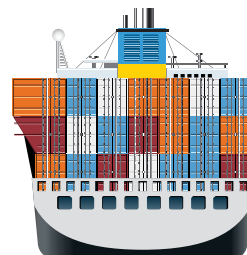
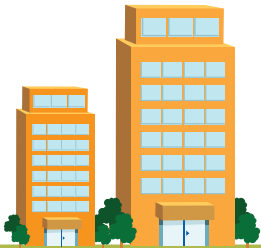




FREIGHT MANAGEMENT HOLDINGS BHD
(380410-P)



annual report
2013

FINANCIAL HIGHLIGHTS



FINANCIAL INDICES OF FREIGHT MANAGEMENT HOLDINGS BHD (FMHB)

CONSOLIDATED FINANCIAL RESULTS AS AT 30 JUNE

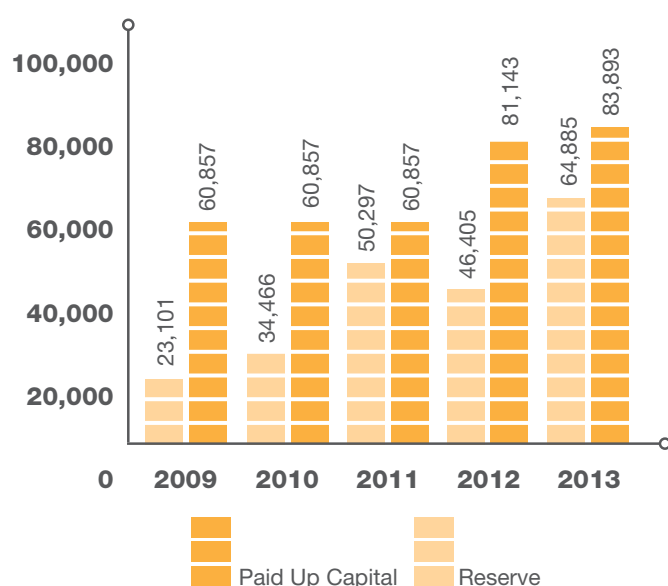
STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (RM'000)	2009	2010	2011	2012	2013
Revenue	229,424	265,501	295,488	327,101	364,808
Profit Before Tax	19,333	21,805	24,002	28,030	30,224
Profit After Tax and Non-Controlling Interests	13,564	16,438	19,712	20,872	22,566
Net Dividend Paid	4,108	4,564	4,564	6,491*	7,630*
Net Earning Per Share (sen)	8.36^	10.13^	12.15^	12.86	13.90
Gross Dividend Per Share (sen)	4.50	5.00	5.00	4.00	4.50

* Single-tier Tax Exempt Dividend

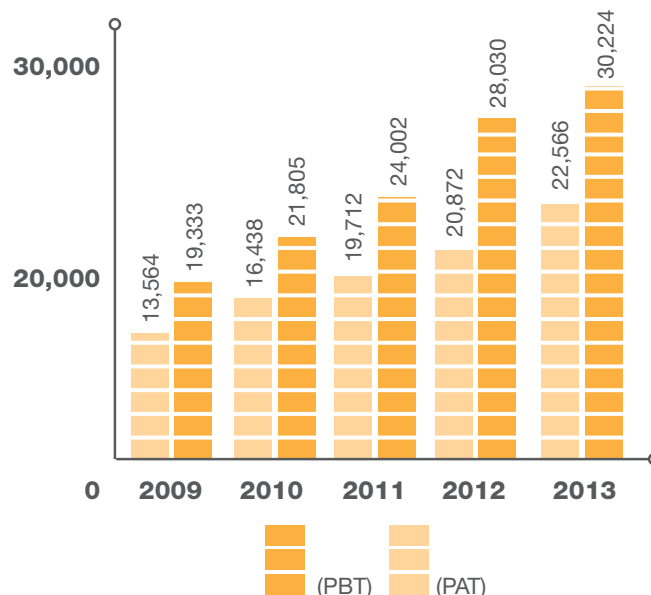
STATEMENTS OF FINANCIAL POSITION (RM'000)	2009	2010	2011	2012	2013
No. of shares in issue ('000)	121,714	121,714	121,714	162,286	167,786
Paid-up Share Capital	60,857	60,857	60,857	81,143	83,893
Reserve	23,101	34,466	50,297	46,405	64,885
Net Assets per Share (RM)	0.52^	0.59^	0.68^	0.79	0.89

^ The comparative figures have been adjusted to taken into account the issuance of bonus shares on the basis of 1:3 in the financial year ended 30 June 2012

SHAREHOLDERS' FUNDS (RM'000)



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

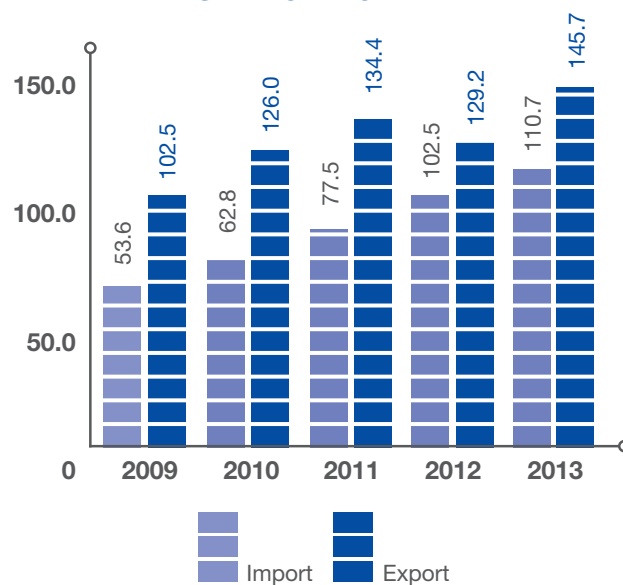




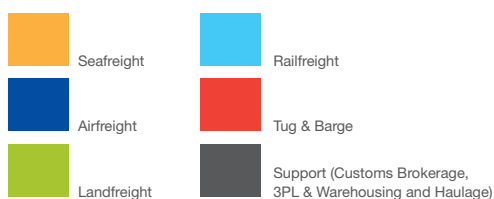
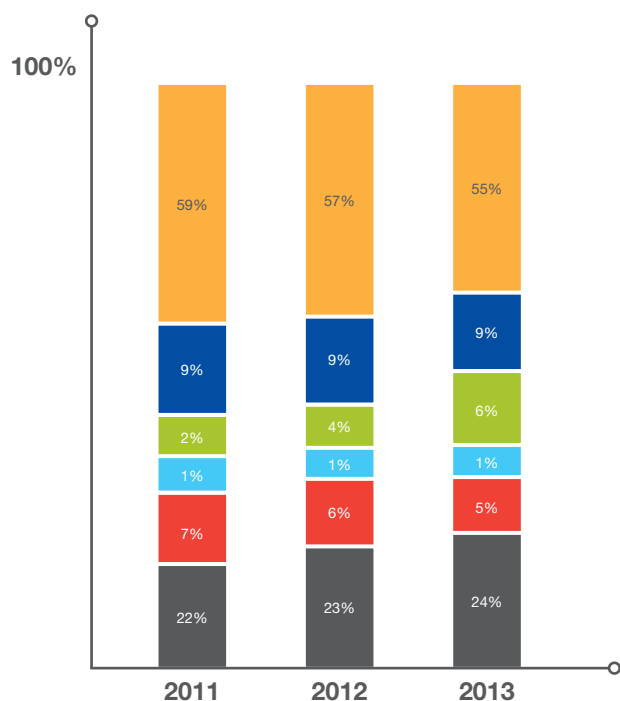
REVENUE ANALYSIS (RM MILLION)

CONTRIBUTION BY SERVICE TYPE	2009	2010	2011	2012	2013
Seafreight	131.7	156.7	175.0	185.0	201.6
Railfreight	6.5	3.5	2.8	3.2	3.2
Airfreight	19.2	24.6	26.5	30.8	31.6
Tug & barge	25.0	23.9	20.4	19.4	18.9
3PL & Warehousing	10.5	11.0	20.0	29.3	39.6
Customs brokerage	28.1	32.0	32.1	33.2	34.4
Haulage	7.0	9.7	11.1	13.4	14.8
Landfreight	1.4	4.1	7.6	12.8	20.7
TOTAL	229.4	265.5	295.5	327.1	364.8

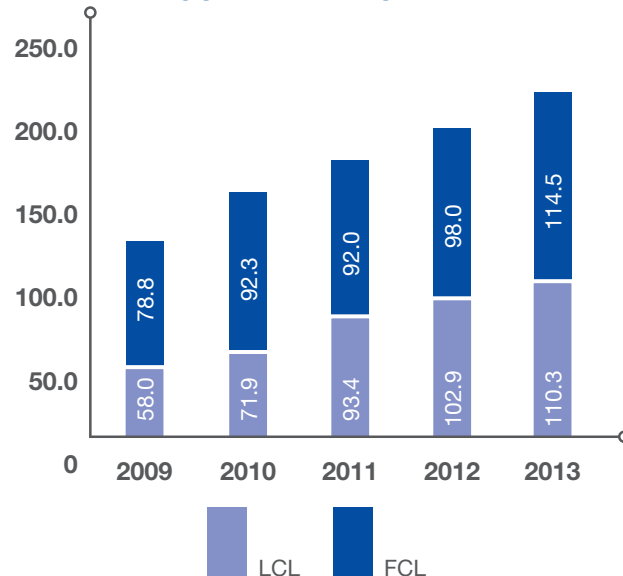
REVENUE ANALYSIS BY SERVICE MODE



REVENUE CONTRIBUTION BY SERVICES



REVENUE ANALYSIS BY CONTAINER MODE





INVESTMENT HOLDING & OTHER SERVICES

- 100%
FMG Capital & Management Sdn Bhd
(formerly known as Perspektif Gemilang Sdn Bhd)*
- 100%
Icon Freight International Inc
- 100%
Freight Management MSC Sdn Bhd

PROVISION OF MARINE SERVICES

- 50%
Transenergy Shipping Pte Ltd, Labuan

SHIPYARD AND DOCK MANAGEMENT

- 25%
YKP-FM Global Shipyard Co. Ltd, Thailand

PROVISION OF TUG AND BARGE SERVICES

- 51%
TCH Marine Pte Ltd, Singapore

* Dormant Companies

PROVISION OF FREIGHT SERVICES

- 100%
FM Global Logistics (M) Sdn Bhd
 - 100%
FM Contract Logistics Sdn Bhd*
 - 100%
FM Advance Cargo Logistics Sdn Bhd*
 - 49%
FM Distribution Sdn Bhd
- 100%
FM Global Logistics (Penang) Sdn Bhd*
- 100%
FM Global Logistics (Ipoh) Sdn Bhd*
- 100%
FM Global Logistics (Melaka) Sdn Bhd*
- 100%
Citra Multimodal Services Sdn Bhd
 - 51%
Dependable Global Express Malaysia Sdn Bhd
- 100%
Advance International Freight Sdn Bhd
- 100%
FM-Hellmann Worldwide Logistics Sdn Bhd
- 100%
Exterian Enterprise Sdn Bhd
- 100%
FM Worldwide Logistics (Penang) Sdn Bhd
- 80%
Symphony Express Sdn Bhd
- 100%
Icon Line (Malaysia) Sdn Bhd
 - 75%
FM Global Logistics Pty Ltd, Australia
 - 49%
FM Global Logistics Co., Ltd, Thailand
 - 49%
PT FM Global Logistics, Indonesia
 - 51%
FM Global Logistics Company Limited, Vietnam
 - 100%
FM Global Logistics (HK) Limited, Hong Kong*
 - 51%
FM Global Logistics (India) Private Limited, India
- 100%
FM Global Logistics (S'pore) Pte Ltd, Singapore

CONTENTS



2	Corporate Structure
4	Services Offered by the Group
5	Corporate Information
6	Directors' Profile
10	Chairman's Statement
16	Corporate Social Responsibility
17	Audit Committee Report
21	Statement on Corporate Governance
26	Statement on Risk Management and Internal Control
28	Additional Compliance Information
29	Statement on Directors' Responsibilities
31	Financial Statements
125	Analysis of Shareholdings
128	Analysis of Warrant Holdings
131	List of Properties
133	Notice of Annual General Meeting
139	Proxy Form
141	Contact Particulars of Freight Management Group



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 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.

Land Transportation

FM's fleet of 36 trucks, 69 prime movers and 430 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 720,000 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.

Bulk Services

Freight Management through its subsidiary TCH Marine Pte Ltd, with a fleet of 6 Barges and 6 Tugboats is a leading tug and barge operator; servicing the Straits of Malacca.

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.

International and Domestic 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.

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.

Project Management

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





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)

Wong Wai Foong (f)
(MAICSA 7001358)

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.fmgloballogistics.com

PRINCIPAL BANKERS

Hong Leong 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)



DATUK DR HJ NOORDIN BIN HJ AB RAZAK

Aged 68, 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 52, 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).

**YANG HENG LAM****Aged 50, 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 30 years experience in freight and logistics industry and has been instrumental in securing and maintaining major customers for the Group.

**GAN SIEW YONG****Aged 51, 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. 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 30 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 45, Malaysian**

Executive Director

Mr. Ong was appointed on 1 June 2006. He is also an executive director of FM Global Logistics (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.

In 2008, he was assigned to lead the business development of FM Global Logistics (formerly Icon Freight Services) overseas offices in Thailand, Indonesia and subsequent new offices in other countries.

**AARON SIM KWEE LEIN****Aged 47, 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.



KHUA KIAN KEONG

Aged 45, 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 in Electrical Engineering and graduated cum laude from University of the Pacific, USA in 1987.

He is the currently the president of Singapore Metal and Machinery Association, a council member of the 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. He is also a patron at Telok Blangah Citizens' Consultative Committee.

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 60, 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 is also a director of Sabana Shari'ah Compliant REIT, as well as a number of other subsidiaries in the Freight Links Group.

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 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.

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.



DEAR VALUED SHAREHOLDERS,

On behalf of the Board of Directors, I have the pleasure of presenting to you our Annual Report and the Audited Financial Statements of Freight Management Holdings Bhd ("FMHB") and its group of companies ("Group") for the financial year ended 30 June 2013 ("FY2013").

OVERVIEW

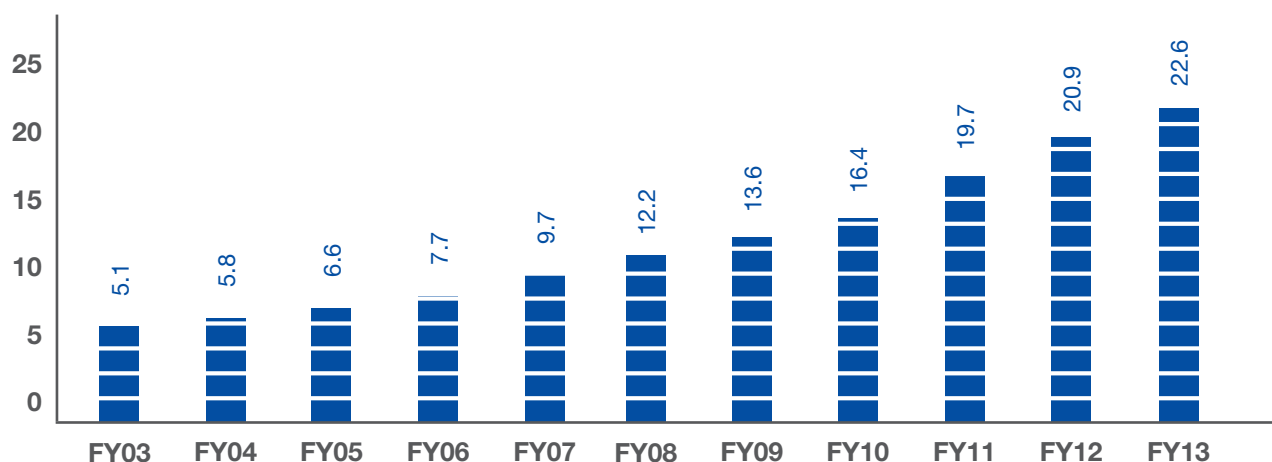
During the financial year under review, the global economy continued its sluggish performance. As Europe remained in recession, US growth was subpar, whilst the major emerging markets entered a period of slower growth and economic uncertainties. Reflecting the overall soft economic conditions, the International Monetary Fund ("IMF") reported that calendar year 2012 world economic growth was a modest 3.2%. For the year 2013, the IMF is expecting growth to ease slightly to 2.9%. As for Malaysia, our economy had performed better than the global average, with a GDP growth of 5.6% in year 2012. The latest second quarter 2013 Malaysia GDP growth came in at 4.3%, and for the whole year of 2013, Bank Negara Malaysia expects domestic growth to sustain with GDP growth projected at between 4.5% and 5.0%. In terms of global trade, the World Trade Organization ("WTO") noted that year 2012 experienced a significant slump, with dismal world trade growth of only 2.0%. On a brighter note, the WTO expects global trade to rebound in year 2013, with a growth of 3.3%.

FINANCIAL PERFORMANCE

I am pleased to announce that FMHB has maintained its impressive financial track record, as the company recorded its ninth consecutive year of profit growth since its listing on Bursa Malaysia in year 2005. This unbroken trend of continuous growth is particularly satisfactory, when viewed against the backdrop of the various global economic crises and uncertainties that we had encountered and successfully tackled this past decade. For FY2013, FMHB registered a Group revenue of RM364.8 million, a year-on-year ("YOY") growth of 11.5%, while profit before taxation grew by 7.8% YOY to RM30.2 million.



10-YEAR NET PROFIT CAGR FY03 – FY13 = 16.0%



Despite a sluggish start in the first half of FY2013, the Group maintained its focus on improving its range of logistics services, growing its customer base and volume, and managing costs. As a result of these initiatives, we were able to accelerate our operational momentum in the second half of FY2013 and leverage on the opportunities in the market. We therefore ended FY2013 on a stronger footing, with 8.1% YOY growth in net profit to RM22.6 million. This translated to a Basic earnings per share of 13.90 sen, while Net Assets per share increased to RM0.89 for FY2013, compared to RM0.79 in FY2012. On a historical perspective, our Company has, over the last 10 years, recorded an enviable net profit compounded annual growth rate (“CAGR”) of 16.0%.

REVENUE CONTRIBUTION

Freight income continued to be the main revenue and earnings contributor, accounting for 70% of total revenue. The Seafreight service, which contributed 55% of total revenue, registered a growth of 9% (RM16.6 million) despite the relatively soft market in FY2013. Less-than-a-container-load (“LCL”) service remained the Group’s niche and most profitable sector, while the full-container-load service received a boost in demand from the Landfreight service due to a rise in the cross-border trucking business between Thailand and Malaysia.

Notably, the Third-party Logistics & Warehousing service (“3PL”) continued its strong growth, as it registered revenue of RM39.6 million in FY2013 compared to RM29.3 million in FY2012, a jump of 35%. This service has benefited from higher demand from existing customers and newly acquired customers, which are mainly multi-national companies in industries such as oil & gas, consumer electrical and industrial products. As a result of the growing demand, our Group now manages around 720,000 square feet of warehouse facilities, from 600,000 square feet reported in FY2012. To support the future growth of our 3PL business, we planned to construct an additional warehouse adjacent to our current flagship warehouse in Port Klang, which will increase our warehouse space by 150,000 square feet.

Other services in the Group also performed satisfactorily. In particular, our Tug & Barge service continued to post higher profits despite flat revenue growth, due to improvement in operational efficiencies and fleet rationalization. We currently own a fleet of six tugboats and six barges. To support our expanding domestic logistics activities, the Group also increased its fleet of commercial vehicles and currently operates 69 prime movers and 430 trailers. With a sizeable fleet, the Group is now able to cater to most of its customers’ haulage needs.



GROWING REGIONAL CONTRIBUTION

FMHB's regional companies continued to perform well, and accounted for 23% of the Group's revenue. The main regional contributors in terms of revenue were Australia (8%), Indonesia (6%) and Singapore (5%), whilst the smaller and up-and-coming contributors were Vietnam & Thailand (4%). In spite of the growing regional operations, our Malaysian operations remain the largest contributor, accounting for 77% of the total revenue in FY2013. Malaysia-derived revenue was RM28 million higher in FY2013, while the overseas companies reported an increase of RM10 million.

REGIONAL EXPANSION

Thailand

In FY2013, FMHB subscribed for a 25% equity interest in YKP-FM Global Shipyard Co Ltd ("YKPFM"), for a cash consideration of approximately RM3.0 million. The principal activity of YKPFM, which is a Thailand-based company, is the operation of a ship yard, which will focus on repair and maintenance of vessels, particularly tugboats, barges and other types of boats. Our investment in YKPFM is synergistic to our existing Tug & Barge business, and will provide a new growth avenue for the Group.

India

FMHB through its wholly owned subsidiary, Icon Line (Malaysia) Sdn Bhd signed a joint venture agreement with 1Global Enterprises Pte Ltd on 28 May 2013 to set up a joint venture company, FM Global Logistics (India) Pte Ltd, Chennai ("FMGLI") and subscribed to 51% equity interest in FMGLI. This strategic investment in India is part of the Group's plan to expand regionally. FMGLI will provide integrated logistics services to and from South India. Through this initial investment, the Group aspires to establish more branches and offices throughout the Indian continent and its neighboring countries.



Joint venture to expand Tug & Barge business in the oil & gas sector

FMHB has formed a 50:50 joint venture with Bursa Malaysia-listed company, Scomi Energy Services Bhd on 3 June 2013. The joint venture company, Transenergy Shipping Pte Ltd, Labuan will initially invest in a set of tug and barge that is specifically designed for the oil and gas industry. Longer-term, the joint venture company plans to acquire, own and operate additional marine vessels for the purpose of leasing or chartering them to third parties in the O&G industry and other sectors in South East Asia.

REWARDING SHAREHOLDERS

FMHB has an excellent track record of rewarding shareholders with consistent dividends, a tradition that we have adhered to without fail since our listing in year 2005. I am happy to note that, despite the challenges that we faced in FY2013, FMHB will continue to reward shareholders with dividends. In respect of the financial year ended 30 June 2013, the Board is recommending a final single-tier dividend of 3.0 sen (2012: 2.5 sen) per ordinary share, subject to shareholders approval at the forthcoming Annual General Meeting on 27 November 2013.

Together with the interim single-tier dividend of 1.5 sen per ordinary share paid on 17 July 2013, total dividend for FY2013 shall be 4.5 sen, which is in fact higher than the 4.0 sen paid in FY2012. The total dividend paid and to be paid for FY2013 represents approximately 34% of the year's earnings.

ACHIEVEMENT

I am pleased to inform our esteemed shareholders that on 3 July 2013, FMHB was awarded the best company for investor relations ("IR") in the micro-cap category at the 2013 Malaysia Investor Relations Awards. This prestigious award, which was organized by the Malaysian Investor Relations Association in partnership with Bursa Malaysia, is a testimony of our continuous efforts to engage with our shareholders, the investment community and other stakeholders as part of good corporate governance practice.



MALAYSIA INVESTOR RELATIONS AWARDS 2013

"EMERGING CORPORATE GEMS"

CONGRATULATIONS

BEST COMPANY FOR IR	BEST CEO FOR IR	BEST CFO FOR IR
Large Cap CIMB Group Holdings Berhad Mid Cap Genting Plantations Berhad Small Cap Glomac Berhad Micro Cap Freight Management Holdings Berhad	Large Cap Dato' Sri Nazri Razali CIMB Group Holdings Berhad Mid Cap Sing Seow Wah Alliance Financial Group Berhad Small Cap Asitran Tan Panleach Group Holdings Berhad	Large Cap Tang Poh Kiow Sime Darby Berhad Mid Cap Lim Cheong Guan Top Glove Corporation Berhad Small Cap Bibiana Dwek Ak Dayus KKB Engineering Berhad

BEST IR PROFESSIONAL	BEST IR WEBSITE	OTHER AWARDS
Large Cap Chang Siew Yen Public Bank Berhad Mid Cap Shara Guha Thakurta UTM Corporation Berhad Small Cap Lim Chem Yuan Yinson Holdings Berhad	Large Cap CIMB Group Holdings Berhad Mid Cap AirAsia Berhad Small Cap Quill Capita Trust	BEST IR for an IPO in 2012 IHH Healthcare Berhad Business Knowledge & Insights of IR Team CIMB Group Holdings Berhad Most Improved Service from IR Team Malaysian Banking Berhad Quality of Annual Reports / Formal Disclosure Sime Darby Berhad Quality of One-on-One Meetings CIMB Group Holdings Berhad

HIGHEST COMMENDATION OF EXCELLENCE

TO ALL COMPANIES AND INDIVIDUALS NOMINATED BY THE INVESTMENT COMMUNITY IN THE MALAYSIA IR SURVEY 2012

AFON Co. (M) Berhad
Akasia Berhad
Alam Maritim Resources Berhad
Alliance Financial Group Berhad
AMMB Holdings Berhad
Astra Malaysia Holdings Berhad
Axiata Group Berhad
Axi Real Estate Investment Trust
British American Tobacco (Malaysia) Berhad
Bumi Armada Berhad
Bursa Malaysia Berhad
CapitaMalls Malaysia Trust
Carlsberg Brewery Malaysia Berhad
CB Industrial Product Holding Berhad
Century Logistics Holdings Berhad
CIMB Group Holdings Berhad
Dabochi Plastic And Packaging Industry Berhad
Daleum Berhad
Dejag Group Berhad
Diet.Com Berhad
Ethelics International Group Berhad
Evergreen Fibreboard Berhad
Felda Global Ventures Holdings Berhad
Freight Management Holdings Berhad
Glomac Berhad
Gas Malaysia Berhad
Genting Malaysia Berhad

Genting Plantations Berhad
Globetronics Technology Berhad
Glomac Berhad
Guinness Anchor Berhad
Hartalega Holdings Berhad
Hong Leong Bank Berhad
IHH Healthcare Berhad
UM Corporation Berhad
UM Plantations Berhad
ICI Corporation Berhad
Jadidree Corporation Berhad
Johore Tin Berhad
KKB Engineering Berhad
Kuala Lumpur Kepong Berhad
Maui Sing Group Berhad
Malayan Banking Berhad
Malaysia Airports Holdings Berhad
Malaysia Marine and Heavy Engineering Holdings Bhd
Max Communications Berhad
MISC Berhad
Multibah Engineering (M) Berhad
MycG Services Berhad
Nation Wee Berhad
Panleach Group Holdings Berhad
Pavilion Real Estate Investment Trust
Perini Petroleum Technology Berhad
PETRONAS Chemicals Group Berhad

PETRONAS Dagangan Berhad
POL Malaysia Berhad
PPI Group Berhad
Public Bank Berhad
QI Resources Berhad
Quill Capita Trust
RGB International Berhad
RHB Capital Berhad
SapuraKencana Petroleum Berhad
Sarawak Oil Palm Berhad
Scoti Energy Services Berhad
Sime Darby Berhad
SP Setia Berhad
Surway BEST Management Sdn Bhd
Syarikat Telekom Malaysia Berhad
Tanjung Offshore Berhad
Telekom Malaysia Berhad
Tenaga Nasional Berhad
TH Heavy Engineering Berhad
Top Glove Corporation Berhad
TSH Resources Berhad
UBM Land Holdings Berhad
UMW Holdings Berhad
Urmia Berhad
WCT Berhad
Wing Tai Malaysia Berhad
Yinson Holdings Berhad

Brought to you by:

Partner:

Sponsor:

Supported by:



FUTURE PROSPECTS

As I write to you, the global economy continues to experience lingering uncertainties. Whilst the developed economies in the west, notably Europe and the US, are showing nascent signs of a recovery, we are now witnessing rising economic headwinds in the emerging economies due to disruptive fund flows and overall expectations of slower growth.

In Malaysia, we have not been spared of these concerns, as reflected in a weaker Ringgit and dampened capital markets. Reflecting these issues, the World Bank has recently downgraded its projection for Malaysia's 2013 GDP growth to 4.3%, from 5.1% previously. For year 2014, the World Bank is forecasting our economy to expand by a relatively moderate rate of 4.8%. On a global scale, the outlook is more sanguine, with the IMF projecting world economic growth to pick up pace in year 2014, with a growth rate of 3.6%, a healthy increase from the projected growth of 2.9% in year 2013.

Amidst the persisting uncertainties in the world economy, we expect FY2014 to continue to pose significant challenges for FMHB. Whilst we have experienced periods of relative weakness, we are encouraged by the pick-up in the volume of our business in recent quarters. We are hopeful of sustaining this momentum throughout FY2014, as we take advantage of the various opportunities available in the domestic and regional markets, all of which are still growing economically, albeit at a slower pace.





In FY2014 and beyond, we will continue to pursue our long-term strategic goals with focus on maximising the value of our existing operations, deepening and strengthening our service range and customer base, restructuring and managing costs and driving through Group-wide business improvement initiatives. FMHB has developed and continues to improve on our strong fundamentals, which place us in a good position to ride out the challenges and harness organic and synergistic growth from our core businesses.

Moving forward, a critical part of the Group's vision is to expand regionally and establish ourselves as a regional market leader. We now have a direct presence in six countries, and have recently formed joint ventures to add India and the Philippines into our regional portfolio. In the coming years, we hope to make our direct presence in other Asian countries such as Sri Lanka, Myanmar and Cambodia. We believe that our increasing exposure in the Asian markets, together with a diversified mix of logistics businesses and broad customer base would provide FMHB with the strength and depth to maintain growth in FY2014 and beyond.

In conclusion, we are confident that FY2014 will be another year of progress for FMHB, notwithstanding the potential challenges that we may face. For many years now, our strategy of extending our global leadership in providing logistics services via organic growth and targeted acquisition has served the Group well, and we believe this strategy will continue to bear fruits.

APPRECIATION AND ACKNOWLEDGEMENT

I am grateful to my esteemed colleagues who have served with me on the Board, for their vast experience, depth of knowledge and business acumen.

On behalf of our Board, I would like to thank our management and staff for their commitment, loyalty and dedication to the Company. Our growth and future success will always be due to the joint efforts from all of us.

Finally, I would like to express our appreciation to all our business partners, customers and shareholders for the tremendous support that we have received over the years.





WE ARE COMMITTED TO BECOMING A TRULY RESPONSIBLE CORPORATE CITIZEN, AND AIMS TO ACHIEVE OUR COMPANY'S GOALS IN A FAIR, ETHICAL AND RESPONSIBLE MANNER, WHILST MAKING EVERY EFFORT TO POSITIVELY IMPACT THE COMMUNITIES AND ENVIRONMENT IN WHICH WE WORK. TO ACHIEVE THIS, THE COMPANY WILL STRIVE TO POSITIVELY IMPACT THE FOLLOWING KEY AREAS:

MARKETPLACE

The Group focuses on maintaining high quality service, treating clients as mutual partners and working with suppliers fairly and ethically. We operate a quality management system that is fully compliant with ISO 9001:2008.

HUMAN CAPITAL

Our employees played a vital role in ensuring success of our business. The Group cared for its employees by providing a fair and equitable remuneration and also carried out various activities to enhance knowledge, promote growth and to foster a sense of belonging. Among the various activities carried out during the year are:

- Conduct on the job training, in-house training and external training courses to improve practical skills and knowledge of our employees.
- Employees were encouraged to pursue work-related courses to promote professional development.
- Recreational and social events

were organized through the Sports Club to encourage networking and socializing among the colleagues and peers.

Not forgetting the health and welfare of our employees, adequate health care benefits such as panel doctors, medical insurance and group personal accident insurance were provided to our employees. Health and safety talks were also held regularly to create awareness to the employees.

COMMUNITY

The Group undertook various initiatives throughout FY2013 to offer assistance and contributions to the charitable organisations and welfare homes. During the year, the Group took part in a community program organized by Bumblebee, a mobile community resource centre, by sponsoring the refabrication of a truck valued at RM24,000. The objective of the Bumblebee mobile community resources centre was to bring resources and literacy into various low-cost housing areas with the Klang Valley where social and educational services were very lacking. During the year, the Group also contributed RM10,000 to The

Shepherd's Centre Foundation, a home for the orphanage.

ENVIRONMENT & WORKPLACE

At FMHB, we understand the importance of responsible Environment, Health and Safety management to the growth, profitability and long term success of the company.

To promote our HSSE Policy, we have invested significant resources to ensuring a safe and healthy work environment for our employees and all those who are affected by our business operations. We have implemented a variety of company-wide processes including improved awareness, communication, monthly safety tips and accident investigation programs to improve our safety performance.

Regular health and safety training were conducted to instill safety awareness to the employees. Fire and emergency drills were carried out periodically to ensure continuous improvement to the safety practices. Employees working in the warehouses were required to wear proper safety attires to reduce the risk of injuries.





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 to maintain minutes of 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.
- 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



TERMS OF REFERENCE (CONT'D)

1.0 Composition of the Audit Committee (cont'd)

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;
- 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



TERMS OF REFERENCE (CONT'D)

2.0 Duties of the Audit Committee (cont'd)

- 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.

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 head of finance, representative 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 head of finance, internal auditors 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



TERMS OF REFERENCE (CONT'D)

4.0 Procedure of the Audit Committee (cont'd)

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.

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 2013 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 2013;
- 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 2013 before the commencement of audit, and
- reviewed the Company's compliance in the particular year's financial statement with the listing requirements of Bursa Securities, MFRS 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 2013.

Cost incurred for the internal audit function of the Group in respect of the financial year ended 30 June 2013 amounting to approximately RM56,400.



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. 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 significant capital expenditure, consideration of significant financial matters and the review of financial and operating performance of the Group.

To fulfil its role, the Board has adopted a Board Charter which defines the role, responsibilities, functions and authority of the Board and Management of the Group. The Company has also put in place the Corporate Code of Business Conduct & Work Ethics Policy formalising the standard and behaviour expected of officers and employees of the Group. The Board Charter and Corporate Code of Business Conduct & Work Ethics Policy are to be reviewed periodically to ensure their relevance.

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 6 to 9 in this Annual Report.

One recommendation of the Malaysian Code on Corporate Governance 2012 (“MCCG 2012”) states that the tenure of an independent director should not exceed a cumulative term of 9 years. The Board of Directors have determined, after the board assessment carried out that Datuk Dr Hj Noordin Bin Hj Ab Razak and Mr Aaron Sim Kwee Lein, who have served the Board for 9 years, have remained objective and independent in expressing their views in deliberations and decision making on the Board and Board Committees. The length of their service does not in any way interfere with their exercise of independent judgement and ability to act in the best interest of the Company. The Board will table the proposals to retain these directors as independent directors for shareholders approval at the upcoming Annual General Meeting.



1. THE BOARD OF DIRECTORS (CONT'D)

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.

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	4/5
Yang Heng Lam	5/5
Gan Siew Yong	4/5
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

Senior Management staff or professional advisers appointed by the Company to advise the Company on its corporate proposals were invited to attend the Board meetings and to provide the Board with explanation and clarifications to facilitate informed decision making 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. In addition, schedule of matters reserved will be formalised specifically for the Board's future decision making.

All Directors have access to the advice and services of the Company Secretary. The Company has also formulated and adopted an Internal Corporate Disclosure Policy and Procedure.

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 in 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.

The MCCG 2012 recommends that the Chair of the Nomination Committee should be the Senior Independent Director identified by the Board. Datuk Dr Hj Noordin Bin Hj Ab Razak has been identified as the Senior Independent Director for which any concerns of the Group may be conveyed to him.



1. THE BOARD OF DIRECTORS (CONT'D)

Directors' Training

All Directors have 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, all directors have attended the training. Details of training and development programmes attended by directors are as follows:-

Datuk Dr Hj Noordin Bin Hj Ab Razak	- Risk Awareness Programme; Enterprise-wide Risk Management Framework
Chew Chong Keat	- Risk Awareness Programme; Enterprise-wide Risk Management Framework
Yang Heng Lam	- Risk Awareness Programme; Enterprise-wide Risk Management Framework
Gan Siew Yong	- Risk Awareness Programme; Enterprise-wide Risk Management Framework
Ong Looi Chai	- Risk Awareness Programme; Enterprise-wide Risk Management Framework
Aaron Sim Kwee Lein	- Risk Awareness Programme; Enterprise-wide Risk Management Framework
Chua Tiong Hock	- Listed Company Director Programme, Module 4; Nominating Committee Essentials
	- Listed Company Director Programme, Module 2; Audit Committee Essentials
	- Risk Awareness Programme; Enterprise-wide Risk Management Framework

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 20 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)



2. BOARD COMMITTEES (CONT'D)

Nomination Committee (cont'd)

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.

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 Terms 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 Director abstaining from deliberation on his remuneration.

The RC met once during the financial year under review.

Details of the remuneration packages for the Directors of the Group for the financial year ended 30 June 2013 are as follows:-

	Executive Directors RM	Non-Executive Directors RM
*Fees	180,000	120,000
Salaries & other emoluments	17,000	15,000

* Subject to the approval of shareholders.



2. BOARD COMMITTEES (CONT'D)

Remuneration Committee (cont'd)

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.fmgloballogistics.com 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 29 of this Annual Report.

Internal Control

Information on the Group's system of internal control is presented in the Statement on Risk Management and Internal Control as set out on pages 26 to 27 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 as set out on pages 19 to 20 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 RISK MANAGEMENT AND INTERNAL CONTROL



The Statement on Risk Management and Internal Control by the Board on the Company is made pursuant to Paragraph 15.26 (b) of the Listing Requirements of Bursa Malaysia Securities Berhad in accordance with the Principles and Recommendations relating to risk management and internal controls provided in the Code.

RESPONSIBILITY

The Board of Directors ("Board") of the Company acknowledges its responsibility for maintaining sound internal control and risk management systems that would provide reasonable assurance in the reliability of financial reporting and compliance with applicable laws and regulations, to safeguard shareholders' interests. The system of internal control is designed to manage the Company's risk within acceptable risk profile, rather than eliminate the risk of failure to achieve Company's policies and business objectives, and provides reasonable assurance against material errors, misstatement or irregularities.

In view of the limitation inherent in any system of internal control, such a system is designed to mitigate rather than eliminate risks of failure to achieve corporate objectives. Accordingly, the system provides reasonable and not absolute assurance against material error, misstatement or loss. The system of internal control covers, inter alia, risks management, financial and compliance controls. The Board confirms that the system of internal control of the Company was in place during the financial year. The system is subject to regular review by the Board.

RISK MANAGEMENT

At the date of the approval of this statement, the Company has appointed an external consultant to establish the Enterprise Risk Management ("ERM") Framework to proactively identify, evaluate and manage key risks. In line with the Company's commitment to deliver sustainable value, this framework aims to provide an integrated and organised approach entity-wide. It outlines the ERM methodology in line with ISO 31000:2009 – Risk Management Principles and Guidelines, to promote risk ownership and the continuous monitoring of key risks identified.

The Company is building a formal database of risks and controls information that will capture in the format risk registers. Key risks are identified, assessed and categorised to highlight the sources of risk, their impacts and the likelihood of occurrence.

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 outsourced internal audit and the management. In addition, the Audit Committee also consider findings from the external auditors in the form of management letters, which highlight certain internal control areas for improvement identified during the course of the external audit. Any areas of improvement identified by the external auditors and internal auditors are being brought to the attention of the Audit Committee.

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.

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.



INTERNAL AUDIT FUNCTIONS AND EFFECTIVENESS OF INTERNAL CONTROLS (CONT'D)

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;
- Quarterly 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;
- Quarterly 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 quarterly meetings with the management on the actions taken on internal control issues, identified through reports prepared by the internal auditors, external auditors (identified during the course of their external audit) and/or the management.

CONCLUSION

Based on the processes set out above, the Board is of the view that the Group's system of risk management and internal control are adequate to safeguard the shareholders' investment and the Group's assets and has received assurance from both the CEO and CFO in this respect. Nevertheless, the Board and Management are committed towards operating a sound system of internal control and the internal control system will continue to be reviewed, added or updated in line with the changes in the operating environment.

In the year under review, there have not been any material losses, contingencies or uncertainties that would require a separate disclosure in this Annual Report.

This statement is made in accordance with the resolution of the Board dated 18 October 2013.



- 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 2013.
- 3. Options, Warrants or Convertible Securities**
The Company has not issued any options, Warrants or Convertible Securities during the financial year except for the issuance of 5,499,758 new shares of RM0.50 each pursuant to the exercise of warrants at RM0.97 per warrant. The total cash proceeds arising from the exercise of warrants during the financial year amounted to RM5,334,765.
- 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 2013 amounted to RM31,500.
- 7. Variation in Results**
The Group’s audited results for the financial year ended 30 June 2013 did not vary by 10% or more from the unaudited results which were announced to Bursa Malaysia Securities Berhad on 28 August 2013.
- 8. Profit Guarantee**
There were no profit guarantees given by the Group during the financial year ended 30 June 2013.
- 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 2013.
- 10. Recurrent Related Party Transactions**
All recurrent related party transactions entered into by the Group during the financial year are disclosed in Note 32 to the financial statements in pages 101 to 103 of this Annual Report.

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.

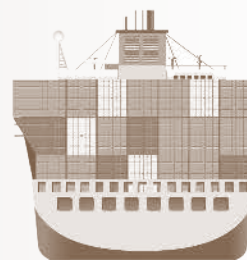
In preparing the financial statements for the year ended 30 June 2013, the Directors have:-

- 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 18 October 2013.



FINANCIAL STATEMENTS



32	Director's Report
37	Statement by Directors
37	Statutory Declaration
38	Independent Auditors' Report
40	Consolidated Statement of Financial Position
42	Statement of Financial Position
43	Statements of Profit or Loss and Other Comprehensive Income
44	Statements of Changes In Equity
47	Statements of Cash Flows
49	Notes to the Financial Statements



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 2013.

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	24,773	9,611
Attributable to:		
Owners of the parent	22,566	9,611
Non-controlling interests	2,207	-
	24,773	9,611

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 2012:	
Final dividend of 2.5 sen per ordinary share, less tax of 25%, paid on 18 December 2012	4,057
In respect of the financial year ended 30 June 2013:	
Interim single tier dividend of 1.5 sen per ordinary share, paid on 17 July 2013	2,517
	6,574

The Directors propose a final single tier dividend of 3.0 sen per ordinary share in respect of the financial year ended 30 June 2013, subject to the approval of the members at the forthcoming Annual General Meeting.

RESERVES AND PROVISIONS

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

ISSUE OF SHARES AND DEBENTURES

During the current financial year, the Company increased its issued and paid-up share capital by the issuance of 5,499,758 new ordinary shares of RM0.50 each for cash via the exercise of 5,499,758 warrants at an exercise price of RM0.97 per warrant on the basis of one (1) new ordinary share for every one (1) warrant exercised pursuant to the Deed Poll dated 6 January 2012.

The newly issued shares rank pari passu in all respects with the existing shares of the Company. There were no other issues of shares during the financial year.

The Company did not issue any new 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 the ordinary shares and warrants in the Company during the financial year ended 30 June 2013 as recorded in the Register of Directors' Shareholdings kept by the Company under Section 134 of the Companies Act, 1965 in Malaysia, were as follows:

--- Number of ordinary shares of RM0.50 each ---				
	Balance as at 1.7.2012	Bought	Sold	Balance as at 30.6.2013

Shares in the Company

Direct interests

Chew Chong Keat	42,537,210	500,000	(1,100)	43,036,110
Gan Siew Yong	7,042,189	-	-	7,042,189
Yang Heng Lam	29,701,374	-	-	29,701,374
Ong Looi Chai	1,995,870	-	-	1,995,870

Indirect interests

Khua Kian Keong	32,457,142	4,868,658	-	37,325,800
Chua Tiong Hock	32,457,142	4,868,658	-	37,325,800
Yang Heng Lam	423,199*	-	-	423,199



DIRECTORS' INTERESTS (CONT'D)

	Number of warrants [^] of RM0.50 each			Balance as at 30.6.2013
	Balance as at 1.7.2012	Bought	Sold	

Warrants in the Company

Direct interests

Chew Chong Keat	6,280,633	-	(500,000)	5,780,633
Gan Siew Yong	1,056,347	-	-	1,056,347
Yang Heng Lam	4,512,185	-	-	4,512,185
Ong Looi Chai	285,990	-	-	285,990

Indirect interests

Khua Kian Keong	4,868,658	-	(4,868,658)	-
Chua Tiong Hock	4,868,658	-	(4,868,658)	-
Yang Heng Lam	35,000*	-	-	35,000

* Interest of spouse by virtue of Section 134 (12)(c) of the Companies Act, 1965 in Malaysia.

[^] Issuance of 24,342,857 free warrants on 13 January 2012 on the basis of one (1) warrant for every five (5) existing ordinary shares held.

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

None of the other Directors holding office at the end of the financial year held any interest in the ordinary shares and warrants 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 the following:

- remuneration received or due and receivable by certain Directors as Directors/executives of the subsidiaries; and
- deemed benefits arising from related party transactions as disclosed in Note 32 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 the Directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate except for the warrants issued as disclosed in Note 17 to the financial statements.



OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY

(I) AS AT THE END OF THE FINANCIAL YEAR

- (a) Before the statements of profit or loss and other 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.

(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

Significant events during the financial year are disclosed in Note 38 to the financial statements.

SIGNIFICANT EVENT SUBSEQUENT TO THE END OF THE REPORTING PERIOD

Significant event subsequent to the end of the reporting period is disclosed in Note 39 to the financial statements.

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

Yang Heng Lam

Director

Port Klang

18 October 2013

STATEMENT BY DIRECTORS



In the opinion of the Directors, the financial statements set out on pages 40 to 123 have been drawn up in accordance with Malaysian Financial Reporting Standards, International 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 2013 and of the financial performance and cash flows of the Group and of the Company for the financial year then ended.

In the opinion of the Directors, the information set out in Note 41 to the financial statements on page 124 has been compiled in accordance with the Guidance on Special Matter No.1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, issued by the Malaysian Institute of Accountants, and presented based on the format prescribed by Bursa Malaysia Securities Berhad.

On behalf of the Board,

Chew Chong Keat
Director

Yang Heng Lam
Director

Port Klang
18 October 2013

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 40 to 124 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 above named at)
Kuala Lumpur this)
18 October 2013)

Chew Chong Keat

Before me:



REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Freight Management Holdings Bhd, which comprise statements of financial position as at 30 June 2013 of the Group and of the Company, and statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 40 to 123.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards, and the requirements of the Companies Act, 1965 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is 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 give a true and fair view of the financial position of the Group and of the Company as of 30 June 2013 and of their financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

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.



REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS (CONT'D)

- (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 41 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

As stated in Note 3 to the financial statements, Freight Management Holdings Bhd adopted Malaysian Financial Reporting Standards on 1 July 2012 with a transition date of 1 July 2011. These Standards were applied retrospectively by Directors to the comparative information in these financial statements, including the statements of financial position as at 30 June 2012 and 1 July 2011, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the financial year then ended 30 June 2012 and related disclosures. We were not engaged to report on the restated comparative information, and it is unaudited. Our responsibilities as part of our audit of the financial statements of the Group and of the Company for the financial year ended 30 June 2013 have, in these circumstances, included obtaining sufficient appropriate audit evidence that the opening balances as at 1 July 2012 do not contain misstatements that materially affect the financial position as of 30 June 2013 and financial performance and cash flows for the financial year then ended.

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

Tang Seng Choon

2011/12/13 (J)

Chartered Accountant

Kuala Lumpur

18 October 2013

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2013



		30.6.2013	Group 30.6.2012	1.7.2011
	NOTE	RM'000	RM'000	RM'000
ASSETS				
Non-current assets				
Property, plant and equipment	7	121,218	113,497	105,795
Investments in associates	9	3,316	200	190
Other investment	10	3	3	3
Deferred tax assets	21	-	-	4
Goodwill on consolidation	11	1,659	1,674	1,674
		126,196	115,374	107,666
Current assets				
Trade receivables	12	76,653	62,535	56,028
Other receivables, deposits and prepayments	13	10,409	7,112	8,749
Amount owing by an associate	15	8	8	-
Current tax assets		1,323	630	1,346
Cash and cash equivalents	16	42,452	36,800	27,173
		130,845	107,085	93,296
TOTAL ASSETS		257,041	222,459	200,962

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2013 (CONT'D)



	NOTE	30.6.2013 RM'000	Group 30.6.2012 RM'000	1.7.2011 RM'000
EQUITY AND LIABILITIES				
Equity attributable to owners of the parent				
Share capital	17	83,893	81,143	60,857
Reserves	18	64,885	46,405	50,297
		148,778	127,548	111,154
Non-controlling interests		12,732	10,514	9,320
TOTAL EQUITY		161,510	138,062	120,474
LIABILITIES				
Non-current liabilities				
Hire purchase and lease liabilities	19	1,068	1,680	3,907
Term loans	20	30,128	23,863	18,399
Deferred tax liabilities	21	8,880	7,148	5,628
		40,076	32,691	27,934
Current liabilities				
Trade payables	22	26,740	27,054	23,524
Other payables and accruals	23	12,118	8,918	9,859
Amount owing to an associate	15	-	-	12
Hire purchase and lease liabilities	19	1,264	2,772	3,260
Term loans	20	7,541	6,199	6,658
Bank overdrafts - secured	24	3,343	2,802	3,001
Short term bank loan - secured		-	-	2,500
Dividend payable		2,517	2,434	2,282
Current tax liabilities		1,932	1,527	1,458
		55,455	51,706	52,554
TOTAL LIABILITIES		95,531	84,397	80,488
TOTAL EQUITY AND LIABILITIES		257,041	222,459	200,962

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

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2013



	NOTE	30.6.2013 RM'000	Company 30.6.2012 RM'000	1.7.2011 RM'000
ASSETS				
Non-current assets				
Investments in subsidiaries	8	63,387	63,387	51,687
Investments in associates	9	3,028	-	-
		66,415	63,387	51,687
Current assets				
Other receivables, deposits and prepayments	13	45	37	30
Amounts owing by subsidiaries	14	21,252	16,094	36,832
Current tax assets		253	253	955
Cash and cash equivalents	16	15,987	16,793	9,091
		37,537	33,177	46,908
TOTAL ASSETS		103,952	96,564	98,595
EQUITY AND LIABILITIES				
Equity attributable to owners of the parent				
Share capital	17	83,893	81,143	60,857
Reserves	18	13,095	7,473	33,630
		96,988	88,616	94,487
LIABILITIES				
Current liabilities				
Other payables and accruals	23	459	447	430
Amounts owing to subsidiaries	14	3,988	5,067	1,396
Dividend payable		2,517	2,434	2,282
TOTAL LIABILITIES		6,964	7,948	4,108
TOTAL EQUITY AND LIABILITIES		103,952	96,564	98,595

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

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2013



	NOTE	Group		Company	
		2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Revenue	25	364,808	327,101	13,626	3,701
Cost of services		(268,407)	(242,496)	-	-
Gross profit		96,401	84,605	13,626	3,701
Other income		3,379	2,066	163	80
Administrative expenses		(67,745)	(56,974)	(3,815)	(4,483)
Finance costs		(1,899)	(1,677)	-	-
Share of profit of associates		88	10	-	-
Profit/(Loss) before tax	26	30,224	28,030	9,974	(702)
Tax expense	27	(5,451)	(6,076)	(363)	(453)
Profit/(Loss) for the financial year		24,773	21,954	9,611	(1,155)
Other comprehensive income, net of tax					
Items that may be reclassified subsequently to profit or loss					
Foreign currency translations		(167)	350	-	-
Total comprehensive income/(loss)		24,606	22,304	9,611	(1,155)
Profit/(Loss) attributable to:					
Owners of the parent		22,566	20,872	9,611	(1,155)
Non-controlling interests		2,207	1,082	-	-
		24,773	21,954	9,611	(1,155)
Total comprehensive income/(loss) attributable to:					
Owners of the parent		22,469	21,110	9,611	(1,155)
Non-controlling interests		2,137	1,194	-	-
		24,606	22,304	9,611	(1,155)
Earnings per ordinary share attributable to equity holders of the Company (sen):					
Basic earnings per ordinary share	30	13.90	12.86		
Diluted earnings per ordinary share	30	13.74	12.86		

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2013



GROUP	Note	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 1 July 2011		60,857	747	49,550	111,154	9,320	120,474
Effect of adoption of MFRS 1	40	-	-	-	-	-	-
Restated balance as at 1 July 2011		60,857	747	49,550	111,154	9,320	120,474
Profit for the financial year		-	-	20,872	20,872	1,082	21,954
Foreign currency translations		-	238	-	238	112	350
Total comprehensive income		-	238	20,872	21,110	1,194	22,304
Transactions with owners							
Dividends paid	28	-	-	(4,716)	(4,716)	-	(4,716)
Ordinary shares issued pursuant to bonus issue	17	20,286	-	(20,286)	-	-	-
Total transactions with owners		20,286	-	(25,002)	(4,716)	-	(4,716)
Balance as at 30 June 2012		81,143	985	45,420	127,548	10,514	138,062

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2013 (CONT'D)



GROUP	Note	Share capital RM'000	Share premium 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 2012		81,143	-	985	45,420	127,548	10,514	138,062
Profit for the financial year		-	-	-	22,566	22,566	2,207	24,773
Foreign currency translations		-	-	(97)	-	(97)	(70)	(167)
Total comprehensive income		-	-	(97)	22,566	22,469	2,137	24,606
Transactions with owners								
Ordinary shares contributed by non-controlling interests of a subsidiary		-	-	-	-	-	122	122
Dividends paid	28	-	-	-	(6,574)	(6,574)	-	(6,574)
Dividend paid to non-controlling interest of a subsidiary		-	-	-	-	-	(41)	(41)
Ordinary shares issued pursuant to exercise of warrants	17	2,750	2,585	-	-	5,335	-	5,335
Total transactions with owners		2,750	2,585	-	(6,574)	(1,239)	81	(1,158)
Balance as at 30 June 2013		83,893	2,585	888	61,412	148,778	12,732	161,510

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2013 (CONT'D)



COMPANY	Note	Share capital RM'000	Share premium RM'000	Retained earnings RM'000	Total equity RM'000
Balance as at 1 July 2011		60,857	-	33,630	94,487
Effect of adoption of MFRS 1	40	-	-	-	-
Restated balance as at 1 July 2011		60,857	-	33,630	94,487
Profit for the financial year		-	-	(1,155)	(1,155)
Other comprehensive income, net of tax		-	-	-	-
Total comprehensive income		-	-	(1,155)	(1,155)
Transaction with owners					
Dividends paid	28	-	-	(4,716)	(4,716)
Ordinary shares issued pursuant to bonus issue	17	20,286	-	(20,286)	-
Total transactions with owners		20,286	-	(25,002)	(4,716)
Balance as at 30 June 2012		81,143	-	7,473	88,616
Profit for the financial year		-	-	9,611	9,611
Other comprehensive income, net of tax		-	-	-	-
Total comprehensive income		-	-	9,611	9,611
Transactions with owners					
Dividends paid	28	-	-	(6,574)	(6,574)
Ordinary shares issued pursuant to exercise of warrants	17	2,750	2,585	-	5,335
Total transactions with owners		2,750	2,585	(6,574)	(1,239)
Balance as at 30 June 2013		83,893	2,585	10,510	96,988

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2013



	Note	Group		Company	
		2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit/(Loss) before tax		30,224	28,030	9,974	(702)
Adjustments for:					
Bad debts recovered		-	(30)	-	-
Bad debts written off		540	27	-	-
Depreciation of property, plant and equipment	7	10,631	8,662	-	-
Dividend income		-	-	(10,736)	(1,191)
Gain on disposal of property, plant and equipment		(1,507)	(126)	-	-
Impairment losses on:					
- goodwill on consolidation	11	15	-	-	-
- trade receivables	12	1,269	521	-	-
- investment in a subsidiary	8	-	-	-	350
Interest expense		1,899	1,677	-	-
Interest income		(312)	(225)	(155)	(80)
Property, plant and equipment written off	7	49	15	-	-
Reversal of impairment loss on trade receivables	12	(423)	(423)	-	-
Share of profit of associates		(88)	(10)	-	-
Unrealised loss/(gain) on foreign currency transactions		84	(25)	(8)	-
Operating profit/(loss) before working capital changes		42,381	38,093	(925)	(1,623)
Increase in trade receivables		(15,779)	(6,496)	-	-
(Increase)/Decrease in other receivables, deposits and prepayments		(3,276)	1,753	(8)	(7)
Increase in amount owing by an associate		-	(20)	-	-
(Decrease)/Increase in trade payables		(309)	2,531	-	-
Increase /(Decrease) in other payables and accruals		1,338	(104)	12	17
Cash generated from/(used in) operations		24,355	35,757	(921)	(1,613)
Interest paid		(8)	(165)	-	-
Tax paid		(3,973)	(4,318)	(363)	(296)
Tax refunded		-	545	-	545
Net cash from/(used in) operating activities		20,374	31,819	(1,284)	(1,364)

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2013 (CONT'D)



		Group		Company	
	Note	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES					
Acquisition of:					
- additional interests in subsidiaries		-	-	-	(50)
- interest in an associate	9	(3,028)	-	(3,028)	-
(Advances to)/Repayments from subsidiaries		-	-	(5,150)	8,738
Dividends received		-	-	10,736	1,191
Interest received		312	225	155	80
Placements of fixed deposits					
pledged to licensed banks		(112)	(108)	-	-
Proceeds from disposals of property, plant and equipment		4,353	174	-	-
Purchase of property, plant and equipment	7	(13,301)	(15,441)	-	-
(Repayments to)/Advances from subsidiaries		-	-	(1,079)	3,671
Net cash (used in)/from investing activities		(11,776)	(15,150)	1,634	13,630
CASH FLOWS FROM FINANCING ACTIVITIES					
Dividends paid		(6,491)	(4,564)	(6,491)	(4,564)
Dividend paid to non-controlling interests of a subsidiary		(41)	-	-	-
Drawdowns of term loans		9,000	11,600	-	-
Interest paid		(1,891)	(1,512)	-	-
Ordinary share capital contributed by non-controlling interests of a subsidiary		122	-	-	-
Proceeds from exercise of warrants		5,335	-	5,335	-
Repayments of:					
- hire purchase and lease liabilities		(2,818)	(3,302)	-	-
- revolving credits		-	(2,500)	-	-
- term loans		(6,784)	(6,673)	-	-
Net cash used in financing activities		(3,568)	(6,951)	(1,156)	(4,564)
Net increase/(decrease) in cash and cash equivalents		5,030	9,718	(806)	7,702
Effects of exchange rate changes on cash and cash equivalents		(31)	-	-	-
Cash and cash equivalents at beginning of financial year		30,417	20,699	16,793	9,091
Cash and cash equivalents at end of financial year	16	35,416	30,417	15,987	16,793

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



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 consolidated financial statements for the financial year ended 30 June 2013 comprise the Company and its subsidiaries and the Group's interests in associates. These 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 18 October 2013.

2. PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding. The principle 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 set out on pages 40 to 123 have been prepared in accordance with Malaysian Financial Reporting Standards ('MFRSs'), International Financial Reporting Standards ('IFRSs') and the provisions of the Companies Act, 1965 in Malaysia.

These are the Group's and the Company's first financial statements prepared in accordance with MFRSs, and MFRS 1 *First-time Adoption of Malaysian Financial Reporting Standards* has been applied. In the previous financial years, the financial statements of the Group and of the Company were prepared in accordance with Financial Reporting Standards ('FRSs') in Malaysia.

The Group and Company have consistently applied the same accounting policies in its opening MFRS statements of financial position as at 1 July 2011 and throughout all financial years presented, as if these policies had always been in effect. Comparative figures for the financial year ended 2012 in these financial statements have been restated to give effect to these changes, and Note 40 to the financial statements discloses the impact of the transition to MFRS on the Group's and the Company's reported financial position, financial performance and cash flows for the financial year then ended.

However, Note 41 to the financial statements set out on page 124 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.



4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.1 Basis of accounting (cont'd)

The preparation of financial statements in conformity with MFRSs 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 accounting policies. The areas involving such judgements, estimates and assumptions are disclosed in Note 6 to the financial statements. Although these estimates and assumptions are based on the Directors' best knowledge of events and actions, actual results could differ from those estimates.

4.2 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and all its subsidiaries. Subsidiaries are entities over which the Company has the power to govern the financial and operating policies, generally accompanied by a shareholding giving rise to the majority of the voting rights, so as to obtain benefits from their activities.

The Group also assesses the existence of control where it does not have more than half of the voting power of an investee but is able to govern the financial and operating policies by virtue of de facto control. De facto control arises in circumstances where the size of the Group's voting rights relative to the size and dispersion of holdings of other shareholders provides the Group with the power to govern the financial and operating policies.

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, the accounting policies of the 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 profit or loss and other 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.

Components of non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured at the present ownership instruments' proportionate share in the recognised amounts of the acquiree's identifiable net assets. All other components of non-controlling interests shall be measured at their acquisition-date fair values, unless another measurement basis is required by MFRSs. 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.



4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.2 Basis of consolidation (cont'd)

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.

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 MFRS 139 *Financial Instruments: Recognition and Measurement* or, where applicable, the cost on initial recognition of an investment in associate.

4.3 Business combinations

Business combinations from 1 July 2011 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 MFRS 112 *Income Taxes* and MFRS 119 *Employee Benefits* respectively;
- (b) liabilities or equity instruments related to share-based payment transactions of the acquiree or the replacement by the Group of an acquiree's share-based payment transactions are measured in accordance with MFRS 2 *Share-based Payment* at the acquisition date; and
- (c) assets (or disposal groups) that are classified as held for sale in accordance with MFRS 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.

Any contingent consideration payable is recognised at fair value at the acquisition date. Measurement period adjustments to contingent consideration are dealt with as follows:

- (a) If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity.



4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.3 Business combinations (cont'd)

Business combinations from 1 July 2011 onwards (cont'd)

- (b) Subsequent changes to contingent consideration classified as an asset or liability that is a financial instrument within the scope of MFRS 139 are recognised either in profit or loss or in other comprehensive income in accordance with MFRS 139. All other subsequent changes are recognised in profit or loss.

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 acquiree (if any) is recognised on the acquisition date at fair value, or at the non-controlling interest's proportionate share of the acquiree net identifiable assets.

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 acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (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 2011

As part of its transition to MFRSs, the Group elected not to restate those business combinations that occurred before the date of transition to MFRSs, i.e. 1 July 2011. Goodwill represents the amount recognised under the previous FRS Framework in respect of acquisitions prior to 1 July 2011.

4.4 Property, plant and equipment and depreciation

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

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

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the asset and which has 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%



4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

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 lives 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.

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 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. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.5 Leases and hire purchase (cont'd)

(c) Leases of land and buildings

For leases of land and buildings, the land and buildings elements are considered separately for the purpose of lease classification and these leases are classified as operating or finance leases in the same way as leases of other assets.

The minimum lease payments including any lump-sum upfront payments made to acquire the interest in the land and buildings are allocated between the land and the buildings elements in proportion to the relative fair values of the leasehold interest in the land element and the buildings element of the lease at the inception of the lease.

For a lease of land and buildings in which the amount that would initially be recognised for the land element is immaterial, the land and buildings are treated as a single unit for the purpose of lease classification and is accordingly classified as a finance or operating lease. In such a case, the economic life of the buildings is regarded as the economic life of the entire leased asset.

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 less impairment losses. Put options written over non-controlling interests on the acquisition of subsidiary shall be included as part of the cost of investment in the Company's separate financial statements. Subsequent changes in the fair value of the written put options over non-controlling interests shall be recognised in profit or loss. Investments accounted for at cost shall be accounted for in accordance with MFRS 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 MFRS 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.

Equity loan

Equity loan represents non-trade loan granted by the Company to a subsidiary for which settlement is neither planned nor likely to occur in the foreseeable future and is intended to provide the subsidiary with a long-term source of additional capital. It is, in substance, an addition to the Company's investment in the subsidiary and accordingly, is accounted for under MFRS 127 *Consolidated and Separate Financial Statements* as part of the investment in the subsidiary and measured at cost.



4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.6 Investments (cont'd)

(b) Associates

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 accumulated 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 to the extent that there is no impairment.

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.



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 could be impaired. Objective events that would trigger a more frequent impairment review include adverse industry or economic trends, significant restructuring actions, significantly lowered projections of profitability, or a sustained decline in the acquiree's market capitalisation. 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 associate's 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 associates), 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 is tested annually for impairment or more frequently if events or changes in circumstances indicate that the goodwill 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.

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 MFRS 8 *Operating Segments*.

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



4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

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, 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.

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.



4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.9 Financial instruments (cont'd)

(a) Financial assets

A financial asset is classified into the following four (4) 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.

(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.



4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.9 Financial instruments (cont'd)

(a) Financial assets (cont'd)

(iv) Available-for-sale financial assets (cont'd)

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, fixed deposits pledged to financial institutions, deposits and other short term, highly liquid investments with original maturities of three (3) months or less, which are readily convertible to cash and 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.

A regular way purchase or sale of financial assets shall be recognised and derecognised, as applicable, using trade date accounting.

(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 (2) categories after initial recognition for the purpose of subsequent measurement:

(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.



4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.9 Financial instruments (cont'd)

(b) Financial liabilities (cont'd)

(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.

Any 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 MFRS 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.

At the end of each 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.



4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.9 Financial instruments (cont'd)

(c) Equity (cont'd)

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.

Interim dividends to shareholders are recognised in equity in the period in which they are declared. Final dividends are recognised upon the approval of shareholders in a general meeting.

The Group measures a liability to distribute non-cash assets as a dividend to the owners of the Company at the fair value of the assets to be distributed. The carrying amount of the dividend is remeasured at each reporting date and at the settlement date, with any changes recognised directly in equity as adjustments to the amount of the distribution. On settlement of the transaction, the Group recognises the difference, if any, between the carrying amounts of the assets distributed and the carrying amount of the liability in profit or loss.

When the Group repurchases its own shares, the shares repurchased would be accounted for using the treasury stock method.

Where the treasury stock method is applied, the shares repurchased and held as treasury shares shall be measured and carried at the cost of repurchase on initial recognition and subsequently. It shall not be revalued for subsequent changes in the fair value or market price of the shares.

The carrying amount of the treasury shares shall be offset against equity in the statement of financial position. To the extent that the carrying amount of the treasury shares exceeds the share premium account, it shall be considered as a reduction of any other reserves as may be permitted by the Main Market Listing Requirements.

No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the own equity instruments of the Company. If such shares are issued by resale, any difference between the sales consideration and the carrying amount is shown as a movement in equity.

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.

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.



4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.10 Impairment of financial assets (cont'd)

(a) Loans and receivables (cont'd)

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.

4.11 Borrowing costs

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

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

All other borrowing costs 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 foreign subsidiaries, or associate on distributions to the Group and Company, and real property gains taxes payable on disposal of properties.

Taxes in the statements of profit or loss and other comprehensive income comprise current tax and deferred tax.

(a) Current tax

Current tax expenses are determined according to the tax laws of each jurisdiction in which the Group operates and include all taxes based upon the taxable profits (including withholding taxes payable by foreign subsidiaries on distribution of retained earnings to companies in the Group), and real property gains taxes payable on disposal of properties, if any.



4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.12 Income taxes (cont'd)

(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 would 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 the announcement of tax rates and tax laws by the Government in the annual budgets which have the substantive effect of actual enactment by the end of the reporting period.

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 would be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, the amount of a provision would 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 would be required to settle the obligation, the provision would be reversed.

Provisions for restructuring are recognised when the Group has approved a detailed formal restructuring plan, and the restructuring either has commenced or has been announced publicly.



4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.13 Provisions (cont'd)

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 would 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 would 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.

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 measured on an undiscounted basis and are expensed when employees 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 and they lapse if the current period's entitlement is not used in full and do not entitle employees to a cash payment for unused entitlement on leaving the Group.

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. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.16 Foreign currencies (cont'd)

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 each 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 end of the reporting period exchange rates with respect to their assets and liabilities, and at exchange rates at the dates of the transactions with respect to the statement of profit or loss and other comprehensive income. 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.

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 each reporting period.

4.17 Revenue recognition

Revenue is measured at the fair value of the 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 would 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.



4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.17 Revenue recognition (cont'd)

(c) Dividend income

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

(d) Interest income

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

(e) Rental income

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

4.18 Operating segments

Operating segments are defined as components of the Group that:

- (a) engages in business activities from which it could 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 chief operating decision maker of the Group 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. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.19 Earnings per share

(a) Basic

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

(b) Diluted

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

5. ADOPTION OF NEW MFRSs AND AMENDMENT TO MFRSs

5.1 New MFRSs adopted during the current financial year

The Group and Company adopted the following Standards of the MFRS Framework that were issued by the Malaysian Accounting Standards Board ('MASB') during the financial year.

Title	Effective Date
MFRS 1 <i>First-time Adoption of Malaysian Financial Reporting Standards</i>	1 January 2012
MFRS 2 <i>Share-based Payment</i>	1 January 2012
MFRS 3 <i>Business Combinations</i>	1 January 2012
MFRS 4 <i>Insurance Contracts</i>	1 January 2012
MFRS 5 <i>Non-current Assets Held for Sale and Discontinued Operations</i>	1 January 2012
MFRS 6 <i>Exploration for and Evaluation of Mineral Resources</i>	1 January 2012
MFRS 7 <i>Financial Instruments: Disclosures</i>	1 January 2012
MFRS 8 <i>Operating Segments</i>	1 January 2012
MFRS 101 <i>Presentation of Financial Statements</i>	1 January 2012
MFRS 102 <i>Inventories</i>	1 January 2012
MFRS 107 <i>Statement of Cash Flows</i>	1 January 2012
MFRS 108 <i>Accounting Policies, Changes in Accounting Estimates and Errors</i>	1 January 2012
MFRS 110 <i>Events After the Reporting Period</i>	1 January 2012
MFRS 111 <i>Construction Contracts</i>	1 January 2012
MFRS 112 <i>Income Taxes</i>	1 January 2012
MFRS 116 <i>Property, Plant and Equipment</i>	1 January 2012
MFRS 117 <i>Leases</i>	1 January 2012
MFRS 118 <i>Revenue</i>	1 January 2012
MFRS 119 <i>Employee Benefits</i>	1 January 2012
MFRS 120 <i>Accounting for Government Grants and Disclosure of Government Assistance</i>	1 January 2012
MFRS 121 <i>The Effects of Changes in Foreign Exchange Rates</i>	1 January 2012
MFRS 123 <i>Borrowing Costs</i>	1 January 2012
MFRS 124 <i>Related Party Disclosures</i>	1 January 2012



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

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

Title	Effective Date
MFRS 126 <i>Accounting and Reporting by Retirement Benefit Plans</i>	1 January 2012
MFRS 127 <i>Consolidated and Separate Financial Statements</i>	1 January 2012
MFRS 128 <i>Investments in Associates</i>	1 January 2012
MFRS 129 <i>Financial Reporting in Hyperinflationary Economies</i>	1 January 2012
MFRS 131 <i>Interests in Joint Ventures</i>	1 January 2012
MFRS 132 <i>Financial Instruments: Presentation</i>	1 January 2012
MFRS 133 <i>Earnings Per Share</i>	1 January 2012
MFRS 134 <i>Interim Financial Reporting</i>	1 January 2012
MFRS 136 <i>Impairment of Assets</i>	1 January 2012
MFRS 137 <i>Provisions, Contingent Liabilities and Contingent Assets</i>	1 January 2012
MFRS 138 <i>Intangible Assets</i>	1 January 2012
MFRS 139 <i>Financial Instruments: Recognition and Measurement</i>	1 January 2012
MFRS 140 <i>Investment Property</i>	1 January 2012
MFRS 141 <i>Agriculture</i>	1 January 2012
Improvements to MFRSs (2008)	1 January 2012
Improvements to MFRSs (2009)	1 January 2012
Improvements to MFRSs (2010)	1 January 2012
IC Interpretation 1 <i>Changes in Existing Decommissioning, Restoration and Similar Liabilities</i>	1 January 2012
IC Interpretation 2 <i>Members' Shares in Co-operative Entities and Similar Instruments</i>	1 January 2012
IC Interpretation 4 <i>Determining Whether an Arrangement Contains a Lease</i>	1 January 2012
IC Interpretation 5 <i>Rights to Interests Arising from Decommissioning, Restoration and Environmental Rehabilitation Funds</i>	1 January 2012
IC Interpretation 6 <i>Liabilities Arising from Participating in a Specific Market-Waste Electrical and Electronic Equipment</i>	1 January 2012
IC Interpretation 7 <i>Applying the Restatement Approach under MFRS 129 Financial Reporting in Hyper inflationary Economies</i>	1 January 2012
IC Interpretation 9 <i>Reassessment of Embedded Derivatives</i>	1 January 2012
IC Interpretation 10 <i>Interim Financial Reporting and Impairment</i>	1 January 2012
IC Interpretation 12 <i>Service Concession Arrangements</i>	1 January 2012
IC Interpretation 13 <i>Customer Loyalty Programmes</i>	1 January 2012
IC Interpretation 14 <i>MFRS 119 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction</i>	1 January 2012
IC Interpretation 15 <i>Agreements for the Construction of Real Estate</i>	1 January 2012
IC Interpretation 16 <i>Hedges of a Net Investment in a Foreign Operation</i>	1 January 2012
IC Interpretation 17 <i>Distributions of Non-cash Assets to Owners</i>	1 January 2012
IC Interpretation 18 <i>Transfers of Assets from Customers</i>	1 January 2012
IC Interpretation 19 <i>Extinguishing Financial Liabilities with Equity Instruments</i>	1 January 2012
IC Interpretation 107 <i>Introduction of the Euro</i>	1 January 2012
IC Interpretation 110 <i>Government Assistance - No Specific Relation to Operating Activities</i>	1 January 2012
IC Interpretation 112 <i>Consolidation - Special Purpose Entities</i>	1 January 2012
IC Interpretation 113 <i>Jointly Controlled Entities - Non-Monetary Contributions by Venturers</i>	1 January 2012



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

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

Title	Effective Date
IC Interpretation 115 <i>Operating Leases - Incentives</i>	1 January 2012
IC Interpretation 125 <i>Income Taxes - Changes in the Tax Status of an Entity or its Shareholders</i>	1 January 2012
IC Interpretation 127 <i>Evaluating the Substance of Transactions Involving the Legal Form of a Lease</i>	1 January 2012
IC Interpretation 129 <i>Service Concession Arrangements: Disclosures</i>	1 January 2012
IC Interpretation 131 <i>Revenue - Barter Transactions Involving Advertising Services</i>	1 January 2012
IC Interpretation 132 <i>Intangible Assets - Web Site Costs</i>	1 January 2012
Amendments to MFRS 101 <i>Presentation of Items of Other Comprehensive Income</i>	1 July 2012

- (a) Amendments to MFRS 1 *Government Loans* are mandatory for annual periods beginning on or after 1 January 2013.

The Group has early adopted Amendments to MFRS 1 *Government Loans* in conjunction with the application of MFRS 1. Following the adoption of these Amendments, where applicable, the Group has applied the requirements in MFRS 120 prospectively to Government loans existing as at the date of transition to MFRSs.

- (b) Amendments to MFRS 101 *Clarification of the Requirements for Comparative Information* are mandatory for annual periods beginning on or after 1 January 2013.

The Group has early adopted Amendments to MFRS 101 *Clarification of the Requirements for Comparative Information* in conjunction with the application of MFRS 101. These Amendments clarify that the third statement of financial position is required only if a retrospective application, retrospective restatement or reclassification has a material effect on the information in the statement of financial position at the beginning of the preceding period. If the third statement of financial position is presented, these Amendments clarify that the related notes to the opening statement of financial position need not be disclosed. Accordingly, there are no related notes disclosed in relation to the opening statement of financial position as at 1 July 2011.

- (c) Amendments to MFRS 1 *First-time Adoption of Malaysian Financial Reporting Standards* are mandatory for annual periods beginning on or after 1 January 2013.

The Group has early adopted Amendments to MFRS 1 *First-time Adoption of Malaysian Financial Reporting Standards* in conjunction with the application of MFRS 1. These Amendments clarify that the first MFRS financial statements shall include at least three statements of financial position, two statements of profit or loss and other comprehensive income, two separate statements of profit or loss (if presented), two statements of cash flows and two statements of changes in equity and related notes, including comparative information for all statements presented.

5.2 New MFRSs that have been issued, but only effective for annual periods beginning on or after 1 January 2013

The following are accounting standards, amendments and interpretations of the MFRS Framework that have been issued by the Malaysian Accounting Standards Board ('MASB') but have not been early adopted by the Group and the Company.

Title	Effective Date
MFRS 10 <i>Consolidated Financial Statements</i>	1 January 2013
MFRS 11 <i>Joint Arrangements</i>	1 January 2013
MFRS 12 <i>Disclosure of Interests in Other Entities</i>	1 January 2013
MFRS 13 <i>Fair Value Measurement</i>	1 January 2013



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

5.2 New MFRSs that have been issued, but only effective for annual periods beginning on or after 1 January 2013 (cont'd)

Title	Effective Date
MFRS 119 <i>Employee Benefits (revised)</i>	1 January 2013
MFRS 127 <i>Separate Financial Statements</i>	1 January 2013
MFRS 128 <i>Investments in Associates and Joint Ventures</i>	1 January 2013
Amendments to MFRS 7 <i>Disclosures – Offsetting Financial Assets and Financial Liabilities</i>	1 January 2013
Amendments to MFRSs <i>Annual Improvements 2009 – 2011 Cycle</i>	1 January 2013
Amendments to MFRS 10, MFRS 11 and MFRS 12 <i>Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance</i>	1 January 2013
IC Interpretation 20 <i>Stripping Costs in the Production Phase of a Surface Mine</i>	1 January 2013
Amendments to MFRS 132 <i>Offsetting Financial Assets and Financial Liabilities</i>	1 January 2014
Amendments to MFRS 136 <i>Recoverable Amount Disclosures for Non-Financial Assets</i>	1 January 2014
Amendments to MFRS 139 <i>Novation of Derivatives and Continuation of Hedge Accounting</i>	1 January 2014
IC Interpretation 21 <i>Leases</i>	1 January 2014
Mandatory Effective Date of MFRS 9 and Transition Disclosures	1 January 2015
MFRS 9 <i>Financial Instruments</i>	1 January 2015

The Group is in the process of assessing the impact of implementing these accounting standards, amendments and interpretations, since the effects would only be observable for the future financial years.

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) Classification of leasehold land

The Group has assessed and classified land use rights of the Group as finance leases based on the extent to which risks and rewards incidental to ownership of the land resides with the Group arising from the lease term. Consequently, the Group has classified the unamortised upfront payment for land use rights as finance leases in accordance with MFRS 117 *Leases*.

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

6.2 Critical judgements made in applying accounting policies (cont'd)

(c) Classification of non-current bank borrowings

Term loan agreements entered into by the Group include repayment on demand clauses at the discretion of financial institutions. The Group believes that in the absence of a default being committed by the Group, these financial institutions are not entitled to exercise its right to demand for repayment. Accordingly, the carrying amount of the term loans have been classified between current and non-current liabilities based on their repayment period.

(d) Contingent liabilities on corporate guarantees

The Directors are of the view that the chances of the financial institutions to call upon the corporate guarantees are remote.

(e) Impairment of equity investments categorised as available-for-sale financial asset

The Group believes that a significant or prolonged decline in fair value of an investment in equity instrument is a decline in fair value of more than twenty (20) percent of the cost, or the decline in fair value below its original cost has persisted for more than nine (9) to twelve (12) months.

(f) Operating lease commitments - the Group as lessor

The Group has entered into commercial property leases on its property portfolio. The Group has determined that it retains all the significant risks and rewards of ownership of the property which are leased out as operating leases due to the lease period of one (1) year out of the property's economic life of ninety two (92) years.

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 each 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 11 to the financial statements.

(b) 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.



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

6.3 Key sources of estimation uncertainty (cont'd)

(c) 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.

(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. Management specifically analyses historical bad debt, 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 would 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. Sensitivity analysis of the effects of interest rate risk has been disclosed in Note 37 to the financial statements.

(f) Impairment of investments in subsidiaries

Management reviews the material investments in subsidiaries for impairment when there is an indication of impairment.

The recoverable amounts of the investments in subsidiaries are assessed by reference to the higher of its fair value less cost to sell and its value in use of the respective subsidiaries.

Estimating a value in use requires management to make an estimate of the expected future cash flows to be derived from continuing use of the asset and from its ultimate disposal, expectations about possible variations in the amount, timing of those cash flows, the time value of money, price for inherent uncertainty risk and other relevant factors.

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2013 (CONT'D)



7. PROPERTY, PLANT AND EQUIPMENT

Group	Balance as at 1.7.2012 RM'000	Additions RM'000	Disposals RM'000	Written off RM'000	Depreciation charge for the year RM'000	Translations adjustments RM'000	Balance as at 30.6.2013 RM'000
Carrying amount							
Freehold land	236	-	-	-	-	-	236
Long-term leasehold land	19,604	-	-	-	(258)	-	19,346
Buildings	36,359	78	-	-	(813)	-	35,624
Machinery, furniture and fittings	4,802	1,933	(27)	(13)	(876)	(2)	5,817
Office equipment	4,010	1,525	(15)	(33)	(1,541)	(9)	3,937
Renovations	178	121	-	(3)	(46)	(1)	249
Motor vehicles	6,922	1,862	(164)	-	(1,468)	(22)	7,130
Forklifts	2,614	298	(19)	-	(917)	-	1,976
Storage containers	632	519	(32)	-	(174)	-	945
Tug boats and barges	22,519	6,066	(2,556)	-	(1,449)	30	24,610
Prime movers and trailers	15,621	8,849	(33)	-	(3,089)	-	21,348
	113,497	21,251	(2,846)	(49)	(10,631)	(4)	121,218

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2013 (CONT'D)



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

Group	At 30.6.2013		
	Cost RM'000	Accumulated depreciation RM'000	Carrying amount RM'000
Freehold land	236	-	236
Long-term leasehold land	20,586	(1,240)	19,346
Buildings	39,580	(3,956)	35,624
Machinery, furniture and fittings	9,072	(3,255)	5,817
Office equipment	11,703	(7,766)	3,937
Renovations	512	(263)	249
Motor vehicles	12,743	(5,613)	7,130
Forklifts	4,607	(2,631)	1,976
Storage containers	2,252	(1,307)	945
Tug boats and barges	33,186	(8,576)	24,610
Prime movers and trailers	30,825	(9,477)	21,348
	165,302	(44,084)	121,218

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2013 (CONT'D)



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

Group	Balance as at 1.7.2011 RM'000	Additions RM'000	Disposals RM'000	Written off RM'000	Depreciation charge for the year RM'000	Translations adjustments RM'000	Balance as at 30.6.2012 RM'000
Carrying amount							
Freehold land	236	-	-	-	-	-	236
Long-term leasehold land	17,642	2,170	-	-	(208)	-	19,604
Buildings	31,953	5,087	-	-	(681)	-	36,359
Machinery, furniture and fittings	4,242	1,221	-	-	(661)	-	4,802
Office equipment	3,737	1,568	(3)	(15)	(1,274)	(3)	4,010
Renovations	238	1	-	-	(60)	(1)	178
Motor vehicles	6,852	1,435	(39)	-	(1,318)	(8)	6,922
Forklifts	1,741	1,598	-	-	(725)	-	2,614
Storage containers	591	178	(6)	-	(131)	-	632
Tug boats and barges	23,578	5	-	-	(1,474)	410	22,519
Prime movers and trailers	14,985	2,766	-	-	(2,130)	-	15,621
	105,795	16,029	(48)	(15)	(8,662)	398	113,497



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

Group	<----- At 30.6.2012 ----->		
	Cost RM'000	Accumulated depreciation RM'000	Carrying amount RM'000
Freehold land	236	-	236
Long-term leasehold land	20,586	(982)	19,604
Buildings	39,502	(3,143)	36,359
Machinery, furniture and fittings	7,228	(2,426)	4,802
Office equipment	10,537	(6,527)	4,010
Renovations	460	(282)	178
Motor vehicles	11,867	(4,945)	6,922
Forklifts	4,381	(1,767)	2,614
Storage containers	1,798	(1,166)	632
Tug boats and barges	31,246	(8,727)	22,519
Prime movers and trailers	22,034	(6,413)	15,621
	149,875	(36,378)	113,497

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

	Group	
	2013 RM'000	2012 RM'000
Purchase of property, plant and equipment	21,251	16,029
Financed by hire purchase and lease arrangements	(718)	(588)
Financed by term loans	(5,388)	-
Unsettled and remained as other payables	(1,844)	-
Cash payments on purchase of property, plant and equipment	13,301	15,441

- (b) As at 30 June 2013, the net carrying amount of the Group's property, plant and equipment under hire purchase and lease arrangements are as follows:

	Group	
	2013 RM'000	2012 RM'000
Motor vehicles	2,490	2,500
Prime movers and trailers	2,435	6,786
	4,925	9,286

Details of the terms of the hire purchase and lease arrangements are disclosed in Notes 19 and 37 to the financial statements respectively.



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 20 and 24 to the financial statements are as follows:

	Group	
	2013 RM'000	2012 RM'000
Carrying amount		
Long-term leasehold land	19,346	10,772
Buildings	34,590	30,212
Tug boats and barges	8,832	6,261
	62,768	47,245

8. INVESTMENTS IN SUBSIDIARIES

	Company	
	2013 RM'000	2012 RM'000
Unquoted equity shares, at cost	37,576	37,576
Equity loan to a subsidiary	26,161	26,161
	63,737	63,737
Less: Impairment losses	(350)	(350)
	63,387	63,387

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

The details of the subsidiaries are as follows:

Name of company	Country of incorporation	Interest in equity held by Company		Principal activities
		2013	2012	
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
FM Global Logistics (Ipoh) Sdn. Bhd.	Malaysia	100%	100%	Dormant
FM Global Logistics (M) Sdn. Bhd.	Malaysia	100%	100%	Provision of freight services
FM Global Logistics (Melaka) Sdn. Bhd.	Malaysia	100%	100%	Dormant
FM Global Logistics (Penang) Sdn. Bhd.	Malaysia	100%	100%	Dormant



8. INVESTMENTS 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
		2013	2012	
Advance International Freight Sdn. Bhd.	Malaysia	100%	100%	Provision of freight services
FMG Capital & Management Sdn. Bhd. (formerly known as <i>Perspektif Gemilang Sdn. Bhd.</i>)	Malaysia	100%	100%	Investment holding
Freight Management MSC Sdn. Bhd.	Malaysia	100%	100%	Developing, providing and maintaining IT software application solutions
Symphony Express Sdn. Bhd.	Malaysia	80%	80%	Provision of freight services
Exterian Enterprise Sdn. Bhd.	Malaysia	100%	100%	Provision of parcel services
#TCH Marine Pte. Ltd.	Singapore	51%	51%	Charterers of barges and tugboats
#FM Global Logistics (S'pore) Pte. Ltd.	Singapore	100%	100%	Provision of freight services
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. FM Global Logistics ('PTFM')	Indonesia	49%	49%	Provision of freight services
+FM Global Logistics Pty. Ltd.	Australia	75%	75%	Provision of integrated freight and logistic services
*^FM Global Logistics Co., Ltd. ('FMGLT')	Thailand	49%	49%	Provision of freight services
*FM Global Logistics Company Limited	Vietnam	51%	51%	Provision of freight services
@FM Global Logistics (HK) Limited ('FMGLHK')	Hong Kong	100%	-	Provision of freight services
Subsidiary of Citra Multimodal Services Sdn. Bhd.				
Dependable Global Express Malaysia Sdn. Bhd.	Malaysia	51%	100%	Provision of freight services



8. INVESTMENTS 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
		2013	2012	

Subsidiaries of FM Global Logistics (M) Sdn. Bhd.

FM Contract Logistics Sdn. Bhd.	Malaysia	100%	100%	Provision of freight services
@Advance Cargo Logistics Sdn. Bhd. ('ACL')	Malaysia	100%	-	Provision of freight services

^ The financial statements of PTFM and FMGLT were consolidated as subsidiaries as the Group has control over the Board and power to govern the financial and operating policies of these companies.

+ Subsidiaries are consolidated based on management accounts for the financial year ended 30 June 2013. The financial statements of these subsidiaries are not required to be audited in its country of incorporation.

* Subsidiaries audited by BDO Member Firms.

Subsidiaries not audited by BDO Member Firms.

@ ACL and FMGLHK are consolidated based on management accounts for the financial year ended 30 June 2013. The financial statements of these subsidiaries are not required to be audited as they were only incorporated on 17 April 2013 and 7 May 2013 respectively. These subsidiaries will present their first set of audited financial statements for the financial period ending 30 June 2014.

In the previous financial year, the Company recognised an impairment loss of RM350,000 in respect of an investment in a subsidiary due to the recoverable amount was less than its carrying amount.

Financial year ended 30 June 2013

- On 17 December 2012, the Company announced that its wholly-owned subsidiary, Citra Multimodal Services Sdn. Bhd. ('Citra') subscribed for an additional 127,400 ordinary shares of RM1.00 each at par for cash in its subsidiary, Dependable Global Express Malaysia Sdn. Bhd. ('DGEM') pursuant to the allotment of shares carried out by DGEM. Upon completion of the shares allotment, DGEM became a 51% owned subsidiary of Citra. The effect on dilution of equity interest in DGEM is disclosed in Note 31 to the financial statements.
- On 17 April 2013, the Company announced that its wholly-owned subsidiary, FM Global Logistics (M) Sdn. Bhd. ('FMGLM') incorporated a wholly-owned subsidiary, Advance Cargo Logistics Sdn. Bhd. ('ACL') in Malaysia, with an authorised share capital of RM100,000 comprising 100,000 ordinary shares of RM1.00 each of which 2 shares have been issued and fully paid up. The above incorporation of ACL did not have any material financial effect to the Group.
- On 9 May 2013, the Company announced that its wholly-owned subsidiary, Icon Line (Malaysia) Sdn. Bhd. ('ILM') incorporated a wholly-owned subsidiary, FM Global Logistics (HK) Limited ('FMGLHK') in Hong Kong on 7 May 2013 with an initial issued paid-up share capital of HKD1.00 comprising 1 ordinary share of HKD1.00 each. The above incorporation of FMGLHK did not have any material financial effect to the Group.



8. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Financial year ended 30 June 2012

- (a) In the previous financial year, on 20 December 2011, the Company announced that its wholly-owned subsidiary, Icon Line (Malaysia) Sdn. Bhd. ('ILSB') subscribed for additional 120,000 ordinary shares of Australian Dollar 1.00 each at par for a total cash consideration of Australian Dollar 120,000 in FM Global Logistics Pty. Ltd., Australia ('FMGLA') pursuant to a rights issue exercise carried out by FMGLA. Upon completion of the rights issue allotment, ILSB's investment in FMGLA had been increased from 55% to 75%. The above additional equity interest did not have any material financial effect to the Group.
- (b) In the previous financial year, on 13 March 2012, the Company announced that its wholly-owned subsidiary, Citra Multimodal Services Sdn. Bhd. ('CMS') incorporated a wholly-owned subsidiary, Dependable Global Express Malaysia Sdn. Bhd. ('DGEM') in Malaysia, with an authorised share capital of RM100,000 comprising 100,000 ordinary share of RM1.00 each of which 100 share had been issued and fully paid up. The above incorporation of DGEM did not have any material financial effect to the Group.
- (c) In the previous financial year, on 29 June 2012, the Company announced that its wholly-owned subsidiary, FM Global Logistics (M) Sdn. Bhd. ('FMGLM') incorporated a wholly-owned subsidiary, FM Contract Logistics Sdn. Bhd. ('FMCL') in Malaysia, with an authorised share capital of RM100,000 comprising 100,000 ordinary share of RM1.00 each of which 2 share had been issued and fully paid up. The above incorporation of FMCL did not have any material financial effect to the Group.

9. INVESTMENTS IN ASSOCIATES

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Unquoted equity shares, at cost	3,077	49	3,028	-
Share of post acquisition reserves	239	151	-	-
	3,316	200	3,028	-

On 31 October 2012, the Company entered into an agreement with Mr. Yusob Boachobi and YKP-FM Global Shipyard Co. Ltd. ('YKP-FM') to subscribe in cash for 250,000 ordinary shares of 100 Baht each for a total consideration of 25,000,000 Baht, which was equivalent to RM2,500,000. Subsequently on 29 January 2013, the Company further subscribed in cash for 50,000 ordinary shares of 100 Baht each for a total consideration of 5,000,000 Baht, which was equivalent to RM500,000. The total 300,000 ordinary shares of 100 Baht each in YKP-FM acquired by the Company represent 25% of the total equity interests in YKP-FM. Accordingly, YKP-FM became 25% owned associate of the Company.

The details of the associates are as follows:

Name of company	Interest in equity held by				Principal activities
	Group		Company		
	2013	2012	2013	2012	
FM Distribution Sdn. Bhd.	49%	49%	-	-	Provision of warehouse services
YKP-FM Global Shipyard Co. Ltd.	25%	-	25%	-	Development and operation of shipyard



9. INVESTMENTS IN ASSOCIATES (CONT'D)

The summarised financial information of the associates are as follows:

	2013 RM'000	2012 RM'000
Assets and liabilities		
Non-current assets	11,470	1
Current assets	2,324	292
Total assets	13,794	293
Current liabilities	594	24
Total liabilities	594	24
Results		
Revenue	901	274
Profit for the financial year	123	20

10. OTHER INVESTMENT

	Group RM'000
Carrying amount	
2013	
Non-current	
Available-for-sale financial assets	
- Unquoted shares in Malaysia	3
2012	
Non-current	
Available-for-sale financial assets	
- Unquoted shares in Malaysia	3

There is no fair value hierarchy presented in the financial statements as the amount is not material.

11. GOODWILL ON CONSOLIDATION

	Balance as at 1.7.2012 RM'000	Impairment loss for the financial year RM'000	Balance as at 30.6.2013 RM'000
2013			
Goodwill on consolidation	1,674	(15)	1,659



11. GOODWILL ON CONSOLIDATION (CONT'D)

	[----- As at 30.6.2013 -----]		
	Cost	Accumulated	Carrying
	RM'000	impairment	amount
		RM'000	RM'000
Goodwill on consolidation	1,876	(217)	1,659

	Balance	Impairment	Balance
	as at	loss for the	as at
	1.7.2011	financial year	30.6.2012
	RM'000	RM'000	RM'000
2012			
Goodwill on consolidation	1,674	-	1,674

	[----- As at 30.6.2012 -----]		
	Cost	Accumulated	Carrying
	RM'000	impairment	amount
		RM'000	RM'000
Goodwill on consolidation	1,876	(202)	1,674

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

	Group	
	2013	2012
	RM'000	RM'000
Logistics:		
- Malaysia	179	179
- Thailand	23	23
- Australia	4	4
Marine	1,659	1,659
Others	11	11
	1,876	1,876
Less: Impairment losses	(217)	(202)
Goodwill on consolidation	1,659	1,674

As at 30 June 2013, management assessed that the recoverable amount of goodwill of the marine unit, based on value in use calculations, exceeded its carrying amount and hence, no impairment is required. There were impairment losses on goodwill amounting to RM15,000 (2012: Nil) in respect of the logistics - Australia and others units, which was recognised in the current financial year.



11. GOODWILL ON CONSOLIDATION (CONT'D)

Value-in-use was determined by discounting the future cash flows generated from the continuing use of the cash generating unit ('CGU') and was based on the following assumptions:

- (a) Pre-tax cash flow projections based on the most recent financial budgets covering a five (5) years period.
- (b) Pre-tax discount rate of 8.30% was applied in determining the recoverable amount of the CGU. The discount rate was estimated based on the Group's weighted average cost of capital.
- (c) 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 2% decrease in revenue growth rate would result in a trivial difference in the impairment test outcome.

12. TRADE RECEIVABLES

	Group	
	2013 RM'000	2012 RM'000
Third parties	78,625	63,804
Less: Impairment losses	(1,972)	(1,269)
	76,653	62,535

- (a) Trade receivables are non-interest bearing and the normal credit terms granted by the Group ranges from 7 to 60 days (2012: 7 to 60 days) from date of invoices. They are recognised at their original invoice amounts, which represent their fair values on initial recognition.
- (b) Included in trade receivables is an amount of RM594,000 (2012: RM1,288,000) owing by companies in which a Director of the Company is a common director.
- (c) The currency exposure profiles of trade receivables are as follows:

	Group	
	2013 RM'000	2012 RM'000
Ringgit Malaysia	60,523	46,805
US Dollar	7,373	7,059
Singapore Dollar	2,330	3,075
Australian Dollar	2,399	3,428
Thai Baht	1,086	1,035
Indonesian Rupiah	1,840	1,035
Vietnamese Dong	726	55
Euro	338	35
Others	38	8
	76,653	62,535



12. TRADE RECEIVABLES (CONT'D)

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

	Group	
	2013 RM'000	2012 RM'000
Neither past due nor impaired	59,038	48,524
Past due, not impaired		
1 to 30 days past due	10,520	7,156
31 to 60 days past due	4,554	3,093
61 to 90 days past due	1,432	1,140
91 to 120 days past due	574	680
More than 120 days	535	1,942
	17,615	14,011
Past due and impaired	1,972	1,269
	78,625	63,804

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.

Receivables that are past due and impaired

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

	Group Individually impaired	
	2013 RM'000	2012 RM'000
Trade receivables, gross	1,972	1,269
Less: Impairment loss	(1,972)	(1,269)
	-	-



12. TRADE RECEIVABLES (CONT'D)

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

	Group	
	2013 RM'000	2012 RM'000
At 1 July 2012/2011	1,269	1,208
Charge for the financial year	1,269	521
Written off	(62)	(37)
Reversal of impairment loss	(423)	(423)
Exchange differences	(81)	-
At 30 June 2013/2012	1,972	1,269

Trade receivables that are individually determined to be impaired at the end of each 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.

- (f) Information on financial risks of trade receivables is disclosed in Note 37 to the financial statements.

13. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Loans and receivables				
Other receivables	3,494	1,583	-	-
Deposits and prepayments				
Deposits	2,619	1,465	1	1
Prepayments	4,296	4,064	44	36
	6,915	5,529	45	37
	10,409	7,112	45	37

- (a) The currency exposure profiles of other receivables, deposits and prepayments are as follows:

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Ringgit Malaysia	9,149	5,771	45	37
Indonesian Rupiah	497	427	-	-
Australian Dollar	31	14	-	-
Thai Baht	138	545	-	-
Singapore Dollar	547	248	-	-
Vietnamese Dong	47	107	-	-
	10,409	7,112	45	37



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

- (b) Information on financial risks of other receivables, deposits and prepayments is disclosed in Note 37 to the financial statements.

14. AMOUNTS OWING BY/(TO) SUBSIDIARIES

Company

- (a) 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.
- (b) Amounts owing by/(to) subsidiaries are denominated in Ringgit Malaysia ('RM').
- (c) Information on financial risks of amounts owing by/(to) subsidiaries is disclosed in Note 37 to the financial statements.

15. AMOUNTS OWING BY/(TO) AN ASSOCIATE

Group

- (a) The amounts owing by/(to) an associate represent trade transactions and payments made on behalf, which are unsecured, interest-free and payable upon demand in cash and cash equivalents except for trade transactions that have a credit term of 30 days (2012: 30 days) from the date of invoice.
- (b) Amounts owing by/(to) an associate are denominated in Ringgit Malaysia ('RM').
- (c) Information on financial risks of amount owing by an associate is disclosed in Note 37 to the financial statements.

16. CASH AND CASH EQUIVALENTS

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Cash and bank balances	31,344	17,617	9,187	1,793
Fixed deposits with licensed banks	4,308	4,183	-	-
Short term deposits - Repo	6,800	15,000	6,800	15,000
	42,452	36,800	15,987	16,793

- (a) The fixed deposits and Repo of the Group and the Company as at 30 June 2013 have maturity period of 3 days to 12 months (2012: 14 days to 12 months).
- (b) Included in the fixed deposits with licensed banks of the Group is an amount of RM3,693,000 (2012: RM3,581,000), which has been pledged to licensed banks as securities for banking facilities granted to the Group as disclosed in Note 24 to the financial statements.
- (c) Information on financial risks of cash and cash equivalents is disclosed in Note 37 to the financial statements.



16. CASH AND CASH EQUIVALENTS (CONT'D)

(d) The currency exposure profiles of cash and cash equivalents are as follows:

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Ringgit Malaysia	29,274	28,776	15,987	16,793
Singapore Dollar	4,895	2,107	-	-
US Dollar	6,131	4,761	-	-
Indonesian Rupiah	519	738	-	-
Thai Baht	50	65	-	-
Australian Dollar	1,201	291	-	-
Vietnamese Dong	379	55	-	-
Euro	3	7	-	-
	42,452	36,800	15,987	16,793

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

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Cash and bank balances	31,344	17,617	9,187	1,793
Fixed deposits with licensed banks	4,308	4,183	-	-
Short term deposits - Repo	6,800	15,000	6,800	15,000
	42,452	36,800	15,987	16,793
Less: Bank overdrafts - secured (Note 24)	(3,343)	(2,802)	-	-
Less: Fixed deposits pledged to licensed banks	(3,693)	(3,581)	-	-
	35,416	30,417	15,987	16,793

17. SHARE CAPITAL

	Group and Company			
	2013		2012	
	Number of shares '000	RM'000	Number of shares '000	RM'000
Ordinary shares of RM0.50 each:				
Authorised				
Balance as at 1 July 2012/2011	250,000	125,000	200,000	100,000
Created during the year	-	-	50,000	25,000
Balance as at 30 June 2013/2012	250,000	125,000	250,000	125,000



17. SHARE CAPITAL (CONT'D)

	Group and Company			
	2013		2012	
	Number of shares '000	RM'000	Number of shares '000	RM'000
Issued and fully paid:				
Balance as at 1 July 2012/2011	162,286	81,143	121,714	60,857
Issued pursuant to exercise of warrants	5,500	2,750	-	-
Issued pursuant to bonus issue	-	-	40,572	20,286
Balance as at 30 June 2013/2012	167,786	83,893	162,286	81,143

During the current financial year, the Company increased its issued and paid-up share capital by the issuance of 5,499,758 new ordinary shares of RM0.50 each for cash via the exercise of 5,499,758 warrants at an exercise price of RM0.97 per warrant on the basis of one (1) new ordinary share for every one (1) warrant exercised pursuant to the Deed Poll dated 6 January 2012.

In the previous financial year, the Company undertook the following:

- (i) increased its authorised share capital from RM100,000,000 to RM125,000,000 by the creation of an additional 50,000,000 ordinary shares of RM0.50 each.
- (ii) increased its issued and paid-up share capital from RM60,857,143 to RM81,142,858 by way of bonus issue of 40,571,429 new ordinary shares of RM0.50 each at par on the basis of one (1) new ordinary share for every three (3) existing ordinary shares.

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 meetings of the Company. All ordinary shares rank pari passu with regard to the Company's residual assets.

17.1 Warrants

In the previous financial year, on 13 January 2012, the Company issued 24,342,857 free Warrants pursuant to the Deed Poll dated 6 January 2012 ("Deed Poll") on the basis of one (1) warrant for every five (5) existing ordinary shares held. The main features of the Warrants are as follows:

- (i) Each Warrant will entitle its registered holder during the exercise period to subscribe for one (1) new ordinary share at the exercise price.
- (ii) The exercise price of each Warrant has been fixed at RM0.97.
- (iii) The expiry date of Warrants shall be on 8 January 2017 whereupon any warrant, which has not been exercised will lapse and cease thereafter to be valid for any purpose.
- (iv) The ordinary shares of RM0.50 each to be issued pursuant to the exercise of the Warrants will rank pari passu in all respect with the existing issued ordinary share of the Company.

During the current financial year, 5,499,758 warrants had been exercised and the balance of warrants that remain unexercised are 18,843,099 warrants.



18. RESERVES

	Group		Company	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Non distributable:				
Exchange translation reserve	888	985	-	-
Share premium	2,585	-	2,585	-
	3,473	985	2,585	-
Distributable:				
Retained earnings	61,412	45,420	10,510	7,473
	64,885	46,405	13,095	7,473

(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) Share premium

The premium arose from the exercise of warrants during the financial year ended 30 June 2013.

(c) Retained earnings

Effective 1 January 2008, the Company was 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 made this election in the previous financial year and as a result, there is no additional tax liability to be incurred upon payment of dividends out of its entire retained earnings as at the end of each reporting period.

19. HIRE PURCHASE AND LEASE LIABILITIES

	Group	
	2013	2012
	RM'000	RM'000
Minimum hire purchase and lease payments:		
- not later than one (1) year	1,390	2,960
- later than one (1) year but not later than five (5) years	1,188	1,751
Total minimum hire purchase and lease payments	2,578	4,711
Less: Future interest charges	(246)	(259)
Present value of hire purchase and lease payments	2,332	4,452



19. HIRE PURCHASE AND LEASE LIABILITIES (CONT'D)

	Group	
	2013 RM'000	2012 RM'000
Repayable as follows:		
Current liabilities:		
- not later than one (1) year	1,264	2,772
Non-current liabilities:		
- later than one (1) year but not later than five (5) years	1,068	1,680
	2,332	4,452

- (a) The hire purchase and lease liabilities are guaranteed by the Company.
- (b) Information of financial risks of hire purchase and lease liabilities is disclosed in Note 37 to the financial statements.
- (c) The currency exposure profiles of hire purchase and lease liabilities are as follows:

	Group	
	2013 RM'000	2012 RM'000
Australian Dollar	258	195
Indonesian Dollar	542	54
Ringgit Malaysia	1,162	3,743
Singapore Dollar	370	460
	2,332	4,452

20. TERM LOANS

	Group	
	2013 RM'000	2012 RM'000
Secured		
Term loan I	-	389
Term loan II	40	524
Term loan III	4,962	5,528
Term loan IV	638	1,331
Term loan V	10,820	11,600
Term loan VI	2,000	-
Term loan VII	3,739	-
Term loan VIII	2,766	-
Term loan IX	2,289	-
Term loan X	3,011	-
	30,265	19,372



20. TERM LOANS (CONT'D)

	Group	
	2013 RM'000	2012 RM'000
Unsecured		
Term loan XI	1,356	1,959
Term loan XII	1,164	1,774
Term loan XIII	1,150	1,750
Term loan XIV	1,480	1,960
Term loan XV	1,123	1,620
Term loan XVI	1,131	1,627
	7,404	10,690
Total term loans	37,669	30,062

	Group	
	2013 RM'000	2012 RM'000
Term loans are repayable as follows:		
Current liabilities:		
- not later than one (1) year	7,541	6,199
Non-current liabilities:		
- later than one (1) year but not later than two (2) years	9,622	5,428
- later than two (2) years but not later than five (5) years	14,778	8,302
- later than five (5) years	5,728	10,133
	30,128	23,863
	37,669	30,062

- (a) Term loan I had been fully settled during the current financial year.

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

- (b) Term loans II and III are repayable by 180 monthly instalments of RM41,400 and RM66,200 respectively and bear interest at 1.00% (2012: 1.00%) per annum above the effective cost of fund of the bank.

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

- (c) Term loan IV is repayable by 48 monthly instalments of SGD23,440, which is equivalent to RM58,037 (2012: RM57,897) and bears interest at 1.50% (2012: 1.50%) per annum over the bank's prevailing prime rate.

The term loan IV 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.



20. TERM LOANS (CONT'D)

- (d) Term loan V is repayable by 178 monthly instalments of RM65,000 plus one final instalment of RM30,000 and bears interest at 1.00% (2012: 1.00%) per annum above the effective cost of fund of the bank.

Term loan VI is repayable by 113 monthly instalments of RM17,500 plus one final instalment of RM22,500 and bears interest at 1.00% per annum above the effective cost of fund of the bank.

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

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

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

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

- (f) Term loan IX is repayable by 48 monthly instalments of SGD22,436, which is equivalent to RM55,552 and bears interest at 5.75% per annum.

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

- (g) Term loan X is repayable by 48 monthly instalments of SGD28,419, which is equivalent to RM70,365 and bears interest at 5.75% per annum.

The term loan X 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.

- (h) Term loan XI is repayable by 60 monthly instalments of RM50,000 and bears interest rate at 1.50% (2012: 1.50%) per annum above the effective cost of fund of the bank.

The term loan XI is guaranteed by the Company.

- (i) Term loans XII and XIII are repayable by 60 monthly instalments of RM58,488 and RM50,000 respectively and bear interest at a flat rate of 6.35% (2012: 6.35%) and 5.80% (2012: 5.80%) per annum respectively.

The term loans XII and XIII are guaranteed by the Company.

- (j) Term loan XIV is repayable by 60 monthly instalments of RM40,000 and bears interest at a flat rate of 5.93% (2012: 5.93%) per annum.

The term loan XIV is guaranteed by the Company.

- (k) Term loan XV is repayable by 60 monthly instalments of RM47,534 and bears interest at a flat rate of 5.31% (2012: 5.31%) per annum.

The term loan XV is guaranteed by the Company.

- (l) Term loan XVI is repayable by 60 monthly instalments of RM48,100 and bears interest at a flat rate of 5.80% (2012: 5.80%) per annum.

The term loan XVI is guaranteed by the Company.

- (m) Information on financial risks of term loans and their remaining maturity is disclosed in Note 37 to the financial statements.



20. TERM LOANS (CONT'D)

- (n) The currency exposure profiles of term loans are as follows:

	Group	
	2013 RM'000	2012 RM'000
Ringgit Malaysia	31,732	28,342
Singapore Dollar	5,937	1,720
	37,669	30,062

21. DEFERRED TAX

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

	Group	
	2013 RM'000	2012 RM'000
Balance as at 1 July 2012/2011	7,148	5,624
Recognised in profit or loss (Note 27)		
- Originating and reversal of temporary differences	1,753	1,554
- Over provision in prior years	(21)	(34)
- Others	-	4
Balance as at 30 June 2013/2012	8,880	7,148
Presented after appropriate offsetting:		
Deferred tax assets, net	-	-
Deferred tax liabilities, net	8,880	7,148

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

	Group	
	2013 RM'000	2012 RM'000
Deferred tax assets		
Balance as at 1 July 2012/2011	-	9
Recognised in profit or loss		
- Unabsorbed capital allowances	-	(5)
- Others	-	(4)
Balance as at 30 June 2013/2012	-	-



21. DEFERRED TAX (CONT'D)

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

	Group	
	2013 RM'000	2012 RM'000
Deferred tax liabilities		
Balance as at 1 July 2012/2011	7,148	5,633
Recognised in profit or loss		
- Property, plant and equipment	1,764	1,502
- Unrealised gain on foreign currency transactions	(32)	13
Balance as at 30 June 2013/2012	8,880	7,148

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

	Group	
	2013 RM'000	2012 RM'000
Deferred tax assets		
Unabsorbed capital allowances	-	-
Others	-	-
	-	-
Deferred tax liabilities		
Property, plant and equipment	8,880	7,116
Unrealised gain on foreign currency transactions	-	32
	8,880	7,148

- (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	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Unused tax losses	1,646	1,059	1,061	751
Unabsorbed capital allowances	33	33	-	-
Others	62	54	-	-
	1,741	1,146	1,061	751



21. DEFERRED TAX (CONT'D)

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

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

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

22. TRADE PAYABLES

- (a) Trade payables are non-interest bearing and the normal trade credit terms granted range from 7 to 90 days (2012: 7 to 90 days) from date of invoices.
- (b) Information on financial risks of trade payables is disclosed in Note 37 to the financial statements.
- (c) In the previous financial year, included in trade payables was an amount of RM62,000 owing to companies in which certain Directors of the subsidiaries were the common directors.
- (d) The currency exposure profiles of trade payables are as follows:

	Group	
	2013 RM'000	2012 RM'000
Ringgit Malaysia	19,093	17,768
US Dollar	4,437	4,661
Australian Dollar	1,437	2,230
Singapore Dollar	255	1,171
Thai Baht	675	660
Indonesian Rupiah	452	372
Euro	173	93
British Pound	22	24
Hong Kong Dollar	21	11
Vietnamese Dong	91	8
Others	84	56
	26,740	27,054

23. OTHER PAYABLES AND ACCRUALS

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Other payables	3,984	2,152	-	-
Accruals	8,134	6,766	459	447
	12,118	8,918	459	447



23. OTHER PAYABLES AND ACCRUALS (CONT'D)

- (a) Included in other payables is an amount of RM17,000 (2012: RM98,000) owing to companies in which certain Directors of the subsidiaries are common Directors.
- (b) Information on financial risks of other payables and accruals is disclosed in Note 37 to the financial statements.
- (c) The currency exposure profiles of other payables and accruals are as follows:

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Ringgit Malaysia	10,477	7,643	459	447
Australian Dollar	653	605	-	-
Singapore Dollar	461	204	-	-
Indonesian Rupiah	263	191	-	-
Thai Baht	174	246	-	-
Vietnamese Dong	76	29	-	-
US Dollar	14	-	-	-
	12,118	8,918	459	447

24. BANK OVERDRAFTS - SECURED

- (a) The bank overdrafts of the Group are secured by way of:
- (i) fixed deposits with licensed banks of the Group (Note 16);
 - (ii) long term leasehold land and buildings of the Group (Note 7); and
 - (iii) fixed and floating charge over the assets of subsidiaries.
- (b) The bank overdrafts are guaranteed by the Company.
- (c) Information on financial risks of bank overdrafts - secured is disclosed in Note 37 to the financial statements.
- (d) All bank overdrafts are denominated in Ringgit Malaysia ('RM').

25. REVENUE

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Services rendered	364,808	327,101	-	-
Dividend income	-	-	10,736	1,191
Management fees	-	-	2,890	2,510
	364,808	327,101	13,626	3,701

NOTES TO THE FINANCIAL STATEMENTS

30 JUNE 2013 (CONT'D)



26. PROFIT/(LOSS) BEFORE TAX

		Group		Company	
		2013	2012	2013	2012
	Note	RM'000	RM'000	RM'000	RM'000
Profit/(Loss) before tax is arrived at after charging:					
Auditors' remuneration:					
- statutory		196	177	48	43
- non-statutory		32	27	32	27
Bad debts written off		540	27	-	-
Depreciation of property, plant and equipment	7	10,631	8,662	-	-
Directors' remuneration:					
- Fees:					
- payable by the Company		300	300	300	300
- payable by the subsidiaries		99	106	-	-
Other emoluments:					
- paid by the Company		32	32	32	32
- paid by the subsidiaries		5,801	5,806	-	-
Impairment losses on:					
- goodwill on consolidation	11	15	-	-	-
- trade receivables	12	1,269	521	-	-
- investment in a subsidiary	8	-	-	-	350
Interest expense on:					
- bank overdrafts		4	91	-	-
- hire purchase and lease liabilities		208	346	-	-
- term loans		1,683	1,159	-	-
- bankers' acceptances		-	7	-	-
- revolving credits		4	74	-	-
Loss on foreign currency transactions					
- unrealised		84	-	-	-
Property, plant and equipment written off	7	49	15	-	-
Rental of premises		950	925	-	-
Rental of warehouses		3,977	1,983	-	-



26. PROFIT/(LOSS) BEFORE TAX (CONT'D)

		Group		Company	
		2013	2012	2013	2012
	Note	RM'000	RM'000	RM'000	RM'000
And crediting:					
Bad debts recovered		-	30	-	-
Gross dividend from subsidiaries		-	-	10,736	1,191
Gain on disposal of property, plant and equipment		1,507	126	-	-
Gain on foreign currency transactions:					
- realised		373	509	-	-
- unrealised		-	25	8	-
Interest income received from:					
- fixed deposits and repo		293	208	153	78
- current and savings accounts		19	17	2	2
Management fees received from subsidiaries		-	-	2,890	2,510
Rental income		833	316	-	-
Reversal of impairment loss on trade receivables	12	423	423	-	-

27. TAX EXPENSE

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Current tax expense based on profit for the financial year	3,947	4,088	363	-
Deferred tax (Note 21)	1,753	1,558	-	-
	5,700	5,646	363	-
(Over)/Under provision in prior years:				
- income tax	(228)	464	-	453
- deferred tax (Note 21)	(21)	(34)	-	-
	(249)	430	-	453
	5,451	6,076	363	453

Malaysian income tax is calculated at the statutory tax rate of 25% (2012: 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.



27. TAX EXPENSE (CONT'D)

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	
	2013 %	2012 %	2013 %	2012 %
Tax at Malaysian statutory tax rate	25.00	25.00	25.00	(25.00)
Tax effects in respect of:				
Non-allowable expenses	1.74	2.79	1.13	40.93
Non-taxable income	(0.80)	(0.81)	(23.28)	(42.46)
Deferred tax assets not recognised	0.49	0.89	0.78	26.53
Lower tax rate in foreign jurisdiction	(2.18)	(1.37)	-	-
Investment tax incentive	(2.64)	(4.77)	-	-
Tax exempt income	(2.75)	(1.59)	-	-
	18.86	20.14	3.63	-
(Over)/Under provision in prior years:				
- income tax	(0.75)	1.66	-	64.59
- deferred tax	(0.07)	(0.12)	-	-
Average effective tax rate	18.04	21.68	3.63	64.59

28. DIVIDENDS

	Group and Company			
	2013		2012	
	Gross dividend per share sen	Amount of dividend net of tax RM'000	Gross dividend per share sen	Amount of dividend net of tax RM'000
In respect of the financial year ended 30 June 2011				
- Final dividend less tax of 25%	-	-	2.5	2,282
In respect of the financial year ended 30 June 2012				
- Interim single tier dividend	-	-	1.5	2,434
- Final dividend less tax of 25%	2.5	4,057	-	-
In respect of the financial year ended 30 June 2013				
- Interim single tier dividend	1.5	2,517	-	-
	4.0	6,574	4.0	4,716

A final single tier dividend in respect of the year ended 30 June 2013 of 3.0 sen per ordinary share 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 financial 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 financial year ending 30 June 2014.



29. EMPLOYEE BENEFITS

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Salaries, wages and bonuses	37,087	31,126	32	32
Contributions to defined contribution plans	3,685	3,329	-	-
Social security contributions	342	297	-	-
Other benefits	1,201	1,388	-	-
	42,315	36,140	32	32

Included in the employee benefits of the Group and of the Company is Directors' remunerations amounting RM5,833,000 (2012: RM5,838,000) and RM32,000 (2012: RM32,000) respectively.

30. EARNINGS PER SHARE

(a) Basic

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

	Group	
	2013 '000	2012 '000
Profit attributable to equity holders of the parent (RM)	22,566	20,872
Weighted average number of ordinary shares in issue (unit)	162,286	121,714
Effect of bonus issue	-	40,572
Effect of exercise of warrants	84	-
Adjusted weighted average number of ordinary shares applicable to basic earnings per ordinary share	162,370	162,286
Basic earnings per ordinary share (sen)	13.90	12.86



30. EARNINGS PER SHARE (CONT'D)

(b) Diluted

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

	Group	
	2013 '000	2012 '000
Profit attributable to equity holders of the parent (RM)	22,566	20,872
Weighted average number of ordinary shares in issue applicable to basic earnings per ordinary share (unit)	162,370	162,286
Effect of dilution in exercise of warrants	1,919	-
Adjusted weighted average number of ordinary shares applicable to diluted earnings per ordinary share	164,289	162,286
Diluted earnings per ordinary share (sen)	13.74	12.86

In the previous financial year, the warrants that could potentially dilute the earnings per ordinary shares were not included in the calculation of diluted earnings per ordinary shares as it would have an anti-dilution effect thereon. Accordingly, the diluted earnings per ordinary share was the same as the basic earnings per ordinary share.

31. DILUTION OF EQUITY INTEREST IN A SUBSIDIARY

During the current financial year, Dependable Global Express Malaysia Sdn. Bhd. ('DGEM'), a wholly-owned subsidiary of Citra Multimodal Services Sdn. Bhd. ('Citra'), which in turn is a wholly-owned subsidiary of the Company, increased its issued and paid-up share capital from RM100 to RM250,000 by an allotment of 249,900 ordinary shares of RM1.00 each. Citra, subscribed for 127,400 ordinary shares of RM1.00 each in DGEM ('Subscription of Shares') for a total cash consideration of RM127,400. The remaining 122,500 ordinary shares of RM1.00 each were subscribed by non-controlling interests for a total cash consideration of RM122,500. Following the Subscription of Shares, the equity interest of the Group via Citra in DGEM had been diluted from 100% to 51%. The dilution of equity interest in DGEM did not have any material financial effect to the Group.

32. 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.



32. 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:

Related parties	Relationships
FM Forwarding Sdn. Bhd.	Related by a common director, namely Chew Chong Keat
Advance Logistics Sdn. Bhd.	Related by control of key management personnel
Poo Hua Pte. Ltd.	Related by a common director of a subsidiary, namely Tay Nguang Yeow Andrew
FM Distribution Sdn. Bhd.	An associate of FM Global Logistics (M) Sdn. Bhd.

(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	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Freight charges received/receivable from:				
- Poo Hua Pte. Ltd.	2,475	5,454	-	-
Freight charges paid/payable to:				
- FM Forwarding Sdn. Bhd.	3,564	3,505	-	-
- Advance Logistics Sdn. Bhd.	4,065	4,264	-	-
Rental income received/receivable from:				
- FM Distribution Sdn. Bhd.	377	78	-	-
Warehouse services received/receivable from:				
- FM Distribution Sdn. Bhd.	9	17	-	-
Purchase of motor vehicles from a Director of a subsidiary	-	472	-	-
Administrative expenses paid/payable to:				
- FM Global Logistics (M) Sdn. Bhd.	-	-	2,400	2,400
Gross dividend received from subsidiaries	-	-	10,736	1,191
Management fees received from subsidiaries	-	-	2,890	2,510

The related party transactions described above were carried out on terms and conditions not materially different from those obtainable from transactions with unrelated parties.



32. RELATED PARTY DISCLOSURES (CONT'D)

(c) Compensation of key management personnel

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

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

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Short term employee benefits	5,093	5,091	32	32
Contributions to defined contribution plans	740	747	-	-
	5,833	5,838	32	32

33. 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 each reporting period as follows:

	Group	
	2013 RM'000	2012 RM'000
Not later than one (1) year	6,494	2,252
Later than one (1) year but not later than five (5) years	5,027	1,532
	11,521	3,784



33. COMMITMENTS (CONT'D)

(a) Operating lease commitments (cont'd)

(i) The Group as lessee (cont'd)

The currency exposure profiles of operating lease commitments - the Group as lessee are as follows:

	Group	
	2013 RM'000	2012 RM'000
Ringgit Malaysia	10,598	3,719
Singapore Dollar	111	37
Thai Baht	497	15
Vietnamese Dong	111	13
Indonesian Rupiah	136	-
Australian Dollar	68	-
	11,521	3,784

(ii) The Group as lessor

The Group has entered into non-cancellable lease arrangements on certain properties for terms of between one (1) to three (3) years and renewable at the end of the lease period.

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

	Group	
	2013 RM'000	2012 RM'000
Not later than one (1) year	460	405
Later than one (1) year but not later than five (5) years	450	203
	910	608

(b) Capital commitments

	Group	
	2013 RM'000	2012 RM'000
Capital expenditure in respect of purchase of property, plant and equipment:		
- contracted but not provided for	1,688	3,568



34. CONTINGENT LIABILITIES - UNSECURED

	Company	
	2013 RM'000	2012 RM'000
Corporate guarantee given to financial institutions for credit facilities granted to subsidiaries, limit up to RM86,624,000 (2012: RM77,459,000)	38,027	24,416

The Directors are of the view that the chances of the banks to call upon the corporate guarantees are remote. Accordingly, the fair values of the above corporate guarantees given to the subsidiaries for banking facilities are negligible.

35. 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 that 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, land 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 a company in Singapore.

Other operating 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 assets exclude tax assets.

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



35. OPERATING SEGMENTS (CONT'D)

	Logistics					[--Marine--]		Other operating segments RM'000	Total RM'000
	Malaysia RM'000	Australia RM'000	Indonesia RM'000	Thailand RM'000	Vietnam RM'000	Singapore RM'000			
2013									
Revenue									
Total revenue	281,880	29,675	23,322	9,287	6,396	18,907		16,722	386,189
Inter-segment revenue	(2,340)	(67)	(664)	(1,413)	(175)	-		(16,722)	(21,381)
Revenue from external customers	279,540	29,608	22,658	7,874	6,221	18,907		-	364,808
Finance costs	(1,720)	(15)	(40)	-	-	(124)		-	(1,899)
Share of profits of associates	117	-	-	-	-	-		(29)	88
Segment profit/(loss) before income tax	27,056	2,214	2,367	(482)	532	3,676		5,612	40,975
Investments in associates	317	-	-	-	-	-		2,999	3,316
Additions to non-current assets other than financial instruments and deferred tax assets	13,944	151	872	106	70	6,082		26	21,251
Segment assets	187,034	4,703	6,227	1,492	1,312	32,261		22,689	255,718
Segment liabilities	67,703	2,481	1,731	939	175	7,461		4,229	84,719



35. OPERATING SEGMENTS (CONT'D)

	[----- Logistics -----]		[--Marine--]		Other operating segments		Total
	Malaysia	Australia	Indonesia	Thailand	Vietnam	Singapore	RM'000
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
2013							
Other material non-cash items							
Bad debts written off	520	10	-	2	5	3	540
Depreciation of property, plant and equipment	8,593	82	131	34	21	1,562	10,631
Impairment loss on trade receivables	849	303	31	40	-	46	1,269
Property, plant and equipment written off	43	-	2	1	2	1	49
(Gain)/Loss on disposal of property, plant and equipment	(286)	5	1	-	-	(1,227)	(1,507)
Reversal of impairment loss on trade receivables	329	93	1	-	-	-	423
Impairment loss on goodwill on consolidation	-	4	-	-	-	-	11
							15



35. OPERATING SEGMENTS (CONT'D)

	Logistics					[--Marine--]		Other operating segments	Total
	Malaysia RM'000	Australia RM'000	Indonesia RM'000	Thailand RM'000	Vietnam RM'000	Singapore RM'000		RM'000	RM'000
2012									
Revenue									
Total revenue	255,179	28,343	18,893	9,146	2,043	19,415		5,925	338,944
Inter-segment revenue	(3,648)	(77)	(666)	(1,338)	(189)	-		(5,925)	(11,843)
Revenue from external customers	251,531	28,266	18,227	7,808	1,854	19,415		-	327,101
Finance costs	(1,493)	(22)	(6)	-	(1)	(155)		-	(1,677)
Share of profit in an associate	10	-	-	-	-	-		-	10
Segment profit/(loss) before income tax	26,924	945	2,986	(549)	310	2,577		(3,972)	29,221
Investment in an associate	200	-	-	-	-	-		-	200
Additions to non-current assets other than financial instruments and deferred tax assets	15,289	53	66	8	7	490		116	16,029
Segment assets	160,830	5,145	4,669	1,585	333	30,433		18,834	221,829
Segment liabilities	62,213	3,202	925	998	52	4,473		3,859	75,722



35. OPERATING SEGMENTS (CONT'D)

	[----- Logistics -----]		[--Marine--]		Other operating segments		Total
	Malaysia	Australia	Indonesia	Thailand	Vietnam	Singapore	RM'000
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
2012							
Other material non-cash items							
Bad debt recovered	(30)	-	-	-	-	-	(30)
Bad debts written off	17	-	1	9	-	-	27
Depreciation of property, plant and equipment	6,674	89	125	42	17	1,514	8,662
Impairment loss on trade receivables	368	102	12	39	-	-	521
Property, plant and equipment written off	11	-	-	-	-	2	15
(Gain)/Loss on disposal of property, plant and equipment	(136)	10	-	-	-	-	(126)
Reversal of impairment loss on trade receivables	(378)	(14)	(26)	(5)	-	-	(423)



35. OPERATING SEGMENTS (CONT'D)

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

	2013 RM'000	2012 RM'000
Revenue		
Total revenue for reportable segments	386,189	338,944
Elimination of inter-segmental revenues	(21,381)	(11,843)
Group's revenue per consolidated statement of profit or loss and other comprehensive income	364,808	327,101
Profit for the financial year		
Total profit or loss for reportable segments	40,975	29,221
Elimination of inter-segment profits	(10,736)	(1,191)
Impairment loss on goodwill on consolidation	(15)	-
Profit before tax	30,224	28,030
Income tax expense	(5,451)	(6,076)
Profit for the financial year per consolidated statement of profit or loss and other comprehensive income	24,773	21,954
Assets		
Total assets for reportable segments	255,718	221,829
Current tax assets	1,323	630
Assets of the Group per consolidated statement of financial position	257,041	222,459
Liabilities		
Total liabilities for reportable segments	84,719	75,722
Current tax liabilities	1,932	1,527
Deferred tax liabilities	8,880	7,148
Liabilities of the Group per consolidated statement of financial position	95,531	84,397

Major customers

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



36. 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 going concern whilst maximising return to shareholders through the optimisation of the debt and equity ratios. The overall strategy of the Group remains unchanged from that in financial year ended 30 June 2012.

The Group manages its capital structure and makes adjustments to it in response to changes in economic conditions. In order 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 2013 and 30 June 2012.

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	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Trade payables	26,740	27,054	-	-
Other payables and accruals	12,118	8,918	459	447
Amounts owing to subsidiaries	-	-	3,988	5,067
Hire purchase and lease liabilities	2,332	4,452	-	-
Term loans	37,669	30,062	-	-
Bank overdrafts - secured	3,343	2,802	-	-
Dividend payable	2,517	2,434	2,517	2,434
Total liabilities	84,719	75,722	6,964	7,948
Less: Cash and cash equivalents	(42,452)	(36,800)	(15,987)	(16,793)
Net debt/(cash)	42,267	38,922	(9,023)	(8,845)
Total capital	161,510	138,062	96,988	88,616
Net debt/(cash)	42,267	38,922	(9,023)	(8,845)
Total	203,777	176,984	87,965	79,771
Gearing ratio	21%	22%	-	-

Pursuant to the requirements of Practice Note No. 17/2005 of the Bursa Malaysia Securities, the Group is required to maintain a consolidated shareholders' equity equal to or not less than the 25% of the issued and paid-up capital (excluding treasury shares) and such shareholders' equity is not less than RM40.0 million. The Company has complied with this requirement for the financial year ended 30 June 2013.



36. FINANCIAL INSTRUMENTS (CONT'D)

(b) Categories of financial instruments

Group 2013	Loans and receivables RM'000	Available-for- sale RM'000	Total RM'000
Financial assets			
Other investment	-	3	3
Trade receivables	76,653	-	76,653
Other receivables, net of deposits and prepayments	3,494	-	3,494
Amount owing by an associate	8	-	8
Cash and cash equivalents	42,452	-	42,452
	122,607	3	122,610
		Other financial liabilities RM'000	Total RM'000
Financial liabilities			
Trade payables		26,740	26,740
Other payables and accruals		12,118	12,118
Hire purchase and lease liabilities		2,332	2,332
Term loans		37,669	37,669
Bank overdrafts - secured		3,343	3,343
Dividend payable		2,517	2,517
		84,719	84,719
Company 2013	Loans and receivables RM'000		Total RM'000
Financial assets			
Amounts owing by subsidiaries		21,252	21,252
Cash and cash equivalents		15,987	15,987
		37,239	37,239
		Other financial liabilities RM'000	Total RM'000
Financial liabilities			
Other payables and accruals		459	459
Amounts owing to subsidiaries		3,988	3,988
Dividend payable		2,517	2,517
		6,964	6,964



36. FINANCIAL INSTRUMENTS (CONT'D)

(b) Categories of financial instruments (cont'd)

Group 2012	Loans and receivables RM'000	Available-for- sale RM'000	Total RM'000
Financial assets			
Other investment	-	3	3
Trade receivables	62,535	-	62,535
Other receivables, net of deposits and prepayments	1,583	-	1,583
Amount owing by an associate	8	-	8
Cash and cash equivalents	36,800	-	36,800
	100,926	3	100,929
		Other financial liabilities RM'000	Total RM'000
Financial liabilities			
Trade payables		27,054	27,054
Other payables and accruals		8,918	8,918
Hire purchase and lease liabilities		4,452	4,452
Term loans		30,062	30,062
Bank overdrafts - secured		2,802	2,802
Dividend payable		2,434	2,434
		75,722	75,722
Company 2012	Loans and receivables RM'000	Total RM'000	
Financial assets			
Amounts owing by subsidiaries		16,094	16,094
Cash and cash equivalents		16,793	16,793
		32,887	32,887
		Other financial liabilities RM'000	Total RM'000
Financial liabilities			
Other payables and accruals		447	447
Amounts owing to subsidiaries		5,067	5,067
Dividend payable		2,434	2,434
		7,948	7,948



36. FINANCIAL INSTRUMENTS (CONT'D)

(c) Fair values 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	Fair value	Carrying amount	Fair value
	RM'000	RM'000	RM'000	RM'000

At 30 June 2013

Recognised

Financial liabilities

Hire purchase and lease liabilities	2,332	2,237	-	-
Term loans	6,048	5,541	-	-

At 30 June 2012

Recognised

Financial liabilities

Hire purchase and lease liabilities	4,452	4,357	-	-
Term loans	8,731	8,684	-	-

(d) Methods and assumptions used to estimate fair values

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

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

The carrying amounts of financial assets and financial liabilities, such as trade and other receivables, trade and other payables and borrowings are reasonable approximation of fair values, 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 each reporting period.

The carrying amounts of the current position of loans and borrowings are reasonable approximations of fair values due to the insignificant impact of discounting.

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

The fair values 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 each reporting period.

- (iii) Other investment - unquoted investment

The fair value of this unquoted investment is estimated by using net asset valuation technique based on the investee's latest available financial statements obtained. Management believes that the estimated fair value resulting from this valuation technique is reasonable and the most appropriate at the end of each reporting period.



37. 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.

Exposure to credit risk

At the end of each 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 12 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 each reporting period are as follows:

	2013		2012	
	RM'000	% of total	RM'000	% of total
By country				
Domestic	60,523	79	46,805	75
Foreign	16,130	21	15,730	25
	76,653	100	62,535	100

The Company does not have any significant concentration of credit risk other than the amounts owing by subsidiaries, which constitutes 98.62% (2012: 98.22%) of total receivables as at the end of each reporting period.



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

(i) Credit risk (cont'd)

Financial assets that are neither past due nor impaired

Information regarding trade receivables that are neither past due nor impaired is disclosed in Note 12 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 12 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.

The table below summarises the maturity profile of the Group's and Company's liabilities at the end of each 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 2013				
Group				
Financial liabilities				
Trade payables	26,740	-	-	26,740
Other payables and accruals	12,118	-	-	12,118
Hire purchase and lease liabilities	1,390	1,188	-	2,578
Term loans	8,659	19,416	12,771	40,846
Bank overdrafts - secured	3,343	-	-	3,343
Dividend payable	2,517	-	-	2,517
Total undiscounted financial liabilities	54,767	20,604	12,771	88,142
Company				
Financial liabilities				
Other payables and accruals	459	-	-	459
Amounts owing to subsidiaries	3,988	-	-	3,988
Dividend payable	2,517	-	-	2,517
Total undiscounted financial liabilities	6,964	-	-	6,964



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

(ii) Liquidity and cash flow risk (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 2012				
Group				
Financial liabilities				
Trade payables	27,054	-	-	27,054
Other payables and accruals	8,918	-	-	8,918
Hire purchase and lease liabilities	2,960	1,751	-	4,711
Term loans	6,967	14,875	10,944	32,786
Bank overdrafts - secured	2,802	-	-	2,802
Dividend payable	2,434	-	-	2,434
Total undiscounted financial liabilities	51,135	16,626	10,944	78,705
Company				
Financial liabilities				
Other payables and accruals	447	-	-	447
Amounts owing to subsidiaries	5,067	-	-	5,067
Dividend payable	2,434	-	-	2,434
Total undiscounted financial liabilities	7,948	-	-	7,948

(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 primary interest rate risk relates to interest-earning deposits and interest-bearing borrowings from financial institutions. The Group's fixed-rate deposits and borrowings are exposed to a risk of changes in their fair values due to changes in interest rates. The Group's floating rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates. The Group does not use derivative financial instruments to hedge this risk.



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

(iii) Interest rate risk (cont'd)

Sensitivity analysis for interest rate risk

Group

As at 30 June 2013, if interest rates at the date had been 100 basis points lower with all other variables held constant, the Group's post-tax profit for the year would have been RM242,000 (2012: RM285,000) 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, the Group's post-tax profit for the year would have been RM242,000 (2012: RM285,000) lower, arising mainly as a result of higher interest expense on borrowings. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

Company

As at 30 June 2013, if interest rates at the date had been 100 basis points lower with all other variables held constant, the Company's post-tax profit for the year would have been RM82,000 (2012: RM100,000) lower, arising mainly as a result of lower interest income from deposits. If interest rates had been 100 basis points higher, with all other variables held constant, the Company's post-tax profit for the year would have been RM82,000 (2012: RM100,000) higher respectively, arising mainly as a result of higher interest income from deposits. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.



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

(iii) Interest rate risk (continued)

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

		Weighted average effective interest rate %	NOTE	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
At 30 June 2013										
Group										
Fixed rates										
Fixed deposits with licensed banks	16	3.29		4,308	-	-	-	-	-	4,308
Short term deposits - Repo	16	2.05		6,800	-	-	-	-	-	6,800
Hire purchase and lease liabilities	19	7.31		1,264	405	495	168	-	-	2,332
Term loans	20	5.85		2,777	2,651	580	40	-	-	6,048
Floating rates										
Bank overdrafts - secured	24	7.31		3,343	-	-	-	-	-	3,343
Term loans	20	4.81		4,764	6,970	2,485	2,362	9,312	5,728	31,621
Company										
Fixed rate										
Short term deposits - Repo	16	2.05		6,800	-	-	-	-	-	6,800



37. 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 each reporting period and the remaining maturities of the Group's and the Company's financial instruments that are exposed to interest rate risk: (cont'd)

		NOTE	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
At 30 June 2012										
Group										
Fixed rates										
Fixed deposits with licensed banks	16		3.33	4,183	-	-	-	-	-	4,183
Short term deposits - Repo	16		2.04	15,000	-	-	-	-	-	15,000
Hire purchase and lease liabilities	19		5.11	2,772	1,127	242	233	78	-	4,452
Term loans	20		5.85	2,682	2,777	2,651	581	40	-	8,731
Floating rates										
Bank overdrafts - secured	24		7.33	2,802	-	-	-	-	-	2,802
Term loans	20		4.62	3,517	2,651	2,001	1,576	1,453	10,133	21,331
Company										
Fixed rate										
Short term deposits - Repo	16		2.04	15,000	-	-	-	-	-	15,000



37. 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 would fluctuate because of changes in foreign exchange rates.

The Group is exposed to foreign currency risk on transactions that are denominated in currencies other than functional currencies of the operating entities. The Company did not have any foreign currency exposure on its transactions.

It is not the Group'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 respective functional currencies of the Group entities, with all other variables held constant.

		Group	
		2013	2012
		Profit	Profit
		net of tax	net of tax
		RM'000	RM'000
USD/RM	- Strengthened 5% (2012: 5%)	+357	+402
	- Weakened 5% (2012: 5%)	-357	-402
SGD/RM	- Strengthened 5% (2012: 5%)	+123	+77
	- Weakened 5% (2012: 5%)	-123	-77
AUD/RM	- Strengthened 5% (2012: 5%)	-328	-111
	- Weakened 5% (2012: 5%)	+328	+111
EUR/RM	- Strengthened 5% (2012: 5%)	+7	-3
	- Weakened 5% (2012: 5%)	-7	+3
GBP/RM	- Strengthened 5% (2012: 5%)	+1	-1
	- Weakened 5% (2012: 5%)	-1	+1
THB/RM	- Strengthened 5% (2012: 5%)	-	-1
	- Weakened 5% (2012: 5%)	-	+1

38. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

- (a) On 31 October 2012, the Company entered into an agreement with Mr. Yusob Boachobi and YKP-FM Global Shipyard Co. Ltd. ('YKPFM') to subscribe in cash for 250,000 ordinary shares of 100 Baht each for a total consideration of 25,000,000 Baht, which was equivalent to RM2,500,000. Subsequently on 29 January 2013, the Company further subscribed in cash for 50,000 ordinary shares of 100 Baht each for a total consideration of 5,000,000 Baht, which was equivalent to RM500,000. The total 300,000 ordinary shares of 100 Baht each in YKPFM acquired by the Company represent 25% of the total equity interests in YKPFM. Accordingly, YKPFM became 25% owned associate of the Company as disclosed in Note 9 to the financial statements.



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

- (b) On 17 December 2012, the Company announced that its wholly-owned subsidiary, Citra Multimodal Services Sdn. Bhd. ('Citra') subscribed for an additional 127,400 ordinary shares of RM1.00 each at par for cash in its subsidiary, Dependable Global Express Malaysia Sdn. Bhd. ('DGEM') pursuant to the allotment of shares carried out by DGEM. Upon completion of the shares allotment, DGEM became a 51% owned subsidiary of Citra as disclosed in Note 8 to the financial statements.
- (c) On 17 April 2013, the Company announced that its wholly-owned subsidiary, FM Global Logistics (M) Sdn. Bhd. ('FMGLM') incorporated a wholly-owned subsidiary, Advance Cargo Logistics Sdn. Bhd. ('ACL') in Malaysia, with an authorised share capital of RM100,000 comprising 100,000 ordinary shares of RM1.00 each of which 2 shares have been issued and fully paid up as disclosed in Note 8 to the financial statements.
- (d) On 9 May 2013, the Company announced that its wholly-owned subsidiary, Icon Line (Malaysia) Sdn. Bhd. ('ILM') incorporated a wholly-owned subsidiary, FM Global Logistics (HK) Limited in Hong Kong on 7 May 2013 with an initial issued paid-up share capital of HKD1.00 comprising 1 ordinary share of HKD1.00 each as disclosed in Note 8 to the financial statements.
- (e) On 30 May 2013, the Company announced that its wholly-owned subsidiary, Icon Line (Malaysia) Sdn. Bhd. ('ILM') entered into an agreement with 1 Global Enterprises Pte. Ltd. ('1GE') to set up a company in India known as FM Global Logistics (India) Pte. Ltd. ('FMGLI'), which was incorporated on 28 May 2013 under the Companies Act, 1956 (No. 1 of 1956) of India.

The intended activity of FMGLI is to provide integrated logistics services to and from South India, India. FMGLI will have an authorised share capital of Rs. 2,00,00,000 (Rupees Two Crores) divided into 20,00,000 (Twenty Lakh) shares of Rs. 10 (Ten) each. The paid up share capital of FMGLI shall be decided at a later date and the capital will be contributed as follows:

- (i) 51% from ILM; and
- (ii) 49% from 1GE.

As at the end of the reporting period, the allotment of capital has yet to be completed.

- (f) On 3 June 2013, the Company announced that the Company and Scomi Energy Services Bhd. ('SESB') embarked on a joint venture ('Joint Venture'), by entering into the following joint venture agreements:
 - (i) a joint venture agreement for the purpose of setting up a joint venture company ('Vessel Owner') to jointly acquire and own marine vessels ('Vessel Owner JVA'); and
 - (ii) a joint venture agreement for the purpose of setting up another joint venture company ('Vessel Operator') to jointly operate marine vessels ('Vessel Operator JVA').

with a view to jointly pursue business relating to the provision of services to the oil and gas industry in South East Asia. Subsequent to the end of the reporting period, on 1 July 2013, the Vessel Owner joint venture company was incorporated.

39. SIGNIFICANT EVENT SUBSEQUENT TO THE END OF THE REPORTING PERIOD

On 6 September 2013, the Company announced that its wholly-owned subsidiary, Icon Line (Malaysia) Sdn. Bhd. ('ILM'), had on 5 September 2013 entered into an agreement ('the Agreement') with the following persons via a special purpose company in the Philippines known as FM Global Logistics (Phil) Inc. ('FMGLP') under the laws of the Philippines:

- (i) Irene M. Manguiat ('Irene');
- (ii) Bernardita B. Rivadeneira ('Bernardita'); and
- (iii) Jose Antonio P. Castro ('Jose').



39. SIGNIFICANT EVENT SUBSEQUENT TO THE END OF THE REPORTING PERIOD (CONT'D)

The intended activity of FMGLP is to undertake the business to provide point to point integrated logistics services to and from the Philippines. FMGLP will have an authorised share capital of P10,000,000.00 divided into 100,000 shares of P100.00 each. The paid up share capital of FMGLP shall be decided at a later date and the capital will be contributed as follows:

- (i) 50% from ILM;
- (ii) 30% from Irene;
- (iii) 12.5% from Bernardita; and
- (iv) 7.5% from Jose.

Contemporaneously, ILM will enter into a Business Sale Agreement with certain parties to purchase business intellectual property, goodwill, records to the extent such records and documents relate solely to the business and transfer of employees at USD350,000.

The Group expects that the above will not have any material financial effect.

40. EXPLANATION OF TRANSITION TO MFRS

The Group and the Company are non-transitioning entity as defined by the MASB, and have adopted the MFRS Framework during the financial year ended 30 June 2013. Accordingly, this is the first financial statements of the Group and the Company prepared in accordance with MFRSs.

The accounting policies set out in Note 4 to the financial statements have been applied in preparing the financial statements of the Group and of the Company for the financial year ended 30 June 2013, as well as comparative information presented in these financial statements for the financial year ended 30 June 2012 and in the preparation of the opening MFRS statements of financial position at 1 July 2011 (the date of transition of the Group to MFRSs).

There is no material impact arising from the transition from FRSs to MFRSs on the Group and the Company's financial position, financial performance and cash flows other than the following comparative figures that have been reclassified to conform with the current year's presentation:

	As previously reported RM'000	Reclassi- fications RM'000	As restated RM'000
Group			
As at 30 June 2012			
Consolidated statement of financial position			
Trade payables	26,181	873	27,054
Other payables and accruals	9,791	(873)	8,918



41. SUPPLEMENTARY INFORMATION ON REALISED AND UNREALISED PROFITS OR LOSSES

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

	2013		2012	
	Group RM'000	Company RM'000	Group RM'000	Company RM'000
Total retained earnings of the Company and its subsidiaries:				
- Realised	100,544	10,510	80,778	7,473
- Unrealised	(8,964)	-	(7,124)	-
	91,580	10,510	73,654	7,473
Total share of retained earnings from associates:				
- Realised	239	-	151	-
Less: Consolidation adjustments	(30,407)	-	(28,385)	-
Total retained earnings	61,412	10,510	45,420	7,473

ANALYSIS OF SHAREHOLDINGS

AS AT 10 OCTOBER 2013



SHARE CAPITAL

Authorised share capital	:	RM125,000,000
Issued and paid up share capital	:	RM85,223,722
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 Holders	%	No. of Shareholders	%
Less Than 100	162	12.40	7,304	0.00
100 to 1,000	354	27.11	111,080	0.07
1,001 to 10,000	488	37.37	2,147,125	1.26
10,001 to 100,000	244	18.68	7,125,627	4.18
100,001 to Less Than 5%	54	4.13	51,019,118	29.93
5% And Above	4	0.31	110,037,190	64.56
TOTAL	1,306	100.00	170,447,444	100.00

DIRECTORS' SHAREHOLDINGS

Names	Direct Interest No. of Shares Held	%	Indirect Interest No. of Shares Held	%
CHEW CHONG KEAT	43,036,110	25.25	-	-
YANG HENG LAM	29,701,374	17.43	423,199*	0.25
GAN SIEW YONG	7,042,189	4.13	-	-
DATUK DR HJ NOORDIN BIN HJ AB RAZAK	-	-	-	-
AARON SIM KWEE LEIN	-	-	-	-
ONG LOOI CHAI	1,995,870	1.17	-	-
CHUA TIONG HOCK	-	-	37,325,800^	21.90
KHUA KIAN KEONG	-	-	37,325,800^	21.90
(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.

SUBSTANTIAL SHAREHOLDERS ACCORDING TO THE REGISTER OF SUBSTANTIAL SHAREHOLDERS

	Direct Interest No. of Shares Held	%	Indirect Interest No. of Shares Held	%
1 CHEW CHONG KEAT	43,036,110	25.25		
2 SINGAPORE ENTERPRISES PRIVATE LIMITED	37,325,800	21.90		
3 YANG HENG LAM	29,701,374	17.43	423,199*	0.25

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

ANALYSIS OF SHAREHOLDINGS

AS AT 10 OCTOBER 2013 (CONT'D)



TOP 30 SHAREHOLDERS AS AT 10 OCTOBER 2013

No.	Names	No. of Shares Held	%
1	CHEW CHONG KEAT	43,036,110	25.25
2	SINGAPORE ENTERPRISES PRIVATE LIMITED	37,325,800	21.90
3	YANG HENG LAM	29,701,374	17.43
4	HSBC NOMINEES (ASING) SDN BHD (EXEMPT AN FOR JPMORGAN CHASE BANK, NATIONAL ASSOCIATION (BERMUDA))	8,222,900	4.82
5	HSBC NOMINEES (ASING) SDN BHD (KBL EURO PB FOR HALLEY SICAV - HALLEY ASIAN PROSPERITY)	7,200,400	4.22
6	GAN SIEW YONG	7,042,189	4.13
7	MALAYSIA NOMINEES (TEMPATAN) SENDIRIAN BERHAD (GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (LPF))	2,433,180	1.43
8	CITIGROUP NOMINEES (ASING) SDN BHD (JP MORGAN CLR CORP FOR FPA HAWKEYE FUND, LLC (FPA GLB OPP FD))	2,417,400	1.42
9	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD (PLEDGED SECURITIES ACCOUNT FOR WONG YEE HUI (8095789))	2,371,066	1.39
10	ONG LOOI CHAI	1,995,870	1.17
11	FOO SOOK WAN	1,668,104	0.98
12	MAYBANK NOMINEES (TEMPATAN) SDN BHD (PLEDGED SECURITIES ACCOUNT FOR YOONG FUI KIEN)	1,581,000	0.93
13	SEE KOK HING	1,444,322	0.85
14	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD (PLEDGED SECURITIES ACCOUNT FOR WONG TET FUI (8054679))	1,314,000	0.77

ANALYSIS OF SHAREHOLDINGS

AS AT 10 OCTOBER 2013 (CONT'D)



TOP 30 SHAREHOLDERS AS AT 10 OCTOBER 2013 (CONT'D)

No.	Names	No. of Shares Held	%
15	LIU SUON LAONG @ LAU SUON LAONG	1,077,700	0.63
16	TANG GEONG KOANG	1,073,333	0.63
17	MALAYSIA NOMINEES (TEMPATAN) SENDIRIAN BERHAD (GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (NULF1))	802,233	0.47
18	HSBC NOMINEES (ASING) SDN BHD (EXEMPT AN FOR MORGAN STANLEY & CO. INTERNATIONAL PLC (CLIENT))	740,000	0.43
19	CHEW PHEK YING	698,333	0.41
20	LIN, KUANG	666,666	0.39
21	YVONNE KALATHINI A/P M.VIJAYARAJ	533,333	0.31
22	HSBC NOMINEES (ASING) SDN BHD (EXEMPT AN FOR JPMORGAN CHASE BANK, NATIONAL ASSOCIATION (U.S.A))	488,941	0.29
23	TODA TORU	476,189	0.28
24	GOH CHONG WENG	450,000	0.26
25	YEOW SOON GUAT	423,199	0.25
26	MAYBANK NOMINEES (TEMPATAN) SDN BHD (PLEDGED SECURITIES ACCOUNT FOR MARCIA LOH YUNN PING)	392,000	0.23
27	LOH YOKE PENG	323,809	0.19
28	MALACCA EQUITY NOMINEES (TEMPATAN) SDN BHD (EXEMPT AN FOR PHILLIP CAPITAL MANAGEMENT SDN BHD)	308,570	0.18
29	MALACCA EQUITY NOMINEES (TEMPATAN) SDN BHD (EXEMPT AN FOR PHILLIP CAPITAL MANAGEMENT SDN BHD (EPF))	305,033	0.18
30	LOW AH LIN	280,000	0.16

ANALYSIS OF WARRANT HOLDINGS

AS AT 10 OCTOBER 2013



Type of Securities	:	5 Years Warrants 2012/2017
Total Warrants Issued and Not Exercised	:	16,181,128
Voting rights	:	One (1) vote per warrant holder on show of hands or one vote per warrant on a poll in respect of a meeting of warrant holders

DISTRIBUTION OF WARRANT HOLDINGS

Size of Holdings	No. of Holders	%	No. of Warrants	%
Less Than 100	400	35.24	9,806	0.06
100 to 1,000	382	33.66	186,938	1.16
1,001 to 10,000	269	23.70	838,537	5.18
10,001 to 100,000	68	5.99	1,999,072	12.35
100,001 to Less Than 5%	12	1.06	2,808,764	17.36
5% And Above	4	0.35	10,338,011	63.89
TOTAL	1,135	100.00	16,181,128	100.00

DIRECTORS' WARRANT HOLDINGS

Names	Direct Interest	%	Indirect Interest	%
	No. of Warrants Held		No. of Warrants Held	
CHEW CHONG KEAT	3,780,633	23.36	-	-
YANG HENG LAM	4,512,185	27.89	35,000*	0.22
GAN SIEW YONG	1,056,347	6.53	-	-
DATUK DR HJ NOORDIN BIN HJ AB RAZAK	-	-	-	-
AARON SIM KWEE LEIN	-	-	-	-
ONG LOOI CHAI	285,990	1.77	-	-
CHUA TIONG HOCK	-	-	-	-
KHUA KIAN KEONG	-	-	-	-
(alternate director to Chua Tiong Hock)				

* Deemed interested in warrants held by his spouse by virtue of Section 134 of the Companies Act, 1965.

^ Deemed interested in warrants held via Singapore Enterprises Private Limited by virtue of Section 6A of the Companies Act, 1965.

TOP 30 WARRANTHOLDERS AS AT 10 OCTOBER 2013

No.	Names	No. of Warrants Held	%
1	YANG HENG LAM	4,512,185	27.89
2	CHEW CHONG KEAT	3,780,633	23.36
3	GAN SIEW YONG	1,056,347	6.53

ANALYSIS OF WARRANT HOLDINGS

AS AT 10 OCTOBER 2013 (CONT'D)



TOP 30 WARRANTHOLDERS AS AT 10 OCTOBER 2013 (CONT'D)

No.	Names	No. of Shares Held	%
4	HSBC NOMINEES (ASING) SDN BHD (EXEMPT AN FOR JPMORGAN CHASE BANK, NATIONAL ASSOCIATION (BERMUDA))	992,760	6.14
5	FOO SOOK WAN	771,065	4.77
6	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD (PLEDGED SECURITIES ACCOUNT FOR WONG YEE HUI (8095789))	355,660	2.20
7	ONG LOOI CHAI	285,990	1.77
8	CITIGROUP NOMINEES (ASING) SDN BHD (JP MORGAN CLR CORP FOR FPA HAWKEYE FUND, LLC (FPA GLB OPP FD))	264,420	1.63
9	MAYBANK NOMINEES (TEMPATAN) SDN BHD (PLEDGED SECURITIES ACCOUNT FOR LIEW WAI MING)	200,000	1.24
10	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD (PLEDGED SECURITIES ACCOUNT FOR WONG TET FUI (8054679))	197,100	1.22
11	SUSY DING	163,400	1.01
12	LOONG MEI YIN	130,100	0.80
13	FONG TING WONG	120,000	0.74
14	HSBC NOMINEES (ASING) SDN BHD (EXEMPT AN FOR MORGAN STANLEY & CO. INTERNATIONAL PLC (CLIENT))	111,000	0.69
15	TAN LING HUOY	110,000	0.68
16	MAYBANK SECURITIES NOMINEES (TEMPATAN) SDN BHD (PLEDGED SECURITIES ACCOUNT FOR AHMAD ZAIDAN BIN HJ KHAIRUDDIN MOHD (REM 646-MARGIN))	102,000	0.63
17	LIN, KUANG	100,000	0.62

ANALYSIS OF WARRANT HOLDINGS

AS AT 10 OCTOBER 2013 (CONT'D)



TOP 30 WARRANTHOLDERS AS AT 10 OCTOBER 2013 (CONT'D)

No.	Names	No. of Shares Held	%
18	CHONG KAW CHOI	80,000	0.49
19	YVONNE KALATHINI A/P M.VIJAYARAJ	80,000	0.49
20	TODA TORU	71,428	0.44
21	NIOW SOO SEE	65,045	0.40
22	KENANGA NOMINEES (ASING) SDN BHD (MONEX BOOM SECURITIES (HK) LIMITED FOR ENDO KAORU)	63,700	0.39
23	WONG LEE SING	61,000	0.38
24	MAYBANK NOMINEES (TEMPATAN) SDN BHD (PLEDGED SECUTIRIES ACCOUNT FOR MARCIA LOH YUNN PING)	58,800	0.36
25	TANG GEONG KOANG	51,900	0.32
26	CIMSEC NOMINEES (TEMPATAN) SDN BHD (PLEDGED SECURITIES ACCOUNT FOR TAN CHEE KWONG (KUCHAI L-CL))	50,000	0.31
27	HO NYUK FOONG	50,000	0.31
28	LOH YOKE PENG	48,571	0.30
29	MALACCA EQUITY NOMINEES (TEMPATAN) SDN BHD (EXEMPT AN FOR PHILLIP CAPITAL MANAGEMENT SDN BHD)	46,285	0.29
30	MAYBANK NOMINEES (TEMPATAN) SDN BHD (TEO KOK WAH)	45,000	0.28

LIST OF PROPERTIES

AS AT 30 JUNE 2013



Postal address/Location	Description	Existing use	Land Area (square feet)	Tenure of land (years)	Approximate age of building	Date Acquisition	Net book value as at 30.06.13 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	12 years	13 September 1996	285
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	38 years	22 October 1994	406
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	38 years	25 June 2002	429
Master Title: H.S (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 2095	13 years	23 Septmeber 1998	63
Master Title: H.S (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	13 years	23 Septmeber 1998	58

LIST OF PROPERTIES

AS AT 30 JUNE 2013 (CONT'D)



Postal address/Location	Description	Existing use	Land Area (square feet)	Tenure of land (years)	Approximate age of building	Date Acquisition	Net book value as at 30.06.13 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 2105	7 years	16 September 2005	10,639 (Land)
Postal Address: Lot 37, Jalan Lebuhan Sultan Mohamed 1, Kawasan Perindustrian Bandar Sultan Suleiman, 42000 Port Klang, Selangor Darul Ehsan.	Warehouse cum 2-storey office building						21,689 (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 2105	20 years	17 January 2011	6,590 (Land)
Postal Address: Lot 24, Jalan Lebuhan Sultan Mohamed 1, Kawasan Perindustrian Bandar Sultan Suleiman, 42000 Port Klang, Selangor Darul Ehsan.	Warehouse cum 2-storey office building						7,862 (Building)
HS (D) 37855, PT 478 Mukim 6, Daerah Seberang Perai Tengah, Negeri Pulau Pinang.	Industrial land	Warehouse and Office	92,424	60 years ending on 30 October 2052	18 years	11 April 2012	2,117 (Land)
Postal Address: No 1077, Lorong Perusahaan Maju 1 Kaw Perusahaan F4 13600 Perai Pulau Pinang	Warehouse cum 2-storey office building						5,039 (Building)

NOTICE OF ANNUAL GENERAL MEETING



NOTICE IS HEREBY GIVEN THAT the Seventeenth 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, 27 November 2013 at 10:00 a.m.** for the following purposes:

1. To receive the Audited Financial Statements for the financial year ended 30 June 2013 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 2013.

(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) Mr Chua Tiong Hock

(ORDINARY RESOLUTION 2)
(ORDINARY RESOLUTION 3)

4. To approve the payment of a single tier dividend of 3.0 sen per share for the year ended 30 June 2013

(ORDINARY RESOLUTION 4)

5. To re-appoint Messrs BDO as the Auditors of the Company for the issuing 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. 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 1 November 2013, 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
- (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. 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 and an amount not exceeding the total retained profits and share premium of the Company of RM10,510,758 and RM2,584,886 respectively based on the latest audited financial statements of the Company as at 30 June 2013, 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)



8. 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)

9. Retention of Independent Directors in accordance with Recommendation 3.3 of the Malaysian Code on Corporate Governance 2012

“**THAT** the following Independent Directors who have served in the Company for more than nine years be hereby retained as Independent Directors and to hold office until the next Annual General Meeting:-

- (i) Datuk Dr Hj Noordin Bin Hj Ab Razak
- (ii) Mr Aaron Sim Kwee Lein

(ORDINARY RESOLUTION 9)
(ORDINARY RESOLUTION 10)

10. To transact any other business that may be properly transacted at an annual general meeting of which due notice shall have been given in accordance with the Company's Articles of Association and the Companies Act, 1965.

CLOSURE OF BOOKS

NOTICE IS ALSO HEREBY GIVEN that subject to the approval of the shareholders at the Seventeenth Annual General Meeting, a single tier final dividend of 3.0 sen per share will be payable on 18 December 2013 to shareholders whose name appear in the Record of Depositors at the close of business on 29 November 2013.

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 29 November 2013 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)
WONG WAI FOONG (MAICSA 7001358)
Company Secretaries

Kuala Lumpur
1 November 2013



NOTES

1. Appointment of Proxy

- For the purpose of determining who shall be entitled to attend this meeting pursuant to Article 62 of the Company's Articles of Association and Section 34(1) of the Central Depositories Act, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to issue a General Meeting Record of Depositors as at 20 November 2013 and only Depositors whose names appear on such Record of Depositors shall be entitled to attend the said meeting.
- 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. A member of the Company who is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, may appoint not more than two (2) proxies in respect of each securities account it holds with ordinary share of the Company standing to the credit of the said securities account. A member who is an exempt authorised nominee which holds ordinary shares for multiple beneficial owners in one securities account ("omnibus account") may appoint unlimited number of proxies in respect of each omnibus account it holds. Where a member or an authorised nominee appoints two (2) proxies or an exempt authorised nominee appoints two (2) or more proxies, he shall specify the proportion of his shareholdings to be represented by each proxy.
- 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 does not require a formal approval of the shareholders for the Audited Financial Statements. Hence, this item is not put forward for voting.

EXPLANATORY NOTES ON SPECIAL BUSINESS

3. Ordinary Resolution No. 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.

4. Ordinary Resolution No. 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 1 November 2013 which is despatched together with the Company's 2013 Annual Report.

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)



5. Ordinary Resolution No. 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 22 November 2012. 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.

6. Ordinary Resolutions No. 9 and 10

The proposed Resolutions No. 9 and No. 10 is to seek shareholders’ approval on the retention of Directors who have served as Independent Directors for more than nine years in the Company.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

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

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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 Seventeenth 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, 27 November 2013** at **10:00 a.m.** 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 2013.

My/our proxy is to vote as indicated below:

AGENDA 2-10

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		
Ordinary Resolution 9		
Ordinary Resolution 10		

Please indicate with an "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 _____ 2013

No of shares held	CDS Account No.

Signature of Shareholder

For appointment of two proxies, percentage of shareholdings to be represented by the proxies			
	No. of Shares	Percentage	
Proxy 1			%
Proxy 2			%
		100	%

Notes

1. For the purpose of determining who shall be entitled to attend this meeting pursuant to Article 62 of the Company's Articles of Association and Section 34(1) of the Central Depositories Act, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to issue a General Meeting Record of Depositors as at 20 November 2013 and only Depositors whose names appear on such Record of Depositors shall be entitled to attend the said meeting.
2. 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. 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 not more than two (2) proxies in respect of each securities account it holds with ordinary share of the Company standing to the credit of the said securities account. A member who is an exempt authorised nominee which holds ordinary shares for multiple beneficial owners in one securities account ("omnibus account") may appoint unlimited number of proxies in respect of each omnibus account it holds. Where a member who is an authorised nominee appoints two (2) proxies or an exempt authorised nominee appoints two (2) or more proxies, he shall specify the proportion of his shareholdings to be represented by each proxy.
3. 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.
4. 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.
5. The instrument of proxy must be deposited at the Registered Office of the Company 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.

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STAMP

The Company Secretary

FREIGHT MANAGEMENT HOLDINGS BHD

(Company No. 380410-P)

Level 18, The Gardens North Tower

Mid Valley City, Lingkaran Syed putra

59200 Kuala Lumpur

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	Tel	Fax
MALAYSIA		
<u>Head Office</u>		
FREIGHT MANAGEMENT HOLDINGS BHD Wisma Freight Management, Lot 37, Lebuah Sultan Mohamed 1, Kaw. Perindustrian Bandar Sultan Suleiman, 42000 Port Klang, Selangor. Email: gen@fmgloballogistics.com Website: www.fmgloballogistics.com	03-3176 1111	03-3176 8634
<u>Location of Subsidiary Offices</u>		
FM GLOBAL LOGISTICS (M) SDN BHD Wisma Freight Management, Lot 37, Lebuah Sultan Mohamed 1, Kaw. Perindustrian Bandar Sultan Suleiman, 42000 Port Klang, Selangor. Email: enquiry-my@fmgloballogistics.com	03-3176 1111	03-3176 8634
FM GLOBAL LOGISTICS (M) SDN BHD (MELAKA BRANCH) 47A, Jalan Melaka Baru 22, Taman Melaka Baru, Batu Berendam, 75350 Melaka, Malaysia. Email: enquiry-my@fmgloballogistics.com	06-317 5143 06-317 5144	06-317 5202
FM GLOBAL LOGISTICS (M) SDN BHD (IPOH BRANCH) No. 7A (1st Floor), Persiaran Greentown 9, Greentown Business Centre, 30450 Ipoh, Perak Darul Ridzuan. Email: enquiry-my@fmgloballogistics.com	05-242 1358 05-243 1611	05-255 1380 05-255 1446
FM GLOBAL LOGISTICS (M) SDN BHD (PENANG BRANCH) No. 4453, Jalan Bagan Luar, 12000 Butterworth, Penang. Malaysia. Email: enquiry-my@fmgloballogistics.com	04-331 4358	04-331 4368 04-323 4368
FM GLOBAL LOGISTICS (M) SDN BHD (JB BRANCH) No. 68-2, Jalan Molek 2/2, Taman Molek, 81100 Johor Bahru. Email: enquiry-my@fmgloballogistics.com	07-351 7918	07-352 0918
FM GLOBAL LOGISTICS (M) SDN BHD (KUANTAN BRANCH) No. 46, 1/Floor, Jalan Gebeng 1/24, Bandar Industri Gebeng Jaya, 26080, Kuantan, Pahang	09-583 3627 09-583 3628	09-583 3631
ADVANCE INTERNATIONAL FREIGHT SDN BHD Lot 37, Lebuah Sultan Mohamed 1, Kaw. Perindustrian Bandar Sultan Suleiman, 42000 Port Klang, Selangor. Email: alog@fmgloballogistics.com	03-3176 8001	03-3176 2005 03-3176 1005



	Tel	Fax
MALAYSIA (CONT'D)		
<u>Location of Subsidiary Offices (cont'd)</u>		
FM-HELLMANN WORLDWIDE LOGISTICS SDN BHD (KLIA-Warehouse & Operation office) Lot C3A, Block C, Free Commercial Zone, Malaysia Airlines Freight Forwarders Complex, KLIA Cargo Village, Kuala Lumpur International Airport, 64000 Sepang, 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: fmhwlairsteamys.com	03-7877 0017	03-7877 0120
FM WORLDWIDE LOGISTICS (PENANG) SDN. BHD. Block A-Unit 8, Cargo Agent Building, MAS Cargo Complex, Penang International Airport, 11900 Bayan Lepas Penang. Email: ptan@my.hellmann.net	04-640 4943 04-640 4944	04-640 4948
CITRA MULTIMODAL SERVICES SDN BHD Lot 37, Lebuhr 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
SYMPHONY EXPRESS SDN BHD Lot 37, Lebuhr Sultan Mohamed 1, Kaw. Perindustrian Bandar Sultan Suleiman, 42000 Port Klang, Selangor. Email: gen@fmgloballogistics.com	03-3176 1111	03-3176 8634
DEPENDABLE GLOBAL EXPRESS MALAYSIA SDN BHD Lot 37, Lebuhr Sultan Mohamed 1, Kaw. Perindustrian Bandar Sultan Suleiman, 42000 Port Klang, Selangor. Email: gen@fmgloballogistics.com	03-3176 1111	03-3176 8634



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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
FM GLOBAL LOGISTICS (S'PORE) PTE. LTD. Lot 37, Lebu Sultan Mohamed 1, Kaw. Perindustrian Bandar Sultan Suleiman, 42000 Port Klang, Selangor. Email: enquiry-my@fmgloballogistics.com	03-3176 1111	03-3176 8634
FM GLOBAL LOGISTICS 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 FM GLOBAL LOGISTICS (JAKARTA HQ) Rukun Artha Gading Niaga Blok H, Jalan Bulevar Artha Gading, No. 11, Kelapa Gading Barat, Jakarta Utara 14240, Indonesia. Email: enquiry-id@fmgloballogistics.com	021-4585 6727 021-4585 0905	021-4585 0906
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