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FREIGHT MANAGEMENT HOLDINGS BHD (380410-P)
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FREIGHT MANAGEMENT HOLDINGS BHD (380410-P)

ANNUAL REPORT 2011



FREIGHT MANAGEMENT HOLDINGS BHD
(380410-P)



annual
report

2011

Financial Highlights

KEY PERFORMANCE & FINANCIAL INDICES OF FMHB

Consolidated Financial Results as at 30 June

STATEMENTS OF COMPREHENSIVE INCOME (RM'000)	2007	2008	2009	2010	2011
Revenue	188,079	221,999	229,424	265,501	295,488
Profit Before Taxation	13,691	16,518	19,333	21,805	24,002
Profit After Tax and Non-Controlling Interests	9,688	12,167	13,564	16,438	19,712
Net Earning Per Share (sen)	11.37	10.00	11.14	13.51	16.20
Gross Dividend Per Share (sen)	4.00	4.50	4.50	5.00	5.00

STATEMENTS OF FINANCIAL POSITION (RM'000)	2007	2008	2009	2010	2011
No. of shares in issue ('000)	85,200	121,714	121,714	121,714	121,714
Paid-up Share Capital	42,600	60,857	60,857	60,857	60,857
Reserve	23,100	13,597	23,101	34,466	50,297
Net Assets per Share (RM)	0.77	0.61	0.69	0.78	0.91

REVENUE ANALYSIS (RM MILLION)

CONTRIBUTION BY SERVICE TYPE	2007	2008	2009	2010	2011
Seafreight	112.6	133.9	131.7	156.7	175.0
Railfreight	15.4	11.3	6.5	3.5	2.8
Airfreight	19.5	21.2	19.2	24.6	26.5
Tug & barge	17.5	22.7	25.0	23.9	20.4
3PL & Warehousing	5.6	8.5	10.5	11.0	20.0
Custom brokerage	17.5	22.3	28.1	32.0	32.1
Haulage	-	2.1	7.0	9.7	11.1
Landfreight	-	-	1.4	4.1	7.6
TOTAL	188.1	222.0	229.4	265.5	295.5

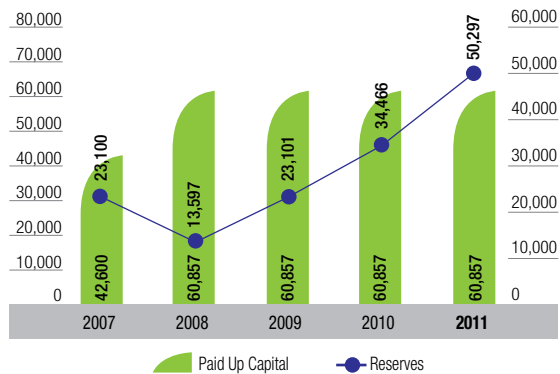
REVENUE BY SERVICE TYPE	2007	2008	2009	2010	2011
Import	47.1	52.0	53.6	62.8	77.5
Export	100.4	114.4	102.5	126.0	134.4
TOTAL	147.5	166.4	156.1	188.8	211.9

The above information includes Seafreight, Airfreight, Railfreight and Landfreight Services.

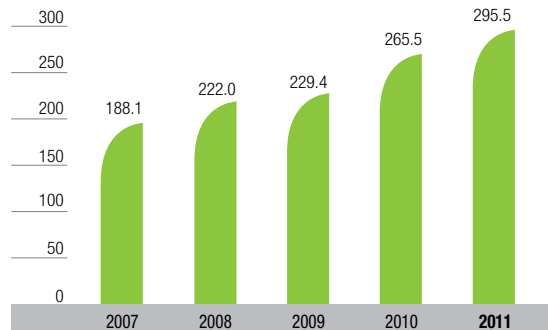
REVENUE BY CONTAINER MODE	2007	2008	2009	2010	2011
FCL	71.7	87.7	78.8	92.3	92.0
LCL	56.3	57.5	58.0	71.9	93.4
TOTAL	128.0	145.2	136.8	164.2	185.4

This mode covers Seafreight, Railfreight and Landfreight Services.

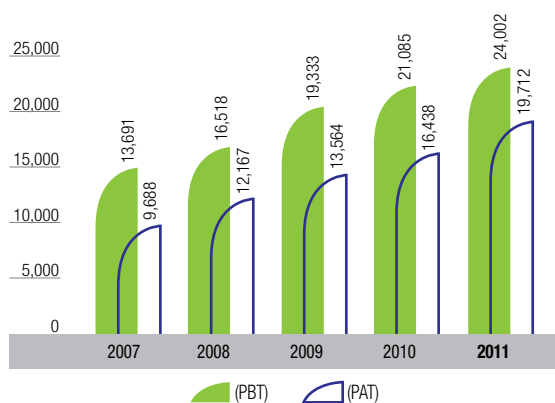
SHAREHOLDERS' FUNDS (RM'000)



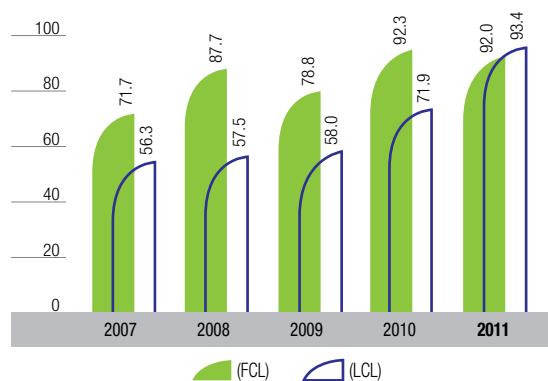
TURNOVER (RM million)



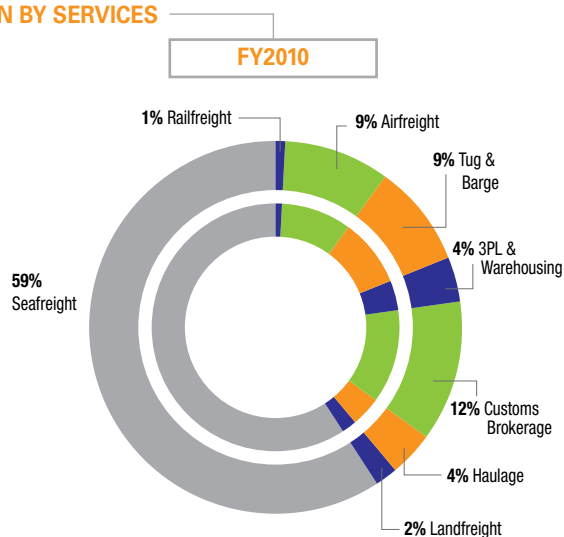
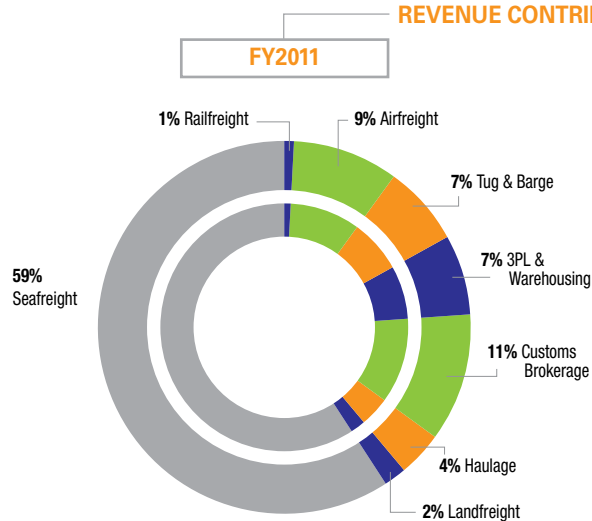
PROFIT BEFORE TAX/ PROFIT AFTER TAX AND NON-CONTROLLING INTERESTS (RM'000)



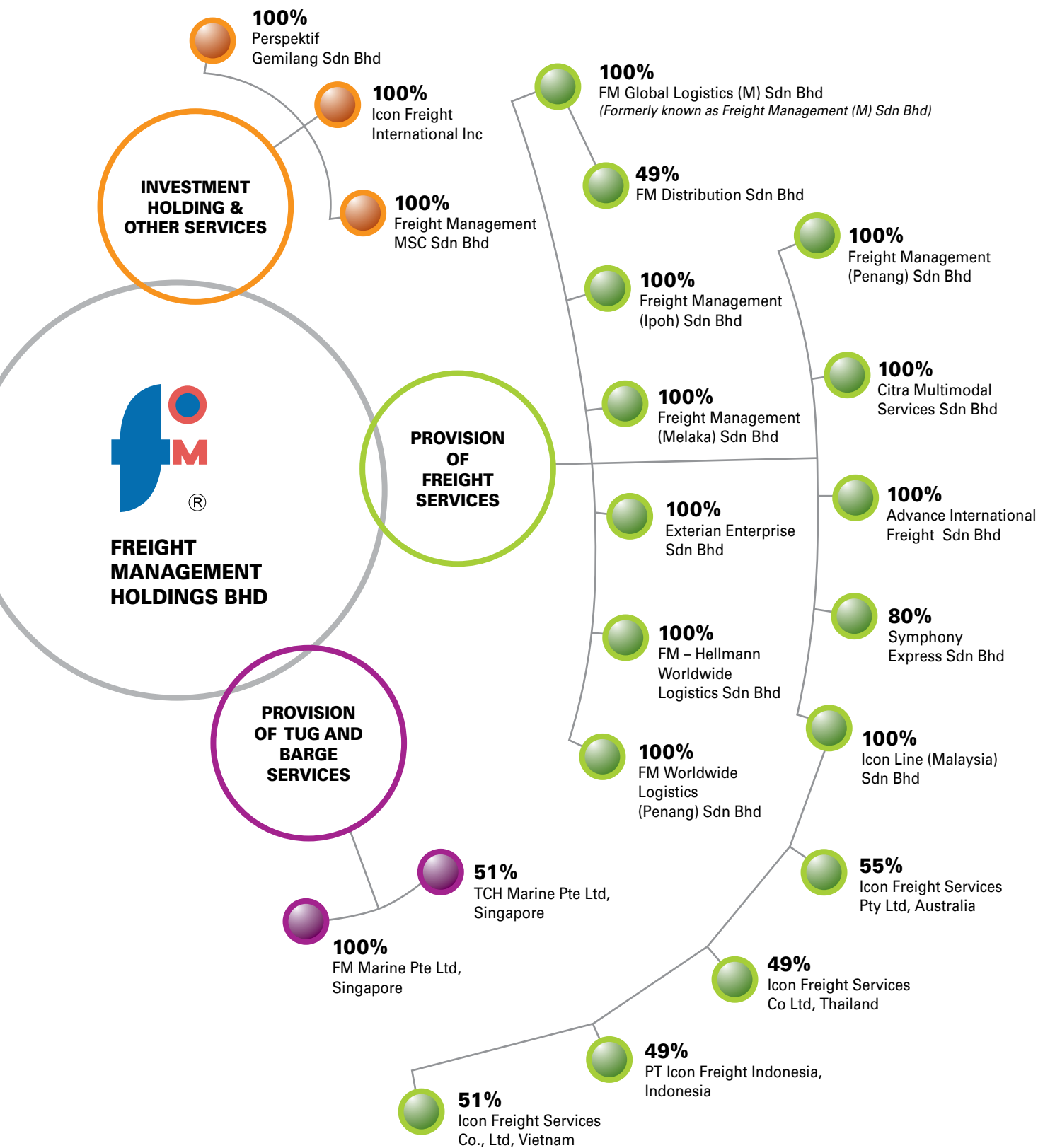
FCL & LCL REVENUE (RM million)



REVENUE CONTRIBUTION BY SERVICES



Corporate Structure



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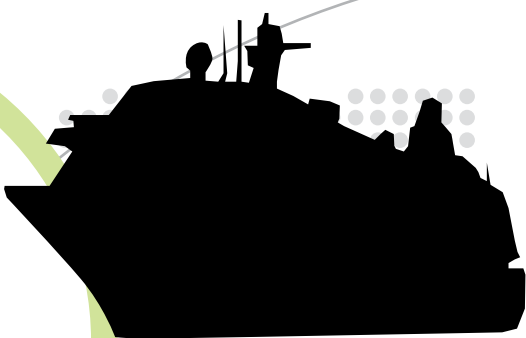
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Freight Management
Group

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Corporate Social
Responsibility



Services Offered by the Group



INTERNATIONAL AND DOMESTIC SEA FREIGHT SERVICES LCL/FCL

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

YOUR CONNECTION TO THE WORLD

FMHB IS ONE OF THE LEADING INTERNATIONAL FREIGHT FORWARDERS IN MALAYSIA, OPERATING AS AN INTERMEDIATE AGENT BETWEEN IMPORTERS/EXPORTERS AND CARRIERS.



INTERNATIONAL AND DOMESTICS AIR FREIGHT SERVICES

The FM Group handles inbound and outbound air freight services both internationally and between Peninsular Malaysia and Sabah/Sarawak. We are part of an established worldwide network of air freight forwarders.



CUSTOMS CLEARANCE

FM Group, with a team of > 100 personnel nationwide, is able to offer professional and efficient customs clearance for both sea and air services.



LAND TRANSPORTATION

FM's fleet of 41 trucks, 46 prime movers and 331 trailers offer door to door delivery and pick-up services throughout the Peninsular and between Malaysia, Singapore and Thailand. We accept Full Truck Load, LTL Load and Container Haulage.

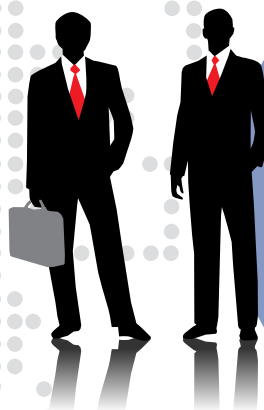
3PL AND WAREHOUSING

FM Group operates a total of about 500,000 sq. ft. of bonded and non-bonded warehouse at all the maritime and air gateways of Malaysia. We offer a one-stop centre for storage value-adding and distribution.



PROJECT MANAGEMENT

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



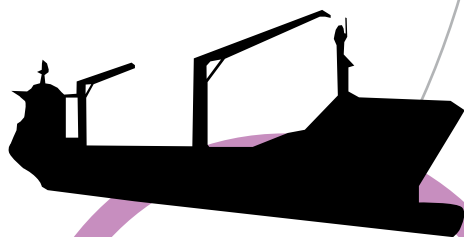
RAIL FREIGHT SERVICES

FM Group is one of the pioneers in the containerized rail freight services; providing dedicated containerized LCL and FCL transport between Port Klang, Penang and Bangkok in Thailand.



BULK SERVICES

Freight Management through its subsidiary TCH Marine Pte Ltd, with a fleet of 7 Barges and 9 Tugboats is a leading tug and barge operator; servicing the Straits of Malacca.



Corporate Information

DIRECTORS

Datuk Dr Hj Noordin bin Hj Ab Razak

Chairman/Independent Non-Executive Director

Chew Chong Keat

Group Managing Director

Yang Heng Lam

Executive Director

Gan Siew Yong

Executive Director

Ong Looi Chai

Executive Director

Aaron Sim Kwee Lein

Independent Non-Executive Director

Chua Tiong Hock

Non-Independent Non-Executive Director

Khua Kian Keong

(Alternate Director to Chua Tiong Hock)

AUDIT COMMITTEE

Chairman

Datuk Dr Hj Noordin bin Hj Ab Razak

Independent Non-Executive Director

Member

Chua Tiong Hock

Non-Independent Non-Executive Director

Aaron Sim Kwee Lein

Independent Non-Executive Director

REMUNERATION & NOMINATION COMMITTEE

Chairman

Datuk Dr Hj Noordin bin Hj Ab Razak

Independent Non-Executive Director

Member

Aaron Sim Kwee Lein

Independent Non-Executive Director

COMPANY SECRETARIES

Lim Hooi Mooi (f)

(MAICSA 0799764)

Tan Enk Purn

(MAICSA 7045521)

REGISTERED OFFICE

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

Tel : +603 2264 8888

Fax : +603 2282 2733

HEAD / MANAGEMENT OFFICE

Wisma Freight Management
Lot 37, Lebu Sultan Mohamad 1,
Kawasan Perindustrian Bandar Sultan
Suleiman,
42000 Port Klang,
Selangor, Malaysia.

Tel : +603 3176 1111

Fax : +603 3176 2188

Website : www.fmmalaysia.com.my

PRINCIPAL BANKERS

EON Bank Berhad
HSBC Bank Malaysia Bhd
OCBC Bank (Malaysia) Bhd
United Overseas Bank (Malaysia)
Bhd

AUDITORS

BDO (Firm No.: AF 0206)
Chartered Accountants

SOLICITORS

WONG LU PEEN & TUNKU ALINA
Advocate & Solicitor

REGISTRAR

Symphony Share Registrars Sdn Bhd
Level 6, Symphony House,
Block D13, Pusat Dagangan Dana 1,
Jalan PJU 1A/46,
47301 Petaling Jaya,
Selangor Darul Ehsan.
Tel : +603 7841 8000
Fax : +603 7841 8151

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia
Securities Berhad
Stock Code : FREIGHT
Stock No. : 7210
(Listed on 2nd Board on 3 February
2005)



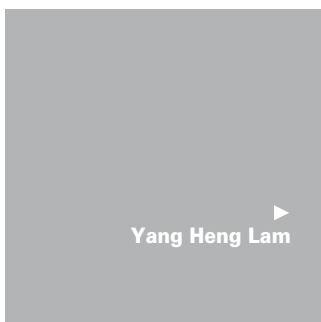
Board of Directors



◀ Datuk Dr Hj Noordin bin
Hj Ab Razak



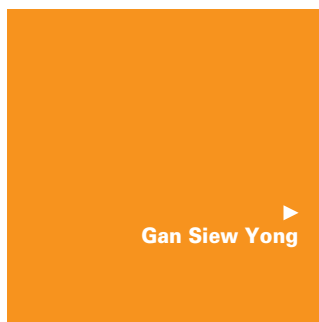
◀ Chew Chong Keat



▶ Yang Heng Lam



▶ Gan Siew Yong



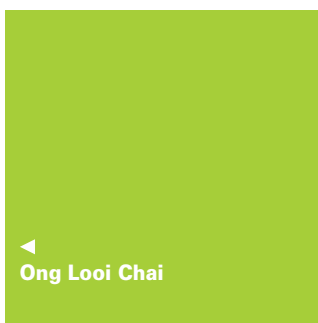
◀ Ong Looi Chai



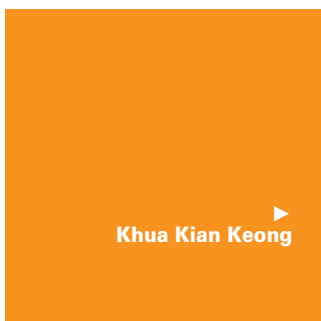
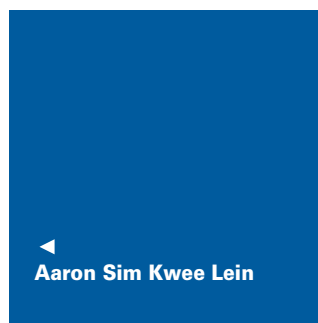
◀ Aaron Sim Kwee Lein



▶ Khua Kian Keong



▶ Chua Tiong Hock



Directors' Profile

DATUK DR HJ NOORDIN BIN HJ AB RAZAK

Aged 66, Malaysian

Independent Non-Executive
Chairman

Appointed on 22 July 2004, he is also the Chairman of the Audit Committee, Remuneration Committee and Nomination Committee.

He obtained his degree in Bachelor of Arts in Sociology and Master of Arts in Sociology from the University of Malay in 1971 and 1989 respectively. He later obtained his Doctor of Philosophy ("PhD") from the Pacific Western University of USA in 1991. He is a fellow member of the British Institute of Management and a member of the Institute Management Consultant Malaysia. He is also a fellow member of the Institute Sultan Iskandar of Urban Habitat and Highrise.

He commenced his career as an Education Officer with the Ministry of Education in 1965. In 1972, he left the Ministry of Education to join the City Hall of Kuala Lumpur as Assistant Secretary. He was promoted to the position of Director General of City Hall of Kuala Lumpur in 1989 and

assumed the post until his retirement in 2000. Besides contributing to more than 27 years in the socio-economic development, strategic planning and development of Kuala Lumpur, he also served in the Board of Directors of Urban Development Agency, PGK Sdn Bhd, Stadium Negara and Badan Seni Lukis Negara between 1988 and 2000.

He is presently involved primarily in non-governmental organisations, where he is the Chairman of various organisations such as University Malaya Alumni Association, Institute Pemikiran Kreatif Malaysia (INSPEK) and the National Deputy Chairman and Secretary General of the Malaysian Red Crescent. He sits as chairman of National Association for the Prevention of Drug Abuse (Yayasan PEMADAM) and is a member of the Institute of Islamic Understanding Malaysia (IKIM).

CHEW CHONG KEAT

Aged 50, Malaysian

Group Managing Director

Mr. Chew joined the Board on 20 March 1996 and is the Managing Director of the Group. He is one of the co-founders of the Group and serves on the board of all subsidiary and associated companies of the Group. He is principally responsible for managing the Group's business and corporate affairs. With more than 20 years of experience in the provision of freight and logistics services, he is also the key person in setting directions for the Group's business strategies.

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



Directors' Profile (cont'd)

YANG HENG LAM

Aged 48, Malaysian

Executive Director

Mr. Yang joined the Board on 20 March 1996 and also serves on the board of all subsidiary and associated companies of the Group. He is principally responsible for the business development and operations of the Group, which includes exploring overseas market and overseeing the development of marketing and Group strategies.

He has more than 20 years experience in freight and logistics industry and has been instrumental in securing and maintaining major customers for the Group.

GAN SIEW YONG

Aged 49, Malaysian

Executive Director

Ms. Gan joined the Board on 20 March 1996 as Executive Director. She also serves on the board of several subsidiary companies of the Group. In 1988, she joined Freight Management (M) Sdn Bhd as the Customer Service Manager. She is principally responsible for the export related services of the Group and is actively involved in rates negotiation and securing container space with the shipping lines. Equipped with more than 20 years experience, and together with the strong support from her team, she has been instrumental in the establishment of the Group's LCL consolidation business to all the major ports of the world.

ONG LOOI CHAI

Aged 43, Malaysian

Executive Director

Mr. Ong was appointed on 1 June 2006. He is also an executive director of Freight Management (Penang) Sdn Bhd ('FMP'), a fully owned subsidiary of the Group. He is responsible for the overall business and development of the northern region of West Malaysia.

Having joined Freight Management in 1989, he was attached to the Port Klang headquarter. In 1995, he took up the position of Branch Manager of FMP and has been instrumental in the growth and development of the Penang subsidiary since.

AARON SIM KWEE LEIN

Aged 45, Malaysian

Independent Non-Executive Director

Mr. Sim was appointed to the Board on 3 December 2004. He is a Fellow member of the Chartered Association of Certified Accountants (UK), a Chartered Accountant of the Malaysian Institute of Accountant, a member of CPA Australia and a Chartered Member of the Institute of Internal Auditors Malaysia. He is a member of FMHB's Audit Committee, Remuneration Committee and Nomination Committee.

He commenced his career with an international accounting firm and gained professional exposure in stock-broking, trading, manufacturing and construction concerns. Thereafter, he joined a listed company on the Main Board of Bursa Securities, as a Internal Auditor where he was engaged in audit work of stock-broking, manufacturing, retail and distribution concerns. In addition, he was also involved in due diligence, operational rationalisation and strategic planning work of corporate acquisitions. Subsequently, he was the Finance & Administrative Manager in food retail franchise chain companies before becoming the Deputy General Manager of Corporate Strategies and Affairs of a glove manufacturing company. Thereafter, he has been involved in providing business and financial advisory services. Mr. Sim also serve on the board of Excel Force MSC Berhad and Frontken Corporation Berhad.



Directors' Profile (cont'd)

KHUA KIAN KEONG

Aged 43, Singaporean

Non Independent,

Non-Executive Director

(Alternate Director to Chua Tiong Hock)

Mr. Khua was appointed as Alternate Director to Mr. Chua Tiong Hock on 30 July 2007.

He is the Chief Executive Officer of Freight Links Express Holdings Limited, Singapore, a substantial shareholder of Freight Management Holdings Bhd.

He obtained his Bachelor of Science Degree in Electrical Engineering and graduated cum laude from University of the Pacific, USA in 1987.

He is currently the president of Singapore Metal and Machinery Association, a council member and vice-chairman of International Affairs Committee at Singapore Chinese Chamber of Commerce & Industry, a council member and vice-chairman of Trade & Industry Committee at Singapore-China Business Association, a board member and head of External Affairs at Singapore Thong Chai Medical Institute.

He also serves as a vice-president at Pei Tong Primary School advisory committee, an executive committee member at Singapore Ann Kway Association, and a vice-president at Nanyang Kuah Si Association.

Mr. Khua is board chairman of Fujian Anxi No. 8 Middle School, vice-president of Anxi Charity Federation and Anxi Fenglai Guitou Charity Federation. He was awarded "Outstanding Charitable Works Contribution" by Fujian Provincial Government, PRC.

CHUA TIONG HOCK

Aged 58, Singaporean

Non Independent,

Non-Executive Director

Mr. Chua was appointed to the Board as a Director on 30 July 2007. He is a member of FMHB's Audit Committee.

Mr. Chua is also an Executive Director of Freight Links Express Holdings Limited, Singapore, a substantial shareholder of Freight Management Holdings Bhd.

He has wide-ranging experience in logistics, operations management and corporate development with various MNCs and local companies.

Mr. Chua obtained his Bachelor of Arts degree from the former University of Singapore. He also holds a Graduate Diploma in Business Administration from the National University of Singapore and a Graduate Diploma in Personnel Management from the Singapore Institute of Personnel Management.

ADDITIONAL INFORMATION

FAMILY RELATIONSHIPS

Gan Siew Yong is the spouse of Chew Chong Keat.

DIRECTORSHIP OF PUBLIC COMPANIES

Save as disclosed above, none of the Directors has any directorship in other public listed companies.

CONVICTIONS

None of the Directors has been convicted of offence within the past 10 years, traffic offences not included.



We chartered
our course
of international
distinction



Chairman's Statement

Dear Shareholders

On behalf of the Board of Directors of Freight Management Holdings Bhd ('FMHB' or the 'Company'), I am pleased to present the Annual Report and the Audited Financial Statements of the FMHB and its subsidiaries (the 'Group') for the financial year ended 30 June 2011.

DATUK DR HJ NOORDIN BIN HJ AB RAZAK

Chairman / Independent Non-Executive Director



OVERVIEW AND FINANCIAL PERFORMANCE

In 2010, the world continued to experience moderate economic growth. Whilst the emerging and developing economies such as those of China, India and Southeast Asia continued to register commendable growth, the advanced economies, in particular those of the United States of America ('US') and Europe, remained sluggish. As for Malaysia, our economy expanded by a brisk 7.2% in year 2010, but against the backdrop of continued global economic uncertainties, GDP growth in the first half of 2011 eased considerably to 4.4%. For 2011 as a whole, Malaysia is expected to grow by 5.0% – 5.5%.

Against the prevailing uncertain economic backdrop, financial year ended 30 June 2011 ('FYE2011') proved to be a challenging year for the logistics industry in general. Despite this cautious environment, we are pleased to report a positive performance as we successfully recorded our seventh consecutive year of profit growth since our listing on Bursa Malaysia Securities in 2005.

For FYE2011, the Group registered a revenue of RM295.5 million or 11.3% growth as compared to RM265.5 million achieved in the previous financial year ('FYE2010'). Profit before taxation was 10.1% higher at RM24.0 million while net profit rose to RM19.7 million, registering a double-digit growth of 19.9%.

Net earnings per share ('EPS') was 16.20 sen, up 19.9% against the previous year's EPS of 13.51 sen. Reflecting FMHB's strong financial position, Net Assets per Share was 91 sen as compared to 78 sen in FYE2010, an increase of 13 sen.

DIVIDEND

As part of our strategy of consistently rewarding our shareholders, the Board of Directors has recommended a final gross dividend of 2.5 sen per share in respect of FYE2011, to be approved by shareholders at the forthcoming Annual General Meeting on 30 November 2011. This, together with an interim dividend of 2.5 sen paid on 15 July 2011, would aggregate the full year's gross dividend to 5.0 sen per share.

REVIEW OF OPERATIONS

• Multi-modal services with specialisation in LCL

FMHB continues to benefit from a robust portfolio of logistics services. Strong revenue growth was recorded in seafreight services which rose from RM156.7 million in FYE2010 to RM175.0 million in FYE2011. Despite the weak business conditions in Europe and the US, this did not significantly affect FMHB's freight business, as we were predominantly focused on intra-Asia trade. A key factor that sets FMHB apart from its peers is our specialisation in less-than-container load ('LCL') freight, where we believe we are one of the market leaders. Our strength in LCL has contributed to the resilient performance in our seafreight division.

Besides our core seafreight business, we also provide airfreight, railfreight and landfreight services, as part of our strategy of being a truly multi-modal logistics service provider. Performance of the railfreight



Chairman's Statement (cont'd)



division was sluggish due to ongoing external factors such as the shortage of locomotives that resulted in longer transit time. Nonetheless, we have retained a sizeable portion of our railfreight business with the introduction of our landfreight service in FYE2010. This division continued to gain momentum with revenue growth of 84% in FYE2011, rising from RM4.1 million in FYE2010 to RM7.6 million in FYE2011. The landfreight service is now a truly viable alternative to our railfreight business.

The tug and barge service was impacted by an overcapacity in the industry and higher operating costs, in particular higher fuel price. In response to the difficult operating conditions, we have implemented a rationalisation plan whereby an older barge was disposed off during the financial year. Two smaller barges were chartered to third parties to lock-in revenue and mitigate the impact of higher operating costs.

• Bright prospects in 3PL

Strong growth was also registered in our third-party logistics & warehousing ('3PL') services, which compensated for the softer performance of our other services primarily railfreight and tug & barge services. Revenue contribution from 3PL jumped from RM11.0 million in FYE2010 to RM20.0 million in FYE2011. Revenue expansion in 3PL was due to greater demand for the service, especially from the electronics and lubricant industries. The new contract signed with Shell Malaysia Trading Sdn Bhd to meet its 3PL and logistics needs is a testimony of our strong ability to compete in this fast-growing business segment, and will contribute to our future earnings. To meet the growing demand for our 3PL services, the Group acquired additional warehouse space in Subang, Port Klang and Seberang Prai. The Group currently has a total of close to 500,000 sq ft of warehouse space, which were 90% occupied.

• Regional presence growing

During the financial year, revenue contribution from FMHB's overseas operations, namely Singapore, Australia, Indonesia, Thailand and Vietnam accounted for about 22.8% of the group's total revenue. Revenue growth from subsidiaries in Indonesia and Thailand was encouraging, while Vietnam being its first year in operation is expected to continue to improve.

CORPORATE MILESTONES IN FY2011

- On 1 July 2010, FMHB set foot in Vietnam with the subscription of 51% of total issued and paid-up capital of Icon Freight Services Co., Ltd, Vietnam, whose principal activity is the provision of freight services.
- On 1 July 2010, FMHB subscribed for 80% of total issued and paid-up capital of Symphony Express Sdn Bhd, which is involved in door to door distribution services.



Chairman's Statement (cont'd)



- On 15 November 2010, FMHB acquired Exterian Enterprise Sdn Bhd by subscribing for 100% issued and paid-up capital of the company. With the acquisition, FMHB added courier and parcel services to its suite of services in the Group.
- On 1 April 2011, FMHB's fully owned subsidiary, Advance International Freight Sdn Bhd commenced its branch operation in Penang for the provision of Full Truck Load ('FTL') and Less than Truck Load ('LTL') truck shipping services between Malaysia and Thailand.

MAJOR DEVELOPMENTS IN FY2011

- On 17 January 2011, FMHB's fully owned subsidiary Freight Management (M) Sdn Bhd acquired a piece of leasehold land cum warehouse building located at Lot 24, Lebuhr Sultan Mohamad 1, Bandar Sultan Sulaiman for a total cash consideration of RM14.5 million.
- On 11 April 2011, FMHB's fully owned subsidiary Freight Management (M) Sdn Bhd entered into a Sale & Purchase Agreement

with Poly Glass Fibre (M) Sdn Bhd to acquire a piece of leasehold land and warehouse building located at H.S.(D) 37855 PT 478 in Daerah Seberang Prai Tengah, Pulau Pinang for a total cash consideration of RM4.1 million.

CORPORATE PROPOSAL ANNOUNCED

On 24 August 2011, FMHB announced the following proposals:-

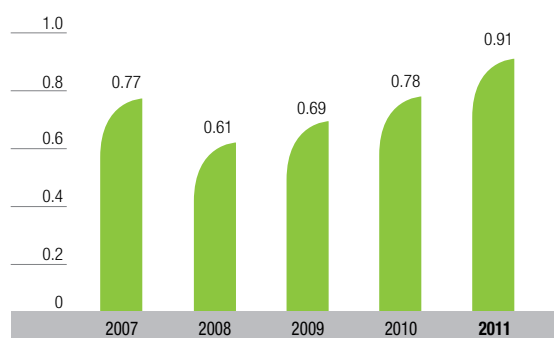
- Proposed Issue of 40.57 million Bonus Shares on the basis of one (1) Bonus Share for every three (3) existing Shares held in FMHB,
- Proposed Issue of 24.34 million Free Warrants on the basis of one (1) Free Warrant for every five (5) existing FMHB Shares held at the same entitlement date for the Proposed Bonus Issue, which is to be determined later, and
- Proposed increase in Authorised Share Capital of FMHB from the existing RM100,000,000 comprising 200,000,000 FMHB shares to RM125,000,000 comprising 250,000,000 FMHB shares.

The Proposed Bonus Issue will be effected by way of capitalisation of the Company's retained earnings. As for the Free Warrants, the exercise period is five (5) years, with each Free Warrant entitling the holder to subscribe for one (1) new FMHB Share any time during the exercise period. The exercise price of the Free Warrants will be determined at a later date.

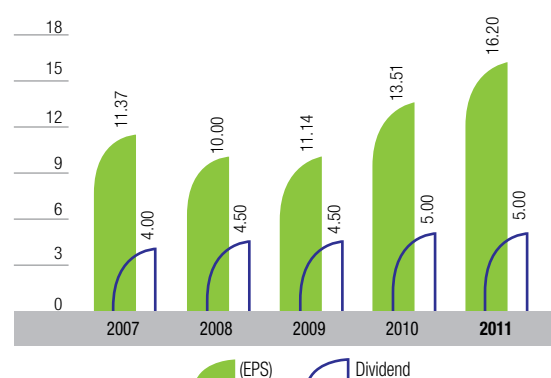
This Proposed Bonus Issue is aimed at rewarding our loyal shareholders for their continuing support. Whilst increasing the number of shares that our shareholders will own in the Company, the Proposed Bonus Issue will also improve the liquidity and marketability of FMHB Shares on Bursa Malaysia Securities. As for the Proposed Free Warrant Issue, it will provide FMHB shareholders with an opportunity to increase their participation in the equity of the Company at a predetermined exercise price during the tenure of the Free Warrants. Additionally, proceeds arising from the exercise of the Free Warrants would further strengthen FMHB's capital base and provide it with additional working capital to facilitate the future growth of its operations.

Chairman's Statement (cont'd)

NA PER SHARE
(RM)



SHAREHOLDERS' REWARD (PER SHARE)
(Sen)



PROSPECTS AND OUTLOOK

The global economy is expected to remain uncertain in the foreseeable term, considering the slow pace of recovery of the world's major developed economies, namely the US and the European Union ("EU"). Against this backdrop of ongoing global challenges, we are cautious of our near-term outlook. Nonetheless, we are targeting to achieve earnings growth in the near future, as the Malaysian and regional economies are expected to maintain economic growth, which would underpin the demand for logistics services. Malaysia, in particular, is expected to record GDP growth of 5-6% for 2012, as announced during Budget 2012.

Our Group has a diversified portfolio of logistics businesses, which has contributed to our relatively robust earnings base. In particular, our core seafreight division continues to experience firm demand, whilst our rapidly growing 3PL division will bolster our recurrent earnings base in future. Our Group has also established a strategic presence in several key ASEAN economies (Indonesia, Thailand, Vietnam and

Singapore) and Australia, whereby we expect future growth in earnings contribution. The bulk of our revenue is derived from the Asian region, while our direct exposure to the US and EU markets is fairly minimal.

Moving forward, our Group will continue to focus on the proven strategy of synergistically expanding our existing businesses and the addition of value-added services, both in Malaysia and regionally. We will work towards volume development and new business wins, whilst preserving or enhancing our margins via increased efficiency and tight costs control. We are also optimistic on the prospects of our 3PL business, which is now among the top three contributors to the Group's gross profits. We expect continued growth in this division, as we foresee an increasing trend for manufacturers to outsource their logistics functions to specialist third-party service providers such as our Group.

Premised on the above, we are confident that our Group's overall financial performance in FYE2012 will remain positive.

ACKNOWLEDGEMENT

This year's performance would not have been possible without the concerted effort of many parties. On behalf of the Board, I would like to thank my fellow members of the Board for their contribution and advice during the year. I am grateful to our management and staff for their remarkable commitment and loyalty which is so essential for the future growth of the Group. I would also like to thank our customers, business associates, the regulatory authorities and financial institutions for their unwavering support. Lastly, I would like to thank our valued shareholders for your trust and confidence in us. We look forward to your continued support as we strive to achieve greater heights and success in the coming years.



Corporate Social Responsibility



The Board of Directors acknowledged the importance of good corporate social responsibility ("CSR") practices in the community, workplace and marketplace.

COMMUNITY

During the year, the Group contributed RM10,000 to Shepherd's Centre, a home for the orphanage and the less privilege children.

EMPLOYEES

The Group cared for its employees by providing fair and equitable remuneration as well as a safe and conducive work environment. Employees were provided with adequate health care benefits such as medical insurance, personal accident insurance, medical leave and panel doctors.

As part of the Group's effort to provide growth opportunities to the employees, on-the-job training, in-house training and external training courses were provided to enhance their knowledge and skill while promoting a motivated working team.

ENVIRONMENT

The Group practiced environmental preservation and strived to be environmental friendly in all things that it does.

The Group complied with statutory regulation in all jurisdictions in which it operates and adopt responsible environmental practices. Pollutions within the workplace were minimized by using gas powered forklifts and industrial sweepers to minimise dust in the warehouses.

To reduce paper usage, the Group adopted a paperless system for correspondences and documents using an e-Document system to store and archive documents in softcopies.

THE MARKETPLACE

The Group is committed to high quality service and strived to deliver values to our customers. In appreciation of customers' loyalty and support, periodic campaigns were organised to network and socialise with the customers.

WORKPLACE

We acknowledged that employees are essential asset of the Group. The Group had set up a Safety Committee, which were responsible for overseeing day to day safety of our staff in the workplace. We believe frequent refresher safety training is necessary as preventive measures in avoiding accident in workplace. During the year, a series of safety trainings were conducted by appointed consultants to upgrade the skills and knowledge of the Safety Committee. Fire and Emergency drills were carried out periodically to ensure continuous improvement to the safety practices. Employees working in the warehouses were provided with proper safety attires to reduce the risk of injuries and industrial hazards. In 2011, the Group installed safety signage in the office and warehouse premises to serve as a reminder to all staff on the importance of office and warehouse safety.

Audit Committee Report

FORMATION

The Audit Committee was formed by the Board of Directors on 3 December 2004.

MEMBERS

The Audit Committee consists of the following members during the financial year: -

Chairman: Datuk Dr Hj Noordin Bin Hj Ab Razak
(Independent Non-Executive Director)

Members: Aaron Sim Kwee Lein
(Independent Non-Executive Director)

Chua Tiong Hock
(Non-Independent Non-Executive Director)

MEETINGS AND ATTENDANCE

The Audit Committee held five meetings during the financial year. The attendance of the Committee members is as follows: -

Name of Audit Committee Member	Total meetings attended	Percentage of attendance (%)
Datuk Dr Hj Noordin Bin Hj Ab Razak	5/5	100
Aaron Sim Kwee Lein	5/5	100
Chua Tiong Hock	5/5	100

The Audit Committee meetings were attended by the Committee members and Senior Management. The Managing Director and Executive Directors were also present at certain meetings as invitees. The Company Secretary acted as Secretary at the meetings to record and maintains minutes for the proceedings of the meetings.

TERMS OF REFERENCE

1.0 Composition of the Audit Committee

- 1.1 The Audit Committee shall comprise at least 3 directors.
- 1.2 Alternate director shall not be appointed as members of the Audit Committee.
- 1.3 Majority of the Audit Committee shall be independent directors.
- 1.4 All members of the Audit Committee must be non-executive directors.



Audit Committee Report (cont'd)

TERMS OF REFERENCE (CONT'D)

1.0 Composition of the Audit Committee (cont'd)

- 1.5 All members of the Audit Committee should be financially literate and at least one member of the audit committee:-
- i) must be a member of the Malaysian Institute of Accountants; or
 - ii) if he is not a member of the Malaysian Institute of Accountants, he must have at least 3 years' working experience and:-
 - (a) he must have passed the examinations specified in Part I of the 1st Schedule of the Accountants Act 1967; or
 - (b) he must be a member of one of the associations of accountants specified in Part II of the 1st Schedule of the Accountants Act, 1967; or
 - iii) fulfils such other requirements as prescribed or approved by the Exchange.
- 1.6 Members of the Audit Committee shall elect a Chairman from among their members who shall be an independent director.

2.0 Duties of the Audit Committee

The duties of the Audit Committee shall include the following:-

To review the following and report the same to the Board of Directors;

- 2.1 To consider the appointment of the external auditor, the audit fee and any question of resignation or dismissal;
- 2.2 To discuss with the external auditor before the audit commences, the nature and scope of the audit, and ensure co-ordination where more than one audit firm is involved;
- 2.3 To review the quarterly and year-end financial statements of the board focusing particularly on:-
 - any change in accounting policies and practices;
 - significant adjustments arising from the audit;
 - the going concern assumption; and
 - Compliance with accounting standards and other legal requirements.
- 2.4 To discuss problems and reservations arising from the interim and final audits, and any matter the auditor may wish to discuss (in the absence of management where necessary);
- 2.5 To review the external auditor's management letter and management's responses;



Audit Committee Report (cont'd)

TERMS OF REFERENCE (CONT'D)

2.0 Duties of the Audit Committee (cont'd)

- 2.6 To do the following, in relation to the internal audit function:-
- Review the adequacy of the scope, functions, competency and resources of the internal audit function, and that it has the necessary authority to carry out its work;
 - Review the internal audit programme and results of the internal audit process and, where necessary, ensure that appropriate actions are taken on the recommendations of the internal audit function;
 - Review any appraisal or assessment of the performance of members of the internal audit function;
 - Approve any appointment or termination of senior staff members of the internal audit function; and
 - Take cognizance of resignations of internal audit staff members and provide the resigning staff member an opportunity to submit his reasons for resigning.
- 2.7 To consider any related-party transactions that may arise within the company or group;
- 2.8 To consider the major findings of internal investigations and management's response;
- 2.9 To consider other topics as defined by the Board;
- 2.10 Review and verify the allocation of options under the Company's share scheme for employees ("ESOS") to ensure consistent compliance with the criteria as set out in the scheme by the ESOS Committee; and
- 2.11 Report promptly to Bursa Malaysia Securities Berhad on any matter the Audit Committee had reported to the Board of Directors, which was not satisfactorily resolved and/or resulted in a breach of the Listing Requirement of Bursa Malaysia Securities Berhad.

3.0 Rights of the Audit Committee

For the performance of its duties, the Audit Committee shall:-

- (a) have authority to investigate any matter within its terms of reference;
- (b) have the resources which are required to perform its duties and full access to information;
- (c) have direct communication channels with the external auditors and the persons carrying out the internal audit function;
- (d) be able to obtain external/independent professional or other advice at a cost to be approved by the Board of Directors and to invite outsiders with relevant experience to attend, if necessary; and
- (e) be able to convene meetings with the external auditors, the internal auditors or both, excluding the attendance of other directors and employees of the listed issuer whenever deemed necessary.



Audit Committee Report (cont'd)

TERMS OF REFERENCE (CONT'D)

4.0 Procedure of the Audit Committee

The Audit Committee shall regulate its own procedures as follows:-

- 4.1 the Audit Committee shall hold at least 4 meetings each financial year with due notice of issues to be discussed, and should record its conclusions in discharging its duties and responsibilities;
- 4.2 the finance director, the head of internal audit and a representative of the external auditors should normally attend meetings. Other board members may attend meetings upon the invitation of the audit committee. However, the committee should meet with the external auditors without executive board members present at least twice a year.
- 4.3 a member of the Audit Committee may at any time summon a meeting of the Audit Committee;
- 4.4 Notice calling for a meeting of the Audit Committee shall be given to all its members at least 7 days before the meeting or at shorter notice as the Audit Committee shall determine;
- 4.5 The Chairman of the Audit Committee should engage on a continuous basis with senior management, such as the chairman, the chief executive officer, the finance director, the head of internal audit and the external auditors in order to be kept informed of matters affecting the Company;
- 4.6 The quorum necessary for the transaction of business at an Audit Committee's meeting shall be two, the majority of members present must be independent directors;
- 4.7 Questions arising at any Audit Committee's meeting shall be decided by the majority votes of its members present. In case of an equality of votes, the chairman of the meeting shall have a second or casting vote;
- 4.8 Minutes of each Audit Committee's meeting shall be kept by the Secretary of the Audit Committee; and
- 4.9 The Company Secretary shall be the Secretary of the Audit Committee and the Secretary's duties amongst others shall include:-
 - (a) the custody, production and availability of inspection of such minutes; and
 - (b) the maintenance of particulars required for the preparation of the Audit Committee Report.

5.0 Internal Audit

- The internal audit function which is established should be independent of the activities it audits.
- Must reports directly to the audit committee.



Audit Committee Report (cont'd)

SUMMARY OF ACTIVITIES

During the financial year, the activities of the Audit Committee include the following:-

- reviewed the audited financial statements for the financial year ended 30 June 2011 before recommending them for the Board of Directors' approval;
- adopted the proposed schedule of Audit Committee's meetings during the financial year ended 30 June 2011;
- reviewed the quarterly unaudited financial results before recommending them for the Board's approval;
- reviewed all recurrent related party transactions entered into by the Group and to ascertain that the transactions are conducted at arm's length and on normal commercial terms which are not more favourable to the related parties than those generally available to the public and not to the detriment of the minority shareholders;
- reviewed the audit reports prepared by the Internal Auditors, considered their material findings and assess the Management's responses and actions thereto;
- reviewed and discussed with the External Auditors the nature and scope of their audit plan for the financial year ended 30 June 2011 before the commencement of audit, and
- review the Company's compliance in the particular year's financial statement with the listing requirements of Bursa Securities, FRS and other relevant legal regulatory requirements.

INTERNAL AUDIT FUNCTION AND SUMMARY OF ACTIVITIES

The internal audit function for the Group has been outsourced to an external consultant who has performed an independent review of the Group's various departments during the financial year.

The Internal Auditors (IA) of the Group reports directly to the Audit Committee and assists the Board in monitoring and managing risks and internal control system. The Audit Committee approves the internal audit plan and the scope of Internal Audit covering the relevant departments within the Group from time to time.

The Board is of the view that there is no significant breakdown or weaknesses in the systems of internal controls of the Group that may result in material losses incurred by the Group for the financial year ended 30 June 2011.

Cost incurred for the internal audit function of the Group in respect of the financial year ended 30 June 2011 amounting to approximately RM48,000.



Statement on Corporate Governance

The Board of Directors (“the Board”) of Freight Management Holdings Bhd (“FMHB”) is committed to ensure that the highest standards of corporate governance are practised throughout the Group as a fundamental part of discharging its responsibilities to enhance shareholders’ value and the financial performance of the Group.

The Board is pleased to report on how the Group has applied the principles and best practices for corporate governance mentioned in the Malaysian Code of Corporate Governance (“the Code”).

1. THE BOARD OF DIRECTORS

Board Responsibilities

The Group acknowledges the important role played by the Board in the stewardship of its direction and operations, and ultimately enhancement of long-term shareholder value. To fulfil this role, the Board is responsible for the overall corporate governance of the Group, including its strategic direction and overall well-being. The Board is normally involved in matters concerning the Group’s strategy and direction, acquisition and divestment policy, approval of capital expenditure, consideration of significant financial matters and the review of financial and operating performance of the Group.

Board Composition and Balance

The Board currently consists of seven (7) Directors as listed below:-

- One (1) Chairman /Independent Non-Executive Director
- One (1) Independent Non-Executive Director
- Four (4) Executive Directors
- One (1) Non-Independent Non-Executive Director

The Board is of the opinion that the current composition of the Board fairly reflects the investment of minority shareholders. The independent directors are individuals of calibre, credibility and have the necessary skills and experiences to provide independent and unbiased view and advice on the strategy, performance, resources and standards of conduct of the Group. In addition, due to active participation of all the Directors, no individual or small group of individuals dominate the Board’s decision making process. The profiles of the members of the Board are set out on pages 8 to 10 in this Annual Report.

Board Meeting

The Board meets at least five times a year and additional meetings are held as and when necessary. The Board deliberated upon and considered various issues including the Group’s financial results, performance of the Group’s business, business plan and policies and strategic issues affecting the Group’s business.



Statement on Corporate Governance (cont'd)

1. THE BOARD OF DIRECTORS (CONT'D)

Board Meeting (cont'd)

Details of attendance of the Directors at Board Meetings held during the financial year are as follows:-

	Attendance
Datuk Dr Hj Noordin Bin Hj Ab Razak	5/5
Chew Chong Keat	5/5
Yang Heng Lam	5/5
Gan Siew Yong	5/5
Aaron Sim Kwee Lein	5/5
Ong Looi Chai	5/5
Chua Tiong Hock	5/5
Khua Kian Keong (Alternate Director to Chua Tiong Hock)	N/A

Supply of Information

Board papers are provided to the Board members in sufficient time prior to a Board meeting to enable the Directors to review and consider the agenda items to be discussed at the Board meeting. The Board reports, among others, include the following:-

- Minutes of meetings of all Committees of the Board
- Quarterly performance report of the Group
- Updates on statutory regulations and requirements affecting the Group
- Relevant market information for decision making

In addition, there is a schedule of matters reserved specifically for the Board's decision including the approval of the annual company plans, major acquisitions or disposal of a business or assets and changes to management and control structure of the Group, namely, key policies and authority limits.

All Directors have access to the advice and services of the Company Secretary.

Appointment and Re-election of Directors

The Nomination Committee shall nominate or consider candidates nominated for appointment to the Board and Board Committees. The Board shall review and deliberate on the candidates proposed prior to approving the appointment of board member.

Article 109 of the Articles of Association provides that one-third of the Directors shall retire from office at each Annual General Meeting and all Directors shall retire from office at least once every three years but may offer themselves for re-election. This will provide an opportunity for shareholders to renew their mandates. To assist shareholders in their decision, sufficient information such as the personal profile and the meetings attendance of each Director are furnished in the Annual Report.



Statement on Corporate Governance (cont'd)

1. THE BOARD OF DIRECTORS (CONT'D)

Directors' Training

All Directors have successfully attended the Mandatory Accreditation Programme prescribed by Bursa Malaysia Securities Berhad ("Bursa Securities").

The Directors are mindful that they should receive continuous training to broaden their perspectives and keep abreast with the new statutory and regulatory requirements, and essential practices for effective corporate governance and risk management to enable the Directors to effectively discharge their duties. The Directors are empowered by the Board to evaluate and assess his own individual training needs and are encouraged to attend seminars to further enhance their business acumen and professionalism in discharging their duties effectively.

During the year, a director has attended the training as disclosed below. Due to their extensive travel schedule, directors other than disclosed below did not attend any formal designed scheduled training programs.

Details of training and development programmes attended by a director are as follows:-

Aaron Sim Kwee Lein	- Fundamental of Accounting for Financial Instruments
	- A Comprehensive Workshop on Deferred Taxation

The Board also attends internal briefing conducted by the Company Secretary on amendments to Listing Requirements, updates on rules & regulations of other statutory authorities as well as on the Financial Reporting Standards by the External Auditors.

2. BOARD COMMITTEES

The Board has established and delegated certain responsibilities to the Board Committees, namely Audit Committee, Nomination Committee and Remuneration Committee, which operates within defined terms of reference and operating procedures, details of which are set out in this Statement.

Audit Committees

The composition, terms of reference and summary of activities of the Audit Committee are disclosed in the Audit Committee Report on pages 17 to 21 of this Annual Report.

Nomination Committee

The Nomination Committee ("NC") was established on 24 February 2005 and comprises the following members who are exclusively independent directors:-

- Datuk Dr Hj Noordin bin Hj Ab Razak (Chairman of the Committee)
- Aaron Sim Kwee Lein (Member of the Committee)

The NC is empowered by the Board to bring to the Board recommendations on the appointment of new Directors and to review the Board structure, size and composition as well as those of Board Committees.



Statement on Corporate Governance (cont'd)

2. BOARD COMMITTEES (CONT'D)

Nomination Committee (cont'd)

The duties and functions of the NC encompass the following:-

- Recommend to the Board, candidates nominated by shareholders or the Board for directorships to be filled;
- Recommend to the Board, directors to fill seats on board committees;
- Review periodically the required skills and experience and other qualities and core competencies non-executive directors should bring to the Board; and
- Assess periodically the effectiveness of the Board as a whole and the contribution of each individual director.

The decision on new appointment of directors rests with the Board after considering the recommendation of the NC.

During the financial year, the NC met once to conduct the annual review on the Directors' core competencies, contribution and effectiveness.

Remuneration Committee

The Remuneration Committee ("RC") was established on 24 February 2005 to assist the Board in determining and developing a remuneration policy for Directors. The members of the RC are:-

- Datuk Dr Hj Noordin bin Hj Ab Razak (Chairman of the Committee)
- Aaron Sim Kwee Lein (Member of the Committee)

The role of the RC, in accordance with its Term of Reference, include:-

- The annual review of the various types of components of remuneration such as fees, allowances, basic salary, bonus and other benefits in kind for directors;
- Ensuring that a transparent and formal procedure is established in the assessment of the level of compensation that would be sufficient to attract and keep good calibre directors; and
- Ensuring that the remuneration package is linked to performance, responsibility level and is comparable with market norm.

The RC is authorised by the Board to draw from outside advice as and when necessary in forming its recommendations to the Board on the remuneration of the Executive Directors. The remuneration of the non-executive Directors are determined by the Board as a whole with individual Directors abstaining from deliberation on his remuneration.

The RC met once during the financial year under review.



Statement on Corporate Governance (cont'd)

2. BOARD COMMITTEES (CONT'D)

Remuneration Committee (cont'd)

Details of the remuneration packages for the Directors of the Group for the financial year ended 30 June 2011 are as follows:-

	Executive Directors RM	Non-Executive Directors RM
*Fees	180,000	120,000
Salaries & other emoluments	20,000	15,000

* Subject to the approval of shareholders.

The number of Directors of the Company whose income falls within the following bands is set out as follows:-

	Number of Directors	
	Executive	Non-Executive
RM50,000 and below	1	2
RM50,001 to RM100,000	3	1

3. SHAREHOLDERS

The Group communicates with its shareholders and investors primarily through timely release of financial results on a quarterly basis, press release and announcements which gives the shareholders an overview of the Group's performance and operation. The Annual General Meeting ("AGM") is the principal forum for dialogue with shareholders who are encouraged to enquire about the Group's activities and prospects.

The Group maintains frequent dialogues with financial analysts and fund managers as a means of maintaining and improving investors' relation. A press conference is normally held after the AGM.

Shareholders and members of the public can obtain information on the Company through the Company's website at www.fmmalaysia.com.my or through the Bursa Securities website at www.bursamalaysia.com.

4. ACCOUNTABILITY AND AUDIT

Financial Reporting

In presenting the annual financial statements and the quarterly announcements to shareholders, the Board has taken reasonable steps to ensure the financial statements are true and fair reflection of the Group's position and prospects. This also applies to circulars to shareholders and other documents that are submitted to the authorities and regulators. The Directors' responsibility statement is set out on page 31 of this Annual Report.



Statement on Corporate Governance (cont'd)

4. ACCOUNTABILITY AND AUDIT (CONT'D)

Internal Control

Information on the Group's system of internal control is presented in the Statement on Internal Control set out on pages 28 to 29 of this Annual Report.

Relation with Auditors

The role of the Audit Committee in relation to the external auditors is disclosed in the Audit Committee Report set out on pages 17 to 21 of this annual report. The Company maintains a close and transparent relationship with its auditors in seeking professional advice and ensuring compliance with the approved accounting standards in Malaysia.



Statement on Internal Control

The Malaysian Code on Corporate Governance requires listed companies to maintain a sound system of internal control to safeguard shareholders' investments and the Group's assets. The Listing Requirements of Bursa Malaysia Securities Berhad requires Directors of the Board to make a statement about the state of internal control of the listed entity as a Group.

The Board of Directors' Statement on Internal Control set out below has been prepared with reference to Bursa Malaysia Securities Berhad – Statement on Internal Control : Guidance for Directors of Public Listed Companies.

RESPONSIBILITY

The Board acknowledges its overall responsibility for the Group's system of internal control and for reviewing its effectiveness whilst the role of management is to implement the Board's policies on risk and control. It should be noted that due to the inherent limitations in any system of internal control, the system of internal control is designed to manage rather than eliminate all risks that may impede the achievement of the Group's business objectives. Accordingly, in pursuing these objectives, internal controls can only provide reasonable and not absolute assurance against material misstatement or loss.

RISK MANAGEMENT FRAMEWORK

The Board maintains an on-going commitment to strengthen the Group's internal control environment and processes as well as its risk management framework. The Board has engaged a professional service of Internal Auditor to assist the Group in the development of the Group's key risk profile and a risk management framework that is responsive to changes in the business and operating environment. Apart from the above mentioned exercise, the Board and management meet periodically to discuss, deliberate and address risks which are associated with financial and operational issues as part of the decision making processes. This is the manner adopted by the Group for identifying and managing risks prior to the implementation of a structured risk management framework as mentioned above.

INTERNAL CONTROL MECHANISM

The responsibility to review the adequacy and integrity of the internal control system has been delegated by the Board to the Audit Committee. The Audit Committee, in turn, assess the adequacy and integrity of the internal control system through independent reviews conducted on reports it receives from external auditors, the outsourced internal audit and the management. As part of the process, the external auditors provide assurance in the form of their annual statutory audit of the financial statements of the Group. Any areas of improvement identified during the course of the statutory audit by the external auditors are being brought to the attention of the Audit Committee through presentation slides on Audit Completion.

INTERNAL AUDIT FUNCTIONS AND EFFECTIVENESS OF INTERNAL CONTROLS

The outsourced Internal Auditor had reviewed the Group's system of internal controls and had reported the internal audit activities carried within the year to the Audit Committee on a quarterly basis.



Statement on Internal Control (cont'd)

INTERNAL AUDIT FUNCTIONS AND EFFECTIVENESS OF INTERNAL CONTROLS (cont'd)

Internal Auditor had adopted a risk-based approach in undertaking the internal audits for the Group which involved the establishment of a comprehensive audit plan formulated through a risk assessment process. In doing so, the internal auditor had planned the engagement through conducting necessary consultation sessions with the senior management and staff in order to identify the relevant risks faced by the Group. With the necessary understanding of these risks, it had facilitated the internal auditor to develop comprehensive audit programs in order to identify any weaknesses in the system of internal controls.

At the same time, the Board had ensured that relevant control measures were implemented so as to address the control weaknesses identified during the course of internal audits and enhance the integrity of the Group's system of internal controls ultimately. This was carried out via necessary consultation with the internal auditor and senior management.

Indeed, the Board recognises that the development of good system of internal controls for the Group is a continuous process. Hence, the Board encourages interactive discussions of audit findings through the Audit Committee, taking into consideration possible establishment of additional control measures in managing its risks within the Group from time to time.

KEY ELEMENTS OF INTERNAL CONTROL SYSTEM

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

- Organisation structure with clearly defined delegation of responsibilities to the Board;
- Regular meetings are held at operational and management levels to identify and resolve business, financial, operational and management issues;
- Three subsidiaries were accredited ISO 9001:2000 certification on quality management system. Documented internal procedures and standard operating procedures have been put in place and surveillance audits are conducted by assessors of the ISO certification bodies on a yearly and biannual basis to ensure that the system is adequately implemented;
- Documented guidelines on operating procedures have been put in place for relevant departments;
- Regular information is provided by the management to the Board on financial performance and key business indicators;
- Monthly monitoring of results by the management through financial reports;
- Regular internal audit visits and other specific assignments, if the need arises, assigned by the Audit Committee and/or the Board who monitors compliance with procedures and assesses the integrity of financial information provided; and
- Audit Committee holds regular meetings with the management on the actions taken on internal control issues, identified through reports prepared by the internal auditors, external auditors and/or the management.

SUMMARY

During the year under review, the Board is not aware of any issues which would result in any material losses, contingencies or uncertainties that would require separate disclosure in this Annual Report. Notwithstanding this, the Board will continue to take adequate measures to strengthen the control environment in which the Group operates. This Statement is made in accordance with the resolution of the Board of Directors dated 20 September 2011.



Additional Compliance Information

1. Utilisation of Proceeds Raised from Corporate Proposals

The Company did not raise any funds from any corporate proposals during the financial year.

2. Share Buyback

The Company did not enter into any share buyback transactions during the financial year ended 30 June 2011.

3. Options, or Convertible Securities

The Company has not issued any options, or convertible securities during the financial year.

4. Depository Receipt Programme ("DRP")

The Company did not sponsor any DRP programme during the financial year.

5. Sanctions and / or Penalties

There were no sanctions and / or penalties imposed on the Company and its subsidiaries, Directors or management by the regulatory bodies during the financial year.

6. Non-Audit Fees

The amount of non-audit fees paid and payable to the external auditors by the Group for the financial year ended 30 June 2011 amounted to RM47,000.

7. Variation in Results

The Group's audited results for the financial year ended 30 June 2011 did not vary by 10% or more from the unaudited results which were announced to Bursa Malaysia Securities Berhad on 24 August 2011.

8. Profit Guarantee

There were no profit guarantees given by the Group during the financial year ended 30 June 2011.

9. Material Contracts

There were no material contracts entered into by the Company and its subsidiaries which involve Directors' or Substantial Shareholders' interests either still subsisting at the end of the financial year ended 30 June 2011.

10. Recurrent Related party transactions

All recurrent related party transactions entered into by the Group during the financial year are disclosed in Note 33 of the financial statement in pages 117 to 119 of this Annual Report.

11. Revaluation Policy on Landed Properties

The Group and the Company do not adopt a policy of regular revaluation on its landed properties as such exercises would only be carried out when deemed appropriate by the directors.



Statement on Directors' Responsibilities

The Directors are responsible for ensuring that the financial statements of the Company and Group are drawn up in accordance with the requirements of the applicable approved accounting standards in Malaysia, the provisions of the Companies Act, 1965 and the Listing Requirements for the Main Market of Bursa Malaysia Securities Berhad.

In preparing the financial statements for the year ended 30 June 2011, the Directors have:-

- Adopted appropriate accounting policies and applied them consistently;
- Ensured that applicable approved Accounting Standards in Malaysia and the provisions of the Companies Act, 1965 have been followed; and
- Considered the going concern basis used as being appropriate.

The Directors are also responsible for ensuring that proper accounting records are kept which disclose with reasonable accuracy the financial position of the Company and of the Group to enable them to ensure that the financial statements comply with the Companies Act, 1965.

The Directors have general responsibilities for taking such steps as are reasonably open to them to safeguard the assets of the Company and of the Group and to prevent and detect fraud and other irregularities.

This statement is made in accordance with a resolution by the Board of Directors dated 20 September 2011.





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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 2011.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are set out in Note 8 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	19,761	31,369
Attributable to:		
Owners of the parent	19,712	31,369
Non-controlling interests	49	-
	19,761	31,369

DIVIDENDS

Dividends paid, declared or proposed since the end of the previous financial year were as follows:

	Company RM'000
In respect of the financial year ended 30 June 2010:	
Final dividend of 2.5 sen per ordinary share, less tax of 25%, paid on 20 January 2011	2,282
In respect of the financial year ended 30 June 2011:	
Interim dividend of 2.5 sen per ordinary share, less tax of 25%, paid on 15 July 2011	2,282
	4,564

The Directors propose a final dividend of 2.5 sen per ordinary share, less tax of 25% amounting to RM2,282,000, in respect of the financial year ended 30 June 2011, 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.



Directors' Report

(cont'd)

ISSUE OF SHARES AND DEBENTURES

The Company has not issue any new shares or debentures during the financial year.

OPTIONS GRANTED OVER UNISSUED SHARES

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

DIRECTORS

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

Datuk Dr Hj Noordin bin Hj 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 2011 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 as at 1.7.2010	Bought	Sold	Balance as at 30.6.2011
Shares in the Company				
<u>Direct interests</u>				
Chew Chong Keat	31,902,597	-	-	31,902,597
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
<u>Indirect interests</u>				
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.



Directors' Report

(cont'd)

DIRECTORS' INTERESTS (CONT'D)

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 that 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' 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 other than remuneration received by certain Directors as directors/executives of the subsidiaries and any benefits which may be deemed to have arisen by virtue of the significant related party transactions as disclosed in Note 33 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 statements of comprehensive income and statements of financial position of the Group and of the Company were made out, the Directors took reasonable steps:
 - (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of 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 except for the effects arising from gain on disposal of property, plant and equipment resulting in an increase in the Group's profit for the financial year by RM2,046,000 as disclosed in Note 29 to the financial statements.



Directors' Report

(cont'd)

OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY (CONT'D)

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

- (c) The Directors are not aware of any circumstances:
 - (i) which would 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:
 - (i) there has not arisen any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made; and
 - (ii) no contingent or other liability has become enforceable, or is likely to become enforceable, within the period of twelve (12) months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet their obligations as and when they fall due.

(III) AS AT THE DATE OF THIS REPORT

- (e) There are no charges on the assets of the Group and of the Company which have arisen since the end of the financial year to secure the liabilities of any other person.
- (f) There are no contingent liabilities of the Group and of the Company which have arisen since the end of the financial year.
- (g) The Directors are not aware of any circumstances not otherwise dealt with in 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 1 July 2010, the Company announced that its wholly-owned subsidiary, Icon Line (Malaysia) Sdn. Bhd. ("ILSB") had made a capital contribution of VND255,000,000 in cash to the capital of Icon Freight Services Co., Ltd ("IFSC"), a joint venture company in Ho Chi Minh City, Vietnam, representing 51% of the issued and paid up share capital of IFSC. Upon completion of the capital contribution, IFSC become a 51% owned subsidiary of ILSB.
- (b) On 1 July 2010, further to the announcement to Bursa Malaysia Securities Berhad on 9 December 2009 that the Company had acquired one (1) ordinary share in Symphony Express Sdn. Bhd. ("SESB") for a cash consideration of RM1 only, the Company subscribed for additional 7,999 ordinary shares of RM1 each at par, representing 80% of the enlarged issued and paid-up share capital of SESB for a total cash consideration of RM7,999. Upon completion of the subscription, SESB become a subsidiary of the Company.



Directors' Report

(cont'd)

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (CONT'D)

- (c) On 25 August 2010, the Company had been allotted 960,000 ordinary shares of RM1.00 each in a wholly-owned subsidiary, ILSB by way of capitalising part of the amount owing by ILSB. The 960,000 ordinary shares shall be treated as fully paid in the capital of the ILSB and rank pari passu in all respects with the existing issued ordinary shares in the capital of the ILSB.
- (d) On 29 October 2010, the Company announced that the disposal of property previously classified as held for sale had been completed on 28 October 2010. The proceeds from the disposal of property of RM5.1 million will be utilised for working capital purpose instead of repayment of loan and working capital of RM4.5 million and RM0.6 million respectively.
- (e) On 15 November 2010, the Company had acquired two (2) ordinary shares of RM1.00 each, representing 100% of the issued and paid-up share capital in Exterian Enterprise Sdn. Bhd. ("EESB") for a total consideration of RM250,000. Upon completion of the subscription, EESB become a subsidiary of the Company.
- (f) On 17 January 2011, the Company announced that its wholly-owned subsidiary, Freight Management (M) Sdn. Bhd. ("FMM") had entered into a Sale and Purchase Agreement with OSK Trustees Berhad, as Trustee for Axis Real Estate Investment Trust to acquire a piece of leasehold land and building held under H.S.(D) 116367 for PT 183 in Bandar Sultan Sulaiman, District Klang, State Selangor Darul Ehsan measuring approximately 20,234 square metres for a total cash consideration of RM14,500,000.
- (g) On 12 March 2011, TCH Marine Pte. Ltd., a 51% owned subsidiary had entered into a Sales and Purchase Agreement with Thahin Numchai Co., Ltd. to dispose one unit of flat top deck cargo barge, Namthong 18 for SGD840,000.
- (h) On 11 April 2011, its wholly-owned subsidiary, Freight Management (M) Sdn. Bhd. ("FMM") had entered into a Sale and Purchase Agreement with Poly Glass Fibre (M) Sdn. Bhd., to acquire a piece of leasehold land and building held under H.S.(D) 37855 PT 478 in Daerah Seberang Perai Tengah, Negeri Pulau Pinang, measuring approximately at 2.12177 acres for a total cash consideration of RM4,100,000.

SIGNIFICANT EVENTS SUBSEQUENT TO THE END OF THE REPORTING PERIOD

On 24 August 2011, the Company announced the following proposed corporate exercise:

- (i) proposed issuance of 40,571,429 ordinary shares of RM0.50 each in the Company on the basis of one (1) bonus share for every three (3) existing shares of RM0.50 each held in the Company; and
- (ii) proposed issuance of 24,342,857 free warrants in the Company on the basis of one (1) free warrant for every five (5) existing shares held on the same entitlement date for the proposed bonus issue to be determined later.



Directors' Report

(cont'd)

AUDITORS

The auditors, BDO, 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
20 September 2011

Yang Heng Lam

Director



Statement By Directors

In the opinion of the Directors, the financial statements set out on pages 43 to 139 have been drawn up in accordance with applicable approved Financial Reporting Standards and the provisions of the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2011 and of the financial performance and cash flows of the Group and of the Company for the financial year then ended.

On behalf of the Board,

Chew Chong Keat
Director

Yang Heng Lam
Director

Port Klang
20 September 2011

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 43 to 139 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)
declared by the abovenamed at)
Kuala Lumpur this)
20 September 2011)

Chew Chong Keat

Before me:



Independent Auditors' Report to the members of Freight Management Holdings Bhd

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Freight Management Holdings Bhd, which comprise the statements of financial position as at 30 June 2011 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 43 to 138.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia, and for such internal control as the Directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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 about 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 judgement, 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 entity's preparation of financial statements that give a true and fair view 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 entity'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 and the provisions of the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 30 June 2011 and of the financial performance and cash flows of the Group and of the Company for the financial year then ended.



Independent Auditors' Report

to the members of Freight Management Holdings Bhd (cont'd)

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act, 1965 in Malaysia, 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 8 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 purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.
- (d) The audit reports on the financial statements of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

OTHER REPORTING RESPONSIBILITIES

The supplementary information set out in Note 43 to the financial statements is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The Directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ('MIA Guidance') and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

OTHER MATTERS

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

BDO

AF : 0206
Chartered Accountants

Kuala Lumpur
20 September 2011

Law Kian Huat

2855/06/12 (J)
Chartered Accountant



Statements of Financial Position

as at 30 June 2011

		Group		Company	
	NOTE	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	7	105,795	90,626	-	-
Interests in subsidiaries	8	-	-	51,687	51,840
Investment in an associate	10	190	180	-	-
Other investment	11	3	3	-	-
Deferred tax assets	23	4	33	-	-
Goodwill on consolidation	12	1,674	1,674	-	-
		107,666	92,516	51,687	51,840
Current assets					
Trade receivables	13	56,028	49,274	-	-
Other receivables, deposits and prepayments	14	8,749	3,663	30	228
Amounts owing by subsidiaries	15	-	-	36,832	17,595
Amount owing by an associate	16	-	128	-	-
Current tax assets		1,346	657	955	254
Cash and cash equivalents	17	27,173	21,654	9,091	5,493
		93,296	75,376	46,908	23,570
Non-current assets classified as held for sale	18	-	4,925	-	-
TOTAL ASSETS		<u>200,962</u>	<u>172,817</u>	<u>98,595</u>	<u>75,410</u>



Statements of Financial Position

as at 30 June 2011 (cont'd)

		Group		Company	
	NOTE	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
EQUITY AND LIABILITIES					
Equity attributable to owners of the parent					
Share capital	19	60,857	60,857	60,857	60,857
Reserves	20	50,297	34,466	33,630	6,825
		111,154	95,323	94,487	67,682
Non-controlling interests		9,320	8,890	-	-
TOTAL EQUITY		120,474	104,213	94,487	67,682
LIABILITIES					
Non-current liabilities					
Hire purchase and lease creditors	21	3,907	6,214	-	-
Term loans	22	18,399	15,692	-	-
Deferred tax liabilities	23	5,628	4,989	-	-
		27,934	26,895	-	-
Current liabilities					
Trade payables	24	23,524	17,306	-	-
Other payables and accruals	25	9,859	9,941	430	410
Amounts owing to subsidiaries	15	-	-	1,396	5,036
Amount owing to an associate	16	12	-	-	-
Hire purchase and lease creditors	21	3,260	3,353	-	-
Term loans	22	6,658	5,194	-	-
Short term bank loan - secured	27	2,500	-	-	-
Bank overdrafts - secured	26	3,001	2,979	-	-
Dividends payable		2,282	2,282	2,282	2,282
Current tax liabilities		1,458	654	-	-
		52,554	41,709	4,108	7,728
TOTAL LIABILITIES		80,488	68,604	4,108	7,728
TOTAL EQUITY AND LIABILITIES		200,962	172,817	98,595	75,410

The accompanying notes form an integral part of the financial statements



Statements of Comprehensive Income

for the financial year ended 30 June 2011

		Group		Company	
	NOTE	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Revenue	28	295,488	265,501	37,148	13,620
Cost of services		(224,930)	(201,938)	-	-
Gross profit		70,558	63,563	37,148	13,620
Other income		4,050	1,766	223	89
Administrative expenses		(48,697)	(42,094)	(3,737)	(3,529)
Finance costs		(1,919)	(1,464)	-	-
Share of profit in an associate		10	34	-	-
Profit before tax	29	24,002	21,805	33,634	10,180
Tax expense	30	(4,241)	(4,724)	(2,265)	(2,155)
Profit for the financial year		19,761	17,081	31,369	8,025
Other comprehensive income:					
Foreign currency translations		1,070	(723)	-	-
Total comprehensive income		20,831	16,358	31,369	8,025
Profit attributable to:					
Owners of the parent		19,712	16,438	31,369	8,025
Non-controlling interests		49	643	-	-
		19,761	17,081	31,369	8,025
Total comprehensive income attributable to:					
Owners of the parent		20,395	15,929	31,369	8,025
Non-controlling interests		436	429	-	-
		20,831	16,358	31,369	8,025
Earnings per ordinary share attributable to equity holders of the Company (sen):					
Basic earnings per ordinary share	32	16.20	13.51		

The accompanying notes form an integral part of the financial statements



Statements of Changes in Equity

for the financial year ended 30 June 2011

GROUP	Share capital RM'000	Exchange translation reserve RM'000	Retained earnings RM'000	Total attributable to owners of the parent RM'000	Non-controlling interests RM'000	Total equity RM'000
Balance as at 30 June 2009	60,857	573	22,528	83,958	8,220	92,178
Profit for the financial year	-	-	16,438	16,438	643	17,081
Foreign currency translations	-	(509)	-	(509)	(214)	(723)
Total comprehensive income	-	(509)	16,438	15,929	429	16,358
Transactions with owners:						
Dividends paid (Note 31)	-	-	(4,564)	(4,564)	-	(4,564)
Ordinary shares contributed by non-controlling interests of a subsidiary	-	-	-	-	241	241
Total transactions with owners	-	-	(4,564)	(4,564)	241	(4,323)
Balance as at 30 June 2010	60,857	64	34,402	95,323	8,890	104,213

The accompanying notes form an integral part of the financial statements



Statements of Changes in Equity

for the financial year ended 30 June 2011 (cont'd)

GROUP	Share capital RM'000	Exchange translation reserve RM'000	Retained earnings RM'000	Total attributable to owners of the parent RM'000	Non-controlling interests RM'000	Total equity RM'000
Balance as at 30 June 2010	60,857	64	34,402	95,323	8,890	104,213
Profit for the financial year	-	-	19,712	19,712	49	19,761
Foreign currency translations	-	683	-	683	387	1,070
Total comprehensive income	-	683	19,712	20,395	436	20,831
Transactions with owners:						
Dividends paid (Note 31)	-	-	(4,564)	(4,564)	-	(4,564)
Dividends paid to non-controlling interest of a subsidiary	-	-	-	-	(56)	(56)
Ordinary shares contributed by non-controlling interests of a subsidiary	-	-	-	-	50	50
Total transactions with owners	-	-	(4,564)	(4,564)	(6)	(4,570)
Balance as at 30 June 2011	60,857	747	49,550	111,154	9,320	120,474

COMPANY	Share capital RM'000	Retained earnings RM'000	Total equity RM'000
Balance as at 30 June 2009	60,857	3,364	64,221
Total comprehensive income	-	8,025	8,025
Transaction with owners:			
Dividends paid (Note 31)	-	(4,564)	(4,564)
Balance as at 30 June 2010	60,857	6,825	67,682
Total comprehensive income	-	31,369	31,369
Transaction with owners:			
Dividends paid (Note 31)	-	(4,564)	(4,564)
Balance as at 30 June 2011	60,857	33,630	94,487

The accompanying notes form an integral part of the financial statements



Statements of Cash Flows

for the financial year ended 30 June 2011

	NOTE	Group		Company	
		2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before tax		24,002	21,805	33,634	10,180
Adjustments for:					
Bad debts recovered		(15)	(2)	-	-
Bad debts written off		103	59	-	-
Depreciation of property, plant and equipment	7	7,708	6,368	-	-
Dividend income		-	-	(34,638)	(11,680)
Gain on disposal of property, plant and equipment		(2,046)	(147)	-	-
Impairment losses on:					
- goodwill on consolidation	12	179	23	-	-
- trade receivables	13	803	1,128	-	-
Interest expense		1,919	1,464	-	-
Interest income		(339)	(226)	(223)	(88)
Property, plant and equipment written off	7	10	19	-	-
Reversal of impairment loss on trade receivables	13	(919)	(458)	-	-
Share of profit in an associate	10	(10)	(34)	-	-
Unrealised loss on foreign currency transactions		41	-	-	-
Operating profit/(loss) before working capital changes		31,436	29,999	(1,227)	(1,588)
Increase in trade receivables		(6,260)	(17,642)	-	-
(Increase)/Decrease in other receivables, deposits and prepayments		(4,713)	(629)	198	(26)
Increase in trade payables		5,807	5,718	-	-
(Decrease)/Increase in other payables and accruals		(362)	700	20	(13)
Decrease in amount owing by an associate		140	28	-	-
Cash generated from/(used in) operations		26,048	18,174	(1,009)	(1,627)
Interest paid		(99)	(92)	-	-
Tax paid		(3,484)	(3,462)	-	-
Tax refunded		-	28	-	-
Net cash from/(used in) operating activities		22,465	14,648	(1,009)	(1,627)



Statements of Cash Flows

for the financial year ended 30 June 2011 (cont'd)

		Group		Company	
	NOTE	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES					
Acquisition of:					
- additional interest in a subsidiary	8	-	-	153	(1,750)
- subsidiary for cash, net of cash and cash equivalents	9	(219)	74	-	-
Advances to subsidiaries		-	-	(19,237)	(8,077)
Dividend received		-	-	31,672	9,525
Interest received		339	226	223	88
Placements of fixed deposits pledged to licensed banks		(93)	(1,082)	-	-
Withdrawals of fixed deposits pledged to licensed banks		-	967	-	-
Proceeds from disposal of property, plant and equipment		7,971	940	-	-
Purchase of property, plant and equipment	7	(21,300)	(15,801)	-	-
(Repayment to)/Advances from subsidiaries		-	-	(3,640)	140
Net cash (used in)/from investing activities		(13,302)	(14,676)	9,171	(74)



Statements of Cash Flows

for the financial year ended 30 June 2011 (cont'd)

		Group		Company	
	NOTE	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES					
Dividend paid		(4,564)	(4,108)	(4,564)	(4,108)
Dividend paid to non-controlling interests of a subsidiary		(56)	-	-	-
Drawdown of bankers' acceptances		1,306	1,980	-	-
Repayment of bankers' acceptances		(1,306)	(1,980)	-	-
Drawdown of revolving credit		2,500	1,600	-	-
Repayments of revolving credit		-	(1,600)	-	-
Drawdown of term loans		10,400	6,000	-	-
Repayments of term loans		(6,612)	(4,874)	-	-
Repayments of hire purchase and lease creditors		(3,657)	(3,322)	-	-
Ordinary share capital contributed by non-controlling interests of a subsidiary		50	-	-	-
Interest paid		(1,820)	(1,372)	-	-
Net cash used in financing activities		(3,759)	(7,676)	(4,564)	(4,108)
Net increase/(decrease) in cash and cash equivalents		5,404	(7,704)	3,598	(5,809)
Cash and cash equivalents at beginning of financial year		15,295	22,999	5,493	11,302
Cash and cash equivalents at end of financial year	17	20,699	15,295	9,091	5,493

The accompanying notes form an integral part of the financial statements



Notes to the Financial Statements

30 June 2011

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, Lebuhraya 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 20 September 2011.

2. PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding. The principal activities of the subsidiaries are set out in Note 8 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') and the provisions of the Companies Act, 1965 in Malaysia. However, Note 43 to the financial statements has been prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ('MIA Guidance') and the directive of Bursa Malaysia Securities Berhad.

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 contingent 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.



Notes to the Financial Statements

30 June 2011 (cont'd)

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. Subsidiaries are over which the Company has the power to govern the financial operating policies, generally accompanied by a shareholding giving rise to the majority of the voting rights, as to obtain benefits from their activities.

Subsidiaries are consolidated from the date on which control is transferred to the Group up to the effective date on which control ceases, as appropriate.

Intragroup balances, transactions, income and expenses are eliminated on consolidation. Unrealised gains arising from transactions with associates are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no impairment.

The financial statements of the subsidiaries are prepared for the same reporting period as that of the Company, using consistent accounting policies. Where necessary, accounting policies of subsidiaries are changed to ensure consistency with the policies adopted by the other entities in the Group.

Non-controlling interests represents the equity in subsidiaries that are not attributable, directly or indirectly, to owners of the Company, and is presented separately in the consolidated statement of comprehensive income and within equity in the consolidated statement of financial position, separately from equity attributable to owners of the Company. Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Non-controlling interests in the acquiree may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement basis is made on a combination-by-combination basis. Subsequent to initial recognition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

The Group has applied the revised FRS 3 Business Combinations in accounting for business combinations from 1 July 2010 onwards. The change in accounting policy has been applied prospectively in accordance with the transitional provisions provided by the Standard.

Changes in the Company owners' ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of consideration paid or received is recognised directly in equity and attributed to owners of the parent.



Notes to the Financial Statements

30 June 2011 (cont'd)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.2 Basis of consolidation (cont'd)

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between:

- (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest; and
- (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests.

Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for (i.e. reclassified to profit or loss or transferred directly to retained earnings) in the same manner as would be required if the relevant assets or liabilities were disposed of. The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under FRS 139 Financial Instruments: Recognition and Measurement or, where applicable, the cost on initial recognition of an investment in associate or jointly controlled entity.

4.3 Business combinations

Business combinations from 1 July 2010 onwards

Business combinations are accounted for by applying the acquisition method of accounting.

Identifiable assets acquired, liabilities and contingent liabilities assumed in a business combination are measured at their fair value at the acquisition date, except that:

- (a) deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with FRS 112 *Income Taxes* and FRS 119 *Employee Benefits* respectively;
- (b) liabilities or equity instruments related to the replacements by the Group of an acquiree's share-based payment awards are measured in accordance with FRS 2 *Share-based Payment*; and
- (c) assets (or disposal groups) that are classified as held for sale in accordance with FRS 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that Standard.

Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the serviced are received.

In a business combination achieved in stages, previously held equity interests in the acquiree are re-measured to fair value at the acquisition date and any corresponding gain or loss is recognised in profits or loss.

The Group elects for each individual business combination, whether non-controlling interest in the acquire (if any) is recognised on the acquisition date at fair value, or at the non-controlling interest's proportionate share of the acquire net identifiable assets.



Notes to the Financial Statements

30 June 2011 (cont'd)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.3 Business combinations (cont'd)

Business combinations from 1 July 2010 onwards (cont'd)

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquire (if any), and the fair value of the Group's previously held equity interest in the acquire (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill in the statement of financial position. The accounting policy for goodwill is set out in Note 4.7 to the financial statements. In instances where the latter amount exceeds the former, the excess is recognised as a gain on bargain purchase in profit or loss on the acquisition date.

Business combinations before 1 July 2010

Under the purchase method of accounting, the cost of business combination is measured at the aggregate of fair values 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 values 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 4.7 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 business combination; and
- (b) recognise immediately in profit or loss any excess remaining after that reassessment.

When 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.

4.4 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.



Notes to the Financial Statements

30 June 2011 (cont'd)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.4 Property, plant and equipment and depreciation (cont'd)

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 a different useful life, is depreciated separately.

After initial recognition, property, plant and equipment are stated at cost less any accumulated depreciation and any accumulated impairment losses.

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

Long-term leasehold land	1%
Buildings	2%
Machinery, furniture and fittings	7.5% - 25%
Office equipment	7.5% - 66%
Renovations	10% - 25%
Motor vehicles	10% - 20%
Forklifts	20%
Storage containers	10%
Tug boats and barges	5%
Prime movers and trailers	10%

Freehold land has unlimited useful life and is not depreciated.

At the end of each reporting period, 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 4.8 to the financial statements on impairment of non-financial assets).

The residual values, useful life and depreciation method are reviewed at the end of each reporting period 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.



Notes to the Financial Statements

30 June 2011 (cont'd)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.5 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 amounts equal to the fair value of the leased assets or, if lower, the present value of 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.

4.6 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. Investments accounted for at cost shall be accounted for in accordance with FRS 5 Non-current Assets Held for Sale and Discontinued Operations when they are classified as held for sale (or included in a disposal group that is classified as held for sale) in accordance with FRS 5.

When control of a subsidiary is lost as a result of a transaction, event or other circumstance, the Group would derecognise all assets, liabilities and non-controlling interests at their carrying amount and to recognise the fair value of the consideration received. Any retained interest in the former subsidiary is recognised at its fair value at the date control is lost. The resulting difference is recognised as a gain or loss in profit or loss.



Notes to the Financial Statements

30 June 2011 (cont'd)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.6 Investments (cont'd)

(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.

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 statement of financial position 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 investment 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 to or exceeds its interest in the associate, the carrying amount 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.

The most recent available financial statements of the associate are used by the Group in applying the equity method. When the end of the reporting periods 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 end of the reporting periods is no more than three (3) months. Adjustments are made for the effects of any significant transactions or events that occur between the intervening periods.

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



Notes to the Financial Statements

30 June 2011 (cont'd)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.7 Goodwill

Goodwill recognised in a business combination is an asset at the acquisition date and is initially measured at cost being the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest (if any) in the entity over net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

If, after reassessment, the Group's interest in the fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

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 amount 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 and 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 and 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.

4.8 Impairment of non-financial assets

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

Goodwill that has 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.



Notes to the Financial Statements

30 June 2011 (cont'd)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.8 Impairment of non-financial assets (cont'd)

Goodwill acquired in a business combination shall be tested for impairment as part of the impairment testing of CGU to which it relates. The CGU to which goodwill is allocated shall represent the lowest level within the Group at which the goodwill is monitored for internal management purposes and not larger than an operating segment determined in accordance with FRS 8.

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 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 assets' 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.

4.9 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.



Notes to the Financial Statements

30 June 2011 (cont'd)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.9 Financial instruments (cont'd)

Financial instruments are recognised on the statement of financial position when the Group has become a party to the contractual provisions of the instrument. At initial recognition, a financial instrument is recognised at fair value plus, in the case of a financial instrument not at fair value through profit or loss, transactions costs are directly attributable to the acquisition or issuance of the financial instrument.

An embedded derivative is separated from the host contract and accounted for as a derivative if, and only if the economic characteristics and risks of the embedded derivative is not closely related to the economic characteristics and risks of the host contract, a separate instrument with the same terms as the embedded derivative meets the definition of a derivative, and the hybrid instrument is not measured at fair value through profit or loss.

(a) Financial assets

A financial asset is classified into the following four categories after initial recognition for the purpose of subsequent measurement:

(i) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss comprise financial assets that are held for trading (i.e. financial assets acquired principally for the purpose of resale in the near term), derivatives (both, freestanding and embedded) and financial assets that were specifically designated into this classification upon initial recognition.

Subsequent to initial recognition, financial assets classified as at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in the fair value of financial assets classified as at fair value through profit or loss are recognised in profit or loss. Net gains or losses on financial assets classified as at fair value through profit or loss exclude foreign exchange gains and losses, interest and dividend income. Such income is recognised separately in profit or loss as components of other income or other operating losses.

However, derivatives that are linked to and must be settled by delivery of unquoted equity instruments that do not have a quoted market price in an active market are recognised at cost.

(ii) Held-to-maturity investments

Financial assets classified as held-to-maturity comprise non-derivative financial assets with fixed or determinable payments and fixed maturity that the Group has the positive intention and ability to hold to maturity.

Subsequent to initial recognition, financial assets classified as held-to-maturity are measured at amortised cost using the effective interest method. Gains or losses on financial assets classified as held-to-maturity are recognised in profit or loss when the financial assets are derecognised or impaired, and through the amortisation process.



Notes to the Financial Statements

30 June 2011 (cont'd)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.9 Financial instruments (cont'd)

(a) Financial assets (cont'd)

(iii) Loans and receivables

Financial assets classified as loans and receivables comprise non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

Subsequent to initial recognition, financial assets classified as loans and receivables are measured at amortised cost using the effective interest method. Gains or losses on financial assets classified as loans and receivables are recognised in profit or loss when the financial assets are impaired, and through the amortisation process.

(iv) Available-for-sale financial assets

Financial assets classified as available-for-sale comprise non-derivative financial assets that are designated as available for sale or are not classified as loans and receivables, held-to-maturity investments or financial assets at fair value through profit or loss.

Subsequent to initial recognition, financial assets classified as available-for-sale are measured at fair value. Any gains or losses arising from changes in the fair value of financial assets classified as available-for-sale are recognised directly in other comprehensive income, except for impairment losses and foreign exchange gains and losses, until the financial asset is derecognised, at which time the cumulative gains or losses previously recognised in other comprehensive income are recognised in profit or loss. However, interest calculated using the effective interest method is recognised in profit or loss whilst dividends on available-for-sale equity instruments are recognised in profit or loss when the Group's right to receive payment is established.

Cash and cash equivalents include cash and bank balances, bank overdrafts, deposits and other short term, highly liquid investments with original maturities of three (3) months or less, which are subject to insignificant risk of changes in value.

A financial asset is derecognised when the contractual right to receive cash flows from the financial asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised directly in other comprehensive income shall be recognised in profit or loss.

A regular way purchase or sale is a purchase or sale of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or marketplace convention.

(b) Financial liabilities

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. A financial liability is classified into the following two categories after initial recognition for the purpose of subsequent measurement:



Notes to the Financial Statements

30 June 2011 (cont'd)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.9 Financial instruments (cont'd)

(b) Financial liabilities (cont'd)

(i) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss comprise financial liabilities that are held for trading, derivatives (both, freestanding and embedded) and financial liabilities that were specifically designated into this classification upon initial recognition.

Subsequent to initial recognition, financial liabilities classified as at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in the fair value of financial liabilities classified as at fair value through profit or loss are recognised in profit or loss. Net gains or losses on financial liabilities classified as at fair value through profit or loss exclude foreign exchange gains and losses, interest and dividend income. Such income is recognised separately in profit or loss as components of other income or other operating losses.

(ii) Other financial liabilities

Financial liabilities classified as other financial liabilities comprise non-derivative financial liabilities that are neither held for trading nor initially designated as at fair value through profit or loss.

Subsequent to initial recognition, other financial liabilities are measured at amortised cost using the effective interest method. Gains or losses on other financial liabilities are recognised in profit or loss when the financial liabilities are derecognised and through the amortisation process.

A financial liability is derecognised when, and only when, it is extinguished, i.e. when the obligation specified in the contract is discharged or cancelled or expires. An exchange between an existing borrower and lender of debt instruments with substantially different terms are accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

The difference between the carrying amount of a financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

The Group designates corporate guarantees given to banks for credit facilities granted to subsidiaries as insurance contracts as defined in FRS 4 Insurance Contracts. The Group recognises these insurance contracts as recognised insurance liabilities 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.



Notes to the Financial Statements

30 June 2011 (cont'd)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.9 Financial instruments (cont'd)

(b) Financial liabilities (cont'd)

At the end of every reporting period, the Group shall assess whether its recognised insurance liabilities are adequate, using current estimates of future cash flows under its insurance contracts. If this assessment shows that the carrying amount of the insurance liabilities is inadequate, the entire deficiency shall be recognised in profit or loss.

Recognised insurance liabilities are only removed from the statement of financial position when, and only when, it is extinguished via a discharge, cancellation or expiration.

(c) Equity

An equity instrument is any contract that evidences a residual interest in the assets of the Group and of the Company after deducting all of its liabilities. Ordinary shares are classified as 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.

Following the adoption of FRS 139 during the financial year, the Group reassessed the classification and measurement of financial assets and financial liabilities as at 1 July 2010. There was no effect arising from the adoption of FRS 139 and hence no opening statements of financial position as at 1 July 2010 were presented.

4.10 Impairment of financial assets

The Group assesses whether there is any objective evidence that a financial asset is impaired at the end of each reporting period.

(a) Loans and receivables

The Group collectively considers factors such as the probability of bankruptcy or significant financial difficulties of the receivable and default or significant delay in payments to determine whether there is objective evidence that an impairment loss on loans and receivables has occurred. Other objective evidence of impairment include historical collection rates determined on an individual basis and observable changes in national or local economic conditions that are directly correlated with the historical default rates of receivables.



Notes to the Financial Statements

30 June 2011 (cont'd)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.10 Impairment of financial assets (cont'd)

The Group assesses whether there is any objective evidence that a financial asset is impaired at the end of each reporting period. (cont'd)

(a) Loans and receivables (cont'd)

If any such objective evidence exists, the amount of impairment loss is measured as the difference between the financial asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The impairment loss is recognised in profit or loss.

The carrying amount of loans and receivables are reduced through the use of an allowance account.

If in a subsequent period, the amount of the impairment loss decreases and it objectively relates to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of impairment reversed is recognised in profit or loss.

(b) Available-for-sale financial assets

The Group collectively considers factors such as significant or prolonged decline in fair value below cost, significant financial difficulties of the issuer or obligor, and the disappearance of an active trading market as objective evidence that available-for-sale financial assets are impaired.

If any such objective evidence exists, an amount comprising the difference between the financial asset's cost (net of any principal payment and amortisation) and current fair value, less any impairment loss previously recognised in profit or loss, is transferred from equity to profit or loss.

Impairment losses on available-for-sale equity investments are not reversed in profit or loss in the subsequent periods. Instead, any increase in the fair value subsequent to the impairment loss is recognised in other comprehensive income.

Impairment losses on available-for-sale debt investments are subsequently reversed in profit or loss if the increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss in profit or loss.

4.11 Borrowing costs

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

4.12 Income taxes

Income taxes include all domestic and foreign taxes on taxable profit. Income taxes also include other taxes, such as withholding taxes, which are payable by a foreign subsidiary on distributions to the Group.



Notes to the Financial Statements

30 June 2011 (cont'd)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.12 Income taxes (cont'd)

Taxes in the statements of comprehensive income 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 end of the reporting period.

(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 statements of financial position 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 the end of each reporting period. If it is no longer probable that sufficient taxable profits will be available to allow the benefit of part or all of that 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.

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 on either:

- (i) the same taxable entity; or
- (ii) different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

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 reporting period.



Notes to the Financial Statements

30 June 2011 (cont'd)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.13 Provisions

Provisions are recognised when there is a present obligation, legal or constructive, as a result of a past event and 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 a provision will be discounted to its present value at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Provisions are reviewed at the end of each reporting period 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.

4.14 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 a contingent asset but disclose its existence where the 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 non-controlling interest.

4.15 Employee benefits

4.15.1 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.



Notes to the Financial Statements

30 June 2011 (cont'd)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.15 Employee benefits (cont'd)

4.15.1 Short term employee benefits (cont'd)

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.

4.15.2 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 contributions already paid and as an expense in the period in which the employees render their services.

4.16 Foreign currencies

4.16.1 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 the Company's functional and presentation currency.

4.16.2 Foreign currency translations and balances

Transactions in foreign currencies are converted into functional currency at rates of exchange ruling at the transaction dates. Monetary assets and liabilities in foreign currencies at the end of the reporting period are translated into functional currency at rates of exchange ruling at that date. 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 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.

4.16.3 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 equity. When a foreign operation is partially disposed 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.



Notes to the Financial Statements

30 June 2011 (cont'd)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.16 Foreign currencies (cont'd)

4.16.3 Foreign operations (cont'd)

Exchange differences arising on a monetary item that forms part of the net investment of the Company in a foreign operation shall be recognised in profit or loss in the separate financial statements of the Company or the foreign operation, as appropriate. In the consolidated financial statements, such exchange differences shall be recognised initially as a separate component of equity and recognised in profit or loss upon disposal of the net investment.

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 end of the reporting period.

4.17 Revenue recognition

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

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 and on 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.



Notes to the Financial Statements

30 June 2011 (cont'd)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.18 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 probability of shareholders' approval (if required in the jurisdiction) is considered as part of the assessment of whether the sale is 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.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group retains a non-controlling interest in its former subsidiary after the sale or otherwise.

Immediately before the initial classification as held for sale, the carrying amounts of the non-current assets are measured in accordance with applicable FRSs. 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 statement of financial position 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.



Notes to the Financial Statements

30 June 2011 (cont'd)

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.19 Operating segments

Following the adoption of FRS 8 Operating Segments during the previous financial year, operating segments are defined as components of the Group that:

- (a) engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Group);
- (b) whose operating results are regularly reviewed by the Group's chief operating decision maker (i.e. the Group's Chief Executive Officer) in making decisions about resources to be allocated to the segment and assessing its performance; and
- (c) for which discrete financial information is available.

An operating segment may engage in business activities for which it has yet to earn revenues.

The Group reports separately information about each operating segment that meets any of the following quantitative thresholds:

- (a) Its reported revenue, including both sales to external customers and intersegment sales or transfers, is ten (10) per cent or more of the combined revenue, internal and external, of all operating segments.
- (b) The absolute amount of its reported profit or loss is ten (10) per cent or more of the greater, in absolute amount of:
 - (i) the combined reported profit of all operating segments that did not report a loss; and
 - (ii) the combined reported loss of all operating segments that reported a loss.
- (c) Its assets are ten (10) per cent or more of the combined assets of all operating segments.

Operating segments that do not meet any of the quantitative thresholds may be considered reportable, and separately disclosed, if the management believes that information about the segment would be useful to users of the financial statements.

Total external revenue reported by operating segments shall constitute at least seventy five (75) percent of the Group's revenue. Operating segments identified as reportable segments in the current financial year in accordance with the quantitative thresholds would result in a restatement of prior period segment data for comparative purposes.

4.20 Earnings per share

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



Notes to the Financial Statements

30 June 2011 (cont'd)

5. ADOPTION OF NEW FRSs AND AMENDMENT TO FRSs

5.1 New FRSs adopted during the current financial year

- (a) 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 end of the reporting period, 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 statement of financial position until they are discharged or cancelled, or expire, and to present insurance liabilities without offsetting them against related reinsurance assets.

Following the adoption of this Standard, the Group designates corporate guarantees given to banks for credit facilities granted to subsidiaries as insurance contracts. The Group recognises these insurance contracts as recognised insurance liabilities 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.

- (b) 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 the Group's financial position and performance.

There is no impact upon adoption of this Standard during the financial year.

- (c) 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.

There is no impact upon adoption of this Standard during the financial year.



Notes to the Financial Statements

30 June 2011 (cont'd)

5. ADOPTION OF NEW FRSs AND AMENDMENT TO FRSs (CONT'D)

5.1 New FRSs adopted during the current financial year (cont'd)

- (d) 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.

There is no impact upon adoption of this Standard during the financial year.

- (e) 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.

There is no impact upon adoption of these amendments during the financial year.

- (f) 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.

There is no impact upon adoption of these amendments during the financial year.

- (g) 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.

There is no impact upon adoption of this Interpretation during the financial year.

- (h) 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.

There is no impact upon adoption of this Interpretation during the financial year.



Notes to the Financial Statements

30 June 2011 (cont'd)

5. ADOPTION OF NEW FRSs AND AMENDMENT TO FRSs (CONT'D)

5.1 New FRSs adopted during the current financial year (cont'd)

- (i) 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 Company 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 Company grants rights to its equity instruments to the employees of its subsidiaries, this Interpretation requires the Company 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 Company to its employees, this Interpretation requires the Company to account for the transaction as cash-settled, regardless of the manner the subsidiaries obtain the equity instruments to satisfy its obligations.

There is no impact upon adoption of this Interpretation during the financial year.

The Group would like to draw attention to the withdrawal of this Interpretation for annual periods beginning on or after 1 January 2011 as disclosed in Note 5.2(d) to the financial statements.

- (j) 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.

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.

There is no impact upon adoption of this Interpretation during the financial year.



Notes to the Financial Statements

30 June 2011 (cont'd)

5. ADOPTION OF NEW FRSs AND AMENDMENT TO FRSs (CONT'D)

5.1 New FRSs adopted during the current financial year (cont'd)

- (k) 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 end of the reporting period 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.

There is no impact upon adoption of this Interpretation during the financial year.

- (l) 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 non-owner 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.

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.



Notes to the Financial Statements

30 June 2011 (cont'd)

5. ADOPTION OF NEW FRSs AND AMENDMENT TO FRSs (CONT'D)

5.1 New FRSs adopted during the current financial year (cont'd)

- (l) FRS 101 *Presentation of Financial Statements* is mandatory for annual periods beginning on or after 1 January 2010. (cont'd)

Following the adoption of this Standard, the Group has reflected the new format of presentation and additional disclosures warranted in the primary financial statements and relevant notes to the financial statements.

- (m) 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 clarify the designation of one-sided risk in eligible hedged items and streamline the terms used throughout the Standards in accordance with the changes resulting from FRS 101.

There is no impact upon adoption of these amendments during the financial year.

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

These amendments require certain puttable financial instruments, and financial instruments that impose an obligation to deliver to counterparties a pro rata 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.

- (o) *Improvements to FRSs (2009)* are mandatory for annual periods beginning on or after 1 January 2010.

Amendment to FRS 5 *Non-current Assets Held for Sale and Discontinued Operations* clarifies that the disclosure requirements of this Standard specifically apply to non-current assets (or disposal groups) classified as held for sale or discontinued operations. There is no impact upon adoption of this amendment during the financial year.

Amendment to FRS 8 clarifies the consistency of disclosure requirement for information about profit or loss, assets and liabilities. There is no impact upon adoption of this amendment during the financial year.



Notes to the Financial Statements

30 June 2011 (cont'd)

5. ADOPTION OF NEW FRSs AND AMENDMENT TO FRSs (CONT'D)

5.1 New FRSs adopted during the current financial year (cont'd)

- (o) *Improvements to FRSs (2009)* are mandatory for annual periods beginning on or after 1 January 2010. (cont'd)

Amendment to FRS 107 *Statement of Cash Flows* clarifies the classification of cash flows arising from operating activities and investing activities. Cash payments to manufacture or acquire assets held for rental to others and subsequently held for sale, and the related cash receipts, shall be classified as cash flows from operating activities. Expenditures that result in a recognised asset in the statement of financial position are eligible for classification as cash flows from investing activities. There is no impact upon adoption of this amendment during the financial year.

Amendment to FRS 108 clarifies that only Implementation Guidance issued by the MASB that are integral parts of FRSs is mandatory. There is no impact upon adoption of this amendment during the financial year.

Amendment to FRS 110 *Events after the Reporting Period* clarifies the rationale for not recognising dividends declared after the reporting period but before the financial statements are authorised for issue. There is no impact upon adoption of this amendment during the financial year.

Amendment to FRS 116 *Property, Plant and Equipment* removes the definition pertaining the applicability of this Standard to property that is being constructed or developed for future use as investment property but do not yet satisfy the definition of 'investment property' in FRS 140 Investment Property. This amendment also replaces the term 'net selling price' with 'fair value less costs to sell', and clarifies that proceeds arising from routine sale of items of property, plant and equipment shall be recognised as revenue in accordance with FRS 118 Revenue rather than FRS 5. There is no impact upon adoption of this amendment during the financial year.

Amendment to FRS 118 clarifies reference made on the term 'transaction costs' to the definition in FRS 139. There is no impact upon adoption of this amendment during the financial year.

Amendment to FRS 119 *Employee Benefits* clarifies the definitions in this Standard by consistently applying settlement dates within twelve (12) months in the distinction between short-term employee benefits and other long-term employee benefits. This amendment also provides additional explanations on negative past service cost and curtailments. There is no impact upon adoption of this amendment during the financial year.

Amendment to FRS 120 *Accounting for Government Grants and Disclosure of Government Assistance* streamlines the terms used in this Standard in accordance with the new terms used in FRS 101. There is no impact upon adoption of this amendment during the financial year.

Amendment to FRS 123 clarifies that interest expense calculated using the effective interest rate method described in FRS 139 qualifies for recognition as borrowing costs. There is no impact upon adoption of this amendment during the financial year.



Notes to the Financial Statements

30 June 2011 (cont'd)

5. ADOPTION OF NEW FRSs AND AMENDMENT TO FRSs (CONT'D)

5.1 New FRSs adopted during the current financial year (cont'd)

- (o) *Improvements to FRSs (2009)* are mandatory for annual periods beginning on or after 1 January 2010. (cont'd)

Amendment to FRS 127 *Consolidated and Separate Financial Statements* clarifies that investments measured at cost shall be accounted for in accordance with FRS 5 when they are held for sale in accordance with FRS 5. There is no impact upon adoption of this amendment during the financial year.

Amendment to FRS 128 *Investments in Associates* clarifies that investments in associates held by venture capital organisations, or mutual funds, unit trusts and similar entities shall make disclosures on the nature and extent of any significant restrictions on the ability of associates to transfer funds to the investor in the form of cash dividends, or repayment of loans or advances. This amendment also clarifies that impairment loss recognised in accordance with FRS 136 *Impairment of Assets* shall not be allocated to any asset, including goodwill, that forms the carrying amount of the investment. Accordingly, any reversal of that impairment loss shall be recognised in accordance with FRS 136. There is no impact upon adoption of this amendment during the financial year.

Amendment to FRS 129 *Financial Reporting in Hyperinflationary Economies* streamlines the terms used in this Standard in accordance with the new terms used in FRS 101. This amendment also clarifies that assets and liabilities that are measured at fair value are exempted from the requirement to apply historical cost basis of accounting. There is no impact upon adoption of this amendment during the financial year.

Amendment to FRS 131 *Interests in Joint Ventures* clarifies that venturers' interests in jointly controlled entities held by venture capital organisations, or mutual funds, unit trusts and similar entities shall make disclosures on related capital commitments. This amendment also clarifies that a listing and description of interests in significant joint ventures and the proportion of ownership interest held in jointly controlled entities shall be made. There is no impact upon adoption of this amendment during the financial year.

Amendment to FRS 136 clarifies the determination of allocation of goodwill to each cash-generating unit whereby each unit shall not be larger than an operating segment as defined in FRS 8 before aggregation. This amendment also requires additional disclosures if the fair value less costs to sell is determined using discounted cash flow projections. There is no impact upon adoption of this amendment during the financial year.

Amendment to FRS 138 *Intangible Assets* clarifies the examples provided in this Standard in measuring the fair value of an intangible asset acquired in a business combination. This amendment also removes the statement on the rarity of situations whereby the application of the amortisation method for intangible assets results in a lower amount of accumulated amortisation than under the straight line method. There is no impact upon adoption of this amendment during the financial year.



Notes to the Financial Statements

30 June 2011 (cont'd)

5. ADOPTION OF NEW FRSs AND AMENDMENT TO FRSs (CONT'D)

5.1 New FRSs adopted during the current financial year (cont'd)

- (o) *Improvements to FRSs (2009)* are mandatory for annual periods beginning on or after 1 January 2010. (cont'd)

Amendment to FRS 140 clarifies that properties that are being constructed or developed for future use as investment property are within the definition of 'investment property'. This amendment further clarifies that if the fair value of such properties cannot be reliably determinable but it is expected that the fair value would be readily determinable when construction is complete, the properties shall be measured at cost until either its fair value becomes reliably determinable or construction is completed, whichever is earlier. There is no impact upon adoption of this amendment during the financial year.

- (p) Amendments to FRS 132 is mandatory for annual periods beginning on or after 1 January 2010 and 1 March 2010 in respect of the transitional provisions in accounting for compound financial instruments and classification of rights issues respectively.

These amendments remove the transitional provisions in respect of accounting for compound financial instruments issued before 1 January 2003 pursuant to FRS 132₂₀₀₄ *Financial Instruments: Disclosure and Presentation*. Such compound financial instruments shall be classified into its liability and equity components when FRS 139 first applies.

The amendments also clarifies that rights, options or warrants to acquire a fixed number of the Group's own equity instruments for a fixed amount of any currency shall be classified as equity instruments rather than financial liabilities if the Group offers the rights, options or warrants pro rata to all of its own existing owners of the same class of its own non-derivative equity instruments.

There is no impact upon adoption of these amendments during the financial year.

- (q) Amendments to FRS 139 is mandatory for annual periods beginning on or after 1 January 2010.

These amendments remove the scope exemption on contracts for contingent consideration in a business combination. Accordingly, such contracts shall be recognised and measured in accordance with the requirements of FRS 139.

There is no impact upon adoption of these amendments during the financial year.

- (r) IC Interpretation 12 *Service Concession Arrangements* is mandatory for annual periods beginning on or after 1 July 2010.

This Interpretation applies to operators for public-to-private service concession arrangements, whereby infrastructure within the scope of this Interpretation shall not be recognised as property, plant and equipment of the operator. The operator shall recognise and measure revenue in accordance with FRS 111 Construction Contracts and FRS 118 for the services performed. The operator shall also account for revenue and costs relating to construction or upgrade services in accordance with FRS 111.



Notes to the Financial Statements

30 June 2011 (cont'd)

5. ADOPTION OF NEW FRSs AND AMENDMENT TO FRSs (CONT'D)

5.1 New FRSs adopted during the current financial year (cont'd)

- (r) IC Interpretation 12 *Service Concession Arrangements* is mandatory for annual periods beginning on or after 1 July 2010. (cont'd)

Consideration received or receivable by the operator for the provision of construction or upgrade services shall be recognised at its fair value. If the consideration consists of an unconditional contractual right to receive cash or another financial asset from the grantor, it shall be classified as a financial asset. Conversely, if the consideration consists of a right to charge users of the public service, it shall be classified as an intangible asset.

There is no impact upon adoption of this Interpretation during the financial year.

- (s) FRS 1 *First-time Adoption of Financial Reporting Standards* is mandatory for annual periods beginning on or after 1 July 2010.

This Standard supersedes the existing FRS 1 and shall be applied when the Group adopts FRSs for the first time via the explicit and unreserved statement of compliance with FRSs. An opening FRS statement of financial position shall be prepared and presented at the date of transition to FRS, whereby:

- (i) All assets and liabilities shall be recognised in accordance with FRSs;
- (ii) Items of assets and liabilities shall not be recognised if FRSs do not permit such recognition;
- (iii) Items recognised in accordance with previous GAAP shall be reclassified in accordance with FRSs; and
- (iv) All recognised assets and liabilities shall be measured in accordance with FRSs.

All resulting adjustments shall therefore be recognised directly in retained earnings at the date of transition to FRSs.

There is no impact upon adoption of this Standard during the financial year.

- (t) FRS 3 *Business Combinations* is mandatory for annual periods beginning on or after 1 July 2010.

This Standard supersedes the existing FRS 3 and now includes business combinations involving mutual entities and those achieved by way of contract alone. Any non-controlling interest in an acquiree shall be measured at fair value or as the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

The time limit on the adjustment to goodwill due to the arrival of new information on the crystallisation of deferred tax benefits shall be restricted to the measurement period resulting from the arrival of the new information. Contingent liabilities acquired arising from present obligations shall be recognised, regardless of the probability of outflow of economic resources.

Acquisition-related costs shall be accounted for as expenses in the periods in which the costs are incurred and the services are received. Consideration transferred in a business combination, including contingent consideration, shall be measured and recognised at fair value at acquisition date. Any changes in the amount of consideration to be paid will no longer be adjusted against goodwill but recognised in profit or loss.



Notes to the Financial Statements

30 June 2011 (cont'd)

5. ADOPTION OF NEW FRSs AND AMENDMENT TO FRSs (CONT'D)

5.1 New FRSs adopted during the current financial year (cont'd)

- (t) FRS 3 *Business Combinations* is mandatory for annual periods beginning on or after 1 July 2010. (cont'd)

In business combinations achieved in stages, the acquirer shall remeasure its previously held equity interest at its acquisition date fair value and recognise the resulting gain or loss in profit or loss.

The revised FRS 3 has been applied prospectively in accordance with its transitional provisions. Assets and liabilities that arose from business combinations whose acquisition dates were before 1 July 2010 are not adjusted.

During the financial year, the newly acquired subsidiary was accounted for in accordance with this new Standard as disclosed in Note 9 to the financial statements.

- (u) FRS 127 *Consolidated and Separate Financial Statements* is mandatory for annual periods beginning on or after 1 July 2010.

This Standard supersedes the existing FRS 127 and replaces the current term 'minority interest' with the new term 'non-controlling interest' which is defined as the equity in a subsidiary that is not attributable, directly or indirectly, to a parent. Accordingly, total comprehensive income shall be attributed to the owners of the parent and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. If the Group loses control of a subsidiary, any gains or losses are recognised in profit or loss and any investment retained in the former subsidiary shall be remeasured at its fair value at the date when control is lost.

According to its transitional provisions, the revised FRS 127 has been applied prospectively, and does not impact the Group's consolidated financial statements in respect of transactions with non-controlling interest, attribution of losses to non-controlling interest, and disposal of subsidiaries before 1 July 2010. These changes would only affect future transactions with non-controlling interest.

There is no impact upon adoption of this Standard during the financial year.

- (v) Amendments to FRSs are mandatory for annual periods beginning on or after 1 July 2010.

Amendments to FRS 2 *Share-based Payments* clarifies that transactions in which the Group acquired goods as part of the net assets acquired in a business combination or contribution of a business on the formation of a joint venture are excluded from the scope of this Standard. There is no impact upon adoption of these amendments during the financial year.



Notes to the Financial Statements

30 June 2011 (cont'd)

5. ADOPTION OF NEW FRSs AND AMENDMENT TO FRSs (CONT'D)

5.1 New FRSs adopted during the current financial year (cont'd)

- (v) Amendments to FRSs are mandatory for annual periods beginning on or after 1 July 2010. (cont'd)

Amendments to FRS 5 clarifies that non-current asset classified as held for distribution to owners acting in their capacity as owners are within the scope of this Standard. The amendment also clarifies that in determining whether a sale is highly probable, the probability of shareholders' approval, if required in the jurisdiction, shall be considered. In a sale plan involving loss of control of a subsidiary, all assets and liabilities of that subsidiary shall be classified as held for sale, regardless of whether the Group retains a non-controlling interest in its former subsidiary after the sale. Discontinued operations information shall also be presented. Non-current asset classified as held for distribution to owners shall be measured at the lower of its carrying amount and fair value less costs to distribute. There is no impact upon adoption of these amendments during the financial year.

Amendments to FRS 138 clarifies that the intention of separating an intangible asset is irrelevant in determining the identifiability of the intangible asset. In a separate acquisition and acquisition as part of a business combination, the price paid by the Group reflects the expectations of the Group of an inflow of economic benefits, even if there is uncertainty about the timing or the amount of the inflow. Accordingly, the probability criterion is always considered to be satisfied for separately acquired intangible assets. The useful life of a reacquired right recognised as an intangible asset in a business combination shall be the remaining contractual period of the contract in which the right was granted, and do not include renewal periods. In the case of a reacquired right in a business combination, if the right is subsequently reissued to a third party, the related carrying amount shall be used in determining the gain or loss on reissue. There is no impact upon adoption of these amendments during the financial year.

Amendments to IC Interpretation 9 clarifies that embedded derivatives in contracts acquired in a business combination, combination of entities or business under common controls, or the formation of a joint venture are excluded from this Interpretation. There is no impact upon adoption of these amendments during the financial year.

- (w) IC Interpretation 16 *Hedges of a Net Investment in a Foreign Operation* is mandatory for annual periods beginning on or after 1 July 2010.

This Interpretation applies to hedges undertaken on foreign currency risk arising from net investments in foreign operations and the Group wishes to qualify for hedge accounting in accordance with FRS 139.

Hedge accounting is applicable only to the foreign exchange differences arising between the functional currency of the foreign operation and the functional currency of any parent (immediate, intermediate or ultimate parent) of that foreign operation. An exposure to foreign currency risk arising from a net investment in a foreign operation may qualify for hedge accounting only once in the consolidated financial statements.

Hedging instruments designated in the hedge of a net investment in a foreign operation may be held by any companies within the Group, as long as the designation, documentation and effectiveness requirements of FRS 139 are met. There is no impact upon adoption of this Interpretation during the financial year.



Notes to the Financial Statements

30 June 2011 (cont'd)

5. ADOPTION OF NEW FRSs AND AMENDMENT TO FRSs (CONT'D)

5.1 New FRSs adopted during the current financial year (cont'd)

- (x) IC Interpretation 17 *Distributions of Non-cash Assets to Owners* is mandatory for annual periods beginning on or after 1 July 2010.

This Interpretation applies to non-reciprocal distributions of non-cash assets by the Group to its owners in their capacity as owners, as well as distributions that give owners a choice of receiving either non-cash assets or a cash alternative. This Interpretation also applies to distributions in which all owners of the same class of equity instruments are treated equally.

The liability to pay a dividend shall be recognised when the dividend is appropriately authorised and is no longer at the discretion of the Group. The liability shall be measured at the fair value of the assets to be distributed. If the Group gives its owners a choice of receiving either a non-cash asset or a cash alternative, the dividend payable shall be estimated by considering the fair value of both alternatives and the associated probability of the owners' selection.

At the end of each reporting period, the carrying amount of the dividend payable shall be remeasured and any changes shall be recognised in equity. At the settlement date, any difference between the carrying amounts of the assets distributed and the carrying amount of the dividend payable shall be recognised in profit or loss. There is no impact upon adoption of this Interpretation during the financial year.

5.2 New FRSs that have been issued, but not yet effective and not yet adopted

- (a) Amendment to FRS 1 *Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters* is mandatory for annual periods beginning on or after 1 January 2011.

This amendment permits a first-time adopter of FRSs to apply the exemption of not restating comparatives for the disclosures required in Amendments to FRS 7.

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

- (b) Amendments to FRS 1 *Additional Exemptions for First-time Adopters* are mandatory for annual periods beginning on or after 1 January 2011.

These amendments permits a first-time adopter of FRSs to apply the exemption of not restating the carrying amounts of oil and gas assets determined under previous GAAP.

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

- (c) Amendments to FRS 7 *Improving Disclosures about Financial Instruments* are mandatory for annual periods beginning on or after 1 January 2011.

These amendments require enhanced disclosures of fair value of financial instruments based on the fair value hierarchy, including the disclosure of significant transfers between Level 1 and Level 2 of the fair value hierarchy as well as reconciliations for fair value measurements in Level 3 of the fair value hierarchy.



Notes to the Financial Statements

30 June 2011 (cont'd)

5. ADOPTION OF NEW FRSs AND AMENDMENT TO FRSs (CONT'D)

5.2 New FRSs that have been issued, but not yet effective and not yet adopted (cont'd)

- (c) Amendments to FRS 7 *Improving Disclosures about Financial Instruments* are mandatory for annual periods beginning on or after 1 January 2011. (cont'd)

By virtue of the exemption provided under paragraph 44G of FRS 7, the impact of applying these amendments on the financial statements upon first adoption of FRS 7 as required by paragraph 30(b) of FRS 108 are not disclosed.

- (d) Amendments to FRS 2 *Group Cash-settled Share-based Payment Transactions* are mandatory for annual periods beginning on or after 1 January 2011.

These amendments clarify the scope and the accounting for group cash-settled share-based payment transactions in the separate financial statements of the entity receiving the goods or services when that entity has no obligation to settle the share-based payment transaction.

Consequently, IC Interpretation 8 *Scope of FRS 2* and IC Interpretation 11 have been superseded and withdrawn.

The Group does not expect any impact on the financial statements arising from the adoption of these amendments. The effect of adoption IC Interpretation 11 have been disclosed in Note 5.1(i) to the financial statements.

- (e) IC Interpretation 4 *Determining whether an Arrangement contains a Lease* is mandatory for annual periods beginning on or after 1 January 2011.

This Interpretation requires the determination of whether an arrangement is, or contains, a lease based on an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset and whether the arrangement conveys a right to use the asset. This assessment shall be made at the inception of the arrangement and subsequently reassessed if certain condition(s) in the Interpretation is met.

The Group does not expect any impact on the financial statements arising from the adoption of this Interpretation because there are no arrangements dependent on the use of specific assets in the Group.

- (f) IC Interpretation 18 *Transfers of Assets from Customers* is mandatory for annual periods beginning on or after 1 January 2011.

This Interpretation applies to agreements in which an entity receives from a customer an item of property, plant and equipment that must be used to either connect the customer to a network or to provide the customer with ongoing access to a supply of goods or services. The entity receiving the transferred item is required to assess whether the transferred item meets the definition of an asset set out in the Framework. The credit entry would be accounted for as revenue in accordance with FRS 118.

The Group does not expect any impact on the financial statements arising from the adoption of this Interpretation because there are no such arrangements in the Group.



Notes to the Financial Statements

30 June 2011 (cont'd)

5. ADOPTION OF NEW FRSs AND AMENDMENT TO FRSs (CONT'D)

5.2 New FRSs that have been issued, but not yet effective and not yet adopted (cont'd)

- (g) IC Interpretation 15 *Agreements for the Construction of Real Estate* is mandatory for annual periods beginning on or after 1 January 2012.

This Interpretation applies to the accounting for revenue and associated expenses by entities undertaking construction or real estate directly or via subcontractors. Within a single agreement, the Group may contract to deliver goods or services in addition to the construction of real estate. Such an agreement shall therefore, be split into separately identifiable components.

An agreement for the construction of real estate shall be accounted for in accordance with FRS 111 if the buyer is able to specify the major structural elements of the design of the real estate before construction begins and/or specify major structural changes once construction is in progress. Accordingly, revenue shall be recognised by reference to the stage of completion of the contract.

An agreement for the construction of real estate in which buyers only have limited ability to influence the design of the real estate or to specify only minor variations to the basic designs is an agreement for the sale of goods in accordance with FRS 118. Accordingly, revenue shall be recognised by reference to the criteria in paragraph 14 of FRS 118 (e.g. transfer of significant risks and rewards, no continuing managerial involvement nor effective control, reliable measurement, etc.).

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

- (h) *Improvements to FRSs (2010)* are mandatory for annual periods beginning on or after 1 January 2011.

Amendments to FRS 1 clarifies that FRS 108 does not apply to changes in accounting policies made upon adoption of FRSs until after the first FRS financial statements have been presented. If changes in accounting policies or exemptions in this FRS are used, an explanation of such changes together with updated reconciliations shall be made in each interim financial report. Entities whose operations are subject to rate regulation are permitted the use of previously revalued amounts as deemed cost. The Group does not expect any impact on the financial statements arising from the adoption of these amendments.

Amendments to FRS 3 clarifies that for each business combination, the acquirer shall measure at the acquisition date non-controlling interests that consists of the present ownership interests and entitle holders to a proportionate share of the entity's net assets in the event of liquidation. Un-replaced and voluntarily replaced share-based payment transactions shall be measured using the market-based measurement method in accordance with FRS 2 at the acquisition date. The Group does not expect any impact on the financial statements arising from the adoption of these amendments.



Notes to the Financial Statements

30 June 2011 (cont'd)

5. ADOPTION OF NEW FRSs AND AMENDMENT TO FRSs (CONT'D)

5.2 New FRSs that have been issued, but not yet effective and not yet adopted (cont'd)

- (h) *Improvements to FRSs (2010)* are mandatory for annual periods beginning on or after 1 January 2011. (cont'd)

Amendments to FRS 7 clarifies that quantitative disclosures of risk concentrations are required if the disclosures made in other parts of the financial statements are not readily apparent. The disclosure on maximum exposure to credit risk is not required for financial instruments whose carrying amount best represents the maximum exposure to credit risk. The Group expects to improve the disclosures on maximum exposure to credit risk upon adoption of these amendments.

Amendments to FRS 101 clarify that a statement of changes in equity shall be presented as part of a complete set of financial statements. The Group does not expect any impact on the financial statements arising from the adoption of these amendments.

Amendments to FRS 121 *The Effects of Changes in Foreign Exchange Rates* clarify that the accounting treatment for cumulative foreign exchange differences in other comprehensive income for the disposal or partial disposal of a foreign operation shall be applied prospectively. The Group does not expect any impact on the financial statements arising from the adoption of these amendments.

Amendments to FRS 128 clarify that the accounting treatment for the cessation of significant influence over an associate shall be applied prospectively. The Group does not expect any impact on the consolidated financial statements arising from the adoption of these amendments.

Amendments to FRS 131 clarify that the accounting treatment for the cessation of joint control over an entity shall be applied prospectively. The Group does not expect any impact on the financial statements arising from the adoption of these amendments.

Amendments to FRS 132 clarify that contingent consideration from a business combination that occurred before the effective date of the revised FRS 3 of 1 July 2010 shall be accounted for prospectively. The Group does not expect any impact on the financial statements arising from the adoption of these amendments.

Amendments to FRS 134 clarify that updated information on significant events and transactions since the end of the last annual reporting period shall be included in the Group's interim financial report. Although the Group does not expect any impact on the financial statements arising from the adoption of these amendments, it is expected that additional disclosures would be made in the quarterly interim financial statements of the Group.

Amendments to FRS 139 clarify that contingent consideration from a business combination that occurred before the effective date of the revised FRS 3 of 1 July 2010 shall be accounted for prospectively. The Group does not expect any impact on the financial statements arising from the adoption of these amendments.



Notes to the Financial Statements

30 June 2011 (cont'd)

5. ADOPTION OF NEW FRSs AND AMENDMENT TO FRSs (CONT'D)

5.2 New FRSs that have been issued, but not yet effective and not yet adopted (cont'd)

- (h) *Improvements to FRSs (2010)* are mandatory for annual periods beginning on or after 1 January 2011. (cont'd)

Amendments to IC Interpretation 13 clarify that the fair value of award credits takes into account, amongst others, the amount of the discounts or incentives that would otherwise be offered to customers who have not earned award credits from an initial sale. The Group does not expect any impact on the financial statements arising from the adoption of these amendments.

- (i) Amendments to IC Interpretation 14 *FRS 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction* are mandatory for annual periods beginning on or after 1 July 2011.

These amendments clarify that if there is a minimum funding requirement for contributions relating to future service, the economic benefit available as a reduction in future contributions shall include any amount that reduces future minimum funding requirement contributions for future service because of the prepayment made.

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

- (j) IC Interpretation 19 *Extinguishing Financial Liabilities with Equity Instruments* is mandatory for annual periods beginning on or after 1 July 2011.

This Interpretation applies to situations whereby equity instruments are issued to a creditor to extinguish all or part of a recognised financial liability. Such equity instruments shall be measured at fair value, and the difference between the carrying amount of the financial liability extinguished and the consideration paid shall be recognised in profit or loss.

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

- (k) FRS 124 *Related Party Disclosures* and the consequential amendments to FRS 124 are mandatory for annual periods beginning on or after 1 January 2012.

This revised Standard simplifies the definition of a related party and eliminates certain inconsistencies within the superseded version. In addition to this, transactions and balances with government-related entities are broadly exempted from the disclosure requirements of the Standard.

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



Notes to the Financial Statements

30 June 2011 (cont'd)

6. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

6.1 Changes in estimates

Estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Directors are of the opinion that there are no changes in estimates as at the end of the reporting period.

6.2 Critical judgements made in applying accounting policies

The following are judgements made by management in the process of applying the Group's accounting policies that have the most significant effect on the amounts recognised in the financial statements.

(a) Non-current assets classified as held for sale

Certain non-current assets have been classified as held for sale in the previous financial year as the management had committed to a plan to sell the assets and liabilities. Barring any unforeseen circumstances, the Group expects that the sale of the assets and liabilities to be completed within the next twelve (12) months.

On 28 October 2010, the disposal of property previously classified as held for sale had been completed at a consideration of RM5.1 million as disclosed in Note 18 to the financial statements.

(b) Contingent liabilities

The determination of treatment of contingent liabilities is based on management's view of the expected outcome of the contingencies for matters in the ordinary course of the business.

6.3 Key sources of estimation uncertainty

The following are key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial 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. The assumptions used are disclosed in Note 12 to the financial statements.



Notes to the Financial Statements

30 June 2011 (cont'd)

6. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

6.3 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 profits 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) 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.

(d) Impairment of receivables

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

(e) 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.

(f) Income taxes

Significant judgement is required in determining the capital allowances, deductibility of certain expenses and taxability of certain income during the estimation of the provision for income taxes. There are transactions during the ordinary course of business for which the ultimate tax determination is uncertain. The Group recognises tax liabilities based on estimates of whether additional taxes will be due. Where the final tax outcome is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.



Notes to the Financial Statements

30 June 2011 (cont'd)

7. PROPERTY, PLANT AND EQUIPMENT

Group	Balance as at 1.7.2010 RM'000	Additions RM'000	Disposals RM'000	Written off RM'000	Depreciation charge for the year RM'000	Translations adjustments RM'000	Acquisition of a subsidiary (Note 9) RM'000	Balance as at 30.6.2011 RM'000
Carrying amount								
Freehold land	236	-	-	-	-	-	-	236
Long-term leasehold land	11,036	6,752	-	-	(146)	-	-	17,642
Buildings	24,263	8,262	-	-	(572)	-	-	31,953
Machinery, furniture and fittings	2,535	2,129	(1)	-	(427)	6	-	4,242
Office equipment	3,277	1,612	-	(10)	(1,149)	3	4	3,737
Renovations	280	22	-	-	(64)	-	-	238
Motor vehicles	5,186	3,054	(186)	-	(1,222)	20	-	6,852
Forklifts	2,170	118	-	-	(547)	-	-	1,741
Storage containers	697	67	(40)	-	(133)	-	-	591
Tug boats and barges	24,591	-	(773)	-	(1,564)	1,324	-	23,578
Prime movers and trailers	16,355	514	-	-	(1,884)	-	-	14,985
	90,626	22,530	(1,000)	(10)	(7,708)	1,353	4	105,795



Notes to the Financial Statements

30 June 2011 (cont'd)

7. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Group	At 30.6.2011		
	Cost RM'000	Accumulated depreciation RM'000	Carrying amount RM'000
Freehold land	236	-	236
Long-term leasehold land	18,416	(774)	17,642
Buildings	34,415	(2,462)	31,953
Machinery, furniture and fittings	6,057	(1,815)	4,242
Office equipment	9,194	(5,457)	3,737
Renovations	528	(290)	238
Motor vehicles	10,876	(4,024)	6,852
Forklifts	2,783	(1,042)	1,741
Storage containers	1,689	(1,098)	591
Tug boats and barges	30,675	(7,097)	23,578
Prime movers and trailers	19,268	(4,283)	14,985
	<u>134,137</u>	<u>(28,342)</u>	<u>105,795</u>



Notes to the Financial Statements

30 June 2011 (cont'd)

7. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Group	Balance as at 1.7.2009 RM'000 (Restated)	Additions RM'000	Disposals RM'000	Written off RM'000	Depreciation charge for the year adjustments RM'000	Translations RM'000	Reclassified to non-current asset classified as held for sale (Note 18) RM'000	Acquisition of a subsidiary RM'000	Balance as at 30.6.2010 RM'000
Carrying amount									
Freehold land	236	-	-	-	-	-	-	-	236
Long-term leasehold land	11,819	-	-	-	(139)	-	(644)	-	11,036
Buildings	29,161	-	-	-	(617)	-	(4,281)	-	24,263
Machinery, furniture and fittings	2,488	372	-	-	(349)	2	-	22	2,535
Office equipment	2,964	1,340	(2)	(19)	(1,026)	15	-	5	3,277
Renovations	292	-	-	-	(55)	5	-	38	280
Motor vehicles	3,030	3,311	(325)	-	(865)	35	-	-	5,186
Forklifts	1,074	1,383	-	-	(287)	-	-	-	2,170
Storage containers	1,212	172	(440)	-	(247)	-	-	-	697
Tug boats and barges	22,083	4,828	-	-	(1,410)	(910)	-	-	24,591
Prime movers and trailers	9,264	8,490	(26)	-	(1,373)	-	-	-	16,355
	83,623	19,896	(793)	(19)	(6,368)	(853)	(4,925)	65	90,626



Notes to the Financial Statements

30 June 2011 (cont'd)

7. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Group	At 30.6.2011		
	Cost RM'000	Accumulated depreciation RM'000	Carrying amount RM'000
Freehold land	236	-	236
Long-term leasehold land	11,664	(628)	11,036
Buildings	26,153	(1,890)	24,263
Machinery, furniture and fittings	3,920	(1,385)	2,535
Office equipment	7,674	(4,397)	3,277
Renovations	505	(225)	280
Motor vehicles	9,145	(3,959)	5,186
Forklifts	2,665	(495)	2,170
Storage containers	1,856	(1,159)	697
Tug boats and barges	30,757	(6,166)	24,591
Prime movers and trailers	18,754	(2,399)	16,355
	113,329	(22,703)	90,626

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

	Group	
	2011 RM'000	2010 RM'000
Purchase of property, plant and equipment	22,530	19,896
Financed by hire purchase and lease arrangements	(1,230)	(1,508)
Financed by term loans	-	(2,587)
Cash payments on purchase of property, plant and equipment	21,300	15,801

- (b) As at 30 June 2011, the net carrying amount of the Group's property, plant and equipment under hire purchase and lease arrangements are as follows:

	Group	
	2011 RM'000	2010 RM'000
Motor vehicles	3,052	2,742
Forklifts	324	711
Prime movers and trailers	7,905	9,022
	11,281	12,475

Details of the terms of the hire purchase and lease arrangements are disclosed in Notes 21 and 38 to the financial statements respectively.



Notes to the Financial Statements

30 June 2011 (cont'd)

7. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

- (c) Property, plant and equipment pledged as securities for banking facilities granted to the Group as disclosed in Notes 22 and 26 to the financial statements are as follows:

	Group	
	2011	2010
	RM'000	RM'000
Carrying amount		
Freehold land	236	236
Long-term leasehold land	10,904	11,036
Buildings	23,289	23,801
Barges	11,814	14,179
	<u>46,243</u>	<u>49,252</u>

8. INTERESTS IN SUBSIDIARIES

	Company	
	2011	2010
	RM'000	RM'000
Unquoted equity shares, at cost	37,526	37,679
Equity loan to a subsidiary	14,161	14,161
	<u>51,687</u>	<u>51,840</u>

Equity loan to a subsidiary is unsecured, interest-free and no repayment is stipulated.

The details of the subsidiaries are as follows:

Name of company	Country of incorporation	Interest in equity held by Company		Principal activities
		2011	2010	
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



Notes to the Financial Statements

30 June 2011 (cont'd)

8. INTERESTS IN SUBSIDIARIES (CONT'D)

The details of the subsidiaries are as follows: (cont'd)

Name of company	Country of incorporation	Interest in equity held by Company		Principal activities
		2011	2010	
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
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
Symphony Express Sdn. Bhd.	Malaysia	80%	-	Provision of freight services
Exterian Enterprise Sdn. Bhd.	Malaysia	100%	-	Provision of parcel services
#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%	Investment holding
+Icon Freight International Inc.	British Virgin Islands	100%	100%	Provision of management services
Subsidiaries of Icon Line (Malaysia) Sdn. Bhd.				
+*PT Icon Freight Indonesia	Indonesia	49%	49%	Provision of freight services
+Icon Freight Services Pty. Ltd.	Australia	55%	55%	Provision of integrated freight and logistic services
+*Icon Freight Services Co. Ltd.	Thailand	49%	49%	Provision of freight services
*Icon Freight Services Co., Ltd.	Vietnam	51%	-	Provision of freight services

^ Deemed subsidiary by virtue of control in the company where the control of the entity is by virtue of management control.

+ Subsidiaries are consolidated based on unaudited management financial statements for the financial year ended 30 June 2011. The financial statements of these subsidiaries are not required to be audited in its country of incorporation for current year.

* Subsidiary audited by BDO Member Firm.

Subsidiaries not audited by BDO Member Firms.



Notes to the Financial Statements

30 June 2011 (cont'd)

8. INTERESTS IN SUBSIDIARIES (CONT'D)

Financial year ended 30 June 2010

- (a) In the previous financial year, the Company had additionally subscribed for 1,750,000 newly issued ordinary shares of a wholly-owned subsidiary, Citra Multimodal Services Sdn. Bhd. ("CMS"), for a total cash consideration of RM1,750,000. There was no impact to the financial statements of the Group as the Company remained as holding company of CMS.
- (b) In the previous financial year, the Company's subsidiary, Icon Line (Malaysia) Sdn. Bhd. ("ILSB") had subscribed for 24,500 shares of THB100 each at par for a total cash consideration of THB2,450,000 or equivalent to RM255,000 in the capital of Icon Freight Services Co. Ltd. ("IFSC"), a company incorporated in Thailand, representing 49% of the issued and paid-up capital of IFSC. IFSC is deemed subsidiary of the Company by virtue of control where the control of the entity is by virtue of management control. IFSC is principally engaged in the provision of freight services.

Financial year ended 30 June 2011

- (c) On 1 July 2010, the Company announced that its wholly-owned subsidiary, Icon Line (Malaysia) Sdn. Bhd. ("ILSB") had made a capital contribution of VND255,000,000 in cash to the capital of Icon Freight Services Co., Ltd ("IFSC"), a joint venture company in Ho Chi Minh City, Vietnam, representing 51% of the issued and paid up share capital of IFSC. Upon completion of the capital contribution, IFSC become a 51% owned subsidiary of ILSB.
- (d) On 1 July 2010, the Company subscribed for additional 7,999 ordinary shares of RM1 each at par, representing 80% of the enlarged issued and paid-up share capital of Symphony Express Sdn. Bhd. ("SESB") for a total cash consideration of RM7,999. Upon completion of the subscription, SESB become a subsidiary of the Company.
- (e) On 25 August 2010, the Company had been allotted 960,000 ordinary shares of RM1.00 each in a wholly-owned subsidiary, Icon Line Sdn. Bhd. ("ILSB") by way of capitalising part of the amount owing by ILSB. The 960,000 ordinary shares shall be treated as fully paid in the capital of the ILSB and rank pari passu in all respects with existing issued ordinary shares in the capital of the ILSB.

9. ACQUISITION OF A SUBSIDIARY

Financial year ended 30 June 2011

On 15 November 2010, the Company acquired 100% of the total issued and paid-up share capital of Exterian Enterprise Sdn. Bhd., a company incorporated in Malaysia which is engaged in the business of parcel delivery services for a cash consideration of RM250,000.

The acquired subsidiary has contributed the following results to the Group during the financial year:

	2011 RM'000
Revenue	1,482
Profit for the financial year	10



Notes to the Financial Statements

30 June 2011 (cont'd)

9. ACQUISITION OF A SUBSIDIARY (CONT'D)

Financial year ended 30 June 2011 (cont'd)

The summary of effects on acquisition of the subsidiary on date of acquisition is as follows:

	Fair value recognised on acquisition RM'000	Acquiree's carrying amount RM'000
Property, plant and equipment	4	4
Receivables	267	267
Cash and bank balances	31	31
Payables	(231)	(231)
Net identifiable assets and liabilities	71	71
Goodwill on acquisition	179	
Total cost of acquisition	250	

The cash outflow on acquisition is as follows:

	2011 RM'000
Purchase consideration settled in cash	250
Cash and cash equivalents of subsidiary acquired	(31)
Net cash outflow of Group on acquisition	219

If the acquisition of this subsidiary taken place at the beginning of the year, the Group's revenue would have been RM297,064,000 and the profit for the financial year would have been RM19,822,000.

Financial year ended 30 June 2010

On 2 July 2009, the wholly-owned subsidiary of the Company, Icon Line (Malaysia) Sdn. Bhd. has acquired 49% of the total issued and paid-up share capital of Icon Freight Services Co. Ltd., a company incorporated in Thailand which is engaged in the provision of freight services for a cash consideration of THB2,450,000 or equivalent to RM255,000. The Company regards Icon Freight Services Co. Ltd. as a deemed subsidiary by virtue of control where the control of the entity is by virtue of management control.

The acquired subsidiary has contributed the following results to the Group during the financial year:

	2010 RM'000
Revenue	6,309
Loss for the financial year	(69)



Notes to the Financial Statements

30 June 2011 (cont'd)

9. ACQUISITION OF A SUBSIDIARY (CONT'D)

Financial year ended 30 June 2010 (cont'd)

The summary of effects on acquisition of the subsidiary on date of acquisition is as follows:

	Fair value recognised on acquisition RM'000	Acquiree's carrying amount RM'000
Property, plant and equipment	65	65
Receivables	922	922
Cash and bank balances	329	329
Payables	(843)	(843)
Net identifiable assets and liabilities	473	473
Less: Non-controlling interests	(241)	
Group's share of net assets	232	
Goodwill on acquisition	23	
Total cost of acquisition	255	

The cash outflow on acquisition is as follows:

	2010 RM'000
Purchase consideration settled in cash	255
Cash and cash equivalents of subsidiary acquired	(329)
Net cash inflow of Group on acquisition	(74)

10. INVESTMENT IN AN ASSOCIATE

	2011 RM'000	Group 2010 RM'000
Unquoted equity shares, at cost	49	49
Share of post acquisition reserves	141	131
	190	180



Notes to the Financial Statements

30 June 2011 (cont'd)

10. INVESTMENT IN AN ASSOCIATE (CONT'D)

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

Name of company	Interest in equity held by Group		Principal activity
	2011	2010	
FM Distribution Sdn. Bhd.	49%	49%	Provision of warehouse services

The summarised financial information of the associate is as follows:

	2011 RM'000	2010 RM'000
Assets and liabilities		
Non-current asset	1	2
Current assets	272	381
Total assets	273	383
Current liabilities	24	155
Total liabilities	24	155
Results		
Revenue	621	1,132
Profit for the financial year	21	69

11. OTHER INVESTMENT

	Group RM'000
Carrying amount	
2011	
Non-current	
Available-for-sale financial assets	
- Unquoted shares in Malaysia	3
2010	
Non-current	
At cost	
- Unquoted shares in Malaysia	3

The comparative figure has not been presented based on the new categorisation of financial assets resulting from the adoption of FRS 139 by virtue of the exemption given in FRS 7.44AA.



Notes to the Financial Statements

30 June 2011 (cont'd)

12. GOODWILL ON CONSOLIDATION

Group	Balance as at 1.7.2010 RM'000	Acquisition of a subsidiary (Note 9) RM'000	Impairment loss for the financial year RM'000	Balance as at 30.6.2011 RM'000
Goodwill on consolidation	1,674	179	(179)	1,674

Group	At 30.6.2011		
	Cost RM'000	Accumulated impairment RM'000	Carrying amount RM'000
Goodwill on consolidation	1,876	(202)	1,674

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:

- Pre-tax cash flow projections based on the most recent financial budgets covering a five (5) years period.
- Pre-tax discount rate of 9.88% was applied in determining the recoverable amount of the CGU. The discount rate was estimated based on the Group's weighted average cost of debts.
- The anticipated annual revenue growth rate used in the cash flow budgets and plans is 5%.

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.

Based on the sensitivity analysis performed by management, a 1% increase in the discount rate used and a 1% decrease in revenue growth rate would result in a trivial difference in the impairment test outcome.

13. TRADE RECEIVABLES

	Group	
	2011 RM'000	2010 RM'000
Third parties	57,236	50,688
Less: Impairment loss	(1,208)	(1,414)
	56,028	49,274

- Trade receivables are non-interest bearing and the normal credit terms granted by the Group range from 7 to 60 days from date of invoices. They are recognised at their original invoice amounts which represent their fair values on initial recognition.
- Included in trade receivables is an amount of RM1,479,000 (2010: RM2,070,000) owing by a company in which a Director of the Company is the common director.



Notes to the Financial Statements

30 June 2011 (cont'd)

13. TRADE RECEIVABLES (CONT'D)

(c) The currency exposure profile of trade receivables are as follows:

	2011	Group 2010
	RM'000	RM'000
Ringgit Malaysia	42,920	37,722
US Dollar	5,718	4,509
Singapore Dollar	2,608	4,381
Australian Dollar	2,832	1,487
Thai Baht	1,349	764
Indonesian Rupiah	533	411
Others	68	-
	<u>56,028</u>	<u>49,274</u>

(d) The ageing analysis of trade receivables of the Group are as follows:

	2011	Group 2010
	RM'000	RM'000
Neither past due nor impaired	43,613	39,057
Past due, not impaired		
1 to 30 days past due	7,418	5,801
31 to 60 days past due	3,063	2,523
61 to 90 days past due	869	864
91 to 120 days past due	548	662
More than 120 days	517	367
	<u>12,415</u>	<u>10,217</u>
Past due and impaired	<u>1,208</u>	<u>1,414</u>
	<u>57,236</u>	<u>50,688</u>

Receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group. None of the trade receivables of the Group that are neither past due nor impaired have been renegotiated during the financial year.

Receivables that are past due but not impaired

Trade receivables that are past due but not impaired mainly arose from active corporate clients with healthy business relationship, in which the management is of the view that the amounts are recoverable based on past payment history. The trade receivables that are past due but not impaired are unsecured in nature.



Notes to the Financial Statements

30 June 2011 (cont'd)

13. TRADE RECEIVABLES (CONT'D)

(d) The ageing analysis of trade receivables of the Group are as follows: (cont'd)

Receivables that are past due and impaired

Trade receivables of the Group that are past due and impaired at the end of the reporting period are as follows:

	Group	
	Individually impaired	
	2011	2010
	RM'000	RM'000
Trade receivables, gross	1,208	1,414
Less: Impairment loss	(1,208)	(1,414)
	-	-

Trade receivables that are individually determined to be impaired at the end of the reporting period relate to those debtors that exhibit significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

(e) The reconciliation of movement in the impairment loss of trade receivables is as follows:

	Group	
	2011	2010
	RM'000	RM'000
At 1 July	1,414	959
Charge for the financial year	803	1,128
Written off	(164)	(183)
Reversal of impairment loss	(919)	(458)
Exchange differences	74	(32)
At 30 June	1,208	1,414

(f) Information on financial risk of trade receivables is disclosed in Note 38 to the financial statements.

14. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Group		Company	
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
Other receivables	1,658	665	-	208
Deposits	1,055	633	1	1
Prepayments	6,036	2,365	29	19
	8,749	3,663	30	228



Notes to the Financial Statements

30 June 2011 (cont'd)

14. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS (CONT'D)

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

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Ringgit Malaysia	8,271	3,057	30	228
Indonesian Rupiah	185	258	-	-
Australian Dollar	38	182	-	-
Thai Baht	103	96	-	-
Singapore Dollar	143	70	-	-
Vietnamese Dong	9	-	-	-
	<u>8,749</u>	<u>3,663</u>	<u>30</u>	<u>228</u>

15. AMOUNTS OWING BY/(TO) SUBSIDIARIES

Company

The amounts owing by/(to) subsidiaries represent advances and payments made on behalf which are unsecured, interest-free and repayable on demand in cash and cash equivalents.

16. AMOUNT OWING BY/(TO) AN ASSOCIATE

Group

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

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

17. CASH AND CASH EQUIVALENTS

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Cash and bank balances	18,328	14,286	4,091	2,493
Fixed deposits with licensed banks	3,845	4,368	-	-
Short term deposit-Repo	<u>5,000</u>	<u>3,000</u>	<u>5,000</u>	<u>3,000</u>
	<u>27,173</u>	<u>21,654</u>	<u>9,091</u>	<u>5,493</u>



Notes to the Financial Statements

30 June 2011 (cont'd)

17. CASH AND CASH EQUIVALENTS (CONT'D)

- (a) The fixed deposits of the Group as at 30 June 2011 have maturity period of 14 days to 12 months (2010: 14 days to 12 months).
- (b) Included in the fixed deposits with licensed banks of the Group is an amount of RM3,473,000 (2010: RM3,380,000) which has been pledged to licensed banks as securities for banking facilities granted to the Group as disclosed in Notes 22, 26 and 27 to the financial statements.
- (c) Information on financial risks of cash and cash equivalents is disclosed in Note 38 to the financial statements.
- (d) The currency exposure profile of cash and cash equivalents are as follows:

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Ringgit Malaysia	20,356	16,796	9,091	5,493
Singapore Dollar	2,564	2,153	-	-
US Dollar	3,132	1,792	-	-
Indonesian Rupiah	334	801	-	-
Thai Baht	126	62	-	-
Australian Dollar	590	50	-	-
Vietnamese Dong	61	-	-	-
Euro	10	-	-	-
	<u>27,173</u>	<u>21,654</u>	<u>9,091</u>	<u>5,493</u>

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

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Cash and bank balances	18,328	14,286	4,091	2,493
Fixed deposits with licensed banks	3,845	4,368	-	-
Short term deposit - Repo	<u>5,000</u>	<u>3,000</u>	<u>5,000</u>	<u>3,000</u>
	27,173	21,654	9,091	5,493
Less: Bank overdrafts - secured (Note 26)	(3,001)	(2,979)	-	-
Less: Fixed deposits pledged to licensed banks	<u>(3,473)</u>	<u>(3,380)</u>	<u>-</u>	<u>-</u>
	<u>20,699</u>	<u>15,295</u>	<u>9,091</u>	<u>5,493</u>



Notes to the Financial Statements

30 June 2011 (cont'd)

18. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

In the previous financial year, certain assets of the Group were presented as non-current assets classified as held for sale following the Group's commitment to sell the assets. The disposal of property had been completed on 28 October 2010 at a consideration of RM5.1 million.

As at 30 June 2010, the amounts of the non-current assets classified as held for sale were as follows:

	Group	
	2011	2010
	RM'000	RM'000
Long-term leasehold land	-	644
Building	-	4,281
	-	4,925

19. SHARE CAPITAL

	Group and Company			
	2011		2010	
	Number of shares '000	RM'000	Number of shares '000	RM'000
Ordinary shares of RM0.50 each:				
Authorised	200,000	100,000	200,000	100,000
Issued and fully paid	121,714	60,857	121,714	60,857

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

20. RESERVES

	Group		Company	
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
Non distributable:				
Exchange translation reserve	747	64	-	-
Distributable:				
Retained earnings	49,550	34,402	33,630	6,825
	50,297	34,466	33,630	6,825



Notes to the Financial Statements

30 June 2011 (cont'd)

20. RESERVES (CONT'D)

(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 amounting to approximately RM3,690,000 (2010: RM6,825,000) out of its retained earnings as at 30 June 2011. Upon full utilisation of tax credits under Section 108 of the Income Tax Act, 1967, the Company could move to single tier system.

21. HIRE PURCHASE AND LEASE CREDITORS

	2011 RM'000	Group 2010 RM'000
Minimum hire purchase and lease payments:		
- not later than one (1) year	3,595	3,833
- later than one (1) year and not later than five (5) years	4,117	6,632
	7,712	10,465
Less: Future interest charges	(545)	(898)
Present value of hire purchase and lease payments	7,167	9,567
Repayable as follows:		
Current liabilities:		
- not later than one (1) year	3,260	3,353
Non-current liabilities:		
- later than one (1) year and not later than five (5) years	3,907	6,214
	7,167	9,567

Information of financial risks of hire purchase and lease creditors is disclosed in Note 38 to the financial statements.



Notes to the Financial Statements

30 June 2011 (cont'd)

22. TERM LOANS

	Group	
	2011 RM'000	2010 RM'000
Secured		
Term loan I	1,298	2,100
Term loan II	-	444
Term loan III	987	1,434
Term loan IV	6,069	6,606
Term loan V	405	897
Term loan VI	467	1,034
Term loan VII	1,989	2,533
	<u>11,215</u>	<u>15,048</u>

	Group	
	2011 RM'000	2010 RM'000
Unsecured		
Term loan VIII	2,562	-
Term loan IX	2,344	2,874
Term loan X	2,350	2,964
Term loan XI	2,402	-
Term loan XII	2,090	-
Term loan XIII	2,094	-
	<u>13,842</u>	<u>5,838</u>
Total term loans	<u>25,057</u>	<u>20,886</u>

Term loans are repayable as follows:

Current liabilities:

- not later than one (1) year	6,658	5,194
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Non-current liabilities:

- later than one (1) year and not later than two (2) years	6,014	4,516
- later than two (2) years and not later than five (5) years	9,250	7,548
- later than five (5) years	3,135	3,628
	<u>18,399</u>	<u>15,692</u>
	<u>25,057</u>	<u>20,886</u>

- (a) Term loan I is repayable by 48 monthly instalments of SGD31,500 which is equivalent to RM76,388 (2010: RM72,419). Term loan I bears interests at 1.50% (2010: 1.50%) per annum above bank's prime rate.

The term loan I is secured by way of mortgage over a barge as disclosed in Note 7 to the financial statements and accompanying deed of covenants and is guaranteed by one of the directors of a subsidiary.



Notes to the Financial Statements

30 June 2011 (cont'd)

22. TERM LOANS (CONT'D)

- (b) Term loan II had been fully settled during the current financial year.
- (c) Term loan III and IV are repayable by 180 monthly instalments of RM41,400 and RM66,200 respectively and bear interest at 1.00% (2010: 1.00%) per annum above the effective cost of fund of the bank.

The term loans III and IV are secured by way of a charge over long term leasehold land of a subsidiary as disclosed in Note 7 to the financial statements and are guaranteed by the Company.

- (d) Term loan V and VI are repayable by 48 monthly instalments of SGD18,520 and SGD21,365 which are equivalent to RM44,911 (2010: RM42,577) and RM51,180 (2010: RM49,118) respectively. Term loan V and VI bear interest at 2.50% (2010: 2.50%) per annum over the bank's prevailing swap offer rate.

The term loans V and VI are secured by way of mortgage over barge and are guaranteed by the Company via a deed of guarantee SGD2,106,000 by the Company, which is equivalent to RM5,106,929 (2010: RM4,842,000) as disclosed in Note 7 to the financial statements.

- (e) Term loan VII is repayable by 48 monthly instalment of SGD23,440 which is equivalent to RM56,842 (2010: RM53,889) and bears interest at 1.50% (2010: 1.50%) per annum over the bank's prevailing prime rate.

The term loan VII is secured by way of a first mortgage over the barge as disclosed in Note 7 to the financial statements and is guaranteed by one of the directors of a subsidiary.

- (f) Term loan VIII is repayable by 60 monthly instalments of RM50,000 and bears interest rate at 1.50% per annum above the effective cost of fund of the bank.

The term loan VIII is guaranteed by the Company.

- (g) Term loan IX and X are repayable by 60 monthly instalments of RM58,488 and RM50,000 respectively and bear interest at a flat rate of 6.35% and 5.80% per annum respectively.

The term loan IX and X are guaranteed by the Company.

- (h) Term loan XI is repayable by 60 monthly instalments of RM40,000 and bears interest at a flat rate of 5.93% per annum.

The term loan XI is guaranteed by the Company.

- (i) Term loan XII is repayable by 60 monthly instalments of RM47,534 and bears interest at a flat rate of 5.31% per annum.

The term loan XII is guaranteed by the Company.

- (j) Term loan XIII is repayable by 60 monthly instalments of RM48,100 and bears interest at a flat rate of 5.80% per annum.

The term loan XIII is guaranteed by the Company.

- (k) Information on financial risks of term loans and their remaining maturity is disclosed in Note 38 to the financial statements.



Notes to the Financial Statements

30 June 2011 (cont'd)

22. TERM LOANS (CONT'D)

- (i) The currency exposure profile of term loans are as follows:

	Group	
	2011 RM'000	2010 RM'000
Ringgit Malaysia	20,897	13,878
Singapore Dollar	4,160	7,008
	<u>25,057</u>	<u>20,886</u>

23. DEFERRED TAX

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

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Balance as at 1 July	4,956	3,473	-	-
Acquisition of a subsidiary	3	-	-	-
Recognised in profit or loss (Note 30)				
- originating and reversal of temporary differences	1,535	1,529	-	-
- over provision in prior years	(870)	(41)	-	-
Recognised in other comprehensive income				
- foreign currency translation	-	(5)	-	-
Balance as at 30 June	<u>5,624</u>	<u>4,956</u>	<u>-</u>	<u>-</u>
Presented after appropriate offsetting:				
Deferred tax assets, net	<u>(4)</u>	<u>(33)</u>	<u>-</u>	<u>-</u>
Deferred tax liabilities, net	<u>5,628</u>	<u>4,989</u>	<u>-</u>	<u>-</u>



Notes to the Financial Statements

30 June 2011 (cont'd)

23. DEFERRED TAX (CONT'D)

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

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Deferred tax assets				
Balance as at 1 July	204	313	-	-
Recognised in profit or loss				
- Unused tax losses	(44)	(143)	-	-
- Unabsorbed capital allowances	(122)	1	-	-
- Others	(29)	33	-	-
Balance as at 30 June	9	204	-	-
Deferred tax liabilities				
Balance as at 1 July	5,160	3,786	-	-
Acquisition of a subsidiary	3	-	-	-
Recognised in profit or loss				
- Property, plant and equipment	451	1,382	-	-
- Unrealised loss on foreign currency transactions	19	(8)	-	-
Balance as at 30 June	5,633	5,160	-	-



Notes to the Financial Statements

30 June 2011 (cont'd)

23. DEFERRED TAX (CONT'D)

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

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Deferred tax assets				
Unused tax losses	-	44	-	-
Unabsorbed capital allowances	5	127	-	-
Others	4	33	-	-
	<u>9</u>	<u>204</u>	<u>-</u>	<u>-</u>
Deferred tax liabilities				
Property, plant and equipment	5,614	5,160	-	-
Unrealised loss on foreign currency transactions	19	-	-	-
	<u>5,633</u>	<u>5,160</u>	<u>-</u>	<u>-</u>

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

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Unused tax losses	78	351	-	-
Unabsorbed capital allowances	7	252	-	-
Others	9	-	-	-
	<u>94</u>	<u>603</u>	<u>-</u>	<u>-</u>

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

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



Notes to the Financial Statements

30 June 2011 (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 invoices.
- (b) Information on financial risk of trade payables is disclosed in Note 38 to the financial statements.
- (c) Included in trade payables is an amount of RM34,000 (2010: RM13,000) owing to companies in which certain Directors of the subsidiaries are the common directors.
- (d) The currency exposure profile of trade payables are as follows:

	Group	
	2011 RM'000	2010 RM'000
Ringgit Malaysia	15,280	11,373
US Dollar	2,969	3,103
Australian Dollar	2,542	1,151
Singapore Dollar	1,424	666
Thai Baht	739	429
Indonesian Rupiah	232	343
Euro	164	105
British Pound	92	31
Japanese Yen	4	14
Hong Kong Dollar	12	13
Vietnamese Dong	28	-
Others	38	78
	<u>23,524</u>	<u>17,306</u>

25. OTHER PAYABLES AND ACCRUALS

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Other payables	3,228	2,833	-	-
Accruals	<u>6,631</u>	<u>7,108</u>	<u>430</u>	<u>410</u>
	<u>9,859</u>	<u>9,941</u>	<u>430</u>	<u>410</u>

- (a) Included in other payables is an amount of RM Nil (2010: RM227,000) owing to companies in which certain Directors of the subsidiaries are the common directors.



Notes to the Financial Statements

30 June 2011 (cont'd)

25. OTHER PAYABLES AND ACCRUALS (CONT'D)

(b) The currency exposure profile of other payables and accruals are as follows:

	Group		Company	
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
Ringgit Malaysia	8,359	8,821	430	410
Australian Dollar	427	437	-	-
Singapore Dollar	312	413	-	-
Indonesian Rupiah	199	191	-	-
Thai Baht	160	79	-	-
Vietnamese Dong	31	-	-	-
US Dollar	371	-	-	-
	<u>9,859</u>	<u>9,941</u>	<u>430</u>	<u>410</u>

26. 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
- (c) fixed and floating charge over the assets of a subsidiary.

The bank overdrafts of the Group are also guaranteed by one of the Directors of a subsidiary and the Company.

Information on financial risk of bank overdrafts - secured is disclosed in Note 38 to the financial statements.

27. SHORT TERM BANK LOAN - SECURED

The short term bank loan of the Group is guaranteed by the Company.

Information on financial risk of short term loan - secured is disclosed in Note 38 to the financial statements.

28. REVENUE

	Group		Company	
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
Services rendered	295,488	265,501	-	-
Dividend income	-	-	34,638	11,680
Management fees	-	-	2,510	1,940
	<u>295,488</u>	<u>265,501</u>	<u>37,148</u>	<u>13,620</u>



Notes to the Financial Statements

30 June 2011 (cont'd)

29. PROFIT BEFORE TAX

	Note	Group		Company	
		2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Profit before tax is arrived at after charging:					
Auditors' remuneration:					
- statutory					
- current year		188	162	43	42
- over provision in prior year		-	(22)	-	-
- non-statutory		47	42	47	42
Bad debts written off		103	59	-	-
Depreciation of property, plant and equipment	7	7,708	6,368	-	-
Directors' remuneration:					
Fees:					
- payable by the Company		300	300	300	300
- payable by the subsidiaries		156	145	-	-
Other emoluments:					
- paid by the Company		35	31	35	31
- paid by the subsidiaries		5,486	6,397	-	-
Impairment losses on:					
- goodwill	12	179	23	-	-
- trade receivables	13	803	1,128	-	-
Interest expense on:					
- bank overdrafts		90	82	-	-
- hire purchase and lease		535	692	-	-
- term loans		1,277	667	-	-
- bankers' acceptances		8	13	-	-
- revolving credit		9	10	-	-
Property, plant and equipment written off	7	10	19	-	-
Realised loss on foreign currency transaction		56	-	-	-
Rental of hostel		46	12	-	-
Rental of office equipment		85	100	-	-
Rental of premises		812	746	-	-
Unrealised loss on foreign currency transaction		41	-	-	-



Notes to the Financial Statements

30 June 2011 (cont'd)

29. PROFIT BEFORE TAX (CONT'D)

	Note	Group		Company	
		2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
And crediting:					
Bad debts recovered		15	2	-	-
Gross dividend from subsidiaries		-	-	34,638	11,680
Gain on disposal of property, plant and equipment		2,046	147	-	-
Interest income received from:					
- fixed deposits and repo		322	217	182	86
- current and savings accounts		17	9	2	2
- subsidiaries		-	-	39	-
Management fees received from subsidiaries		-	-	2,510	1,940
Realised gain on foreign currency transactions		-	385	-	2
Rental income		419	558	-	-
Reversal of impairment loss on trade receivables	13	919	458	-	-



Notes to the Financial Statements

30 June 2011 (cont'd)

30. TAX EXPENSE

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Current tax expense based on profit for the financial year	4,161	3,328	2,809	2,155
Deferred tax (Note 23)	1,535	1,529	-	-
	5,696	4,857	2,809	2,155
Over provision in prior years:				
- income tax	(585)	(92)	(544)	-
- deferred tax (Note 23)	(870)	(41)	-	-
	(1,455)	(133)	(544)	-
	4,241	4,724	2,265	2,155

Malaysian income tax is calculated at the statutory tax rate of 25% (2010: 25%) of the estimated taxable profit for the fiscal year.

Tax expenses 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:

	Group		Company	
	2011 %	2010 %	2011 %	2010 %
Tax at Malaysian statutory tax rate	25.00	25.00	25.00	25.00
Tax effects in respect of:				
Non-allowable expenses	5.42	2.84	0.28	1.00
Non-taxable income	(0.41)	(1.01)	(16.93)	(7.51)
Deferred asset not recognised	0.05	1.17	-	2.68
Lower tax rate in foreign jurisdiction	(0.88)	(0.60)	-	-
Utilisation of previously unrecognised tax losses and unutilised capital allowances	(0.58)	(0.04)	-	-
Investment tax incentive	(3.87)	(3.04)	-	-
Tax exempt income	(1.00)	(2.05)	-	-
	23.73	22.27	8.35	21.17
Over provision in prior years:				
- income tax	(2.44)	(0.42)	(1.62)	-
- deferred tax	(3.62)	(0.19)	-	-
Average effective tax rate	17.67	21.66	6.73	21.17



Notes to the Financial Statements

30 June 2011 (cont'd)

30. TAX EXPENSE (CONT'D)

Tax savings of the Group and of the Company are as follows:

	Group		Company	
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
Arising from utilisation of previously unrecognised tax losses and capital allowances	139	9	-	-

31. DIVIDENDS

	Group and Company			
	2011		2010	
	Gross dividend per share sen	Amount of dividend net of tax RM'000	Gross dividend per share sen	Amount of dividend net of tax RM'000
Final dividend, less tax of 25% in respect of the financial year ended 30 June 2010/2009	2.5	2,282	2.5	2,282
Interim dividend, less tax of 25% in respect of the financial year ended 30 June 2011/2010	2.5	2,282	2.5	2,282
	5.0	4,564	5.0	4,564

A final dividend in respect of the year ended 30 June 2011 of 2.5 sen per ordinary share, less tax of 25%, amounting to RM2,282,000 has been proposed by the Directors after the reporting period 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 2012.



Notes to the Financial Statements

30 June 2011 (cont'd)

32. EARNINGS PER ORDINARY SHARE

Basic

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

	2011 '000	Group 2010 '000
Profit attributable to equity holders of the parent (RM)	19,712	16,438
Weighted average number of ordinary shares in issue (unit)	121,714	121,714
Basic earnings per ordinary share (sen)	16.20	13.51

Diluted

The Company has no dilutive potential ordinary share as at end of the reporting period and therefore the diluted earnings per ordinary share has not been presented.

33. RELATED PARTY DISCLOSURES

(a) Identities of related parties

Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other parties.

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

The relationships and identities between the Group and its other related parties are as follows:

Related parties	Relationships
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



Notes to the Financial Statements

30 June 2011 (cont'd)

33. RELATED PARTY DISCLOSURES (CONT'D)

(a) Identities of related parties (cont'd)

The relationships and identities between the Group and its other related parties are as follows: (cont'd)

Related parties	Relationships
Poo Hua Pte. Ltd.	Related by a common director of a subsidiary, namely Tay Nguang Yeow Andrew
FM Distribution Sdn. Bhd.	An associate of Freight Management (M) Sdn. Bhd.
Triways Logistics (Thailand) Co. Ltd.	Related by a common director of a subsidiary, namely Lim Kok Wee

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

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Freight charges received/ receivable from:				
- Tuck Sun & Co (M) Sdn. Bhd.	-	1	-	-
- TS Freight Services Sdn. Bhd.	-	25	-	-
- Triways Logistics (Thailand) Co. Ltd.	-	514	-	-
- Poo Hua Pte. Ltd.	7,172	10,181	-	-
Freight charges paid/payable to:				
- FM Forwarding Sdn. Bhd.	3,039	2,249	-	-
- Tuck Sun & Co (M) Sdn. Bhd.	-	9	-	-
- Advance Logistics Sdn. Bhd.	4,136	3,569	-	-
- TS Freight Services Sdn. Bhd.	-	2	-	-
- Triways Logistics (Thailand) Co. Ltd.	-	106	-	-
Rental income received/ receivable from:				
- FM Distribution Sdn. Bhd.	366	540	-	-



Notes to the Financial Statements

30 June 2011 (cont'd)

33. RELATED PARTY DISCLOSURES (CONT'D)

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

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Warehouse services received/ receivable from:				
- FM Distribution Sdn. Bhd.	18	212	-	-
Administrative expenses paid/ payable to:				
- Freight Management (M) Sdn. Bhd.	-	-	2,400	2,388
- Poo Hua Pte. Ltd.	25	42	-	-
Gross dividend received from subsidiaries	-	-	34,638	11,680
Interests received from subsidiaries	-	-	39	-
Management fees received from subsidiaries	-	-	2,510	1,940

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

- (c) Compensation of key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity, directly and indirectly, including any director (whether executive or otherwise) of the Group.

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

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Short term employee benefits	4,812	5,595	35	31
Contributions to defined contribution plans	709	833	-	-
	5,521	6,428	35	31



Notes to the Financial Statements

30 June 2011 (cont'd)

34. COMMITMENTS

(a) Operating lease commitments

(i) The Group as lessee

The Group had entered into non-cancellable lease agreements resulting in future rental commitments which can, subject to certain terms in the agreements, be revised annually based on prevailing market rates.

The lease terms do not contain restrictions on the Group's activities concerning dividends or additional debt. The Group has aggregate future minimum lease commitment as at the end of the reporting period as follows:

	Group	
	2011 RM'000	2010 RM'000
Not later than one (1) year	2,589	1,526
Later than one (1) year and not later than five (5) years	2,568	2,168
	<u>5,157</u>	<u>3,694</u>

(ii) The Group as lessor

The Group has entered into non-cancellable lease arrangements on certain properties for terms of between one (1) to five (5) and renewable at the end of the lease period.

The Group has aggregate future minimum lease receivables as at the end of the reporting period as follows:

	Group	
	2011 RM'000	2010 RM'000
Not later than one (1) year	172	-
Later than one (1) year and not later than five (5) years	-	-
	<u>172</u>	<u>-</u>

(b) Capital commitments

	Group	
	2011 RM'000	2010 RM'000
Capital expenditure in respect of purchase of property, plant and equipment:		
- contracted but not provided for	<u>5,070</u>	<u>1,085</u>

Notes to the Financial Statements

30 June 2011 (cont'd)

35. CONTINGENT LIABILITIES - UNSECURED

	Company	
	2011	2010
	RM'000	RM'000
Corporate guarantee given to financial institutions for credit facilities granted to subsidiaries, limit up to RM66,955,663 (2010: RM64,748,600)	33,806	29,061
Corporate guarantee given to financial institutions for hire purchase and lease facilities granted to subsidiaries, limit up to RM812,590 (2010: RM1,553,400)	25	508

The Directors are of the view that the chances of the financial institutions to call upon the corporate guarantees are remote. Accordingly, the Directors are of the view that the fair value of the above unsecured corporate guarantees for banking facilities of subsidiaries is negligible.

36. OPERATING SEGMENTS

The Company and its subsidiaries are principally engaged in the freight and forwarding industry. The Group has arrived at six (6) reportable segments that are organised and managed separately according to the nature of services which is either logistics or marine, which requires different business and marketing strategies.

The reportable segments are Malaysia, Australia, Indonesia, Thailand, Vietnam and Singapore which involved in two separate natures of services summarised as below:

(a) Logistics

There are five (5) reportable segments involved in provision of integrated freight and logistics services such as sea freight, air freight, rail freight, warehouse and distribution, haulage and other freight services, which are operated by companies in Malaysia, Australia, Indonesia, Thailand and Vietnam.

(b) Marine

There is one (1) reportable segment engaged as charterers and operators of barges and tugboats, which is operated by companies in Singapore.

Other operating segments that do not constitute reportable segments comprise operations related to investment holdings and provision of management services, provision of IT application solutions and support services.

The accounting policies of operating segments are the same as those described in the summary of significant accounting policies.

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

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

Segment results, assets and liabilities include items directly attributable to a segment. Segment capital expenditure is the total costs incurred during the period to acquire segment assets that are expected to be used for more than one year.



Notes to the Financial Statements

30 June 2011 (cont'd)

36. OPERATING SEGMENTS (CONT'D)

	<div> <div>Logistics</div> <div> <div>Marine</div> <div>Other operating segment</div> </div> </div>							Total
	Malaysia RM'000	Australia RM'000	Indonesia RM'000	Thailand RM'000	Vietnam RM'000	Singapore RM'000	RM'000	RM'000
2011								
Revenue								
Total revenue	231,198	25,294	13,506	7,894	1,044	20,408	4,444	303,788
Inter-segment revenue	(2,974)	(27)	(487)	(352)	(16)	-	(4,444)	(8,300)
Revenue from external customers	228,224	25,267	13,019	7,542	1,028	20,408	-	295,488
Finance costs	(1,596)	(30)	(10)	-	(1)	(282)	-	(1,919)
Share of profit in an associate	10	-	-	-	-	-	-	10
Segment profit/(loss) before income tax	23,720	948	2,237	451	7	1,023	(4,205)	24,181
Investment in an associate	190	-	-	-	-	-	-	190
Additions to non-current assets other than financial instruments and deferred tax assets	21,960	201	88	51	117	63	50	22,530
Segment assets	147,363	5,026	2,979	1,770	229	29,864	12,381	199,612
Segment liabilities	58,305	3,481	757	805	66	6,804	3,184	73,402

Notes to the Financial Statements

30 June 2011 (cont'd)

36. OPERATING SEGMENTS (CONT'D)

	Logistics					Marine		Other operating segment	Total
	Malaysia	Australia	Indonesia	Thailand	Vietnam	Singapore			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
2011									
Other material non-cash items									
Bad debt recovered	(15)	-	-	-	-	-	-	-	(15)
Bad debts written off	25	8	5	65	-	-	-	-	103
Depreciation of property, plant and equipments	5,657	100	113	43	15	1,599	181		7,708
Impairment loss on trade receivables	521	251	26	5	-	-	-	-	803
Property, plant and equipment written off	10	-	-	-	-	-	-	-	10
(Gain)/Loss on disposal of property, plant and equipment	(603)	10	-	-	-	(1,278)	(175)		(2,046)
Reversal of impairment loss on trade receivables	(634)	(10)	(30)	(190)	-	(55)	-		(919)



Notes to the Financial Statements

30 June 2011 (cont'd)

36. OPERATING SEGMENTS (CONT'D)

	Logistics					Marine	Other operating segment	Total
	Malaysia RM'000	Australia RM'000	Indonesia RM'000	Thailand RM'000	Singapore RM'000		RM'000	RM'000
2010								
Revenue								
Total revenue	207,542	17,886	13,143	6,309	23,892		3,226	271,998
Inter-segment sales	(2,354)	(134)	(436)	(347)	-		(3,226)	(6,497)
Revenue from external customers	205,188	17,752	12,707	5,962	23,892		-	265,501
Finance costs	(1,116)	(25)	(20)	-	(303)		-	(1,464)
Share of profit in an associate	34	-	-	-	-		-	34
Segment profit/(loss) before income tax	21,151	473	2,238	90	1,951		(4,075)	21,828
Investment in an associate	180	-	-	-	-		-	180
Additions to non-current assets other than financial instruments and deferred tax assets	14,587	-	29	52	5,013		215	19,896
Segment assets	119,666	2,619	3,227	1,151	31,311		14,153	172,127
Segment liabilities	47,264	1,822	847	491	9,440		3,097	62,961
Other material non-cash items								
Bad debt recovered	(2)	-	-	-	-		-	(2)
Bad debts written off	12	42	5	-	-		-	59
Depreciation of property, plant and equipment	4,468	86	95	28	1,441		250	6,368
Impairment loss on trade receivables	666	173	31	204	54		-	1,128
Property, plant and equipment written off	19	-	-	-	-		-	19
Gain on disposal of property, plant and equipment	(147)	-	-	-	-		-	(147)
Reversal of impairment loss on trade receivables	(458)	-	-	-	-		-	(458)



Notes to the Financial Statements

30 June 2011 (cont'd)

36. OPERATING SEGMENTS (CONT'D)

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

	2011 RM'000	2010 RM'000
Revenue		
Total revenue for reportable segments	303,788	271,998
Elimination of inter-segmental revenues	(8,300)	(6,497)
Group's revenue per consolidated statement of comprehensive income	295,488	265,501
Profit for the financial year		
Total profit or loss for reportable segments	24,181	21,828
Impairment loss on goodwill on consolidation	(179)	(23)
Profit before tax	24,002	21,805
Income tax expenses	(4,241)	(4,724)
Profit for the financial year	19,761	17,081
Assets		
Total assets for reportable segments	199,612	172,127
Current tax asset	1,346	657
Deferred tax assets	4	33
Group's assets	200,962	172,817
Liabilities		
Total liabilities for reportable segments	73,402	62,961
Current tax liabilities	1,458	654
Deferred tax liabilities	5,628	4,989
Group's liabilities	80,488	68,604

Major customers

The Group does not have major customers with revenue equal to or more than 10 percent of the revenue of the Group.



Notes to the Financial Statements

30 June 2011 (cont'd)

37. FINANCIAL INSTRUMENTS

(a) Capital management

The primary objective of the Group's capital management is to ensure that the Group would be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The overall strategy of the Group remains unchanged from that in financial year ended 30 June 2010.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the financial years ended 30 June 2011 and 30 June 2010.

The Group is not subject to any externally imposed capital requirements.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group includes within net debt, loans and borrowings, trade and other payables, less cash and cash equivalents. Capital represents equity attributable to the owners of the parent.

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Trade payables	23,524	17,306	-	-
Other payables and accruals	9,859	9,941	430	410
Amount owing to subsidiaries	-	-	1,396	5,036
Amount owing to an associate	12	-	-	-
Hire purchase and lease creditors	7,167	9,567	-	-
Term loans	25,057	20,886	-	-
Short term bank loan	2,500	-	-	-
Bank overdraft - secured	3,001	2,979	-	-
Dividend payable	2,282	2,282	2,282	2,282
Total liabilities	73,402	62,961	4,108	7,728
Less: Cash and cash equivalents	(27,173)	(21,654)	(9,091)	(5,493)
Net debt/(cash)	46,229	41,307	(4,983)	2,235
Total capital	120,474	104,213	94,487	67,682
Net debt/(cash)	46,229	41,307	(4,983)	2,235
Equity	166,703	145,520	89,504	69,917
Gearing ratio	28%	28%	-6%	3%



Notes to the Financial Statements

30 June 2011 (cont'd)

37. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial instruments

Certain comparative figures have not been presented for 30 June 2010 by virtue of the exemption given in paragraph 44AA of FRS 7.

Categories of financial instruments

Group 2011	Loans and receivables RM'000	Available for sale RM'000	Total RM'000
Financial assets			
Other investment	-	3	3
Trade receivables	56,028	-	56,028
Other receivables, deposits and prepayments	8,749	-	8,749
Cash and cash equivalents	27,173	-	27,173
	91,950	3	91,953

Group 2011	Other financial liabilities RM'000	Total RM'000
Financial liabilities		
Trade payables	23,524	23,524
Other payables and accruals	9,859	9,859
Amount owing to an associate	12	12
Hire purchase and lease creditors	7,167	7,167
Term loans	25,057	25,057
Short term bank loan	2,500	2,500
Bank overdrafts - secured	3,001	3,001
Dividend payable	2,282	2,282
	73,402	73,402

Company 2011	Loans and receivables RM'000	Total RM'000
Financial assets		
Other receivables, deposits and prepayments	30	30
Amounts owing by subsidiaries	36,832	36,832
Cash and cash equivalents	9,091	9,091
	45,953	45,953



Notes to the Financial Statements

30 June 2011 (cont'd)

37. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial instruments (cont'd)

Categories of financial instruments (cont'd)

Company 2011	Other financial liabilities RM'000	Total RM'000
Financial liabilities		
Other payables and accruals	430	430
Amounts owing to subsidiaries	1,396	1,396
Dividend payable	2,282	2,282
	<u>4,108</u>	<u>4,108</u>

(c) Fair value of financial instruments

The fair values of financial instruments that are not carried at fair value and whose carrying amounts do not approximate its fair values are as follows:

	Group		Company	
	Carrying amount RM'000	Fair value RM'000	Carrying amount RM'000	Fair value RM'000
At 30 June 2011				
Recognised				
Financial asset:				
Unquoted investment	3	#	-	-
Financial liabilities:				
Hire purchase and lease creditors	7,167	7,070	-	-
Term loans	<u>11,280</u>	<u>11,277</u>	<u>-</u>	<u>-</u>
At 30 June 2010				
Recognised				
Financial asset:				
Unquoted investment	3	#	-	-
Financial liabilities:				
Hire purchase and lease creditors	9,567	9,732	-	-
Term loans	<u>5,838</u>	<u>5,859</u>	<u>-</u>	<u>-</u>

It is not practical to estimate the fair value of long term unquoted investment because of lack of quoted market prices and inability to estimate fair value without incurring excessive costs. The Directors believe that the carrying amount represents the recoverable value.



Notes to the Financial Statements

30 June 2011 (cont'd)

37. FINANCIAL INSTRUMENTS (CONT'D)

- (d) Methods and assumptions used to estimate fair value

The fair values of financial assets and financial liabilities are determined as follows:

- (i) Financial instruments that are not carried at fair value and whose carrying amounts are a reasonable approximation of fair value

The carrying amounts of financial assets and liabilities, such as trade and other receivables, trade and other payables and borrowings are reasonable approximation of fair value, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting period.

- (ii) Obligations under finance lease and fixed rate term loans

The fair value of these financial instruments are estimated by discounting expected future cash flows at market incremental lending rate for similar types of lending, borrowing or leasing arrangements at the end of the reporting period.

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

The Group operates within an established risk management framework and clearly defined guidelines that are regularly reviewed by the Board of Directors and does not trade in derivative financial instruments. Financial risk management is carried out through risk review programmes, internal control systems, insurance programmes and adherence to the Group's financial risk management policies. The Group is exposed mainly to credit risk, liquidity and cash flow risk, interest rate risk and foreign currency risk. Information on the management of the related exposures is detailed below.

- (i) 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 licensed financial 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 average credit period is two (2) months. Each customer has a maximum credit limit and the Group seeks to maintain strict control over its outstanding receivables to minimise credit risk. Overdue balances are reviewed regularly by senior management.



Notes to the Financial Statements

30 June 2011 (cont'd)

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(i) Credit risk (cont'd)

Exposure to credit risk

At the end of the reporting period, the Group's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

Information regarding credit enhancements for trade receivables is disclosed in Note 13 to the financial statements.

Credit risk concentration profile

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

	2011		2010	
	RM'000	% of total	RM'000	% of total
By country:				
Domestic	42,920	77	37,722	77
Foreign	13,108	23	11,552	23
	56,028	100	49,274	100

The Company does not have any significant concentration of credit risk other than the amounts owing by subsidiaries which constitutes 97.40% (2010: 97.33%) of total receivables as at the end of the reporting period.

Financial assets that are neither past due nor impaired

Information regarding trade receivables that are neither past due nor impaired is disclosed in Note 13 to the financial statements. Deposits with banks that are neither past due nor impaired are placed with or entered into with reputable financial institutions.

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 13 to the financial statements.

(ii) 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. In addition, the Group strives to maintain available banking facilities at a reasonable level to meet its business needs.



Notes to the Financial Statements

30 June 2011 (cont'd)

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(ii) Liquidity and cash flow risk (cont'd)

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and Company's liabilities at the end of the reporting period based on contractual undiscounted repayment obligations.

	On demand or within one year RM'000	One to five years RM'000	Over five years RM'000	Total RM'000
As at 30 June 2011				
Group				
Financial liabilities				
Trade payables	23,524	-	-	23,524
Other payables and accruals	9,859	-	-	9,859
Amount owing to an associate	12	-	-	12
Hire purchase and lease creditors	3,595	4,117	-	7,712
Term loans	7,825	17,159	3,454	28,438
Short term bank loan	2,500	-	-	2,500
Bank overdrafts	3,001	-	-	3,001
Dividends payables	2,282	-	-	2,282
Total undiscounted financial liabilities	52,598	21,276	3,454	77,328
Company				
Financial liabilities				
Other payables and accruals	430	-	-	430
Amounts owing to subsidiaries	1,396	-	-	1,396
Dividends payable	2,282	-	-	2,282
Total undiscounted financial liabilities	4,108	-	-	4,108
As at 30 June 2010				
Group				
Financial liabilities				
Trade payables	17,306	-	-	17,306
Other payables and accruals	9,941	-	-	9,941
Hire purchase and lease creditors	3,833	6,632	-	10,465
Term loans	6,145	13,654	3,995	23,794
Bank overdrafts	2,979	-	-	2,979
Dividends payables	2,282	-	-	2,282
Total undiscounted financial liabilities	42,486	20,286	3,995	66,767



Notes to the Financial Statements

30 June 2011 (cont'd)

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(ii) Liquidity and cash flow risk (cont'd)

Analysis of financial instruments by remaining contractual maturities (cont'd)

	On demand or within one year RM'000	One to five years RM'000	Over five years RM'000	Total RM'000
As at 30 June 2010				
Company				
Financial liabilities				
Other payables and accruals	410	-	-	410
Amounts owing to subsidiaries	5,036	-	-	5,036
Dividends payable	2,282	-	-	2,282
Total undiscounted financial liabilities	7,728	-	-	7,728

(iii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates.

The Group's income and operating cash flows are substantially independent of changes in market interest rates. Interest rate exposure arises from the Group's borrowings is managed through the use of fixed and floating rates debts. The Group monitors the interest rates on borrowings closely to ensure that the borrowings are maintained at favourable rates. The Group does not use derivative financial instruments to hedge this risk.

Sensitivity analysis for interest rate risk

As at 30 June 2011, if interest rates at the date had been 100 basis points lower with all other variables held constant, post-tax profit for the year would have been RM479,000 higher, arising mainly as a result of lower interest expense on borrowings. If interest rates had been 100 basis points higher, with all other variables held constant, post-tax profit would have been RM479,000 lower, arising mainly as a result of higher interest expense on borrowings. The sensitivity is higher in 2011 than in 2010 because of an increase in outstanding borrowings that has occurred. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.



Notes to the Financial Statements

30 June 2011 (cont'd)

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(iii) Interest rate risk (cont'd)

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

		Weighted average effective interest rate %	Within 1 year RM'000	1 - 2 years RM'000	2 - 3 years RM'000	3 - 4 years RM'000	4 - 5 years RM'000	More than 5 years RM'000	Total RM'000
	NOTE								
Group									
At 30 June 2011									
Fixed rates									
Fixed deposits with licensed banks	17	2.81	3,845	-	-	-	-	-	3,845
Short term deposits - Repo	17	2.00	5,000	-	-	-	-	-	5,000
Hire purchase and lease creditors	21	5.11	3,260	2,648	996	199	64	-	7,167
Term loans	22	5.85	2,589	2,682	2,777	2,652	579	1	11,280
Floating rates									
Bank overdrafts	26	7.01	3,001	-	-	-	-	-	3,001
Term loans	22	4.89	4,069	2,707	1,851	1,212	804	3,134	13,777
Short term bank loan	27	4.39	2,500	-	-	-	-	-	2,500



Notes to the Financial Statements

30 June 2011 (cont'd)

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(iii) Interest rate risk (cont'd)

The following tables set out the carrying amounts, the weighted average effective interest rates as at the end of the reporting period and the remaining maturities of the Group's financial instruments that are exposed to interest rate risk (cont'd):

		Weighted average effective interest rate %	Within 1 year RM'000	1 - 2 years RM'000	2 - 3 years RM'000	3 - 4 years RM'000	4 - 5 years RM'000	More than 5 years RM'000	Total RM'000
	NOTE								
Group									
At 30 June 2010									
Fixed rates									
Fixed deposits with licensed banks	17	3.17	4,368	-	-	-	-	-	4,368
Short term deposits - Repo	17	1.37	3,000	-	-	-	-	-	3,000
Hire purchase and lease creditors	21	5.98	3,353	3,020	2,331	846	17	-	9,567
Term loans	22	6.07	1,133	1,130	1,170	1,210	1,195	-	5,838
Floating rates									
Bank overdrafts	26	5.86	2,979	-	-	-	-	-	2,979
Term loans	22	4.94	4,061	3,386	2,089	1,242	642	3,628	15,048



Notes to the Financial Statements

30 June 2011 (cont'd)

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(iv) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

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.

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's profit net of tax to a reasonably possible change in the foreign currency exchange rates against the functional currency of the Group, with all other variables held constant.

		2011 Profit net of tax RM'000
USD/RM	- Strengthened 3%	+173
	- Weakened 3%	-173
SGD/RM	- Strengthened 3%	+48
	- Weakened 3%	-48
AUD/RM	- Strengthened 3%	-1
	- Weakened 3%	1
EUR/RM	- Strengthened 3%	-4
	- Weakened 3%	+4
GBP/RM	- Strengthened 3%	-2
	- Weakened 3%	+2
THB/RM	- Strengthened 3%	-4
	- Weakened 3%	+4
RM	- Strengthened 3%	+34
	- Weakened 3%	-34



Notes to the Financial Statements

30 June 2011 (cont'd)

39. EMPLOYEE BENEFITS

	Group		Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Salaries, wages and bonuses	26,705	23,150	35	31
Contributions to defined contribution plans	2,627	2,439	-	-
Social security contributions	257	193	-	-
Other benefits	1,242	1,036	-	9
	<u>30,831</u>	<u>26,818</u>	<u>35</u>	<u>40</u>

Included in the employee benefits of the Group and of the Company is Directors' remuneration amounting RM5,521,000 (2010: RM6,428,000) and RM35,000 (2010: RM31,000) respectively.

40. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

- (a) On 1 July 2010, the Company announced that its wholly-owned subsidiary, Icon Line (Malaysia) Sdn. Bhd. ("ILSB") had made a capital contribution of VND255,000,000 in cash to the capital of Icon Freight Services Co., Ltd ("IFSC"), a joint venture company in Ho Chi Minh City, Vietnam, representing 51% of the issued and paid up share capital of IFSC. Upon completion of the capital contribution, IFSC become a 51% owned subsidiary of ILSB.
- (b) On 1 July 2010, further to the announcement to Bursa Malaysia Securities Berhad on 9 December 2009 that the Company had acquired one (1) ordinary share in Symphony Express Sdn. Bhd. ("SESB") for a cash consideration of RM1 only, the Company subscribed for additional 7,999 ordinary shares of RM1 each at par, representing 80% of the enlarged issued and paid-up share capital of SESB for a total cash consideration of RM7,999. Upon completion of the subscription, SESB become a subsidiary of the Company.
- (c) On 25 August 2010, the Company had been allotted 960,000 ordinary shares of RM1.00 each in a wholly-owned subsidiary, ILSB by way of capitalising part of the amount owing by ILSB. The 960,000 ordinary shares shall be treated as fully paid in the capital of the ILSB and rank pari passu in all respects with the existing issued ordinary shares in the capital of the ILSB.
- (d) On 29 October 2010, the Company announced that the disposal of property previously classified as held for sale had been completed on 28 October 2010. The proceeds from the disposal of property of RM5.1 million will be utilised for working capital purpose instead of repayment of loan and working capital of RM4.5 million and RM0.6 million respectively.
- (e) On 15 November 2010, the Company had acquired two (2) ordinary shares of RM1.00 each, representing 100% of the issued and paid-up share capital in Exterian Enterprise Sdn. Bhd. ("EESB") for a total consideration of RM250,000. Upon completion of the subscription, EESB become a subsidiary of the Company.



Notes to the Financial Statements

30 June 2011 (cont'd)

40. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (CONT'D)

- (f) On 17 January 2011, the Company announced that its wholly-owned subsidiary, Freight Management (M) Sdn. Bhd. ("FMM") had entered into a Sale and Purchase Agreement with OSK Trustees Berhad, as Trustee for Axis Real Estate Investment Trust to acquire a piece of leasehold land and building held under H.S.(D) 116367 for PT 183 in Bandar Sultan Sulaiman, District Klang, State Selangor Darul Ehsan measuring approximately 20,234 square metres for a total cash consideration of RM14,500,000.
- (g) On 12 March 2011, TCH Marine Pte. Ltd., a 51% owned subsidiary had entered into a Sales and Purchase Agreement with Thahin Numchai Co., Ltd. to dispose one unit of flat top deck cargo barge, Namthong 18 for SGD840,000.
- (h) On 11 April 2011, its wholly-owned subsidiary, Freight Management (M) Sdn. Bhd. ("FMM") had entered into a Sale and Purchase Agreement with Poly Glass Fibre (M) Sdn. Bhd., to acquire a piece of leasehold land and building held under H.S.(D) 37855 PT 478 in Daerah Seberang Perai Tengah, Negeri Pulau Pinang, measuring approximately at 2.12177 acres for a total cash consideration of RM4,100,000.

41. SIGNIFICANT EVENTS SUBSEQUENT TO THE END OF THE REPORTING PERIOD

On 24 August 2011, the Company announced the following proposed corporate exercise:

- (i) proposed issuance of 40,571,429 ordinary shares of RM0.50 each in the Company on the basis of one (1) bonus share for every three (3) existing shares of RM0.50 each held in the Company; and
- (ii) proposed issuance of 24,342,857 free warrants in the Company on the basis of one (1) free warrant for every five (5) existing shares held on the same entitlement date for the proposed bonus issue to be determined later.



Notes to the Financial Statements

30 June 2011 (cont'd)

42. COMPARATIVES

Certain comparatives figures for the financial year ended 30 June 2010 have been reclassified to conform to the current year's presentation.

	As previously stated RM'000	Reclassification RM'000	As restated RM'000
As at 30 June 2010			
Group			
<u>Statements of Financial Position</u>			
Assets			
Current assets			
Trade receivables	49,014	260	49,274
Other receivables, deposits and prepayments	3,923	(260)	3,663
<u>Statements of cash flows</u>			
Cash flows from operating activities:			
- Increase in trade receivables	(17,314)	(328)	(17,642)
- Increase in other receivables, deposits and prepayments	(889)	260	(629)
Effect of changes in foreign exchange	(68)	68	-



Notes to the Financial Statements

30 June 2011 (cont'd)

43. SUPPLEMENTARY INFORMATION ON REALISED AND UNREALISED PROFITS OR LOSSES

The retained earnings as at the end of the reporting period may be analysed as follows:

	2011	
	Group	Company
	RM'000	RM'000
Total retained profits of Freight Management Holdings Bhd and its subsidiaries:		
- Realised	55,074	33,630
- Unrealised	(5,665)	-
	49,409	33,630
Total share of retained profits from an associate:		
- Realised	141	-
Total Group/Company retained profits as per consolidated accounts	49,550	33,630



Analysis of Shareholdings

as at 30 September 2011

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		No. of	
	Shareholders	%	Shareholders	%
Less Than 100	129	8.78	5,627	0.00
100 to 1,000	355	24.15	111,607	0.09
1,001 to 10,000	656	44.62	3,110,572	2.56
10,001 to 100,000	275	18.71	8,583,825	7.05
100,001 to Less Than 5%	52	3.54	31,400,741	25.80
5% And Above	3	0.20	78,501,914	64.50
TOTAL	1,470	100.00	121,714,286	100.00

DIRECTORS' SHAREHOLDINGS

Names	Direct Interest		Indirect Interest	
	No. of Shares Held	%	No. of Shares Held	%
CHEW CHONG KEAT	31,902,597	26.21	-	-
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	-	-	24,342,857	^20.00
(alternate director to Chua Tiong Hock)				

* 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.



Analysis of Shareholdings

as at 30 September 2011 (cont'd)

SUBSTANTIAL SHAREHOLDERS ACCORDING TO THE REGISTER OF SUBSTANTIAL SHAREHOLDERS

Substantial Shareholders	Direct Interest		Indirect Interest	
	No. of Shares Held	%	No. of Shares Held	%
1. CHEW CHONG KEAT	31,902,597	26.21	-	-
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 2011

No.	Names	No. of Shares Held	%
1.	CHEW CHONG KEAT	31,902,597	26.21
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.	HSBC NOMINEES (ASING) SDN BHD (EXEMPT AN FOR JPMORGAN CHASE BANK, NATIONAL ASSOCIATION (BERMUDA))	4,963,800	4.08
6.	MALAYSIA NOMINEES (TEMPATAN) SENDIRIAN BERHAD (GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (LPF))	1,586,857	1.30
7.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD (PLEDGED SECURITIES ACCOUNT FOR WONG YEE HUI (8076676))	1,528,300	1.26
8.	ONG LOOI CHAI	1,429,928	1.17
9.	SEE KOK HING	1,298,042	1.07
10.	FOO SOOK WAN	1,232,328	1.01
11.	CITIGROUP NOMINEES (ASING) SDN BHD (JP MORGAN CLR CORP FOR FPA HAWKEYE FUND, LLC (FPA GLB OPP FD))	1,146,100	0.94
12.	MAYBAN NOMINEES (TEMPATAN) SDN BHD (PLEDGED SECURITIES ACCOUNT FOR YOONG FUI KIEN)	1,084,400	0.89
13.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD (PLEDGED SECURITIES ACCOUNT FOR WONG TET FUI (8054679))	985,100	0.81
14.	TANG GEONG KOANG	700,000	0.58



Analysis of Shareholdings

as at 30 September 2011 (cont'd)

No.	Names	No. of Shares Held	%
15.	MALAYSIA NOMINEES (TEMPATAN) SENDIRIAN BERHAD (GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (NULF1))	655,000	0.54
16.	MALAYSIA NOMINEES (TEMPATAN) SENDIRIAN BERHAD (GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (LBF))	623,200	0.51
17.	FONG TING WONG	600,000	0.49
18.	HSBC NOMINEES (ASING) SDN BHD (EXEMPT AN FOR MORGAN STANLEY & CO. INTERNATIONAL PLC (CLIENT))	555,000	0.46
19.	CHEW PHEK YING	505,000	0.41
20.	LIN, KUANG	500,000	0.41
21.	YVONNE KALATHINI A/P M.VIJAYARAJ	400,000	0.33
22.	GOH CHONG WENG	375,375	0.31
23.	TODA TORU	357,142	0.29
24.	WONG LEE CHOO	342,831	0.28
25.	NIOW SOO SEE	325,228	0.27
26.	MAYBAN NOMINEES (TEMPATAN) SDN BHD (PLEDGED SECURITIES ACCOUNT FOR MARCIA LOH YUNN PING)	294,000	0.24
27.	RICHARD ENG	250,000	0.21
28.	LOH YOKE PENG	242,857	0.20
29.	BHLB TRUSTEE BERHAD (PCM FOR YOONG FUI KIEN)	231,428	0.19
30.	BHLB TRUSTEE BERHAD (EXEMPT AN FOR EPF INVESTMENT FOR MEMBER SAVINGS SCHEME)	228,900	0.19



List of Properties

as at 30 June 2011

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 30.06.11 RM'000
HS (D) 72751, PT 144740 Mukim Hulu Kinta, Daerah Kinta, Negeri Perak. Postal Address: No 26, Jalan SCI 1/10, Sunway City, 31150 Ipoh, Perak Darul Ridzuan.	1 1/2 storey terrace industrial factory	Tenanted	4,490	99 years ending on 27 October 2097	10 years	13 September 1996	300
Geran No. 2893, Lot 1841 seksyen 4, Bandar Butterworth, Daerah Seberang Perai Utara, Negeri Pulau Pinang. Postal Address: No 4453, Jalan Bagan Luar, 12000 Butterworth, Penang.	Three (3) storey terrace shophouse	Office	1,019	Freehold	36 years	22 October 1994	416
Geran No 2892, Lot 1840, Seksyen 4, Bandar Butterworth, Daerah Seberang Perai Utara, Negeri Pulau Pinang. Postal Address: No 4454, Jalan Bagan Luar, 12000 Butterworth, Penang	Three (3) storey terrace shophouse	Office	1,021	Freehold	36 years	25 June 2002	451
Master Title: HS (D) 49488 and 49489, PT 49974 and 49975 Mukim Klang, Daerah Klang, Negeri Selangor. Postal Address: No 78-2A, 2nd Floor, Jalan Sg. Chandong 15, Pulau Indah, 42100 Port Klang, Selangor Darul Ehsan.	Office Unit	Vacant	Nil	99 years ending on 11 March 2005	11 years	23 September 1998	66
Master Title: HS (D) 49488 and 49489, PT 49974 and 49975 Mukim Klang, Daerah Klang, Negeri Selangor. Postal Address: No. 78-2B, 2nd Floor, Jalan Sg. Chandong 15, Pulau Indah, 42100 Port Klang, Selangor Darul Ehsan.	Office Unit	Vacant	Nil	99 years ending on 11 March 2095	11 years	23 September 1998	61



List of Properties

as at 30 June 2011 (cont'd)

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 30.06.11 RM'000
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 2015	5 years	16 September 2005	10,904 (Land)
Postal Address: Lot 37, Jalan Lebuah Sultan Mohamed 1, Kawasan Perindustrian Bandar Sultan Suleiman, 42000 Port Klang, Selangor Darul Ehsan.	Warehouse cum 2-storey office building						22,682 (Building)
HS (D) 116367, PT 183 Mukim Bandar Sultan Sulaiman, Daerah Klang, Negeri Selangor.	Industrial land	Warehouse and Office	148,815	99 years ending on 30 June 2015	18 years	17 January 2011	6,738 (Land)
Postal Address: Lot 24, Jalan Lebuah Sultan Mohamed 1, Kawasan Perindustrian Bandar Sultan Suleiman, 42000 Port Klang, Selangor Darul Ehsan.	Warehouse cum 2-storey office building						8,183 (Building)



Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Fifteenth Annual General Meeting of the Company will be held at **Function Room: St Andrew, Holiday Inn Kuala Lumpur Glenmarie, 1 Jalan Usahawan U1/8, Seksyen U1, 40250 Shah Alam, Selangor Darul Ehsan** on **Wednesday, 30th November 2011** at **10:00 a.m.** for the following purposes:

1. To receive the Audited Financial Statements for the financial year ended 30 June 2011 together with the Reports of the Directors and Auditors thereon. (Please refer to Note No. 2)

2. To approve the payment of Directors' Fee amounting to RM300,000 in respect of the financial year ended 30 June 2011.

ORDINARY RESOLUTION 1

3. To re-elect the following Directors retiring in accordance with Article 109 of the Articles of Association of the Company:

- (a) Mr. Chew Chong Keat
- (b) Ms. Gan Siew Yong

ORDINARY RESOLUTION 2
ORDINARY RESOLUTION 3

4. To approve the payment of dividend of 2.5 sen per share less Malaysian Income tax for the year ended 30 June 2011.

ORDINARY RESOLUTION 4

5. To re-appoint Messrs BDO as the Auditors and the Company for the ensuing year and to authorise the Directors to fix their remuneration.

ORDINARY RESOLUTION 5

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, subject to the provisions of the Listing Requirement of Bursa Malaysia Securities Berhad, approval be hereby given to the Company and/or its subsidiary companies to enter into recurrent related party transactions of a revenue or trading nature set out in Section 2.4 under Part A of the Circular to Shareholders dated 8 November 2011, provided that such transactions are necessary for the day-to-day operations; and undertaken in the ordinary course of business, on arms length basis, on normal commercial terms which are not more favorable to the related party than those generally available to the public and are not detriment to the minority shareholders of the Company ("the Shareholders' Mandate").

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 the mandate will lapse unless by a resolution passed at the next AGM, the authority is renewed;
- (b) the expiration of the period within which the next AGM after the date is required to be held pursuant to Section 143(1) of the Companies Act, 1965 ("Act") (but must not extend to such extension as may be allowed pursuant to Section 143(2) of the Act; or



Notice of Annual General Meeting (cont'd)

- (c) revoked or varied by resolution passed by the shareholders in a general meeting.

whichever is earlier.

AND THAT the Directors of the Company be hereby authorized to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the Shareholder' Mandate."

ORDINARY RESOLUTION 6

7. **Ordinary Resolution – Proposed Renewal of Authority for Share Buy-Back by the Company**

"THAT subject to the Companies Act, 1965, (as may be amended, modified or re-enacted 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 share of RM0.50 each in the Company ("Proposed Renewal 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 share of RM0.50 each as at 30 June 2011, and an amount not exceeding the total retained profits of RM33,630,085 based on the latest audited financial statements of the Company as at 30 June 2011, be allocated by the Company for the Proposed Renewal 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 if the Company unless earlier revoked or varied by ordinary resolution of the shareholders of the Company in 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 THAT FURTHER 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 implements, 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 7



Notice of Annual General Meeting (cont'd)

8. Ordinary Resolution – Authority to Issue Shares

“THAT subject always to the Companies Act, 1965, Articles of Association of the Company and approvals from Bursa Malaysia Securities Berhad and any other governmental/regulatory bodies, where such approval is necessary, authority be and is hereby given to the Directors pursuant to Section 132D of the Companies Act, 1965 to issue and allot not more than ten percent (10%) of the issued capital of the Company at any time upon such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit or in pursuance of offers, agreements or options to be made or granted by the Directors while this approval is in force until the conclusion of the next Annual General Meeting of the Company and that the Directors be and are hereby further authorized to make or grant offers, agreements or options which would or might require shares to be issued after the expirations of the approval hereof.”

ORDINARY RESOLUTION 8

CLOSURE OF BOOKS

NOTICE IS ALSO HEREBY GIVEN that subject to the approval of the shareholders at the Fifteenth Annual General Meeting, a final dividend of 2.5 sen per share less Malaysian Income tax, will be payable on 15 December 2011 to shareholders whose name appear in the Record of Depositors at the close of business on 8 December 2011.

A Depositor shall qualify for entitlement only in respect of:

- a) Shares transferred into the Depositor's Securities Account before 4.00 p.m. on 8 December 2011 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

LIM HOOI MOOI (MAICSA 0799764)

TAN ENK PURN (MAICSA 7045521)

Company Secretaries

Kuala Lumpur

8 November 2011



Notice of Annual General Meeting (cont'd)

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 in his stead 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 share of the Company standing to the credit of the said securities account.
- A proxy need not be a member of the Company and the provision of Section 149(1)(b) of the Act shall not apply to 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 Registered Office of the Company situated 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 or any adjournment thereof and in default, the instrument of proxy shall not be treated as valid.

2. Agenda No. 1

This item 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 required 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 Transaction of a Revenue or Trading Nature is to enable the Company to comply with Paragraph 10.09, Part E of the Listing Requirement for the Main Market of Bursa Malaysia Securities Berhad. The mandate will take effect from the date of the passing of the Ordinary Resolution 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 percent (10%) of the issued and paid up share capital of the Company ("Proposed Renewal of Share Buy-Back Authority") by utilizing the fund allocated which shall not exceed the total retained profits of the Company. Further information on the Proposed Renewal of Share Buy-Back Authority is set out in the Circular to Shareholders of the Company dated 8 November 2011 which is despatched together with the Company's 2011 Annual Report.

(C) Ordinary Resolution 8

Proposed Ordinary Resolution 8 is for the purpose of granting a renewal of a 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 share 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.

This is a renewal of the mandate obtained from the members at the last Annual General Meeting held on 25 November 2010. The Company did not utilize the mandate that was approved last year.

The purpose of this general mandate is for possible fund raising exercise including but not limited to further placement of shares for purpose of funding current and/or future investment projects, working capital and/or acquisitions.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

There is no person seeking election as Director of the Company at this Annual General Meeting.



PROXY FORM



FREIGHT MANAGEMENT HOLDINGS BHD (380410-P)
(Incorporated in Malaysia)

I/We _____ (I.C. No./Co. Registration No.) _____

of _____

being a member/members of Freight Management Holdings Bhd, do hereby appoint _____

_____ (I.C. No.) _____

or failing him/her _____ (I.C. No.) _____

or failing him/her the Chairman of the Meeting as my/our proxy to vote for me/us and on our behalf at the Fifteenth Annual General Meeting of the Company to be held at Function Room: St Andrew, Holiday Inn Kuala Lumpur Glenmarie, 1 Jalan Usahawan U1/8, Seksyen U1, 40250 Shah Alam, Selangor Darul Ehsan on Wednesday, 30 November 2011 and at any adjournment thereof.

AGENDA 1

To receive of the Audited Financial Statements and the Reports of the Directors and Auditors for the year ended 30 June 2011.

My/our proxy is to vote as indicated below:

AGENDA 2-8

Ordinary Resolutions	For	Against
Ordinary Resolution 1		
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 (X) in the spaces provided whether you wish your votes to be cast for or against the resolutions. In the absence of specific directions, your proxy will vote or abstain as he thinks fit.

Dated this _____ day of _____ 2011

No. of shares held	CDS Account No.

Signature of Shareholder

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 and the provisions of Section 149(1)(b) of the Act shall not apply to the Company.
3. 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.

Please fold along this line (1)

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

	Tel	Fax
MALAYSIA		
Head Office FREIGHT MANAGEMENT HOLDINGS BHD. Wisma Freight Management, Lot 37, Lebuhr Sultan Mohamed 1, Kaw. Perindustrian Bandar Sultan Suleiman, 42000 Port Klang, Selangor. Email : gen@fmmalaysia.com.my Website : www.fmmalaysia.com.my	03-3176 1111	03-3176 8634
Location of Subsidiary Offices FM GLOBAL LOGISTIC (M) SDN. BHD. <i>(Formerly known as Freight Management (M) Sdn Bhd)</i> Wisma Freight Management, Lot 37, Lebuhr Sultan Mohamed 1, Kaw. Perindustrian Bandar Sultan Suleiman, 42000 Port Klang, Selangor. Email : gen@fmmalaysia.com.my	03-3176 1111	03-3176 8634
FM GLOBAL LOGISTIC (M) SDN. BHD. (JB Branch) <i>(Formerly known as Freight Management (M) Sdn Bhd)</i> No. 68-2, Jalan Molek 2/2, Taman Molek, 81100 Johor Bahru. Email : michelle.ting@fmmalaysia.com.my	07-351 7918	07-352 0918
FM GLOBAL LOGISTIC (M) SDN. BHD. (Kuantan Branch) <i>(Formerly known as Freight Management (M) Sdn Bhd)</i> No. 46, 1st Floor, Jalan Gebeng 1/24, Bandar Industri Gebeng Jaya, Kuantan, Pahang, 26080 Malaysia.	09-583 3627 09-583 3628	09-583 3631
FM 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 (1st 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, Lebuhr Sultan Mohamed 1, Kaw. Perindustrian Bandar Sultan Suleiman, 42000 Port Klang, Selangor. Email : alog@fmmalaysia.com.my	03-3176 8001	03-3176 2005 03-3176 1005
ADVANCE INTERNATIONAL FREIGHT SDN. BHD. (Penang Branch) No. 9-03, 9th Floor, Wisma Pantai, Jalan Wisma Pantai, Kampung Gajah, 12200 Butterworth, Penang, Malaysia Email : infor@advancelog.com.my	04-3298355 04-3298356	04-3298359
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 : fmhwlairstreamyx.com	03-7877 0017	03-7877 0120



Contact Particulars of Freight Management Group (cont'd)

	Tel	Fax
MALAYSIA (CONT'D)		
Location of Subsidiary Offices (cont'd)		
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, Lebuah Sultan Mohamed 1, Kaw. Perindustrian Bandar Sultan Suleiman, 42000 Port Klang, Selangor. Email : doreen@citra.com.my/blcheah@citra.com.my	03-3176 6888	03-3176 3993 03-3176 4209
EXTERIAN ENTERPRISE SDN. BHD. Block F-08-3, 3rd Floor, Plaza Kelana Jaya, Jalan SS7/13A, 47310 Kelana Jaya, Selangor Darul Ehsan. Email : fmhwilair@streamyx.com	03-7877 7599	03-7877 6599
SYMPHONY EXPRESS SDN. BHD. Lot 37, Lebuah Sultan Mohamed 1, Kaw. Perindustrian Bandar Sultan Suleiman, 42000 Port Klang, Selangor. Email : gen@fmmalaysia.com.my	03-3176 1111	03-3176 8634
OVERSEAS		
TCH MARINE PTE. LTD. 6001 Beach Road, #19-11A, Golden Mile Tower, Singapore 199589. Email : tchtay@singnet.com.sg	65-6294 7787	65-6294 8483
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. Email : general@iconfreight-id.com	62-21-4585 6727 62-21-4585 0905	62-21-4585 0906
PT ICON FREIGHT INDONESIA (Cikarang Branch) Ruko Metro Boulevard Blok B, No. 15, Jl. Niaga Raya, Kawasan Industri Jababeka tahap 2, Cikarang Baru, Bekasi 17550, Indonesia	62-21-3314 9701	62-21-8983 6776
PT ICON FREIGHT INDONESIA (Belawan Branch) No 30A, Jalan Bambu Il Ujung, Medan 20235, Indonesia	62-61-664 4272	62-61-664 4273
PT ICON FREIGHT INDONESIA (Surabaya Branch) No 50AD, Jalan Kedungdoro, Surabaya 60251, East Java, Indonesia	62-31-531 5751	62-31-531 0257
PT ICON FREIGHT INDONESIA (Bandung Branch) Metro Trade Center Blok H-5, No 590, Jalan Soekarno Hatta, Bandung 40286, Indonesia	62-22-753 6478	62-22-756 5687
ICON FREIGHT SERVICES CO. LTD. 731/6 Ratchadapisek Road, Bangpongpan, Yannawa, Bangkok 10120, Thailand. Email : info@icon-freight.com	66-2-683 6352	66-2-683 6358
ICON FREIGHT SERVICES CO., LTD. 167-169, Dien Bien Phu Street, Dakao Ward, District 1, Ho Chi Minh City, Vietnam Email : general-vn@iconfrtservices.com	84-8-3823 8628	84-8-3823 7868

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	BRUNEI Muara		SINGAPORE Singapore		GERMANY Hamburg		IRAN Bandar Abbas
	CHINA Dalian, Huangpu Ningbo, Qingdao Shanghai, Shekou Xiamen, Xingang Yantian, Nanjing Nansha, Nantong Sanshui, Shenzen Tianjin, Zhanjiang Zhongshan, Fuqing Guoming, Lianhuashan, Zhangjiagang		SRI LANKA Colombo		UNITED KINGDOM Felixstowe, Liverpool London, Dublin Southampton Grangemouth Thamesport		BAHRAIN Bahrain
	CAMBODIA Sihanoukville		TAIWAN Kaoshiung Keelung Taipei Taichung		NETHERLANDS Amsterdam Rotterdam		QATAR Doha
	HONGKONG Hongkong		THAILAND Bangkok Lat Krabang Laem Chabang		PORTUGAL Leixoes		EGYPT Alexandria Sokhna Port
	INDIA Calcutta, Chennai Mumbai, New Delhi Nhava Sheva Bangalore, Cochin		VIETNAM Ho Chi Minh Hanoi, Tanchang Haiphong		SWITZERLAND Basel, Geneve		OMAN Muscat
	INDONESIA Belawan Jakarta Surabaya Batam Island Pontianak		MYANMAR Yangon		ITALY Genoa, Venice Milan		SAUDI ARABIA Ad Damman Jeddah, Riyadh
	JAPAN Hakata, Kobe Moji, Nagoya Osaka, Shimizu Tokyo, Yokohama		AUSTRALIA Adelaide, Brisbane Fremantle Sydney Melbourne		BELGIUM Antwerp		U. ARAB EMIRATES Dubai, Jebel Ali
	KOREA Busan		NEW ZEALAND Auckland, Timaru Lyttelton, Wellington Tauranga, Napier New Plymouth Port Chalmers	AMERICAS		AFRICA & WEST INDIES	
	PAKISTAN Karachi	PACIFIC ISLANDS			U.S.A Los Angeles New York, Chicago Long Beach		NIGERIA Apapa, Tincan
			PAPUA NEW GUINEA Lae Port Moresby		SPAIN Barcelona Valencia		KENYA Mombasa, Icd Nairobi
			FIJI ISLAND Suva Lautoka		GUATEMALA Guatemala City Puerto Quezal		SOUTH AFRICA Durban, Johannesburg Cape Town
					CANADA Montreal Vancouver, Toronto		CAMEROON Doula
					BRAZIL Santos		GAMBIA Banjul
					ARGENTINA Buenos Aires		GHANA Tema
					MEXICO Mexico City Manzanillo		SWAZILAND Matsapha
							BOTSWANA Gabarone