42000 Port Klang. Email : gen@fmmalaysia.com.my Website: www fmmalaysia.com.my | 03-3176 1111 | 03-3176 8634 |
| Location of Subsidiary Offices | | |
| FREIGHT MANAGEMENT (M) SDN. BHD. Wisma Freight Management, Lot 37, Lebuh Sultan Mohamed 1, Kaw. Perindustrian Bandar Sultan Suleiman, 42000 Port Klang. Email : gen@fmmalaysia.com.my | 03-3176 1111 | 03-3176 8634 |
| FREIGHT MANAGEMENT (M) SDN. BHD. (JB branch) No. 68-2, Jalan Molek 2/2, Taman Molek, 81100 Johor Bahru. Email : michelle.ting@fmmalaysia.com.my | 07-351 7918 | 07-352 0918 |
| FREIGHT MANAGEMENT (PENANG) SDN. BHD. No. 4453, Jalan Bagan Luar, 12000 Butterworth, Penang. Malaysia. Email : export_penang@fmmalaysia.com.my import_penang@fmmalaysia.com.my | 04-331 4358 | 04-331 4368 04-323 4368 |
| FREIGHT MANAGEMENT (IPOH) SDN. BHD. No. 7A (1 st Floor), Persiaran Greentown 9, Greentown Business Centre, 30450 Ipoh, Perak Darul Ridzuan. Email : fmipoh@fmmalaysia.com.my | 05-242 1358 05-243 1611 | 05-255 1380 05-255 1446 |
| FREIGHT MANAGEMENT (MELAKA) SDN. BHD. 47A, Jalan Melaka Baru 22, Taman Melaka Baru, Batu Berendam, 75350 Melaka, Malaysia. Email : cs_mel@fmmalaysia.com.my | 06-317 5143 06-317 5144 | 06-317 5202 |
| ADVANCE INTERNATIONAL FREIGHT SDN. BHD. Lot 37, Lebuh Sultan Mohamed 1, Kaw. Perindustrian Bandar Sultan Suleiman, 42000 Port Klang. Selangor Darul Ehsan, Malaysia. Email : alog@fmmalaysia.com.my | 03-3176 8001 | 03-3176 2005 03-3176 1005 |

CONTACT PARTICULARS OF FREIGHT MANAGEMENT GROUP (Cont'd)

| MALAYSIA | | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------|------------------------------|
| | Tel | Fax |
| Location of Subsidiary Offices (Cont'd) | | |
| FM-HELLMANN WORLDWIDE LOGISTICS SDN. BHD. | | |
| (KLIA-office) Lot E3-A (1st flr) Block E, Southern Common Amenities Facilities (SCAF), Kuala Lumpur International Airport, 64000 KLIA, Selangor Darul Ehsan. | 03-8787 2990 | 03-8787 2933 03-8787 2934 |
| (KLIA-Warehouse & Operation office) Lot B2B-1, Cargo Forwarders Building, Malaysia Airlines Freight Forwarders Complex, Kuala Lumpur International Airport, 64000 KLIA, Selangor Darul Ehsan. | 03-8787 2990 | 03-8787 2933 |
| (KELANA JAYA) Block F-08-3, 3rd Floor, Plaza Kelana Jaya, Jalan SS7/13A, 47310 Kelana Jaya, Selangor Darul Ehsan. Email: fmhwlair@streamys.com | 03-7877 0017 | 03-7877 0120 |
| FM WORLDWIDE LOGISTICS (PENANG) SDN. BHD. Block A-Unit 8, Cargo Agent Building, MAS Cargo Complex, Penang International Airport, 11900 Bayan Lepas Penang. Email: ptan@my.hellmann.net | 04-640 4943 04-640 4944 | 04-640 4948 |
| CITRA MULTIMODAL SERVICES SDN. BHD. Lot 37, Lebuh Sultan Mohamed 1, Kaw. Perindustrian Bandar Sultan Suleiman, 42000 Port Klang. Email: doreen@citra.com.my/blcheah@citra.com.my | 03-3176 6888 | 03-3176 3993 03-3176 4209 |
| OVERSEAS | | |
| TCH MARINE PTE. LTD. Block 1, Beach Road, # 01-4747, Singapore 190001. Email: tchtay@singnet.com.sg | 65-6294 8422 | 65-6298 9172 |
| ICON FREIGHT SERVICES PTY. LTD. Unit 4, 75 Queen Victoria Street, Fremantle WA 6160, Australia. Email: brad@iconfs.com.au | 61-8-9433 1400 | 61-8-9433 1422 |
| PT ICON FREIGHT INDONESIA (JAKARTA HQ) Rukun Artha Gading Niaga Blok H, Jalan Bulevar Artha Gading, No. 11, Kelapa Gading Barat, Jakarta Utara 14240, Indonesia. | 021-4585 6727 021-4585 0905 | 021-4585 0906 |
| ICON FREIGHT SERVICES CO LTD 731/6 Ratchadapisek Road, Bangpongpang, Yannawa, Bangkok 10120, Thailand. | 662-683 6352 | 662-683 6358 |

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Region - Country/ (Port)

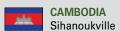
ASIA-PACIFIC





CHINA
Dalian, Huangpu
Ningbo, Qingdao
Shanghai, Shekou
Xiamen, Xingang
Yantian, Nanjing
Nansha, Nantong
Sanshui, Shenzen
Tianjin, Zhanjiang
Zhongshan, Fuqing
Guoming,
Lianhuashan,

Zhangjiagang





HONGKONG Hongkong

INDIA
Calcutta, Chennai
Mumbai, New Delhi
Nhava Sheva
Bangalore, Cochin

INDONESIA
Belawan
Jakarta
Surabaya
Batam Island
Pontianak

JAPAN Hakata, Kobe Moji, Nagoya Osaka, Shimizu Tokyo, Yokohama



KOREA Busan



PAKISTAN Karachi







TAIWAN Kaoshiung, Keelung, Taipei Taichung





VIETNAM Ho Chi Minh Hanoi, Tanchang Haiphong



AUSTRALIA
Adelaide, Brisbane
Freemantle
Sydney
Melbourne

NEW ZEALAND
Auckland, Timaru
Lyttelton, Wellington
Tuaranga, Napier
New Playmouth
Port Chalmers

EUROPE



GERMANY Hamburg



UNITED KINGDOM Felixstowe, Liverpool London, Dublin Southampton Grangemouth Thamesport



NETHERLANDS Amsterdam Rotterdam





SWITZERLAND Basel, Geneve





AMERICAS



U.S.A Los Angeles New York, Chicago Longbeach



CANADA Montreal Vancouver, Montreal



BRAZIL Santos



ARGENTINA Buenos Aires



MEXICO Mexico City Manzanillo

MIDDLE EAST



Kuwait



IRAN Bandar Abbas



BAHRAIN Bahrain



QATAR Doha



EGYPT
Alexandria
Sokhna Port



OMAN Muscat



SAUDI ARABIA Ad Damman Jeddah, Riyadh



U. ARAB EMIRATES Dubai, Jabel Ali

AFRICA & THE WEST INDIES



NIGERIA Apapa





SOUTH AFRICA Durban Johannesburg









SWAZILAND Matsapha

FREIGHT MANAGEMENT HOLDINGS BHD

(380410-P)

Wisma Freight Management, Lot 37, Lebuh Sultan Mohamed 1, Kawasan Perindustrian Bandar Sultan Suleiman, 42000 Port Klang, Selangor Darul Ehsan, Malaysia.

> Tel: 603-3176 1111 Fax: 603-3176 8634

E-mail: gen@fmmalaysia.com.my Website: www.fmmalaysia.com.my