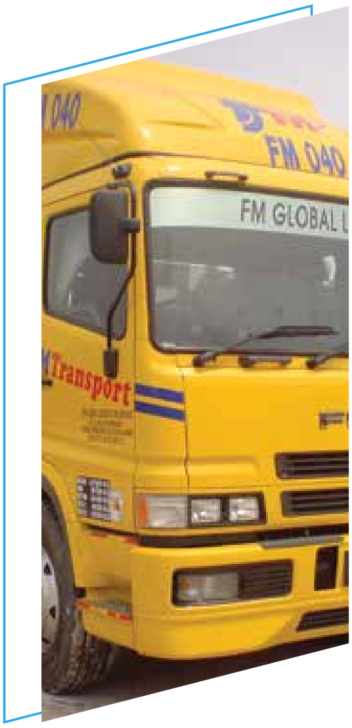
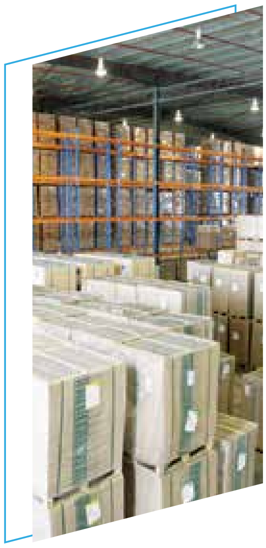
GLOBAL LOGISTICS

FREIGHT MANAGEMENT HOLDINGS BHD

380410-P



YOUR **CONNECTION**
TO THE **WORLD**



Annual
Report
2014

FINANCIAL HIGHLIGHTS

FINANCIAL INDICES OF FREIGHT MANAGEMENT HOLDINGS BHD (FMHB)

CONSOLIDATED FINANCIAL RESULTS AS AT 30 JUNE

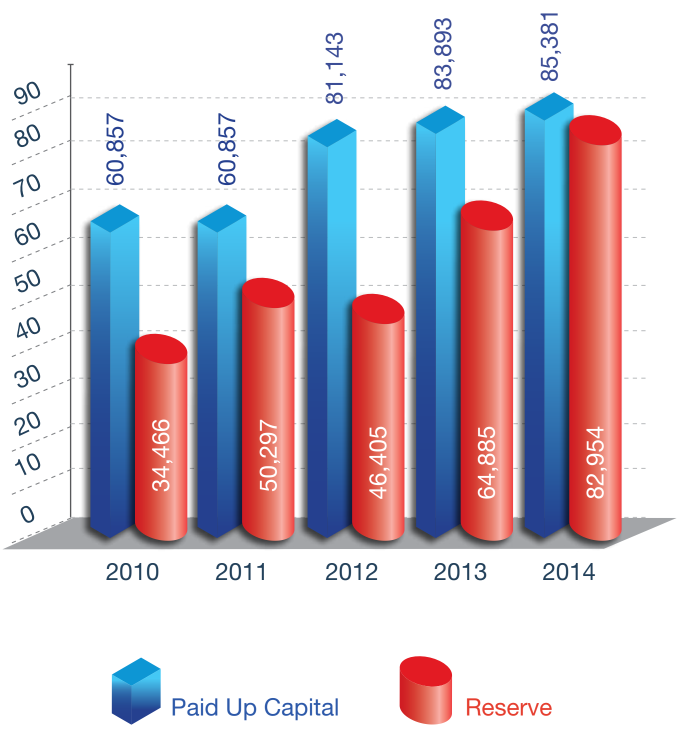
STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (RM'000)	2010	2011	2012	2013	2014
Revenue	265,501	295,488	327,101	364,808	403,301
Profit Before Taxation	21,805	24,002	28,030	30,224	30,827
Profit After Tax and Non-Controlling Interests	16,438	19,712	20,872	22,566	24,006
Net Dividend Paid	4,564	4,564	6,491*	7,630*	8,539*
Net Earning Per Share (sen)	10.13^	12.15^	12.86	13.90	14.09
Gross Dividend Per Share (sen)	5.00	5.00	4.00	4.50	5.00

* Single-tier Tax Exempt Dividend

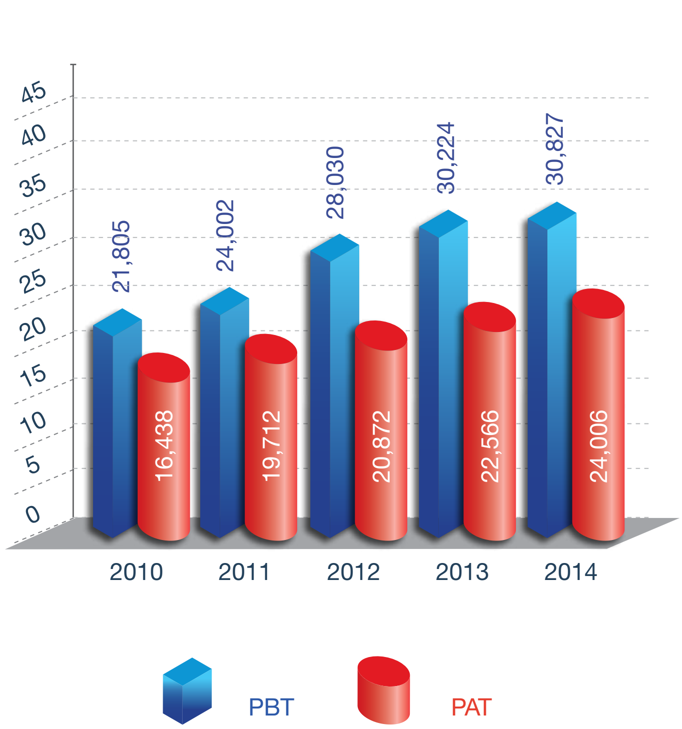
STATEMENTS OF FINANCIAL POSITION (RM'000)	2010	2011	2012	2013	2014
No. of shares in issue ('000)	121,714	121,714	162,286	167,786	170,762
Paid-up Share Capital	60,857	60,857	81,143	83,893	85,381
Reserve	34,466	50,297	46,405	64,885	82,954
Net Assets per Share (RM)	0.59^	0.68^	0.79	0.89	0.99

^ 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)

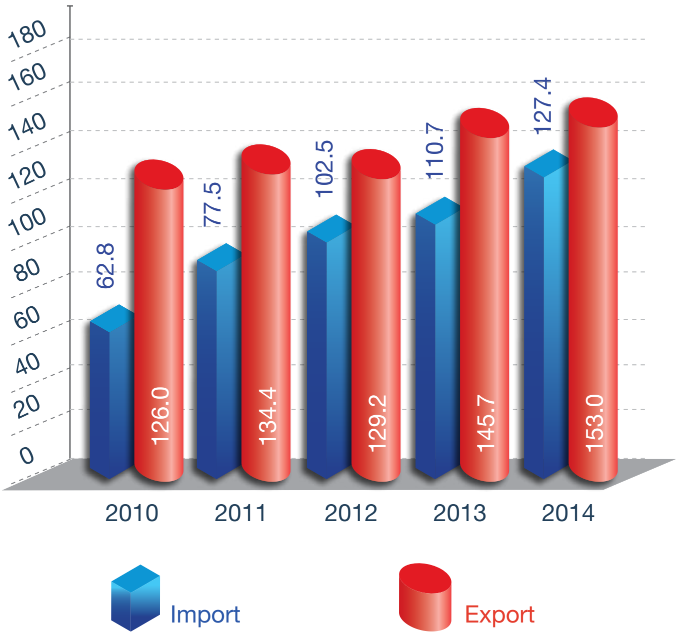


PROFIT BEFORE TAX/ PROFIT AFTER TAX AND NON-CONTROLLING INTEREST (RM'000)

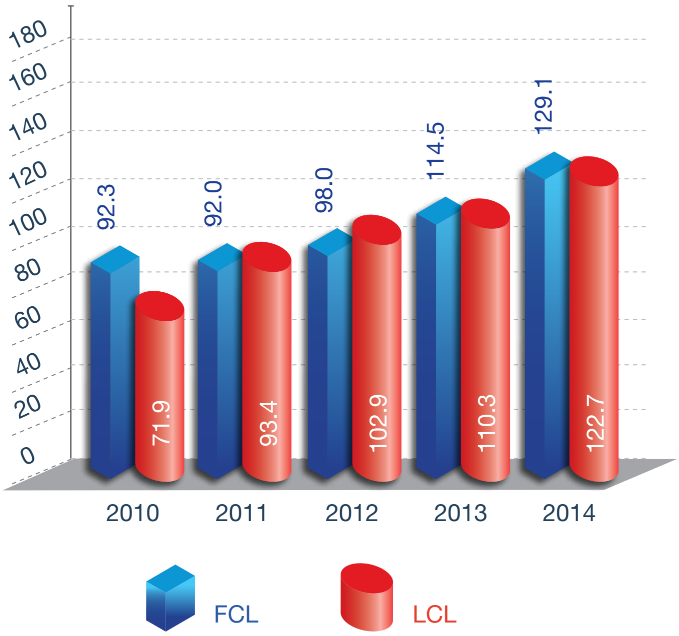


REVENUE ANALYSIS (RM MILLION)	2010	2011	2012	2013	2014
Contribution by Service Type					
Seafreight	156.7	175.0	185.0	201.6	224.8
Railfreight	3.5	2.8	3.2	3.2	1.5
Airfreight	24.6	26.5	30.8	31.6	28.7
Tug & barge	23.9	20.4	19.4	18.9	17.2
3PL & Warehousing	11.0	20.0	29.3	39.6	48.4
Customs brokerage	32.0	32.1	33.2	34.4	34.8
Haulage	9.7	11.1	13.4	14.8	21.5
Landfreight	4.1	7.6	12.8	20.7	26.4
TOTAL	265.5	295.5	327.1	364.8	403.3

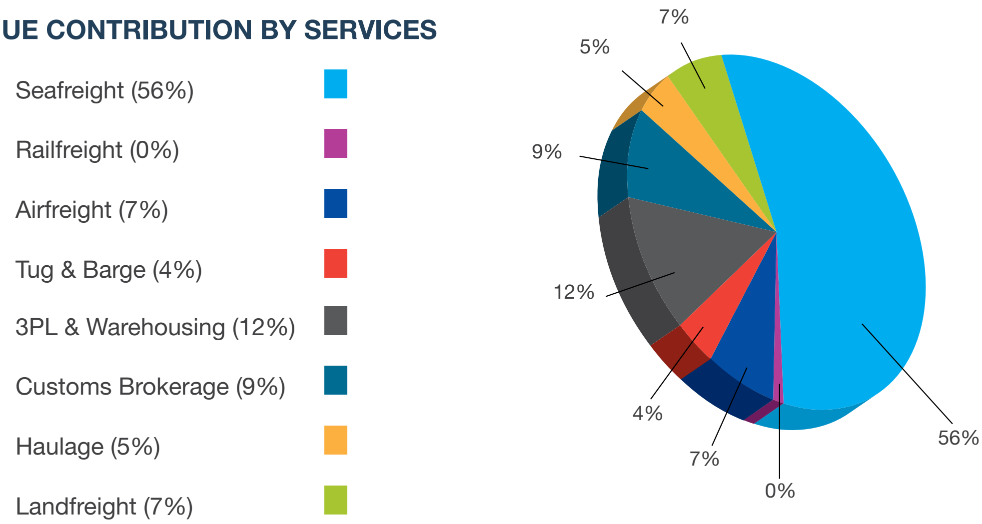
REVENUE ANALYSIS BY SERVICE MODE (RM MILLION)



REVENUE ANALYSIS BY CONTAINER MODE (RM MILLION)



REVENUE CONTRIBUTION BY SERVICES



CORPORATE STRUCTURE

FREIGHT MANAGEMENT HOLDINGS BHD

380410-P

INVESTMENT HOLDING & OTHER SERVICES

100%
FMG Capital & Management Sdn Bhd

100%
Icon Freight International Inc

100%
Freight Management MSC Sdn Bhd

PROVISION OF MARINE SERVICES

50%
Transenergy Shipping Pte Ltd, Labuan

50%
Transenergy Shipping Management Sdn Bhd

SHIPYARD AND DOCK MANAGEMENT

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

PROVISION OF TUG AND BARGE SERVICES

51%
TCH Marine Pte Ltd, Singapore

PROVISION OF FREIGHT SERVICES

- 100% FM Global Logistics (M) Sdn Bhd
  - 100% FM Contract Logistics Sdn Bhd*
  - 100% Advance Cargo Logistics Sdn Bhd*
  - 49% FM Distribution Sdn Bhd
- 100% FM Global Logistics (Ipoh) Sdn Bhd*
- 100% FM Global Logistics (Melaka) Sdn Bhd*
- 100% FM Global Logistics (Penang) Sdn Bhd*
- 100% FM Multimodal Services Sdn Bhd (formerly known as Citra Multimodal Services Sdn Bhd)
  - 51% Dependable Global Express Malaysia Sdn Bhd
- 100% Advance International Freight Sdn Bhd
- 100% FM Global Logistics (KUL) Sdn Bhd (formerly known as FM-Hellmann Worldwide Logistics Sdn Bhd)
- 100% Exterian Enterprise Sdn Bhd*
- 100% FM Worldwide Logistics (Penang) Sdn Bhd*
- 80% Symphony Express Sdn Bhd
- 100% FM Global Logistics Ventures Sdn Bhd (formerly known as 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
  - 50% FM Global Logistics (Phil.), Inc. Philippine
  - 40% FM Global Logistics Lanka (Private) Limited, Sri Lanka
- 100% FM Global Logistics (S'pore) Pte Ltd, Singapore

* Dormant Companies

CONTENTS

SERVICES OFFERED BY THE 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 43 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 860,000 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 7 Barges and 7 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 Domestics Air Freight Services

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

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/Senior 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
Senior Independent Non-Executive Director

Member
Chua Tiong Hock
Non-Independent Non-Executive Director

Aaron Sim Kwee Lein
Independent Non-Executive Director

REMUNERATION COMMITTEE

Chairman
Datuk Dr Hj Noordin Bin Hj Ab Razak
Senior Independent Non-Executive Director

Member
Chew Chong Keat
Group Managing Director

Aaron Sim Kwee Lein
Independent Non-Executive Director

NOMINATION COMMITTEE

Chairman
Datuk Dr Hj Noordin Bin Hj Ab Razak
Senior 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,
Lingkaran Syed Putra,
59200 Kuala Lumpur.
Tel : +603 2264 8888
Fax : +603 2282 2733

HEAD / MANAGEMENT OFFICE

Wisma Freight Management
Lot 37, Lebuh 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)

BOARD OF DIRECTORS

DATUK DR HJ NOORDIN BIN HJ AB RAZAK
Aged 69, 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 Cresent. 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 53, 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 51, 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 52, 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 46, 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 48, 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.

CHUA TIONG HOCK
Aged 61, 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 an Executive Director of Vibrant Group Limited, Singapore, a substantial shareholder of Freight Management Holdings Bhd.

He is also the Chief Corporate Development Officer of Vibrant Group Limited since 5 January 2006. He is concurrently a director of Sabana Shari'ah Compliant REIT, as well as a number of other subsidiaries in the Vibrant Group.

Previously, he represented the Group as a Director in listed subsidiaries, Freight Links Express Holdings (Australia) Limited, Freight Links Express Holdings (Hong Kong) Limited and Cybermast Limited.

He designed and built the Group's first warehouse at Toh Guan Road in 1989 and recently completed the 8th project at Jurong Island.

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.

KHUA KIAN KEONG
Aged 46, 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 Vibrant Group 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 immediate past president of the Singapore Metal and Machinery Association, a council member of the Singapore Chinese Chamber of Commerce and Industry, a council member and vice-chairman of the Trade and Industry Committee of Singapore-China Business Association, a board member and head of External Affairs at Singapore Thong Chai Medical Institute. Mr Khua served as a patron at Telok Blangah Citizens' Consultative Committee.

In addition, he is the Vice President at the Pei Tong Primary School Advisory Committee and a member of the school management committee at Catholic High School. He is an executive committee member at Singapore Ann Kway Association and a vice president at the Nanyang Kuah Si Association.

Mr Khua is board chairman of Fujian Anxi No. 8 Middle School, vice president of World Quanzhou Youth Friendship Association, vice president of Anxi Charity Federation and Anxi Fenglai Guitou Charity Federation. In 2009, he was awarded "Outstanding Charitable Works Contribution" by Fujian Provincial Government, People's Republic of China.

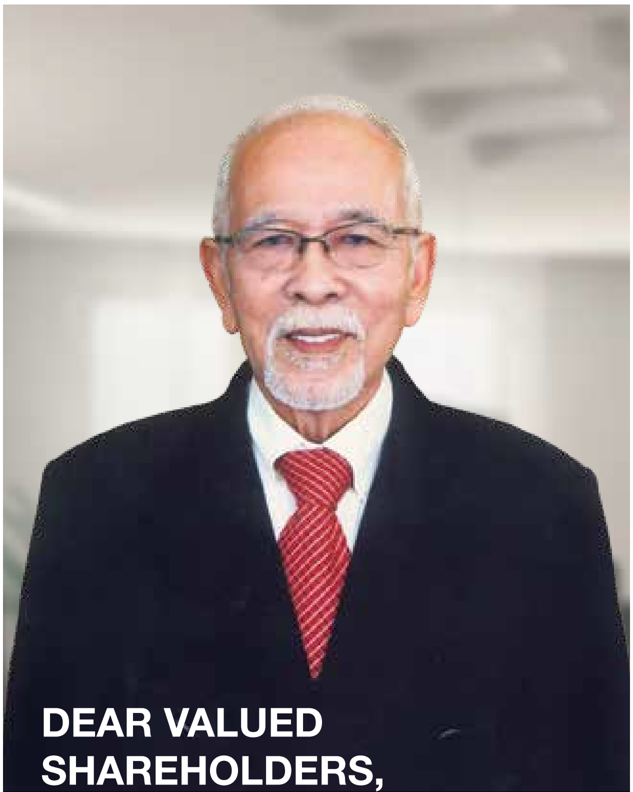
Additional Information

FAMILY RELATIONSHIPS
Gan Siew Yong is the spouse of Chew Chong Keat.

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

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

CHAIRMAN'S STATEMENT



DEAR VALUED SHAREHOLDERS,

On behalf of the Board of Directors, I have great pleasure in presenting to you the Annual Report and Audited Financial Statements of Freight Management Holdings Bhd ("FMHB") and its group of companies ("Group") for the financial year ended 30 June 2014 ("FY2014").

OVERVIEW

FY2014 proved to be another challenging year for our Group. On a macro level, we continued to operate amidst the backdrop of a mixed global economy that was plagued by an uneven recovery and lingering uncertainties. Based on the International Monetary Fund ("IMF") data, in the calendar year 2013, world economic growth was relatively muted at 3.3%. Reflecting the uneven outlook, 2014 projected growth is expected to remain at 3.3%. Thankfully for Malaysia, our country's GDP growth in 2013 was relatively more buoyant at 4.7%. For 2014, Malaysia is projecting even higher GDP growth of between 5% and 6%.

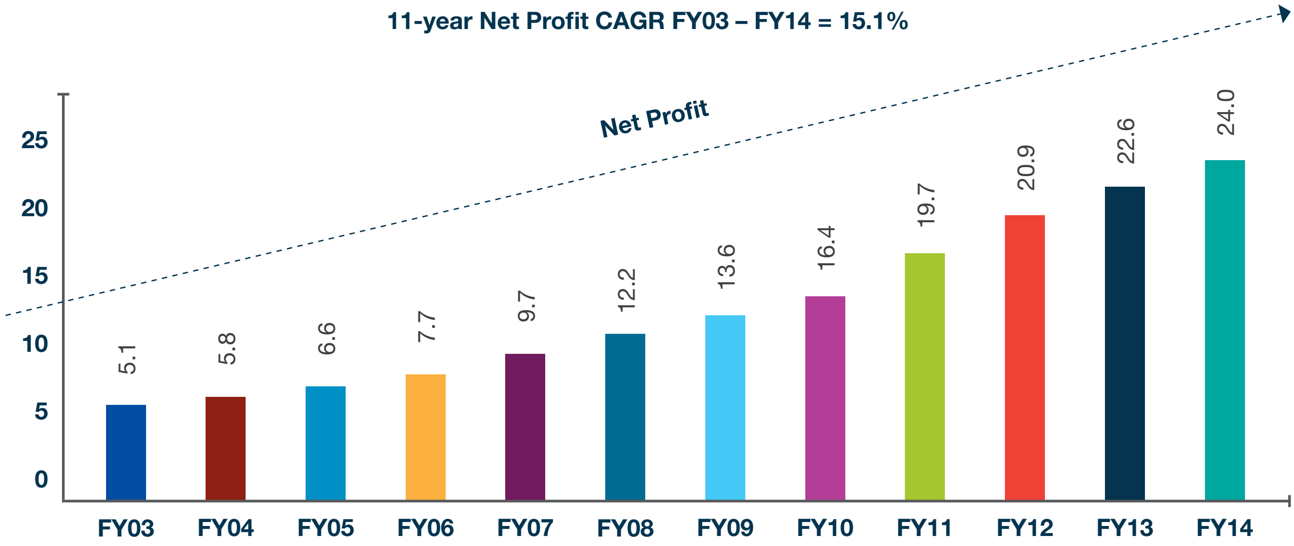
At the industry level, cost and competitive pressures posed as constant threats to our businesses. Notwithstanding the numerous challenges, I am pleased to note that our Group performed satisfactorily, as attested by the overall positive performance of the Group in FY2014, which recorded growth in key performance indicators such as freight volume, revenue and profits.

FINANCIAL PERFORMANCE

On behalf of the Board of Directors, I am proud to highlight that FMHB has maintained its financial track record, as we successfully recorded our tenth consecutive year of profit growth since our listing in year 2005. Notably, FMHB also achieved another milestone whereby our Group revenue has surpassed the RM400 million mark for the first time.

For FY2014, FMHB registered Group revenue of RM403.3 million, a year-on-year ("YOY") growth of 10.6%, while profit after taxation grew by 6.4% YOY to RM24.0 million from RM22.6 million in FY2013. FMHB's FY2014 Basic earnings per share amounted to 14.09 sen, while Net Assets per share increased to RM0.99, from RM0.89 in FY2013. On a historical perspective, FMHB has, since FY2005 to-date, recorded an enviable Net Profit compounded annual growth rate of 15.1%. Furthermore, we have without fail rewarded our shareholders with dividends every year since our listing.

11-year Net Profit CAGR FY03 – FY14 = 15.1%



SEGMENT PERFORMANCE

Our Freight business continued to be the Group's main revenue and earnings contributor, accounting for 70% of total revenue. Our single largest business segment, which is Seafreight service, contributed 56% of total revenue, and registered a healthy growth of 11.5%. Both the Less-than-a-container-load ("LCL") service and Full-container-load ("FCL") service maintained satisfactory growth, buoyed by improved demand and hence higher volume.

Our Third-party Logistics & Warehousing service ("3PL") division also sustained strong growth, as it registered revenue of RM48.4 million in FY2014 as compared to RM39.6 million in FY2013, a jump of 22.2%. This service has benefited from higher demand from new and existing customers which are mainly multi-national companies in a broad range of industries such as oil & gas, consumer electrical, industrial and pharmaceutical products. Underpinned by growing demand and our ability to deliver a high level of service, FMHB now manages around 860,000 square feet of warehouse facilities, up from 720,000 square feet at the end of FY2013. The increase is mainly due to the recently completed construction of a new warehouse adjacent to our current flagship warehouse in Port Klang. This new warehouse, built to very high specifications with 9-tier racking, will spearhead our move to offer premium 3PL services, particularly to highly demanding customers, such as those in the food-based industry.

Other services in the Group generally performed satisfactorily. Our Land Freight division maintained a high level of activity, with revenue growing 27.5% to RM26.4 million in FY2014. Meanwhile, our haulage business saw its revenue surge to RM21.5mil from RM14.8 in FY2013. The increase was driven by higher in-house volume and also the expansion of the coverage areas as we expanded our fleet size. Currently, our fleet of commercial vehicles stands at 69 prime movers and 430 trailers. The Air Freight division had a moderate performance, as we took a strategic decision to restructure the business to boost our long-term viability and prospects. The Tug & Barge service had a challenging year, as it was negatively affected by unforeseen vessel downtime and repair services which affected our margins significantly. Positively, however, demand for our services in this segment remained solid.

REGIONAL CONTRIBUTION

For FY2014, FMHB's regional companies contributed approximately RM87.2 million or 21.6% of the Group's revenue. The main regional contributors in terms of revenue were Australia (7.3%), Indonesia (5.5%) and Singapore (4.3%), whilst the smaller and up-and-coming contributors were Vietnam, Thailand and India (collectively 4.5%). Our regional expansion is broadly on track, with our operations in Indonesia and Vietnam growing as expected, although our Thailand business encountered continued difficulties in a tough environment. Encouragingly, our 51% owned Indian subsidiary, FM Global Logistics (India) Private Limited, contributed its maiden revenue of approximately RM3.5 million in FY2014. During the year, we expanded rapidly in India, having established branches in Chennai, Mumbai and Calcutta. We are hopeful of positive contributions from our India operations in the near future.

FOCUS ON EMERGING MARKETS

Regional expansion is one of our key growth drivers. During FY 2014, FMHB continued to execute this strategy, as we committed new investments in Sri Lanka and the Philippines.

Sri Lanka

In FY 2014, our wholly-owned subsidiary, FM Global Logistics Ventures Sdn. Bhd. ('FMGLV'), subscribed to 40% shares of Sri Lankan Rupee (LKR) 1.00 each in FM Global Logistics Lanka (Private) Limited. We expect our Sri Lanka operations to start contributing in financial year 2015.

Philippines

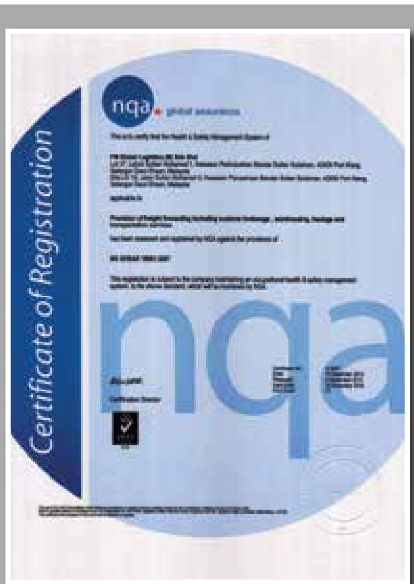
Our wholly-owned subsidiary, FM Global Logistics Ventures Sdn. Bhd. ('FMGLV'), has entered into an agreement ('the Agreement') to set up a 50% owned joint venture, FM Global Logistics (Phil.), Inc. ('FMGLP'). It is also expected that the Philippines entity would commence its operations in FY 2015.

CONTINUOUSLY REWARDING SHAREHOLDERS

FMHB has an excellent track record of rewarding shareholders with dividend, a tradition that we have adhered to without fail since our listing in 2005. I am happy to note that we will maintain this practice for FY2014, as FMHB has performed satisfactorily in spite of the challenges that we faced. In respect of the financial year ended 30 June 2014, your Board is recommending a final single-tier dividend of 3.5 sen (2013: 3.0 sen) per ordinary share, subject to shareholders approval at the forthcoming Annual General Meeting on 25 November 2014. Together with the interim single-tier dividend of 1.5 sen per ordinary share paid on 14 July 2014, total dividend for FY2014 shall be 5.0 sen, which is in fact higher than the total of 4.5 sen paid in FY2013. The total dividend paid and to be paid for FY2014 represents approximately 35% of the year's earnings.

ACHIEVEMENTS

At FMHB, we understand and adopt a serious stance on the importance of Health, Safety, Security and Environment (HSSE) policy and matters. I am proud to inform you that, in FY 2014, we have achieved ISO14001 and also OHSAS 18001 certifications, which provide testimony to the high standards that we uphold.


Certificate of Registration

nqa global assurance


Certificate of Registration

nqa global assurance

OUTLOOK AND PROSPECTS

The general consensus suggests that the global economy will continue to grow in 2015, albeit at an uneven pace, as downside risks remain a concern. The IMF expects 2015 world economic growth to improve slightly to 3.8%. For the emerging & developing Asia region, the growth momentum is stronger, with 2015 projected growth of 6.6%. Back home in Malaysia, we are expecting GDP growth of between 5% and 6%.

Amidst the persistent uncertainties in the world economy, we expect FY2015 to be another challenging for us. Nonetheless, I believe our Group is blessed with a strong foundation, hands-on management and robust businesses, This will allow us to continue pursuing our long-term strategic goals to maximize the value of our existing operations, deepen and strengthen our services range and customer base, restructure and manage costs and push through Group-wide business improvement initiatives. Thus, we expect our core Seafreight and 3PL & Warehousing divisions to contribute strongly, whilst other services are expected to improve and continue to be profitable.

Long term strategic investments and joint ventures both locally and regionally, will underpin our future growth. A core vision of our Group is to expand regionally and establish ourselves as a regional market leader. We now have a direct presence in eight countries besides Malaysia. We are also targeting to make our presence felt in other emerging countries. We believe that our increasing exposure in these Asian markets, together with a diversified mix of logistics businesses and broad customer base, would provide FMHB with the strength and depth to continue growing.

In conclusion, we are confident that FY2015 will be another growth year for FMHB.

Appreciation and Acknowledgement

On behalf of our Board, I would like to thank my esteemed colleagues, our management and staff for their continuous commitment, loyalty and dedication to the Group. 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 and I look forward to meeting you at our forthcoming Annual General Meeting.

FM GROUP IS FIRMLY COMMITTED IN BECOMING A TRULY RESPONSIBLE CORPORATE CITIZEN, AND AIMS TO ACHIEVE FM GROUP'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, FM GROUP STRIVES TO POSITIVELY IMPACT THE FOLLOWING KEY AREAS:

MARKETPLACE

FM Group believes in providing high quality service where we treat 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

Here at FM Group, our people are our greatest assets as they play a vital role in ensuring success of our business. We provided our people 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.
- Staff gathering events during festive periods and special events such as Malaysia Day Lunch Celebration and Annual Dinner were conducted during the year 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

FM Group's continuous efforts in giving back to the community saw some initiatives where FM Group offers assistance and contributions to the charitable organisations and welfare homes. Particularly, in this year, we contributed and participated in the Red Crescent Kuala Lumpur-Low Yat Charity Golf Tournament. We also donated to The Sherpherd's Centre Foundation which is a foster home for orphaned and underprivileged children.

ENVIRONMENT & WORKPLACE

In FM Group, 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 HSSE awareness to the employees. Fire and emergency drills were carried out periodically to ensure continuous improvement to the safety practices.

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. Other senior management may be invited as and when required. 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.

TERMS OF REFERENCE (CONT'D)

1.0 Composition of the Audit Committee (cont'd)

1.5 All members of the Audit Committee should be financially literate and at least one member of the audit committee:-

i) must be a member of the Malaysian Institute of Accountants; or

ii) if he/she is not a member of the Malaysian Institute of Accountants, he must have at least 3 years' working experience and:-

(a) he must have passed the examinations specified in Part I of the 1st Schedule of the Accountants Act 1967; or

(b) he must be a member of one of the associations of accountants specified in Part II of the 1st Schedule of the Accountants Act, 1967; or

iii) fulfils such other requirements as prescribed or approved by the Exchange.

1.6 Members of the Audit Committee shall elect a Chairman from among their members who shall be an independent director.

2.0 Duties of the Audit Committee

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

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

2.1 To consider the appointment of the external auditor, the audit fee and any question of resignation or dismissal;

2.2 To discuss with the external auditor before the audit commences, the nature and scope of the audit, and ensure co-ordination where more than one audit firm is involved;

2.3 To review the quarterly and year-end financial statements of the Group;

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 review the internal audit scope and functions, plans, findings, performance of the internal audit function, appointment or termination of senior staff members of the internal audit function;

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 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.

TERMS OF REFERENCE (CONT'D)

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 lease twice a year.

4.3 A member of the Audit Committee may at any time summon a meeting of the Audit Committee;

4.4 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;

4.5 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;

4.6 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;

4.7 Minutes of each Audit Committee's meeting shall be kept by the Secretary of the Audit Committee; and

4.8 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.

TERMS OF REFERENCE (CONT'D)

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 and endorsed its Terms of Reference;
- Reviewed the audited financial statements for the financial year ended 30 June 2014 before recommending them for the Board of Directors' approval;
- 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 2014 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.

During the financial year, the Internal Auditors conducted reviews on certain key operating functions and procedures and recommended action plans for management improvement. The audit reports containing audit findings and recommendations together with management's responses thereto were circulated to all members of the Audit Committee. Areas of improvement identified were communicated to the management for further action. All audit reports were reviewed by the Audit Committee and discussed at Audit Committee Meetings.

Cost incurred for the internal audit function of the Group in respect of the financial year ended 30 June 2014 amounting to approximately RM48,000. (2013: RM56,400)

STATEMENT ON CORPORATE GOVERNANCE

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

The Board is pleased to report on how the Group has applied the principles and best practices for corporate governance mentioned in the Malaysian Code of Corporate Governance 2012 ("MCCG 2012")

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 Disclosure Policies & Procedures and 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. The Board Charter can be found in the Company's website.

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 Board notes the recommendation of the MCCG 2012, to have female representative in the Board and currently has 1 female director.

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 of the recommendation of the 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 more than 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. They have been with the Company for more than 9 years and were familiar with the Company's business operations.

1. THE BOARD OF DIRECTORS (CONT'D)

Board Composition and Balance (cont'd)

The Board will table the proposals to retain these directors as independent directors for shareholders approval at the upcoming Annual General Meeting. The Board had undertaken an assessment of their independent and has recommended that they be retained.

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	5/5
Yang Heng Lam	5/5
Gan Siew Yong	5/5
Aaron Sim Kwee Lein	5/5
Ong Looi Chai	5/5
Chua Tiong Hock	5/5
Khua Kian Keong (Alternate Director to Chua Tiong Hock)	N/A

Supply of Information

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

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

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.

1. THE BOARD OF DIRECTORS (CONT'D)

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.

The Board is supported by suitably qualified and competent Company Secretaries. The Company Secretaries have the responsibility of ensuring that relevant procedures relating to the appointment of new directors are properly executed.

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, the Directors have attended the following training and development programmes:-

- Strategic Cost Reduction and Operations Streamline
- Shares with No Par Value, Share Buybacks and Redeemable Preference Share - Proposed Companied Bill 2013

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, duties and responsibilities as well as summary of activities of the Audit Committee are disclosed in the Audit Committee Report on pages 17 to 20 of this Annual Report.

2. BOARD COMMITTEES (CONT'D)

Nomination Committee

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

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

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

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)
- Chew Chong Keat (Member of the Committee) (Appointed on 27 August 2014)

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

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

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

The RC met twice during the financial year under review.

2. BOARD COMMITTEES (CONT'D)

Remuneration Committee (cont'd)

Details of the remuneration packages for the Directors of the Group for the financial year ended 30 June 2014 are as follows:-

	Executive Directors RM'000	Non-Executive Directors RM'000
* Fees	270	202
Salaries & other emoluments	4,982	16

* Subject to the approval of shareholders.

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

	Number of Directors Executive	Non-Executive
RM50,001 to RM100,000	-	3
RM750,001 to RM800,000	1	-
RM1,250,001 to RM1,300,000	1	-
RM1,500,001 to RM1,550,000	1	-
RM1,650,001 to RM1,700,000	1	-

3. SHAREHOLDERS

The Group is fully committed in sharing relevant and material information on the development of the Group. The Company places strong emphasis on the importance of timely and equitable dissemination of information. The Company uses a number of formal channels for effective dissemination of information to the 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 a true and fair reflection of the Group's position and prospects. Before the financial statements were drawn up, the Directors have taken the necessary steps to ensure all the applicable accounting policies are applied consistently and that policies are supported by reasonable and prudent judgement and estimates. All accounting standards, which the Board considers to be applicable, have been followed. 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 30 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 27 to 28 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.

The Statement on Risk Management and Internal Control by the Board of Directors ("Board") of 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 control provided in the Code.

RESPONSIBILITY

The 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

The Company's Enterprise Risk Management ("ERM") Framework had been established. The ERM Framework proactively identifies, evaluates and manages key risks of the Group and its methodology is in line with ISO 31000:2009 - Risk Management Principles and Guidelines, to promote risk ownership and the continuous monitoring of key risks identified.

The ERM Manual which outlines the Risk Policy, Risk Governance Structure, and the Risk Management Processes in line with the ISO 31000:2009 - Risk Management Principles and Guidelines had also been established.

The Company had formalised the Risk Register, which outlines and categorise the sources of risks, the impacts, the risk owners and the controls that are in place. Since May 2014, the ERM plan had been implemented to check and review the key risks for ensuring the controls are adequate, effective and where necessary developing further actions for continuous improvement.

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, asses 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 auditors 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 auditors had adopted a risk-based approach in undertaking the internal audit for the Group which involved the establishment of a comprehensive audit plan formulated through a risk assessment process. In doing so, the internal auditors 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 auditors 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 audit and enhance the integrity of the Group's system of internal controls ultimately. This was carried out via necessary consultation with the internal auditors 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 audits) 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 20 October 2014.

ADDITIONAL COMPLIANCE INFORMATION

1. **Utilisation of Proceeds Raised from Corporate Proposals**
   The Company did not raise any funds from any corporate proposals during the financial year.

2. **Share Buyback**
   The Company did not enter into any share buyback transactions during the financial year ended 30 June 2014.

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 2,975,784 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 RM2,886,510.

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 2014 amounted to RM31,500.

7. **Variation in Results**
   The Group's audited results for the financial year ended 30 June 2014 did not vary by 10% or more from the unaudited results which were announced to Bursa Malaysia Securities Berhad on 27 August 2014.

8. **Profit Guarantee**
   There were no profit guarantees given by the Group during the financial year ended 30 June 2014.

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 2014.

10. **Recurrent Related Party Transactions**
    All recurrent related party transactions entered into by the Group during the financial year are disclosed in Note 36 of the financial statement in pages 114 to 116 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 2014, the Directors have:-

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

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

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

This statement is made in accordance with a resolution by the Board of Directors dated 20 October 2014.

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 2014.

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	25,564	11,256
Attributable to:		
Owners of the parent	24,006	11,256
Non-controlling interests	1,558	-
	25,564	11,256

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 2013:	
Final single tier dividend of 3.0 sen per ordinary share, paid on 18 December 2013	5,118
In respect of the financial year ended 30 June 2014:	
Interim single tier dividend of 1.5 sen per ordinary share, paid on 14 July 2014	2,562
	7,680

The Directors propose a final single tier dividend of 3.5 sen per ordinary share in respect of the financial year ended 30 June 2014, 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 2,975,784 new ordinary shares of RM0.50 each for cash via the exercise of 2,975,784 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.

ISSUE OF SHARES AND DEBENTURES (CONT'D)

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 2014 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 1.7.2013	**Bought**	**Sold**	**Balance as at 30.6.2014**
Shares in the Company				
Direct interests				
Chew Chong Keat	43,036,110	2,000,000	(2,025,000)	43,011,110
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
Shares in the Company				
Indirect interests				
Khua Kian Keong	37,325,800	-	-	37,325,800
Chua Tiong Hock	37,325,800	-	-	37,325,800
Yang Heng Lam	423,199*	-	-	423,199
Chew Chong Keat	-	25,000#	-	25,000

DIRECTORS' INTERESTS (CONT'D)

	--------- Number of warrants^ of RM0.50 each ---------			
	Balance as at 1.7.2013	Bought	Exercised	Balance as at 30.6.2014
Warrants in the Company				
Direct interests				
Chew Chong Keat	5,780,633	-	(2,000,000)	3,780,633
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				
Yang Heng Lam	35,000*	-	-	35,000

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

(i) remuneration received or due and receivable by certain Directors as Directors/executives of the subsidiaries; and

(ii) deemed benefits arising from related party transactions as disclosed in Note 36 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 20 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;

(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 would 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 42 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
20 October 2014

STATEMENT BY DIRECTORS

In the opinion of the Directors, the financial statements set out on pages 32 to 138 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 2014 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 43 to the financial statements on page 139 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
20 October 2014

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 32 to 139 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly)
declared by the above named at)
Kuala Lumpur this)
20 October 2014)

Chew Chong Keat

Before me:

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF FREIGHT MANAGEMENT HOLDINGS BHD

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Freight Management Holdings Bhd, which comprise statements of financial position as at 30 June 2014 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 32 to 138.

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 2014 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 accounts 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.

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

(c) We are satisfied that the accounts of the subsidiaries that have been consolidated with the financial statements of the Company are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.

(d) The audit reports on the accounts of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

OTHER REPORTING RESPONSIBILITIES

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

OTHER MATTERS

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

BDO
AF: 0206
Chartered Accountants

Tang Seng Choon
2011/12/15 (J)
Chartered Accountant

Kuala Lumpur
20 October 2014

STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2014

	Note	Group 2014 RM'000	Group 2013 RM'000	Company 2014 RM'000	Company 2013 RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	7	137,956	121,218	-	-
Investments in subsidiaries	8	-	-	71,087	71,387
Investments in associates	9	3,225	3,316	3,028	3,028
Interests in joint ventures	10	2,589	-	997	-
Other investments	11	4,070	3	-	-
Goodwill on consolidation	12	1,659	1,659	-	-
		149,499	126,196	75,112	74,415
Current assets					
Trade receivables	13	76,062	76,059	-	-
Other receivables, deposits and prepayments	14	9,706	10,409	103	45
Amounts owing by subsidiaries	15	-	-	17,427	13,252
Amount owing by an associate	16	260	8	260	-
Amounts owing by related parties	17	1,133	594	-	-
Amount owing by a joint venture	18	2,561	-	2,561	-
Current tax assets		927	1,323	-	253
Cash and bank balances	19	45,566	42,452	17,821	15,987
		136,215	130,845	38,172	29,537
TOTAL ASSETS		285,714	257,041	113,284	103,952

		Group		Company	
		2014	2013	2014	2013
	Note	RM'000	RM'000	RM'000	RM'000
EQUITY AND LIABILITIES					
Equity attributable to owners of the parent					
Share capital	20	85,381	83,893	85,381	83,893
Reserves	21	82,954	64,885	18,070	13,095
		168,335	148,778	103,451	96,988
Non-controlling interests		14,967	12,732	-	-
TOTAL EQUITY		183,302	161,510	103,451	96,988
LIABILITIES					
Non-current liabilities					
Hire purchase and lease liabilities	22	3,239	1,068	-	-
Term loans	23	32,671	30,128	-	-
Deferred tax liabilities	24	9,111	8,880	-	-
		45,021	40,076	-	-
Current liabilities					
Trade payables	25	27,870	26,740	-	-
Other payables and accruals	26	12,920	12,101	501	459
Amounts owing to subsidiaries	15	-	-	6,770	3,988
Amounts owing to related parties	17	65	17	-	-
Hire purchase and lease liabilities	22	1,233	1,264	-	-
Term loans	23	9,528	7,541	-	-
Bank overdrafts - secured	27	1,123	3,343	-	-
Dividend payable		2,562	2,517	2,562	2,517
Current tax liabilities		2,090	1,932	-	-
		57,391	55,455	9,833	6,964
TOTAL LIABILITIES		102,412	95,531	9,833	6,964
TOTAL EQUITY AND LIABILITIES		285,714	257,041	113,284	103,952

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 2014

		Group		Company	
		2014	2013	2014	2013
	Note	RM'000	RM'000	RM'000	RM'000
Revenue	28	403,301	364,808	15,522	13,626
Cost of services		(299,201)	(268,407)	-	-
Gross profit		104,100	96,401	15,522	13,626
Other income		4,907	3,379	211	163
Administrative expenses		(75,905)	(67,745)	(4,224)	(3,815)
Finance costs	29	(2,122)	(1,899)	-	-
Share of (loss)/profit of associates		(91)	88	-	-
Share of loss of a joint venture		(62)	-	-	-
Profit before tax	30	30,827	30,224	11,509	9,974
Tax expense	31	(5,263)	(5,451)	(253)	(363)
Profit for the financial year		25,564	24,773	11,256	9,611
Other comprehensive income, net of tax					
Items that may be reclassified subsequently to profit or loss					
Fair value gain on available-for-sale financial assets	31(e)	297	-	-	-
Foreign currency translations	31(e)	13	(167)	-	-
Total other comprehensive income, net of tax		310	(167)	-	-
Total comprehensive income		25,874	24,606	11,256	9,611
Profit attributable to:					
Owners of the parent		24,006	22,566	11,256	9,611
Non-controlling interests		1,558	2,207	-	-
		25,564	24,773	11,256	9,611
Total comprehensive income attributable to:					
Owners of the parent		24,350	22,469	11,256	9,611
Non-controlling interests		1,524	2,137	-	-
		25,874	24,606	11,256	9,611
Earnings per ordinary share attributable to equity holders of the Company (sen):					
Basic earnings per ordinary share	34	14.09	13.90		
Diluted earnings per ordinary share	34	13.57	13.74		

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

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
		[--------- Non-distributable	---------	---------]	Distributable			
Balance as at 1 July 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, net of tax		-	-	(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	32	-	-	-	(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	20	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

GROUP	Note	Share capital RM'000	Share premium RM'000	Exchange translation reserve RM'000	Available - for-sale 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
		[------------------ Non-distributable			------------------]	Distributable			
Balance as at 1 July 2013		83,893	2,585	888	-	61,412	148,778	12,732	161,510
Profit for the financial year		-	-	-	-	24,006	24,006	1,558	25,564
Fair value gain on available-for-sale financial assets, net of tax		-	-	-	297	-	297	-	297
Foreign currency translations, net of tax		-	-	47	-	-	47	(34)	13
Total comprehensive income		-	-	47	297	24,006	24,350	1,524	25,874
Transactions with owners									
Ordinary shares contributed by non-controlling interests of subsidiaries		-	-	-	-	-	-	891	891
Dividends paid	32	-	-	-	-	(7,680)	(7,680)	-	(7,680)
Dividends paid to non-controlling interests of a subsidiaries		-	-	-	-	-	-	(180)	(180)
Ordinary shares issued pursuant to exercise of warrants	20	1,488	1,399	-	-	-	2,887	-	2,887
Total transactions with owners		1,488	1,399	-	-	(7,680)	(4,793)	711	(4,082)
Balance as at 30 June 2014		85,381	3,984	935	297	77,738	168,335	14,967	183,302

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

COMPANY	Note	[--- Non-distributable --- Share capital RM'000	---] Share premium RM'000	Distributable Retained earnings RM'000	Total equity RM'000
Balance as at 1 July 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
Transaction with owners					
Dividends paid	32	-	-	(6,574)	(6,574)
Ordinary shares issued pursuant to exercise of warrants	20	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
Balance as at 1 July 2013		83,893	2,585	10,510	96,988
Profit for the financial year		-	-	11,256	11,256
Other comprehensive income, net of tax		-	-	-	-
Total comprehensive income		-	-	11,256	11,256
Transactions with owners					
Dividends paid	32	-	-	(7,680)	(7,680)
Ordinary shares issued pursuant to exercise of warrants	20	1,488	1,399	-	2,887
Total transactions with owners		1,488	1,399	(7,680)	(4,793)
Balance as at 30 June 2014		85,381	3,984	14,086	103,451

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014

		Group		Company	
		2014	2013	2014	2013
	Note	RM'000	RM'000	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before tax		30,827	30,224	11,509	9,974
Adjustments for:					
Bad debts written off		181	540	-	-
Depreciation of property, plant and equipment	7	11,229	10,631	-	-
Dividend income		-	-	(12,194)	(10,736)
Gain on disposal of property, plant and equipment		(1,972)	(1,507)	-	-
Impairment losses on:					
- goodwill on consolidation	12	-	15	-	-
- trade receivables	13	702	1,269	-	-
- investment in a subsidiary	8	-	-	300	-
Interest expense	29	2,122	1,899	-	-
Interest income		(339)	(312)	(182)	(155)
Property, plant and equipment written off	7	116	49	-	-
Reversal of impairment losses on trade receivables	13	(625)	(423)	-	-
Share of loss/(profit) of associates		91	(88)	-	-
Share of loss of a joint venture		62	-	-	-
Unrealised loss/(gain) on foreign currency transactions		381	84	-	(8)
Operating profit/(loss) before changes in working capital		42,775	42,381	(567)	(925)
Increase in trade receivables		(644)	(16,473)	-	-
Decrease/(Increase) in other receivables, deposits and prepayments		541	(3,276)	(58)	(8)
Decrease in amount owing by an associate		8	-	-	-
(Increase)/Decrease in amounts owing by related parties		(539)	694	-	-
Increase/(Decrease) in amounts owing to related parties		48	(45)	-	-
Increase/(Decrease) in trade payables		974	(264)	-	-
Increase in other payables and accruals		2,442	1,338	42	12
Cash generated from/(used in) operations		45,605	24,355	(583)	(921)
Interest paid		(13)	(8)	-	-
Tax paid		(4,469)	(3,973)	-	(363)
Net cash from/(used in) operating activities		41,123	20,374	(583)	(1,284)

		Group		Company	
		2014	2013	2014	2013
	Note	RM'000	RM'000	RM'000	RM'000
CASH FLOWS FROM INVESTING ACTIVITIES					
Acquisitions of:					
- interest in an associate	9	-	(3,028)	-	(3,028)
- interests in joint ventures		(2,651)	-	(997)	-
Advances from/(Repayments to) subsidiaries		-	-	2,782	(1,079)
Advances to subsidiaries		-	-	(4,175)	(5,150)
Advances to a joint venture		(2,561)	-	(2,561)	-
Advances to an associate		(260)	-	(260)	-
Dividends received		-	-	12,194	10,736
Fixed deposits placed with a licensed bank with original maturity of more than three (3) months		(14)	(14)	-	-
Interest received		339	312	182	155
Placements of fixed deposits pledged to licensed banks		(864)	(112)	-	-
Proceeds from disposals of property, plant and equipment		4,372	4,353	-	-
Purchase of property, plant and equipment	7	(15,191)	(13,301)	-	-
Purchase of other investments		(3,770)	-	-	-
Net cash (used in)/from investing activities		(20,600)	(11,790)	7,165	1,634
CASH FLOWS FROM FINANCING ACTIVITIES					
Dividends paid		(7,635)	(6,491)	(7,635)	(6,491)
Dividends paid to non-controlling interests of subsidiaries		(180)	(41)	-	-
Drawdowns of term loans		4,528	9,000	-	-
Drawdowns of revolving credits		1,500	1,000	-	-
Interest paid		(2,109)	(1,891)	-	-
Ordinary share capital contributed by non-controlling interests of a subsidiaries		891	122	-	-
Proceeds from exercise of warrants	20	2,887	5,335	2,887	5,335
Repayments of:					
- hire purchase and lease liabilities		(1,874)	(2,818)	-	-
- revolving credits		(1,500)	(1,000)	-	-
- term loans		(12,507)	(6,784)	-	-
Net cash used in financing activities		(15,999)	(3,568)	(4,748)	(1,156)

		Group		Company	
	Note	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Net increase/(decrease) in cash and cash equivalents		4,524	5,016	1,834	(806)
Effects of exchange rate changes on cash and cash equivalents		(68)	(31)	-	-
Cash and cash equivalents at beginning of financial year		35,017	30,032	15,987	16,793
Cash and cash equivalents at end of financial year	19	39,473	35,017	17,821	15,987

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, Lebuh 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 2014 comprise the Company and its subsidiaries and the interests of the Group in associates and joint ventures. These financial statements are presented in Ringgit Malaysia (‘RM’), which is also the functional currency of the Company. All financial information presented in RM has been rounded to the nearest thousand, unless otherwise stated.

The financial statements were authorised for issue in accordance with a resolution by the Board of Directors on 20 October 2014.

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 32 to 138 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. However, Note 43 to the financial statements set out on page 139 has been prepared in accordance with Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants (‘MIA Guidance’) and the directive of Bursa Malaysia Securities Berhad.

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 Basis of accounting

The financial statements of the Group and of the Company have been prepared under the historical cost convention except as otherwise stated in the financial statements.

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

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.2 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and all its subsidiaries. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

(a) Power over the investee;

(b) Exposure, or rights, to variable returns from its involvement with the investee; and

(c) The ability to use its power over the investee to affect its returns.

If the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) The contractual arrangement with the other vote holders of the investee;

(b) Rights arising from other contractual agreements; and

(c) The voting rights of the Group and potential voting rights.

Intragroup balances, transactions, income and expenses are eliminated on consolidation. Unrealised gains arising from transactions with associates and joint ventures are eliminated against the investment to the extent of the interest of the Group 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 represent equity in subsidiaries that are not attributable, directly or indirectly, to owners of the parent, 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.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. 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. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the financial year are included in the statement of profit or loss and other comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

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.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.2 Basis of consolidation (cont'd)

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

(i) The aggregate of the fair value of the consideration received and the fair value of any retained interest; and

(ii) The previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests.

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

4.3 Business combinations

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 N*on-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 services 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.

(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.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.3 Business combinations (cont'd)

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 are 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.

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 previously held equity interest of the Group 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.

4.4 Property, plant and equipment and depreciation

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

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that future economic benefits associated with the asset would flow to the Group and the cost of the asset could 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%
Machinery, furniture and fittings	10% - 33%
Office equipment	10% - 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. Construction-in-progress represents warehouse and building under construction and is stated at cost. Construction-in-progress is not depreciated until such time when the asset is available for use.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

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 incremental borrowing rate of the Group is used. Any initial direct costs incurred by the Group are added to the amount recognised as an asset. The assets are capitalised as property, plant and equipment and the corresponding obligations are treated as liabilities. The property, plant and equipment capitalised are depreciated on the same basis as owned assets.

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

(b) Operating leases

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

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

(c) Leases of land 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.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.5 Leases and hire purchase (cont'd)

(c) Leases of land and buildings (cont'd)

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 are exposed, or have rights, to variable returns from its involvement with the subsidiary and have the ability to affect those returns through its power over the subsidiary.

An investment in subsidiary, which is eliminated on consolidation, is stated in the separate financial statements of the Company 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 separate financial statements of the Company. 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 investment in the subsidiary of the Company and accordingly, is accounted for in accordance with MFRS 127 *Separate Financial Statements* as part of the investment in the subsidiary and measured at cost.

(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 arrangement. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is neither control nor joint control over those policies.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.6 Investments (cont'd)

(b) Associates (cont'd)

In the separate financial statements of the Company, an investment in associate is stated at cost less impairment losses.

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

The interest in an 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 net investment in the associate of the Group.

The share of profit or loss of the associate by the Group 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 could also be necessary for changes in the proportionate interest of the Group 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 share of those changes by the Group 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 interest of the Group in the associate to the extent that there is no impairment.

When the share of losses of the Group 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.

When the Group ceases to have significant influence over an associate, any retained interest in the former associate at the date when significant influence is lost is measured at fair value and this amount is regarded as the initial carrying amount of a financial asset. The difference between the fair value of any retained interest plus proceeds from the interest disposed of and the carrying amount of the investment at the date when equity method is discontinued is recognised in profit or loss.

When the interest of the Group in an associate decreases but does not result in a loss of significant influence, any retained interest is not re-measured. Any gain or loss arising from the decrease in interest is recognised in profit or loss. Any gains or losses previously recognised in other comprehensive income are also reclassified proportionately to profit or loss if that gain or loss would be required to be reclassified to profit or loss on the disposal of the related assets or liabilities.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.6 Investments (cont'd)

(c) Joint arrangements

A joint arrangement is an arrangement of which two or more parties have joint control. The parties are bound by a contractual arrangement which gives two or more parties joint control of the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

A joint arrangement is either a joint operation or a joint venture.

<u>Joint venture</u>

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. These parties are known as joint venturers.

In the separate financial statements of the Company, an investment in a joint venture is stated at cost.

Any premium paid for an investment in a joint venture above the fair value of the share of the identifiable assets, liabilities and contingent liabilities acquired of the Group is capitalised and included in the carrying amount of the investment in joint venture. Where there is objective evidence that the investment in a joint venture has been impaired, the carrying amount of the investment is tested for impairment in accordance with MFRS 136 *Impairment of Assets* as a single asset, by comparing its recoverable amount with its carrying amount.

The Group recognises its interest in a joint venture as an investment and accounts for that investment using the equity method in accordance with MFRS 128 *Investments in Associates and Joint Ventures*.

The Group determines the type of joint arrangement in which it is involved, based on the rights and obligations of the parties to the arrangement. In assessing the classification of interests in joint arrangements, the Group considers:

(i) The structure of the joint arrangement;
(ii) The legal form of joint arrangements structured through a separate vehicle;
(iii) The contractual terms of the joint arrangement agreement; and
(iv) Any other facts and circumstances.

When there are changes in the facts and circumstances change, the Group reassesses whether the type of joint arrangement in which it is involved has changed.

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 interest of the Group 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 share of the net fair value of net assets of the associate's identifiable assets and liabilities by the Group 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 share of the net fair value of the associate's identifiable assets and liabilities by the Group over the cost of investment is included as income in the determination of the share of the associate's profit or loss by the Group 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, associates and joint ventures), 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 CGU or groups of CGU of the Group 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 is 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 derecognised or 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 right of the Group to receive payment is established.

Cash and bank balances include cash and cash equivalents, 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 an 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 would 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 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 the end of each reporting period 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 by the receivable, 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 in respect of unquoted equity instrument that is carried at cost is recognised in profit or loss and is measured as the difference between the financial asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset.

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 are 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, an associate or a joint venture 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.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.12 Income taxes (cont'd)

(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.

(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 future taxable profits would 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 would 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 would be reduced accordingly. When it becomes probable that sufficient taxable profits would be available, such reductions would 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 would 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 each reporting period.

4.13 Provisions

Provisions are recognised when there is a present obligation, legal or constructive, as a result of a past event, when it is probable that an outflow of resources embodying economic benefits 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.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.13 Provisions (cont'd)

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.

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 would 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 contingent assets but disclose its existence where inflows of economic benefits are probable, but not virtually certain.

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

4.15 Employee benefits

(a) 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.

(b) Defined contribution plans

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

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.16 Foreign currencies

(a) Functional and presentation currency

Items included in the financial statements of each of the entities of the Group 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 functional and presentation currency of the Company.

(b) 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.

(c) 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.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.17 Revenue recognition (cont'd)

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 activities of the Group as follows:

(a) Services

Revenue from freight and forwarding is recognised in profit or loss when the services are rendered.

(b) Management fees

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

(c) Dividend income

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

(d) Interest income

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

(e) Rental income

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

4.18 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.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.18 Operating segments (cont'd)

(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 revenue of the Group. 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.

4.19 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.

4.20 Fair value measurements

The fair value of an asset or a liability, except for lease transactions is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

The Group measures the fair value of an asset or a liability by taking into account the characteristics of the asset or liability if market participants would take these characteristics into account when pricing the asset or liability. The Group has considered the following characteristics when determining fair value:

(a) The condition and location of the asset; and

(b) Restrictions, if any, on the sale or use of the asset.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.20 Fair value measurements (cont'd)

The fair value measurement for a non-financial asset takes into account the ability of the market participant to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The fair value of a financial or non-financial liability or an entity's own equity instrument assumes that:

(a) A liability would remain outstanding and the market participant transferee would be required to fulfil the obligation. The liability would not be settled with the counterparty or otherwise extinguished on the measurement date; and

(b) An entity's own equity instrument would remain outstanding and the market participant transferee would take on the rights and responsibilities associated with the instrument. The instrument would not be cancelled or otherwise extinguished on the measurement date.

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 10 *Consolidated Financial Statements*	1 January 2013
MFRS 11 *Joint Arrangements*	1 January 2013
MFRS 12 *Disclosure of Interests in Other Entities*	1 January 2013
MFRS 13 *Fair Value Measurement*	1 January 2013
MFRS 119 *Employee Benefits (revised)*	1 January 2013
MFRS 127 *Separate Financial Statements*	1 January 2013
MFRS 128 *Investments in Associates and Joint Ventures*	1 January 2013
Amendments to MFRS 7 *Disclosures - Offsetting Financial Assets and Financial Liabilities*	1 January 2013
Amendments to MFRSs *Annual Improvements 2009 - 2011 Cycle*	1 January 2013
Amendments to MFRS 10, MFRS 11 and MFRS 12 *Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance*	1 January 2013
IC Interpretation 20 *Stripping Costs in the Production Phase of a Surface Mine*	1 January 2013

There is no material effect upon the adoption of the above Standards during the financial year other than:

(a) MFRS 10, which is mandatory for annual periods beginning on or after 1 January 2013.

This Standard supersedes MFRS 127 *Consolidated and Separate Financial Statements* and IC Interpretation 112 *Consolidation - Special Purpose Entities*, and introduces a single 'control model' for all entities, including special purpose entities ('SPEs'), whereby all of the following conditions must be present:

(i) Power over the investee;
(ii) Exposure, or rights, to variable returns from involvement with the investee; and
(iii) Ability to use power over investee to affect its returns.

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

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

(a) MFRS 10, which is mandatory for annual periods beginning on or after 1 January 2013 (cont'd).

Other changes introduced by MFRS 10 include:

(i) The introduction of the concept of 'de facto' control for entities with less than a fifty percent (50%) ownership interest in an entity, but which have a large shareholding compared to other shareholders;
(ii) Potential voting rights are only considered when determining if there is control when they are substantive (holder has practical ability to exercise) and the rights are currently exercisable; and
(iii) Specific guidance for the concept of 'silos', where groups of assets (and liabilities) within one entity are ring-fenced.

There is no material impact upon the adoption of this Standard during the financial year other than the continuous application of the 'de facto' control as disclosed in Note 8 to the financial statements.

(b) MFRS 11, which is mandatory for annual periods beginning on or after 1 January 2013.

This Standard supersedes MFRS 131 *Interests in Joint Ventures* and IC Interpretations 113 *Jointly-Controlled Entities Non-monetary Contributions by Venturers*, and requires joint arrangements to be classified as either:

(i) Joint operations, where parties with joint control have rights to assets and obligations for liabilities; or
(ii) Joint ventures, where parties with joint control have rights to the net assets of the arrangement. Specific guidance for the concept of 'silos', where groups of assets (and liabilities) within one entity are ring-fenced.

Joint arrangements that are structured through a separate vehicle would generally be treated as joint ventures, unless the terms of the contractual arrangement, or other facts and circumstances indicate that the parties have rights to assets and obligations for liabilities of the arrangement, rather than rights to net assets.

Joint ventures are accounted for using the equity method of accounting in accordance with MFRS 128 *Investments in Associates and Joint Ventures*, where proportionate consolidation is not permitted by MFRS 11.

Parties to a joint operation account for their share of assets, liabilities, revenues and expenses in accordance with their contractual rights and obligations.

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

(c) MFRS 12, which is mandatory for annual periods beginning on or after 1 January 2013.

This Standard prescribes the disclosure requirements relating to interests of an entity in subsidiaries, joint arrangements, associates and structured entities. This Standard requires a reporting entity to disclose information that helps users to assess the nature and financial effects of the relationship of the reporting entity with other entities.

Following the adoption of this Standard, the Group has disclosed the requirements applicable to the Group in Notes 8, 9 and 10 to the financial statements.

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

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

(d) MFRS 13, which is mandatory for annual periods beginning on or after 1 January 2013.

This Standard is now the sole MFRS containing the framework for determining the measurement of fair value and the disclosure of information relating to fair value measurement, when fair value measurements and/or disclosures are required or permitted by other MFRSs.

As a result, the guidance and requirements relating to fair value measurement that were previously located in other MFRSs have now been relocated to MFRS 13.

Whilst there have been some rewording of the previous guidance in MFRS 13, there are very few changes to the previous fair value measurement requirements. Instead, MFRS 13 is intended to clarify the measurement objectives, harmonises the disclosure requirements, and improve consistency in the application of fair value measurement.

MFRS 13 did not materially impact any fair value measurements of the assets or liabilities of the Group. It has only a presentation and disclosure impact, and therefore has no material effect on the financial position or performance of the Group.

5.2 New MFRSs that have been issued, but only effective for annual periods beginning on or after 1 January 2014

The following are Standards 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**
Amendments to MFRS 10 *Consolidated Financial Statements: Investment Entities*	1 January 2014
Amendments to MFRS 12 *Disclosure of Interest in Other Entities: Investment Entities*	1 January 2014
Amendments to MFRS 127 *Separate Financial Statements (2011): Investment Entities*	1 January 2014
Amendments to MFRS 132 *Offsetting Financial Assets and Financial Liabilities*	1 January 2014
Amendments to MFRS 136 *Recoverable Amount Disclosures for Non-Financial Assets*	1 January 2014
Amendments to MFRS 139 *Novation of Derivatives and Continuation of Hedge Accounting*	1 January 2014
IC Interpretation 21 *Levies*	1 January 2014
Amendments to MFRS 119 *Defined Benefit Plans: Employee Contributions*	1 July 2014
Amendments to MFRSs *Annual Improvements to MFRSs 2010 - 2012 Cycle*	1 July 2014
Amendments to MFRSs *Annual Improvements to MFRSs 2011 - 2013 Cycle*	1 July 2014
Mandatory Effective Date of MFRS 9 and Transition Disclosures	Deferred
MFRS 9 *Financial Instruments (2009)*	Deferred
MFRS 9 *Financial Instruments (2010)*	Deferred
MFRS 9 *Financial Instruments* (Hedge Accounting and Amendments to MFRS 9, MFRS 7 and MFRS 139)	Deferred
MFRS 14 *Regulatory Deferral Accounts*	1 January 2016

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 2014 (cont'd)

Title	Effective Date
Amendments to MFRS 116 and MFRS 138 *Clarification of Acceptable Methods of Depreciation and Amortisation*	1 January 2016
Amendments to MFRS 11 *Accounting for Acquisitions of Interests in Joint Operations*	1 January 2016
Amendments to MFRS 116 and MFRS 141 *Agriculture: Bearer Plants*	1 January 2016
MFRS 15 *Revenue from Contracts with Customers*	1 January 2017

The Group is in the process of assessing the impact of implementing these Standards, since the effects would only be observable for 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 significant 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 accounting policies of the Group 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.

(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 their 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.

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

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

(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) Consolidation of entities in which the Group holds less than majority of voting rights

(i) The Group considers that it controls PT. FM Global Logistics ('PTFM') even though it owns less than fifty percent (50%) of the voting rights. This is due to the Group has control over the Board and power to govern the relevant activities of PTFM via a shareholders agreement. The remaining fifty-one percent (51%) of the equity shares in PTFM, which are held by two (2) individual shareholders that are not related, would not have control over PTFM.

(ii) The Group considers that it controls FM Global Logistics Co., Ltd. ('FMGLT') even though it owns less than fifty percent (50%) of the voting rights. This is due to the Group has control over the Board and power to govern the relevant activities of FMGLT via a shareholders agreement. The remaining fifty-one percent (51%) of the equity shares in FMGLT, which are held by four (4) individual shareholders that are not related, would not have control over FMGLT.

(iii) The Group considers that it controls FM Global Logistics Lanka (Private) Limited ('FMGLL') by virtue of the substantiveness of the options it owns, which are convertible into ordinary shares to give the Group additional voting rights of eleven percent (11%) over the relevant activities of FMGLL. The eventual exercise of options would bring the shareholdings of the Group in FMGLL to fifty-one percent (51%). The existence and effect of the potential voting rights have been considered when assessing whether the Group has control in FMGLL.

(g) Classification of joint arrangements

For all joint arrangements structured in separate vehicles, the Group assesses the substance of the joint arrangement in determining whether it is classified as a joint venture or joint operation. This assessment requires the Group to consider whether there are any factors that give the Group rights to the net assets of the joint arrangements (in which case it is classified as a joint venture), or rights to specific assets, liabilities, expenses, and revenues (in which case it is classified as a joint operation). These factors include:

(i) Structure;
(ii) Legal form;
(iii) Contractual agreement; and
(iv) Other facts and circumstances.

Upon consideration of these factors, the Group has determined that all of its joint arrangements structured through separate vehicles provide rights to the net assets and are therefore, classified as joint ventures.

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

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

(h) Significant influence

Significant influence is presumed to exist when an entity hold twenty percent (20%) or more of the voting rights of another entity, unless it can be clearly demonstrated otherwise.

The Group holds a twenty percent (20%) interest in YKP Ocean Services Co., Ltd. ('YKP Ocean') for which the Group has determined that it does not hold significant influence over YKP Ocean as:

(i) The Group does not have any representative on the board of directors of YKP Ocean, and is therefore unable to participate in policy-making processes of YKP Ocean;
(ii) There are no material transactions between the Group and YKP Ocean; and
(iii) There is no interchange of managerial personnel and provision of essential technical information between the Group and YKP Ocean.

Based on this, the Group considers that it does not have the power to exercise significant influence and has treated its interest in YKP Ocean as a simple investment in unquoted shares.

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) 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.

(b) 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.

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

6.3 Key sources of estimation uncertainty (cont'd)

(c) Impairment of goodwill on consolidation

The Group determines whether goodwill on consolidation is impaired at least on an annual basis. This requires an estimation of the value-in-use of the subsidiaries to which goodwill is allocated. Estimating a value-in-use amount requires management to make an estimate of the expected future cash flows from the subsidiaries and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The assumptions used are disclosed in Note 12 to the financial statements.

(d) Deferred tax assets

Deferred tax assets are recognised for all unused tax losses, unabsorbed capital allowances and other deductible temporary differences to the extent that it is probable that future taxable profits would be available against which the losses and capital allowances could be utilised. Significant management judgement is required to determine the amount of deferred tax assets that could be recognised, based on the likely timing and extent of future taxable profits together with future tax planning strategies.

(e) 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 debts, customer concentration, customer creditworthiness, current economic trends and changes in customer payment terms when making a judgement to evaluate the adequacy of impairment of receivables. Where expectations differ from the original estimates, the differences would impact the carrying amount of receivables.

(f) Fair values of borrowings

The fair values of borrowings are estimated by discounting future contractual cash flows at the current market interest rates available to the Group for similar financial instruments. Sensitivity analysis of the effects of interest rate risk has been disclosed in Note 41 to the financial statements.

(g) 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 would be due. Where the final tax outcome is different from the amounts that were initially recorded, such differences would impact the income tax and deferred tax provisions in the period in which such determination is made.

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

6.3 Key sources of estimation uncertainty (cont'd)

(h) Fair value measurements

The fair value measurement of the financial and non-financial assets and liabilities of the Group utilises market observable inputs and data as far as possible, where applicable. Inputs used in determining fair value measurements are categorised into different levels based on how observable the inputs used in the valuation technique utilised are:

(i) Level 1: Quoted prices in active markets for identical items (unadjusted);
(ii) Level 2: Observable direct or indirect inputs other than Level 1 inputs; and
(iii) Level 3: Unobservable inputs (i.e. not derived from market data).

The classification of an item into the above levels is based on the lowest level of the inputs used in the fair value measurement of the item. Transfers of items between levels are recognised in the period they occur.

The Group measures these elements in the financial statements at fair value:
(i) Other investments, Note 11 to the financial statements; and
(ii) Financial instruments, Note 40 to the financial statements.

7. PROPERTY, PLANT AND EQUIPMENT

Group	Balance as at 1.7.2013 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 30.6.2014 RM'000
Carrying amount							
Freehold land	236	-	-	-	-	-	236
Long-term leasehold land	19,346	-	-	-	(257)	-	19,089
Buildings	35,624	151	-	-	(829)	-	34,946
Machinery, furniture and fittings	5,817	1,190	(6)	(70)	(975)	(42)	5,914
Office equipment	3,937	1,361	(1)	(45)	(1,523)	35	3,764
Renovations	249	330	-	(1)	(98)	(1)	479
Motor vehicles	7,130	2,980	(149)	-	(1,781)	(146)	8,034
Forklifts	1,976	119	-	-	(750)	-	1,345
Storage containers	945	224	-	-	(157)	-	1,012
Tug boats and barges	24,610	7,806	(2,244)	-	(1,776)	649	29,045
Prime movers and trailers	21,348	-	-	-	(3,083)	-	18,265
Construction-in-progress	-	15,827	-	-	-	-	15,827
	121,218	29,988	(2,400)	(116)	(11,229)	495	137,956

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

Group	Cost RM'000	Accumulated depreciation RM'000	Carrying amount RM'000
	<------------------ At 30.6.2014	------------------	------------------>
Freehold land	236	-	236
Long-term leasehold land	20,586	(1,497)	19,089
Buildings	39,732	(4,786)	34,946
Machinery, furniture and fittings	10,053	(4,139)	5,914
Office equipment	12,872	(9,108)	3,764
Renovations	833	(354)	479
Motor vehicles	14,811	(6,777)	8,034
Forklifts	4,660	(3,315)	1,345
Storage containers	2,431	(1,419)	1,012
Tug boats and barges	37,465	(8,420)	29,045
Prime movers and trailers	30,825	(12,560)	18,265
Construction-in-progress	15,827	-	15,827
	190,331	(52,375)	137,956

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

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

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

	<----- 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

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

	Group 2014 RM'000	Group 2013 RM'000
Purchase of property, plant and equipment	29,988	21,251
Financed by hire purchase and lease arrangements	(2,440)	(718)
Financed by term loans	(12,357)	(5,388)
Unsettled and remained as other payables	-	(1,844)
Cash payments on purchase of property, plant and equipment	15,191	13,301

(b) As at 30 June 2014, the net carrying amount of the property, plant and equipment of the Group under hire purchase and lease arrangements are as follows:

	Group 2014 RM'000	Group 2013 RM'000
Motor vehicles	3,521	2,490
Prime movers and trailers	1,926	2,435
	5,447	4,925

Details of the terms of the hire purchase and lease arrangements are disclosed in Notes 22 and 40 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 23 and 27 to the financial statements are as follows:

	Group	
	2014 RM'000	2013 RM'000
Carrying amount		
Long-term leasehold land	19,088	19,346
Buildings	33,804	34,590
Tug boats and barges	12,317	8,832
	65,209	62,768

8. INVESTMENTS IN SUBSIDIARIES

	Company	
	2014 RM'000	2013 RM'000
Unquoted equity shares, at cost	45,576	45,576
Equity loan to a subsidiary	26,161	26,161
	71,737	71,737
Less: Impairment losses	(650)	(350)
	71,087	71,387

(a) Equity loan to a subsidiary is unsecured and interest-free.

(b) The reconciliation of movements in the impairment losses on investments in subsidiaries are as follows:

	Company	
	2014 RM'000	2013 RM'000
At 1 July 2013/2012	350	350
Charge for the financial year (Note 30)	300	-
At 30 June 2014/2013	650	350

8. INVESTMENTS IN SUBSIDIARIES (CONT'D)

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

Name of company	Country of incorporation	Interest in equity held by Company 2014	Interest in equity held by Company 2013	Principal activities
FM Multimodal Services Sdn. Bhd. *(formerly known as Citra Multimodal Servicess Sdn. Bhd.)*	Malaysia	100%	100%	Provision of freight services
FM Global Logistics (KUL) Sdn. Bhd. *(formerly known as 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
Advance International Freight Sdn. Bhd.	Malaysia	100%	100%	Provision of freight services
FMG Capital & Management Sdn. Bhd.	Malaysia	100%	100%	Investment holding
Freight Management MSC Sdn. Bhd.	Malaysia	100%	100%	Developing, providing and maintaining IT software application solutions
Symphony Express Sdn. Bhd.	Malaysia	80%	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

8. INVESTMENTS IN SUBSIDIARIES (CONT'D)

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

Name of company	Country of incorporation	Interest in equity held by Company 2014	Interest in equity held by Company 2013	Principal activities
#FM Global Logistics (S'pore) Pte. Ltd.	Singapore	100%	100%	Provision of freight services
FM Global Logistics Ventures Sdn. Bhd. *(formerly known as 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 FM Global Logistics Ventures Sdn. Bhd. *(formerly known as 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	Hong Kong	100%	100%	Provision of freight services
#@FM Global Logistics (India) Private Limited	India	51%	51%	Provision of integrated freight and logistic services
^@FM Global Logistics Lanka (Private) Limited ('FMGLL')	Sri Lanka	40%	-	Provision of integrated freight and logistic services
Subsidiary of FM Multimodal Services Sdn. Bhd. *(formerly known as Citra Multimodal Services Sdn. Bhd.)*				
Dependable Global Express Malaysia Sdn. Bhd.	Malaysia	51%	51%	Provision of freight services

8. INVESTMENTS IN SUBSIDIARIES (CONT'D)

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

Name of company	Country of incorporation	Interest in equity held by Company 2014	2013	Principal activities
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.	Malaysia	100%	100%	Provision of freight services

^ *The financial statements of PTFM, FMGLT and FMGLL were consolidated as subsidiaries as the Group has control over the Board and power to govern the relevant activities of these companies.*

\+ *Subsidiaries are consolidated based on management accounts for the financial year ended 30 June 2014. The financial statements of these subsidiaries are not required to be audited in its country of incorporation.*

* *Subsidiary audited by BDO Member Firms.*

\# *Subsidiaries not audited by BDO Member Firms.*

@ *Subsidiaries had financial year ended 31 March 2014 and were consolidated based on management accounts for the financial period ended 30 June 2014.*

Financial year ended 30 June 2014

(i) On 27 February 2014, the Company announced that its wholly-owned subsidiary, FM Global Logistics Ventures Sdn. Bhd. ('FMGLV') *(formerly known as Icon Line (Malaysia) Sdn. Bhd.)*, had on 26 February 2014 subscribed for 3,618,820 shares of Sri Lankan Rupee (LKR) 1.00 each in FM Global Logistics Lanka (Private) Limited ('FMGLL'), a company incorporated under the laws of Sri Lanka for a total cash consideration of LKR3,618,820 (equivalent to RM94,089).

FMGLL's business activity is providing integrated freight and logistics services. Upon the completion of the allotment of shares, FMGLV holds 40% equity interest in FMGLL. The acquisition was funded through internally generated funds. The above incorporation of FMGLL did not have any material financial effect to the Group.

Financial year ended 30 June 2013

(i) In the previous financial year, on 17 December 2012, the Company announced that its wholly-owned subsidiary, FM Multimodal Services Sdn. Bhd. ('FMMS') *(formerly known as Citra Multimodal Services Sdn. Bhd.)* 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 FMMS. The effect on dilution of equity interest in DGEM is disclosed in Note 35 to the financial statements.

8. INVESTMENTS IN SUBSIDIARIES (CONT'D)

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

Financial year ended 30 June 2013 (cont'd)

(ii) In the previous financial year, on 15 April 2013, FM Global Logistics (M) Sdn. Bhd. ('FMGLM'), a wholly-owned subsidiary of the Company, increased its issued and paid-up share capital from RM2,000,000 to RM10,000,000 by way of new issuance of 8,000,000 ordinary shares of RM1.00 each. On even date, the Company subscribed for an additional 8,000,000 ordinary shares of RM1.00 each in FMGLM via capitalisation of amount owing by FMGLM. Consequently, there was no change in the effective equity interest held by the Company in FMGLM.

(iii) In the previous financial year, 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 were issued and fully paid up. The above incorporation of ACL did not have any material financial effect to the Group.

(iv) In the previous financial year, on 9 May 2013, the Company announced that its wholly-owned subsidiary, FM Global Logistics Ventures Sdn. Bhd. ('FMGLV') *(formerly known as Icon Line (Malaysia) Sdn. Bhd.)* 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.

(v) In the previous financial year, on 30 May 2013, the Company announced that its wholly-owned subsidiary, FM Global Logistics Ventures Sdn. Bhd. ('FMGLV') *(formerly known as Icon Line (Malaysia) Sdn. Bhd.)* entered into an agreement with 1 Global Enterprises Pte. Ltd. ('1GE') to set up a company in India known as FM Global Logistics (India) Private Limited ('FMGLI'), which was incorporated on 28 May 2013 under the Companies Act, 1956 (No. 1 of 1956) of India.

The intended activity of FMGLI was to provide integrated freight and logistics services to and from South India, India. FMGLI had 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 was contributed as follows:

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

The above incorporation of FMGLI did not have any material financial effect to the Group.

(d) Consolidation of entities in which the Group holds less than majority of voting rights

(i) The Group considers that it controls PT. FM Global Logistics ('PTFM') even though it owns less than fifty percent (50%) of the voting rights. This is due to the Group has control over the Board and power to govern the relevant activities of PTFM via a shareholders agreement. The remaining fifty-one percent (51%) of the equity shares in PTFM, which are held by two (2) individual shareholders that are not related, would not have control over PTFM.

(ii) The Group considers that it controls FM Global Logistics Co., Ltd. ('FMGLT') even though it owns less than fifty percent (50%) of the voting rights. This is due to the Group has control over the Board and power to govern the relevant activities of FMGLT via a shareholders agreement. The remaining fifty-one percent (51%) of the equity shares in FMGLT, which are held by four (4) individual shareholders that are not related, would not have control over FMGLT.

8. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(d) Consolidation of entities in which the Group holds less than majority of voting rights (cont'd)

(iii) The Group considers that it controls FM Global Logistics Lanka (Private) Limited ('FMGLL') by virtue of the substantiveness of the options it owns, which are convertible into ordinary shares to give the Group additional voting rights of eleven percent (11%) over the relevant activities of FMGLL. The eventual exercise of options would bring the shareholdings of the Group in FMGLL to fifty-one percent (51%). The existence and effect of the potential voting rights have been considered when assessing whether the Group has control in FMGLL.

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

2014	TCH Marine Pte. Ltd.	PT. FM Global Logistics	Other individual immaterial subsidiaries	Total
NCI percentage of ownership and voting interests	49%	51%		
Carrying amount of NCI (RM'000)	11,453	1,742	1,772	14,967
Profit allocated to NCI (RM'000)	694	606	258	1,558
Dividends paid to NCI (RM'000)	-	-	180	180

2013	TCH Marine Pte. Ltd.	PT. FM Global Logistics	Other individual immaterial subsidiaries	Total
NCI percentage of ownership and voting interests	49%	51%		
Carrying amount of NCI (RM'000)	10,495	1,428	809	12,732
Profit allocated to NCI (RM'000)	1,654	335	218	2,207
Dividend paid to NCI (RM'000)	-	-	41	41

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

	TCH Marine Pte. Ltd. RM'000	PT. FM Global Logistics RM'000
2014		
Assets and liabilities		
Non-current assets	29,996	1,012
Current assets	6,909	5,836
Non-current liabilities	(6,727)	(315)
Current liabilities	(6,805)	(3,118)
Net assets	23,373	3,415

8. INVESTMENTS IN SUBSIDIARIES (CONT'D)

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

	TCH Marine Pte. Ltd. RM'000	PT. FM Global Logistics RM'000
2014		
Results		
Revenue	17,182	22,830
Profit for the financial year	1,416	1,189
Total comprehensive income	1,416	1,189
Cash flows from operating activities	1,324	1,455
Cash flows from/(used in) investing activities	1,363	(104)
Cash flows used in financing activities	(2,760)	(194)
Net (decrease)/increase in cash and cash equivalents	(73)	1,157

	TCH Marine Pte. Ltd. RM'000	PT. FM Global Logistics RM'000
2013		
Assets and liabilities		
Non-current assets	25,345	1,050
Current assets	7,154	5,272
Non-current liabilities	(4,337)	(399)
Current liabilities	(6,743)	(3,124)
Net assets	21,419	2,799
Results		
Revenue	18,908	23,322
Profit for the financial year	3,375	657
Total comprehensive income	3,375	657
Cash flows from/(used in) operating activities	1,276	(311)
Cash flows from/(used in) investing activities	3,114	(82)
Cash flows used in financing activities	(3,583)	(119)
Net increase/(decrease) in cash and cash equivalents	807	(512)

8. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(g) The following subsidiaries have significant restrictions applied to their assets as follows:

(i) Restriction imposed by bank covenants

The covenants of borrowings taken by Advance International Freight Sdn. Bhd., FM Multimodal Services Sdn. Bhd. *(formerly known as Citra Multimodal Services Sdn. Bhd.)*, FM Global Logistics (KUL) Sdn. Bhd. *(formerly known as FM-Hellmann Worldwide Logistics Sdn. Bhd.)*, FM Global Logistics (M) Sdn. Bhd. and FM Worldwide Logistics (Penang) Sdn. Bhd., direct subsidiaries of the Company, restrict the ability of these subsidiaries to declare dividends to their shareholders in excess of their profit after tax for each of the financial period.

(ii) Restriction imposed by shareholders' agreements

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

9. INVESTMENTS IN ASSOCIATES

	Group		Company	
	2014 RM'000	**2013 RM'000**	**2014 RM'000**	**2013 RM'000**
Unquoted equity shares, at cost	3,077	3,077	3,028	3,028
Share of post-acquisition reserves	148	239	-	-
	3,225	3,316	3,028	3,028

(a) In the previous financial year, 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 RM2,499,250. 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 RM529,000. 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.

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

		Interest in equity held by				
	Country of	**Group**		**Company**		
Name of company	**incorporation**	**2014**	**2013**	**2014**	**2013**	**Principal activities**
YKP-FM Global Shipyard Co., Ltd.	Thailand	49%	25%	25%	25%	Development and operation of shipyard
Associate of FM Global Logistics (M) Sdn. Bhd.						
FM Distribution Sdn. Bhd.	Malaysia	49%	49%	-	-	Provision of warehouse services

9. INVESTMENTS IN ASSOCIATES (CONT'D)

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

	FM Distribution Sdn. Bhd. RM'000	YKP-FM Global Shipyard Co. Ltd. RM'000
2014		
Assets and liabilities		
Non-current assets	1	13,006
Current assets	544	3,838
Non-current liabilities	-	-
Current liabilities	(13)	(5,258)
Net assets	532	11,586
Results		
Revenue	482	-
Profit/(loss) for the financial year	24	(412)
Total comprehensive income/(loss)	24	(412)
Cash flows used in operating activities	(119)	(1,168)
Cash flows used in investing activities	-	(2,263)
Cash flows from financing activities	-	4,114
Net (decrease)/increase in cash and cash equivalents	(119)	683
2013		
Assets and liabilities		
Non-current assets	1	10,775
Current assets	567	1,756
Non-current liabilities	-	-
Current liabilities	(61)	(534)
Net assets	507	11,997
Results		
Revenue	901	-
Profit/(Loss) for the financial year	238	(115)
Total comprehensive income/(loss)	238	(115)
Cash flows from operating activities	233	41
Cash flows used in investing activities	-	(11,470)
Cash flows used in financing activities	-	12,113
Net increase in cash and cash equivalents	233	684

9. INVESTMENTS IN ASSOCIATES (CONT'D)

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

	FM Distribution Sdn. Bhd. RM'000	YKP-FM Global Shipyard Co., Ltd. RM'000	Total RM'000
As at 30 June 2014			
Share of net assets of the Group	260	2,897	3,157
Goodwill	68	-	68
Carrying amount in the statements of financial position	328	2,897	3,225
Share of results of the Group for the financial year ended 30 June 2014			
Share of profit/(loss)/other comprehensive income/(loss) of the Group	12	(103)	(91)
As at 30 June 2013			
Share of net assets of the Group	249	2,999	3,248
Goodwill	68	-	68
Carrying amount in the statements of financial position	317	2,999	3,316
Share of results of the Group for the financial year ended 30 June 2013			
Share of profit/(loss)/other comprehensive income/(loss) of the Group	117	(29)	88

10. INTERESTS IN JOINT VENTURES

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Unquoted equity shares, at cost	2,651	-	997	-
Share of post-acquisition losses	(62)	-	-	-
	2,589	-	997	-

10. INTERESTS IN JOINT VENTURES (CONT'D)

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

Name of company	Country of incorporation	Interest in equity held by Group 2014	Group 2013	Company 2014	Company 2013	Principal activities
Transenergy Shipping Pte. Ltd. ('TSPL')	Malaysia	50%	-	50%	-	Provision of marine services
Transenergy Shipping Management Sdn. Bhd. ('TSMSB')	Malaysia	50%	-	50%	-	Provision of marine services
Joint venture of FM Global Logistics Ventures Sdn. Bhd. *(formerly known as Icon Line (Malaysia) Sdn. Bhd.)*						
FM Global Logistics (Phil.), Inc. ('FMGLP')	Philippines	50%	-	-	-	Provision of integrated freight and logistics services

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

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

The intended activity of FMGLP was to undertake the business to provide point to point integrated logistics services to and from Philippines. FMGLP had 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 was contributed as follows:

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

The contractual arrangement stipulates unanimous consent of all parties over relevant activities of FMGLP and provides the Group with only the rights to the net assets of the joint arrangement, with the rights to the assets and obligation for liabilities of the joint arrangement resting primarily with FMGLP. This joint arrangement has been classified as joint venture and has been included in the consolidated financial statements using the equity method.

Contemporaneously, FMGLV entered 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.

10. INTERESTS IN JOINT VENTURES (CONT'D)

(c) In the previous financial year, 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 marine services to the oil and gas industry in South East Asia.

During the current financial year, on 1 July 2013 and 3 December 2013, the Vessel Owner joint venture company, TSPL and the Vessel Operator joint venture company, TSMSB were incorporated.

The contractual arrangements stipulate unanimous consent of all parties over relevant activities of TSPL and TSMSB and provide the Group with only the rights to the net assets of the joint arrangements, with the rights to the assets and obligation for liabilities of the joint arrangements resting primarily with TSPL and TSMSB. These joint arrangements have been classified as joint ventures and have been included in the consolidated financial statements using the equity method.

(d) The summarised financial information of the joint ventures, adjusted for any differences in accounting policies, and a reconciliation to the carrying amount in the consolidated financial statements, are as follows:

	Transenergy Shipping Pte. Ltd. RM'000	FM Global Logistics (Phil.), Inc. RM'000	Transenergy Shipping Management Sdn. Bhd. RM'000	Total RM'000
2014				
Assets and liabilities				
Non-current assets	12,083	-	-	12,083
Current assets	978	984	*	1,962
Current liabilities	(11,191)	-	-	(11,191)
Net assets	1,870	984	-	2,854
Proportion of the ownership of the Group	50%	50%	50%	
Share of net assets	935	492	-	1,427
Goodwill at acquisition	-	1,162	-	1,162
Carrying amount of the interests in joint ventures	935	1,654	-	2,589
Results				
Revenue	-	-	-	-
Administrative expenses	(124)	-	-	(124)
Loss for the financial year	(124)	-	-	(124)
Share of loss by the Group for the financial year	(62)	-	-	(62)

** Represents RM2*

11. OTHER INVESTMENTS

	Group 2014 RM'000	Group 2013 RM'000
Non-current		
Available-for-sale financial assets		
- Unquoted shares in Malaysia	3	3
- Unquoted shares outside Malaysia	4,067	-
	4,070	3

(a) On 30 September 2013, FMG Capital & Management Sdn. Bhd. ('FMG'), a wholly-owned subsidiary of the Company entered into an investment agreement with HTC Co., Ltd. ('HTC'), a company limited by shares, organised and existing under the laws of Korea for the purpose of investing in 200,000 common shares in Aventree REIT Inc. ('Aventree'), a subsidiary of HTC for a total cash consideration of Korean Won equivalent to USD1,005,441 (RM3,220,378). Subsequently, on 10 February 2014, FMG further invested 20,000 common shares in Aventree for a total cash consideration of Korean Won equivalent to USD100,500 (RM336,400).

During the financial year, FMG recognised a fair value gain of RM297,434 in the financial statements.

(b) During the financial year, TCH Marine Pte. Ltd. ('TCH Marine'), a 51% owned subsidiary of the Company entered into an investment agreement with YKP Ocean Services Co., Ltd., ('YKP Ocean') a company limited by shares, organised and existing under the laws of the Kingdom of Thailand for the purpose of investing in 20,000 common shares or equivalent to 20% equity interest in YKP Ocean for a total cash consideration of Thai Baht equivalent to SGD83,940 (RM213,124).

(c) Information on the fair value hierarchy is disclosed in Note 40(d) to the financial statements.

12. GOODWILL ON CONSOLIDATION

2014	Balance as at 1.7.2013 RM'000	Impairment loss for the financial year RM'000	Balance as at 30.6.2014 RM'000
Goodwill on consolidation	1,659	-	1,659

	[--------------- As at 30.6.2014 ---------------]		
	Cost RM'000	Accumulated impairment RM'000	Carrying amount RM'000
Goodwill on consolidation	1,876	(217)	1,659

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

12. GOODWILL ON CONSOLIDATION (CONT'D)

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

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

	Group	
	2014 RM'000	2013 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		
- Logistics:		
- Malaysia	(179)	(179)
- Thailand	(23)	(23)
- Australia	(4)	(4)
- Others	(11)	(11)
Goodwill on consolidation	1,659	1,659

In the previous financial year, there were impairment losses on goodwill amounting to RM15,000 in respect of the logistics - Australia and others units.

(b) As at 30 June 2014, 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.

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:

(i) Pre-tax cash flow projections based on the most recent financial budgets covering a five (5) years period.

(ii) Pre-tax discount rate of 7.80% (2013: 8.30%) was applied in determining the recoverable amount of the CGU. The discount rate was estimated based on the weighted average cost of capital of the Group.

(iii) The anticipated annual revenue growth rate used in the cash flow budgets and plans is 5% (2013: 5%).

12. GOODWILL ON CONSOLIDATION (CONT'D)

(b) The management believes that no reasonably possible change in any of the above key assumptions would cause the carrying amount of the unit to materially exceed its recoverable amount.

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 an insignificant difference in the impairment test outcome.

13. TRADE RECEIVABLES

	Group	
	2014 RM'000	2013 RM'000
Third parties	77,277	78,031
Less: Impairment losses	(1,215)	(1,972)
	76,062	76,059

(a) Trade receivables are non-interest bearing and the normal credit terms granted by the Group ranges from 7 to 60 days (2013: 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) The currency exposure profiles of trade receivables are as follows:

	Group	
	2014 RM'000	2013 RM'000
Ringgit Malaysia	62,109	60,193
US Dollar	6,165	7,373
Singapore Dollar	1,007	2,066
Australian Dollar	2,853	2,399
Thai Baht	1,226	1,086
Indonesian Rupiah	1,561	1,840
Vietnamese Dong	500	726
Others	641	376
	76,062	76,059

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

	Group	
	2014 RM'000	2013 RM'000
Neither past due nor impaired	59,853	58,444
Past due, not impaired		
1 to 30 days past due	10,664	10,520
31 to 60 days past due	3,413	4,554
61 to 90 days past due	1,447	1,432
91 to 120 days past due	676	574
More than 120 days	9	535
	16,209	17,615
Past due and impaired	1,215	1,972
	77,277	78,031

13. TRADE RECEIVABLES (CONT'D)

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

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 end of each reporting period are as follows:

	Group Individually impaired	
	2014 RM'000	2013 RM'000
Trade receivables, gross	1,215	1,972
Less: Impairment losses	(1,215)	(1,972)
	-	-

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

	Group	
	2014 RM'000	2013 RM'000
At 1 July 2013/2012	1,972	1,269
Charge for the financial year (Note 30)	702	1,269
Written off	(845)	(62)
Reversal of impairment losses (Note 30)	(625)	(423)
Exchange differences	11	(81)
At 30 June 2014/2013	1,215	1,972

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.

(e) Information on financial risks of trade receivables is disclosed in Note 41 to the financial statements.

14. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Other receivables and deposits				
Other receivables	2,508	3,494	-	-
Deposits	3,572	2,619	1	1
	6,080	6,113	1	1
Prepayments				
Prepayments	3,626	4,296	102	44
	9,706	10,409	103	45

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

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Ringgit Malaysia	4,401	5,505	1	1
Indonesian Rupiah	347	267	-	-
Australian Dollar	15	31	-	-
Thai Baht	124	119	-	-
Singapore Dollar	848	157	-	-
Vietnamese Dong	159	34	-	-
US Dollar	11	-	-	-
India Rupiah	175	-	-	-
	6,080	6,113	1	1

(b) Information on financial risks of other receivables and deposits is disclosed in Note 41 to the financial statements.

15. 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 41 to the financial statements.

16. AMOUNT OWING BY AN ASSOCIATE

Group and Company

(a) The amount owing by an associate represents trade transactions and payments made on behalf, which are unsecured, interest-free and payable upon demand in cash and cash equivalents except for trade transactions that have a credit term of 30 days (2013: 30 days) from date of invoices.

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

(c) Information on financial risks of amount owing by an associate is disclosed in Note 41 to the financial statements.

17. AMOUNTS OWING BY/(TO) RELATED PARTIES

Group

(a) The amounts owing by/(to) related parties represent mainly 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 to 60 days (2013: 30 to 60 days) from date of invoices.

(b) Information on financial risks of amounts owing by/(to) related parties is disclosed in Note 41 to the financial statements.

(c) The currency exposure profiles of amounts owing by related parties are as follows:

	Group	
	2014 RM'000	**2013 RM'000**
Ringgit Malaysia	386	330
US Dollar	55	-
Singapore Dollar	692	264
	1,133	594

(d) The currency exposure profiles of amounts owing to related parties are as follows:

	Group	
	2014 RM'000	**2013 RM'000**
Ringgit Malaysia	34	17
US Dollar	31	-
	65	17

18. AMOUNT OWING BY A JOINT VENTURE

Group and Company

(a) The amount owing by a joint venture represents payments made on behalf, which are unsecured, interest-free and payable upon demand in cash and cash equivalents.

18. AMOUNT OWING BY A JOINT VENTURE (CONT'D)

Group and Company (cont'd)

(b) Amount owing by a joint venture is denominated in Ringgit Malaysia ('RM').

(c) Information on financial risks of amount owing by a joint venture is disclosed in Note 41 to the financial statements.

19. CASH AND BANK BALANCES

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Cash in hand	437	282	-	-
Cash at bank	40,159	31,062	17,821	9,187
Fixed deposits with licensed banks	4,970	4,308	-	-
Short term deposits - Repo	-	6,800	-	6,800
	45,566	42,452	17,821	15,987

(a) The fixed deposits of the Group as at 30 June 2014 have maturity period of 12 months (2013: 12 months).

(b) In the previous financial year, the Repo of the Company had maturity period of 1 to 14 days.

(c) Included in the fixed deposits with licensed banks of the Group is an amount of RM4,557,000 (2013: RM3,693,000), which has been pledged to licensed banks as securities for banking facilities granted to the Group as disclosed in Note 27 to the financial statements.

(d) Information on financial risks of cash and bank balances is disclosed in Note 41 to the financial statements.

(e) The currency exposure profiles of cash and bank balances are as follows:

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Ringgit Malaysia	30,089	29,274	17,821	15,987
Singapore Dollar	6,830	4,895	-	-
US Dollar	5,150	6,131	-	-
Indonesian Rupiah	893	519	-	-
Thai Baht	27	50	-	-
Australian Dollar	1,627	1,201	-	-
Vietnamese Dong	288	379	-	-
Indian rupee	287	-	-	-
Sri Lankan rupee	245	-	-	-
Euro	130	3	-	-
	45,566	42,452	17,821	15,987

19. CASH AND BANK BALANCES (CONT'D)

(f) 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	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Cash and bank balances	40,596	31,344	17,821	9,187
Fixed deposits with licensed banks	4,970	4,308	-	-
Short term deposits - Repo	-	6,800	-	6,800
	45,566	42,452	17,821	15,987
Less:				
Bank overdrafts - secured (Note 27)	(1,123)	(3,343)	-	-
Fixed deposits placed with a licensed bank with original maturity of more than three (3) months	(413)	(399)	-	-
Fixed deposits pledged to licensed banks	(4,557)	(3,693)	-	-
	39,473	35,017	17,821	15,987

20. SHARE CAPITAL

	Group and Company			
	2014		2013	
	Number of shares '000	RM'000	Number of shares '000	RM'000
Ordinary shares of RM0.50 each:				
Authorised	250,000	125,000	250,000	125,000
Issued and fully paid:				
Balance as at 1 July 2013/2012	167,786	83,893	162,286	81,143
Issued pursuant to exercise of warrants	2,976	1,488	5,500	2,750
Balance as at 30 June 2014/2013	170,762	85,381	167,786	83,893

(a) During the financial year, the Company increased its issued and paid-up share capital by the issuance of 2,975,784 (2013: 5,499,758) new ordinary shares of RM0.50 each for cash via the exercise of 2,975,784 (2013: 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.

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

20. SHARE CAPITAL (CONT'D)

20.1 Warrants

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, 2,975,784 (2013: 5,499,758) warrants had been exercised and the balance of warrants that remain unexercised are 15,867,315 (2013: 18,843,099) warrants.

21. RESERVES

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Non-distributable:				
Available-for-sale reserve	297	-	-	-
Exchange translation reserve	935	888	-	-
Share premium	3,984	2,585	3,984	2,585
	5,216	3,473	3,984	2,585
Distributable:				
Retained earnings	77,738	61,412	14,086	10,510
	82,954	64,885	18,070	13,095

(a) Available-for-sale reserve

This reserve arose from gains or losses of financial assets classified as available-for-sale.

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

21. RESERVES (CONT'D)

(c) Share premium

The premium arose from the exercise of warrants.

(d) Retained earnings

The Company moved to a single tier system and as a result, there is no restriction on the distribution of dividends out of its entire retained earnings as at the end of the reporting period.

22. HIRE PURCHASE AND LEASE LIABILITIES

	Group	
	2014 RM'000	2013 RM'000
Minimum hire purchase and lease payments:		
- not later than one (1) year	1,324	1,390
- later than one (1) year but not later than five (5) years	3,636	1,188
Total minimum hire purchase and lease payments	4,960	2,578
Less: Future interest charges	(488)	(246)
Present value of hire purchase and lease payments	4,472	2,332
Repayable as follows:		
Current liabilities:		
- not later than one (1) year	1,233	1,264
Non-current liabilities:		
- later than one (1) year but not later than five (5) years	3,239	1,068
	4,472	2,332

(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 41 to the financial statements.

(c) The currency exposure profiles of hire purchase and lease liabilities are as follows:

	Group	
	2014 RM'000	2013 RM'000
Australian Dollar	223	258
Indonesian Dollar	496	542
Ringgit Malaysia	3,409	1,162
Thai Baht	60	-
Singapore Dollar	284	370
	4,472	2,332

23. TERM LOANS

	Group	
	2014 RM'000	2013 RM'000
Secured		
Term loan I	-	-
Term loan II	-	40
Term loan III	-	4,962
Term loan IV	-	638
Term loan V	10,040	10,820
Term loan VI	1,825	2,000
Term loan VII	3,314	3,739
Term loan VIII	2,465	2,766
Term loan IX	1,783	2,289
Term loan X	2,381	3,011
Term loan XVII	3,023	-
Term loan XVIII	2,082	-
Term loan XIX	4,434	-
Term loan XX	6,833	-
	38,180	30,265
Unsecured		
Term loan XI	750	1,356
Term loan XII	514	1,164
Term loan XIII	550	1,150
Term loan XIV	1,000	1,480
Term loan XV	600	1,123
Term loan XVI	605	1,131
	4,019	7,404
Total term loans	42,199	37,669

	Group	
	2014 RM'000	2013 RM'000
Term loans are repayable as follows:		
Current liabilities:		
- not later than one (1) year	9,528	7,541
Non-current liabilities:		
- later than one (1) year but not later than two (2) years	9,389	6,873
- later than two (2) years but not later than five (5) years	12,480	17,527
- later than five (5) years	10,802	5,728
	32,671	30,128
	42,199	37,669

23. TERM LOANS (CONT'D)

(a) Term loan I was fully settled in the previous financial year.

(b) Term loans II and III were fully settled during the current financial year.

The term loans II and III were 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 were guaranteed by the Company.

(c) Term loan IV was fully settled during the current financial year.

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

(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% (2013: 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 (2013: 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 (2013: 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 (2013: 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 (2013: 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 RM72,156 and bears interest at (2013: 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 at a 1.50% (2013: 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% (2013: 6.35%) and 6.35% (2013: 6.35%) per annum respectively.

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

23. TERM LOANS (CONT'D)

(j) Term loan XIV is repayable by 60 monthly instalments of RM40,000 and bears interest at a flat rate of 5.93% (2013: 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% (2013: 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% (2013: 5.80%) per annum.

The term loan XVI is guaranteed by the Company.

(m) Term loans XVII and XVIII are repayable by 48 monthly instalments of SGD25,333 and SGD20,000 respectively, which are equivalent to RM64,320 and RM50,780 respectively and bear interest at 1.50% per annum above the effective cost of fund of the bank.

The term loans XVII and XVIII are secured by way of mortgage over a barge and a tugboat respectively as disclosed in Note 7 to the financial statements and are guaranteed by one of the Directors of a subsidiary.

(n) Term loan XIX is repayable by 96 monthly instalments of RM47,100 plus one final instalment of RM53,500 and bears interest at 1.00% per annum above the effective cost of fund of the bank.

Term loan XX is repayable by 108 monthly instalments of RM185,000 plus one final instalment of RM205,000 and bears interest at 1.00% per annum above the effective cost of fund of the bank.

The term loans XIX and XX 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.

(o) Information on financial risks of term loans and their remaining maturity is disclosed in Note 41 to the financial statements.

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

	Group	
	2014	**2013**
	RM'000	**RM'000**
Ringgit Malaysia	32,930	31,732
Singapore Dollar	9,269	5,937
	42,199	37,669

24. DEFERRED TAX LIABILITIES

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

	Group	
	2014 RM'000	2013 RM'000
Balance as at 1 July 2013/2012	8,880	7,148
Recognised in profit or loss (Note 31)		
- Originating and reversal of temporary differences	242	1,753
- Over provision in prior years	(11)	(21)
Balance as at 30 June 2014/2013	9,111	8,880

(b) The movements of deferred tax liabilities during the financial year are as follows:

	Group	
	2014 RM'000	2013 RM'000
Deferred tax liabilities		
Balance as at 1 July 2013/2012	8,880	7,148
Recognised in profit or loss		
- Property, plant and equipment	437	1,764
- Unrealised loss on foreign currency transactions	(44)	(32)
- Others	(162)	-
Balance as at 30 June 2014/2013	9,111	8,880

24. DEFERRED TAX LIABILITIES (CONT'D)

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

	Group	
	2014 RM'000	2013 RM'000
Deferred tax liabilities		
Property, plant and equipment	9,317	8,880
Unrealised loss on foreign currency transactions	(44)	-
Others	(162)	-
	9,111	8,880

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

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Unused tax losses	2,308	1,625	966	1,042
Unabsorbed capital allowances	6	6	-	-
Others	168	189	-	-
	2,482	1,820	966	1,042

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 would be available against which the deductible temporary differences could be utilised.

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

25. TRADE PAYABLES

(a) Trade payables are non-interest bearing and the normal trade credit terms granted to the Group range from 7 to 90 days (2013: 7 to 90 days) from date of invoices.

(b) Information on financial risks of trade payables is disclosed in Note 41 to the financial statements.

25. TRADE PAYABLES (CONT'D)

(c) The currency exposure profiles of trade payables are as follows:

	Group	
	2014 RM'000	2013 RM'000
Ringgit Malaysia	18,604	19,093
US Dollar	5,049	4,437
Australian Dollar	2,109	1,437
Singapore Dollar	447	255
Thai Baht	569	675
Indonesian Rupiah	255	452
Euro	124	173
British Pound	11	22
Hong Kong Dollar	10	21
Vietnamese Dong	517	91
Others	175	84
	27,870	26,740

26. OTHER PAYABLES AND ACCRUALS

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Other payables	2,512	3,967	-	-
Accruals	10,408	8,134	501	459
	12,920	12,101	501	459

(a) Information on financial risks of other payables and accruals is disclosed in Note 41 to the financial statements.

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

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Ringgit Malaysia	10,845	10,460	501	459
Australian Dollar	948	653	-	-
Singapore Dollar	213	461	-	-
Indonesian Rupiah	352	263	-	-
Thai Baht	326	174	-	-
Vietnamese Dong	128	76	-	-
Indian rupee	108	14	-	-
	12,920	12,101	501	459

27. 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 19);
(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 41 to the financial statements.

(d) All bank overdrafts are denominated in Ringgit Malaysia ('RM').

28. REVENUE

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Services rendered	403,301	364,808	-	-
Dividend income	-	-	12,194	10,736
Management fees	-	-	3,328	2,890
	403,301	364,808	15,522	13,626

29. FINANCE COSTS

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Interest expense on:				
- bank overdrafts	7	4	-	-
- hire purchase and lease liabilities	296	208	-	-
- term loans	1,813	1,683	-	-
- revolving credits	6	4	-	-
	2,122	1,899	-	-

30. PROFIT BEFORE TAX

		Group		Company	
		2014	2013	2014	2013
	Note	RM'000	RM'000	RM'000	RM'000
Profit before tax is arrived at after charging:					
Auditors' remuneration:					
- statutory		230	196	50	48
- non-statutory		32	32	32	32
Bad debts written off		181	540	-	-
Depreciation of property, plant and equipment	7	11,229	10,631	-	-
Directors' remunerations:					
- Fees:					
- payable by the Company		300	300	300	300
- payable by the subsidiaries		99	99	-	-
- Other emoluments:					
- paid by the Company		35	32	35	32
- paid by the subsidiaries		6,822	5,801	-	-
Impairment losses on:					
- goodwill on consolidation	12	-	15	-	-
- trade receivables	13	702	1,269	-	-
- investment in a subsidiary	8	-	-	300	-
Interest expense	29	2,122	1,899	-	-
Loss on foreign currency transactions					
- unrealised		381	84	-	-
Property, plant and equipment written off	7	116	49	-	-
Rental of premises		1,607	950	-	-
Rental of warehouses		5,911	3,977	-	-
And crediting:					
Bad debts recovered		7	-	-	-
Gain on disposal of property, plant and equipment		1,972	1,507	-	-
Gain on foreign currency transactions:					
- realised		707	373	29	-
- unrealised		-	-	-	8
Gross dividend from subsidiaries		-	-	12,194	10,736
Interest income received from:					
- fixed deposits and repo		295	293	158	153
- current and savings accounts		44	19	24	2
Management fees received from subsidiaries		-	-	3,328	2,890
Rental income		1,069	833	-	-
Reversal of impairment losses on trade receivables	13	625	423	-	-

31. TAX EXPENSE

	Group 2014 RM'000	Group 2013 RM'000	Company 2014 RM'000	Company 2013 RM'000
Current tax expense based on profit for the financial year	4,788	3,947	-	363
Deferred tax (Note 24)	242	1,753	-	-
	5,030	5,700	-	363
Under/(Over) provision in prior years:				
- income tax	244	(228)	253	-
- deferred tax (Note 24)	(11)	(21)	-	-
	233	(249)	253	-
	5,263	5,451	253	363

(a) The Malaysian income tax is calculated at the statutory tax rate of twenty-five percent (25%) (2013: twenty-five percent (25%)) of the estimated taxable profit for the fiscal year.

(b) Tax expenses for other taxation authorities are calculated at the rates prevailing in those respective jurisdictions.

(c) The numerical reconciliation between the effective tax rate and the applicable tax rate of the Group and of the Company is as follows:

	Group 2014 %	Group 2013 %	Company 2014 %	Company 2013 %
Tax at Malaysian statutory tax rate	25.00	25.00	25.00	25.00
Tax effects in respect of:				
Non-allowable expenses	3.43	1.74	1.65	1.13
Non-taxable income	(2.22)	(0.80)	(26.49)	(23.28)
Deferred tax assets not recognised	0.61	0.49	-	0.78
Utilisation of previously unrecognised deferred tax assets	(0.07)	-	(0.16)	-
Lower tax rate in foreign jurisdiction	(2.56)	(2.18)	-	-
Investment tax incentive	(6.63)	(2.64)	-	-
Tax exempt income	(1.24)	(2.75)	-	-
	16.32	18.86	-	3.63
Under/(Over) provision in prior years:				
- income tax	0.79	(0.75)	2.20	-
- deferred tax	(0.04)	(0.07)	-	-
Effective tax rate	17.07	18.04	2.20	3.63

31. TAX EXPENSE (CONT'D)

(d) Tax savings of the Group and of the Company are as follows:

	Group 2014 RM'000	Group 2013 RM'000	Company 2014 RM'000	Company 2013 RM'000
Arising from utilisation of previously unrecognised tax losses	23	-	19	-

(e) Tax on each component of other comprehensive income/(loss) is as follows:

	Group					
	2014			2013		
	Before tax RM'000	Tax effect RM'000	After tax RM'000	Before tax RM'000	Tax effect RM'000	After tax RM'000
Items that may be reclassified subsequently to profit or loss						
Fair value gain on available-for-sale financial assets	297	-	297	-	-	-
Foreign currency translations	13	-	13	(167)	-	(167)
	310	-	310	(167)	-	(167)

32. DIVIDENDS

	Group and Company			
	2014		2013	
	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 2012				
- 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
- Final single tier dividend	3.0	5,118	-	-
In respect of the financial year ended 30 June 2014				
- Interim single tier dividend	1.5	2,562	-	-
	4.5	7,680	4.0	6,574

A final single tier dividend in respect of the financial year ended 30 June 2014 of 3.5 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, would be accounted for as an appropriation of retained earnings in the financial year ending 30 June 2015.

33. EMPLOYEE BENEFITS

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Salaries, wages and bonuses	42,509	37,087	35	32
Contributions to defined contribution plans	4,384	3,685	-	-
Social security contributions	392	342	-	-
Other benefits	1,714	1,134	-	-
	48,999	42,248	35	32

Included in the employee benefits of the Group and of the Company is Directors' remunerations amounting RM6,857,000 (2013: RM5,833,000) and RM35,000 (2013: RM32,000) respectively.

34. 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	
	2014 '000	2013 '000
Profit attributable to equity holders of the parent (RM)	24,006	22,566
Weighted average number of ordinary shares in issue (unit)	167,786	162,286
Effect of exercise of warrants	2,624	84
Adjusted weighted average number of ordinary shares applicable to basic earnings per ordinary share	170,410	162,370
Basic earnings per ordinary share (sen)	14.09	13.90

(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	
	2014 '000	2013 '000
Profit attributable to equity holders of the parent (RM)	24,006	22,566
Weighted average number of ordinary shares in issue applicable to basic earnings per ordinary share (unit)	170,410	162,370
Effect of dilution in exercise of warrants	6,530	1,919
Adjusted weighted average number of ordinary shares applicable to diluted earnings per ordinary share	176,940	164,289
Diluted earnings per ordinary share (sen)	13.57	13.74

35. DILUTION OF EQUITY INTEREST IN A SUBSIDIARY

In the previous financial year, Dependable Global Express Malaysia Sdn. Bhd. ('DGEM'), a wholly-owned subsidiary of FM Multimodal Services Sdn. Bhd. ('FMMS') *(formerly known as Citra Multimodal Services Sdn. Bhd.)*, which in turn was 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. FMMS 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 FMMS 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.

36. RELATED PARTY DISCLOSURES

(a) Identities of related parties

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

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

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

Related parties	**Relationships**
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
1st Cornerstone Investment Pte. Ltd.	Related by a common director of a subsidiary, namely Tay Nguang Yeow Andrew
FM Distribution Sdn. Bhd.	An associate of a subsidiary, namely FM Global Logistics (M) Sdn. Bhd.

36. RELATED PARTY DISCLOSURES (CONT'D)

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

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Freight charges received/receivable from:				
- Poo Hua Pte. Ltd.	-	2,475	-	-
- 1st Cornerstone Investment Pte. Ltd.	3,040	-	-	-
Freight charges paid/payable to:				
- FM Forwarding Sdn. Bhd.	3,944	3,564	-	-
- Advance Logistics Sdn. Bhd.	3,715	4,065	-	-
Rental income received/receivable from:				
- FM Distribution Sdn. Bhd.	296	377	-	-
Warehouse services received/ receivable from:				
- FM Distribution Sdn. Bhd.	9	9	-	-
Dividend paid/payable to a Director of a subsidiary	70	41	-	-
Administrative expenses paid/payable to:				
- FM Global Logistics (M) Sdn. Bhd.	-	-	2,400	2,400
Gross dividends received from subsidiaries	-	-	12,194	10,736
Management fees received from subsidiaries	-	-	3,328	2,890

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

(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.

36. RELATED PARTY DISCLOSURES (CONT'D)

(c) Compensation of key management personnel (cont'd)

The remunerations of Directors and other key management personnel during the financial year were as follows:

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Short term employee benefits	5,976	5,093	35	32
Contributions to defined contribution plans	881	740	-	-
	6,857	5,833	35	32

37. 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 activities of the Group concerning dividends or additional debt. The Group has aggregate future minimum lease commitment as at the end of each reporting period as follows:

	Group	
	2014 RM'000	2013 RM'000
Not later than one (1) year	4,372	6,494
Later than one (1) year but not later than five (5) years	2,597	5,027
	6,969	11,521

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

	Group	
	2014 RM'000	2013 RM'000
Ringgit Malaysia	5,621	10,598
Singapore Dollar	42	111
Thai Baht	203	497
Vietnamese Dong	250	111
Indonesian Rupiah	217	136
Australian Dollar	636	68
	6,969	11,521

37. COMMITMENTS (CONT'D)

(a) Operating lease commitments (cont'd)

(ii) The Group as lessor

The Group has entered into non-cancellable lease arrangements on a property 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	
	2014	**2013**
	RM'000	**RM'000**
Not later than one (1) year	884	460
Later than one (1) year but not later than five (5) years	1,389	450
	2,273	910

(b) Capital commitments

	Group	
	2014	**2013**
	RM'000	**RM'000**
Capital expenditure in respect of purchase of property, plant and equipment:		
- contracted but not provided for	16,512	1,688

38. CONTINGENT LIABILITIES - UNSECURED

	Company	
	2014	**2013**
	RM'000	**RM'000**
Corporate guarantee given to financial institutions for credit facilities granted to subsidiaries, limit up to RM116,817,000 (2013: RM86,624,000)	39,652	38,027

The Directors are of the view that the likelihood of the financial institutions calling upon the corporate guarantees is remote. Accordingly, the fair values of the above corporate guarantees given to the subsidiaries for banking facilities are negligible.

39. OPERATING SEGMENTS

The Company and its subsidiaries are principally engaged in the freight and forwarding industry. The Group has arrived at seven (7) (2013: 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, India and Singapore, which involved in two separate natures of services summarised as below:

(a) Logistics

There are six (6) (2013: 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, Vietnam and India.

(b) Marine

There is one (1) (2013: 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 operating segments' performance on the basis of profit or loss from operations before tax not including non-recurring losses such as goodwill impairment.

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

Segment assets exclude tax assets.

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

39. 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	India RM'000	Singapore RM'000	RM'000	RM'000
2014									
Revenue									
Total revenue	317,414	29,612	22,830	8,348	7,784	3,607	17,182	20,066	426,843
Inter-segment revenue	(1,363)	(217)	(589)	(1,014)	(213)	(130)	-	(20,016)	(23,542)
Revenue from external customers	316,051	29,395	22,241	7,334	7,571	3,477	17,182	50	403,301
Finance costs	(1,640)	(22)	(61)	(5)	-	-	(394)	-	(2,122)
Share of profit/(loss) of associates	12	-	-	-	-	-	-	(103)	(91)
Share of loss of a joint venture	-	-	-	-	-	-	-	(62)	(62)
Segment profit/(loss) before income tax	30,921	1,601	3,781	(1,332)	629	(868)	1,581	7,042	43,355
Investments in associates	329	-	-	-	-	-	-	2,896	3,225
Interests in joint ventures	-	-	-	-	-	-	-	2,589	2,589
Other investments	3	-	-	-	-	-	213	3,854	4,070
Additions to non-current assets other than financial instruments	21,060	67	322	213	75	160	7,935	156	29,988
Segment assets	194,624	5,833	6,690	1,721	2,002	1,374	36,681	35,862	284,787
Segment liabilities	67,475	3,389	1,706	1,414	666	456	11,598	4,507	91,211

39. OPERATING SEGMENTS (CONT'D)

	Logistics						Marine	Other operating segments	
	Malaysia RM'000	Australia RM'000	Indonesia RM'000	Thailand RM'000	Vietnam RM'000	India RM'000	Singapore RM'000	RM'000	Total RM'000
2014									
Other material non-cash items									
Bad debts written off	15	166	-	-	-	-	-	-	181
Depreciation of property, plant and equipment	8,741	78	181	87	41	53	1,899	149	11,229
(Gain)/Loss on disposal of property, plant and equipment	(215)	-	1	-	-	-	(1,758)	-	(1,972)
Impairment losses on trade receivables	493	172	33	1	3	-	-	-	702
Property, plant and equipment written off	112	2	-	-	-	-	-	2	116
Reversal of impairment losses on trade receivables	(603)	(21)	-	-	(1)	-	-	-	(625)

39. OPERATING SEGMENTS (CONT'D)

	[------ Logistics				------]	[--Marine--]	Other operating	
	Malaysia RM'000	Australia RM'000	Indonesia RM'000	Thailand RM'000	Vietnam RM'000	Singapore RM'000	segments RM'000	Total 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 profit/(loss) 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
Other investments	3	-	-	-	-	-	-	3
Additions to non-current assets other than financial instruments	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

39. OPERATING SEGMENTS (CONT'D)

	[------ Logistics				------]	[--Marine--]	Other operating segments	
	Malaysia RM'000	Australia RM'000	Indonesia RM'000	Thailand RM'000	Vietnam RM'000	Singapore RM'000	RM'000	Total 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	208	10,631
(Gain)/Loss on disposal of property, plant and equipment	(286)	5	1	-	-	(1,227)	-	(1,507)
Impairment loss on goodwill on consolidation	-	4	-	-	-	-	11	15
Impairment losses on trade receivables	849	303	31	40	-	46	-	1,269
Property, plant and equipment written off	43	-	2	1	2	1	-	49
Reversal of impairment losses on trade receivables	(329)	(93)	(1)	-	-	-	-	(423)

39. OPERATING SEGMENTS (CONT'D)

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

Revenue	2014 RM'000	2013 RM'000
Total revenue for reportable segments	426,843	386,189
Elimination of inter-segmental revenues	(23,542)	(21,381)
Revenue of the Group per consolidated statement of profit or loss and other comprehensive income	403,301	364,808
Profit for the financial year		
Total profit or loss for reportable segments	43,355	40,975
Elimination of inter-segment profits	(12,528)	(10,736)
Impairment loss on goodwill on consolidation	-	(15)
Profit before tax	30,827	30,224
Tax expense	(5,263)	(5,451)
Profit for the financial year of the Group per consolidated statement of profit or loss and other comprehensive income	25,564	24,773
Assets		
Total assets for reportable segments	284,787	255,718
Current tax assets	927	1,323
Assets of the Group per consolidated statement of financial position	285,714	257,041
Liabilities		
Total liabilities for reportable segments	91,211	84,719
Current tax liabilities	2,090	1,932
Deferred tax liabilities	9,111	8,880
Liabilities of the Group per consolidated statement of financial position	102,412	95,531

Major customers

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

40. FINANCIAL INSTRUMENTS

(a) Capital management

The primary objective of the capital management of the Group 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 2013.

40. FINANCIAL INSTRUMENTS (CONT'D)

(a) Capital management (cont'd)

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 2014 and 30 June 2013.

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 bank balances. Capital represents equity attributable to the owners of the parent.

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Trade payables	27,870	26,740	-	-
Other payables and accruals	12,920	12,101	501	459
Amounts owing to subsidiaries	-	-	6,770	3,988
Amounts owing to related parties	65	17	-	-
Hire purchase and lease liabilities	4,472	2,332	-	-
Term loans	42,199	37,669	-	-
Bank overdrafts - secured	1,123	3,343	-	-
Dividend payable	2,562	2,517	2,562	2,517
Total liabilities	91,211	84,719	9,833	6,964
Less: Cash and bank balances	(45,566)	(42,452)	(17,821)	(15,987)
Net debt/(cash)	45,645	42,267	(7,988)	(9,023)
Total capital	183,302	161,510	103,451	96,988
Net debt/(cash)	45,645	42,267	(7,988)	(9,023)
Total	228,947	203,777	95,463	87,965
Gearing ratio	20%	21%	-	-

Pursuant to the requirements of Practice Note No. 17/2005 of the Bursa Malaysia Securities Berhad, the Group is required to maintain a consolidated shareholders' equity of not less than or equal to twenty-five percent (25%) of the issued and paid-up capital (excluding treasury shares, if any) 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 2014.

40. FINANCIAL INSTRUMENTS (CONT'D)

(b) Categories of financial instruments

Group 2014	Loans and receivables RM'000	Available-for-sale RM'000	Total RM'000
Financial assets			
Other investments	-	4,070	4,070
Trade receivables	76,062	-	76,062
Other receivables and deposits	6,080	-	6,080
Amount owing by an associate	260	-	260
Amounts owing by related parties	1,133	-	1,133
Amount owing by a joint venture	2,561	-	2,561
Cash and bank balances	45,566	-	45,566
	132,824	4,070	136,894

	Other financial liabilities RM'000	Total RM'000
Financial liabilities		
Trade payables	27,870	27,870
Other payables and accruals	12,920	12,920
Amounts owing to related parties	65	65
Hire purchase and lease liabilities	4,472	4,472
Term loans	42,199	42,199
Bank overdrafts - secured	1,123	1,123
Dividend payable	2,562	2,562
	91,211	91,211

Company 2014	Loans and receivables RM'000	Total RM'000
Financial assets		
Other receivables and deposits	1	1
Amounts owing by subsidiaries	17,427	17,427
Amount owing by an associate	260	260
Amount owing by a joint venture	2,561	2,561
Cash and bank balances	17,821	17,821
	38,070	38,070

40. FINANCIAL INSTRUMENTS (CONT'D)

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

Company 2014	Other financial liabilities RM'000	Total RM'000
Financial liabilities		
Other payables and accruals	501	501
Amounts owing to subsidiaries	6,770	6,770
Dividend payable	2,562	2,562
	9,833	9,833

Group 2013	Loans and receivables RM'000	Available-for-sale RM'000	Total RM'000
Financial assets			
Other investments	-	3	3
Trade receivables	76,059	-	76,059
Other receivables and deposits	6,113	-	6,113
Amount owing by an associate	8	-	8
Amounts owing by related parties	594	-	594
Cash and bank balances	42,452	-	42,452
	125,226	3	125,229

	Other financial liabilities RM'000	Total RM'000
Financial liabilities		
Trade payables	26,740	26,740
Other payables and accruals	12,101	12,101
Amounts owing to related parties	17	17
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

40. FINANCIAL INSTRUMENTS (CONT'D)

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

Company 2013	Loans and receivables RM'000	Total RM'000
Financial assets		
Other receivables and deposits	1	1
Amounts owing by subsidiaries	13,252	13,252
Cash and bank balances	15,987	15,987
	29,240	29,240

	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

(c) 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 portion of loans and borrowings are reasonable approximation of their 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.

40. FINANCIAL INSTRUMENTS (CONT'D)

(c) Methods and assumptions used to estimate fair values (cont'd)

The fair values of financial assets and financial liabilities are determined as follows (cont'd):

(iii) Other investments - Unquoted investments

The fair values of these unquoted investments are estimated based on the price-earnings ratio valuation model. Management obtained the industry price-earnings ratio from observable market data, discounted the price-earnings ratio for illiquidity, and multiplied the discounted price-earnings ratio with the earnings per share of the investee to derive the estimated fair values. Management believes that the estimated fair values resulting from this valuation model are reasonable and the most appropriate at the end of each reporting period.

(d) Fair value hierarchy

Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Fair values of non-derivative liabilities, which are determined for disclosure purposes, are calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the end of the reporting period. For other borrowings, the market rate of interest is determined by reference to similar borrowing arrangements.

Level 3 fair value measurements are those derived from inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

Financial instruments	**Significant unobservable inputs**	**Inter-relationship between key unobservable inputs and fair values**
Financial assets		
Unquoted investments	Discounted industry price-earnings ratio (5.85)	The higher the price-earnings ratio, the higher the fair values of the unquoted investments would be.

40. FINANCIAL INSTRUMENTS (CONT'D)

(d) Fair value hierarchy (cont'd)

The following tables set out the financial instruments carried at fair values and those not carried at fair values for which fair value is disclosed, together with their fair values and carrying amounts shown in the statements of financial position.

	Fair values of financial instruments carried at fair value				Fair values of financial instruments not carried at fair value				Total fair value	Carrying amount
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	RM'000	RM'000
Group **2014**										
Financial assets										
Available-for-sale financial assets										
- Unquoted investments	-	-	4,070	4,070	-	-	-	-	4,070	4,070
Financial liabilities										
Other financial liabilities										
- Hire purchase and lease liabilities	-	-	-	-	-	4,359	-	4,359	4,359	4,472
- Term loans	-	-	-	-	-	7,347	-	7,347	7,347	7,434
	-	-	-	-	-	11,706	-	11,706	11,706	11,906

40. FINANCIAL INSTRUMENTS (CONT'D)

(d) Fair value hierarchy (cont'd)

The following tables set out the financial instruments carried at fair values and those not carried at fair values for which fair value is disclosed, together with their fair values and carrying amounts shown in the statements of financial position (cont'd).

	Fair values of financial instruments carried at fair value				Fair values of financial instruments not carried at fair value					
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	Total fair value RM'000	Carrying amount RM'000
Group										
2013										
Financial assets										
Available-for-sale financial assets										
- Unquoted shares	-	-	3	3	-	-	-	-	3	3
Financial liabilities										
Other financial liabilities										
- Hire purchase and lease liabilities	-	-	-	-	-	2,237	-	2,237	2,237	2,332
- Term loans	-	-	-	-	-	11,067	-	11,067	11,067	11,348
	-	-	-	-	-	13,304	-	13,304	13,304	13,680

40. FINANCIAL INSTRUMENTS (CONT'D)

(e) The following table shows a reconciliation of Level 3 fair values:

Group	2014 RM'000	2013 RM'000
Financial assets		
Balance as at 1 July 2013/2012	3	3
Additions	3,770	-
Gain recognised in other comprehensive income	297	-
Balance as at 30 June 2014/2013	4,070	3

(f) The following table shows sensitivity analysis for the Level 3 fair values measurements:

Group	2014 RM'000	2013 RM'000
Profit after tax		
Price-earnings ratio		
- Increase by 0.5	330	-
- Decrease by 0.5	(330)	-

(g) The Group has an established control framework in respect to the measurement of fair values of financial instruments. The management has overall responsibility for overseeing all significant fair value measurements and reports directly to the Group Managing Director. The management regularly reviews significant unobservable inputs and valuation adjustments.

41. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The financial risk management objective of the Group 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 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.

(a) Credit risk

Cash deposits and trade receivables could 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 policy of the Group to monitor the financial standing of these counter parties on an ongoing basis to ensure that the Group is exposed to minimal credit risk.

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

(a) Credit risk (cont'd)

The primary exposure of the Group to credit risk arises through its trade receivables. The trading terms of the Group with its customers are mainly on credit. The average credit period is two (2) months. 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 maximum exposure of the Group to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

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

Credit risk concentration profile

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

	2014		2013	
	RM'000	% of total	RM'000	% of total
By country				
Domestic	62,109	82	60,193	79
Foreign	13,953	18	15,866	21
	76,062	100	76,059	100

The Company does not have any significant concentration of credit risk other than the amounts owing by subsidiaries, which constitutes 85.63% (2013: 97.80%) of total receivables of the Company as at the end of each reporting period.

Financial assets that are neither past due nor impaired

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

Financial assets that are either past due or impaired

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

(b) Liquidity and cash flow risk

The Group actively manages its debt maturity profile, operating cash flows and availability of funding so as to ensure that all operating, investing and financing needs are met. In executing its liquidity risk management strategy, the Group measures and forecasts its cash commitments and maintains a level of cash and cash equivalents deemed adequate to finance the activities of the Group. In addition, the Group strives to maintain available banking facilities at a reasonable level to meet its business needs.

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

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

The table below summarises the maturity profile of the liabilities of the Group and of the Company 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 2014				
Group				
Financial liabilities				
Trade payables	27,870	-	-	27,870
Other payables and accruals	12,920	-	-	12,920
Amounts owing to related parties	65	-	-	65
Hire purchase and lease liabilities	1,324	3,636	-	4,960
Term loans	11,337	25,449	10,909	47,695
Bank overdrafts - secured	1,123	-	-	1,123
Dividend payable	2,562	-	-	2,562
Total undiscounted financial liabilities	57,201	29,085	10,909	97,195
Company				
Financial liabilities				
Other payables and accruals	501	-	-	501
Amounts owing to subsidiaries	6,770	-	-	6,770
Dividend payable	2,562	-	-	2,562
Total undiscounted financial liabilities	9,833	-	-	9,833

	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	12,101	-	-	12,101
Amounts owing to related parties	17	-	-	17
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

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

(b) 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 2013				
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

(c) Interest rate risk

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

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

Sensitivity analysis for interest rate risk

Group

As at 30 June 2014, if interest rates at the date had been 100 basis points lower with all other variables held constant, the post-tax profit of the Group for the year would have been RM554,000 (2013: RM263,000) 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 post-tax profit of the Group for the year would have been RM554,000 (2013: RM263,000) 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

In the previous financial year, if interest rates at the date had been 100 basis points lower with all other variables held constant, the post-tax profit of the Company for the year would have been RM82,000 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 post-tax profit of the Company for the year would have been RM82,000 higher respectively, arising mainly as a result of higher interest income from deposits. The assumed movement in basis points for interest rate sensitivity analysis was based on the currently observable market environment.

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

(c) 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 financial instruments of the Group and of the Company that are exposed to interest rate risk:

	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 2014									
Group									
Fixed rates									
Fixed deposits with licensed banks	19	3.02	4,970	-	-	-	-	-	4,970
Hire purchase and lease liabilities	22	5.91	1,233	1,293	1,051	832	63	-	4,472
Term loans	23	5.83	3,997	2,002	1,435	-	-	-	7,434
Floating rates									
Bank overdrafts - secured	27	7.35	1,123	-	-	-	-	-	1,123
Term loans	23	5.51	5,531	7,387	5,437	3,353	2,255	10,802	34,765

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

(c) 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 financial instruments of the Group and of the Company 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 2013									
Group									
Fixed rates									
Fixed deposits with licensed banks	19	3.29	4,308	-	-	-	-	-	4,308
Short term deposits - Repo	19	2.05	6,800	-	-	-	-	-	6,800
Hire purchase and lease liabilities	22	7.31	1,264	405	495	168	-	-	2,332
Term loans	23	5.85	4,015	3,964	1,969	1,400	-	-	11,348
Floating rates									
Bank overdrafts - secured	27	7.31	3,343	-	-	-	-	-	3,343
Term loans	23	4.81	3,526	2,909	2,484	2,362	9,312	5,728	26,321
Company									
Fixed rate									
Short term deposits - Repo	19	2.05	6,800	-	-	-	-	-	6,800

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

(d) Foreign currency risk

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

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

It is not the policy of the Group to enter into foreign exchange contracts in managing its foreign exchange risk resulting from cash flows on transactions denominated in foreign currency as transactions denominated in foreign currency are minimal.

The Group is also exposed to foreign currency risk in respect of its overseas investments. The Group and the Company do not hedge this exposure with foreign currency borrowings.

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the profit net of tax of the Group 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	
		2014 Profit net of tax RM'000	**2013 Profit net of tax RM'000**
USD/RM	- Strengthened 5% (2013: 5%)	+224	+357
	- Weakened 5% (2013: 5%)	-224	-357
SGD/RM	- Strengthened 5% (2013: 5%)	+170	+123
	- Weakened 5% (2013: 5%)	-170	-123
GBP/RM	- Strengthened 5% (2013: 5%)	-5	+1
	- Weakened 5% (2013: 5%)	+5	-1
EUR/RM	- Strengthened 5% (2013: 5%)	-2	+7
	- Weakened 5% (2013: 5%)	+2	-7

Sensitivities of other foreign currencies are not disclosed as they are not material to the Group.

42. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

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

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

The intended activity of FMGLP was to undertake the business to provide point to point integrated logistics services to and from Philippines. FMGLP had 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 was contributed as follows:

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

The contractual arrangement stipulates unanimous consent of all parties over relevant activities of FMGLP and provides the Group with only the rights to the net assets of the joint arrangement, with the rights to the assets and obligation for liabilities of the joint arrangement resting primarily with FMGLP. This joint arrangement has been classified as joint venture and has been included in the consolidated financial statements using the equity method.

Contemporaneously, FMGLV entered 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.

(b) On 27 February 2014, the Company announced that its wholly-owned subsidiary, FM Global Logistics Ventures Sdn. Bhd. ('FMGLV') *(formerly known as Icon Line (Malaysia) Sdn. Bhd.)*, had on 26 February 2014 subscribed for 3,618,820 shares of Sri Lankan Rupee (LKR) 1.00 each in FM Global Logistics Lanka (Private) Limited ('FMGLL'), a company incorporated under the laws of Sri Lanka for a total cash consideration of LKR3,618,820 (equivalent to approximately RM94,089).

FMGLL's business activity is providing integrated freight and logistics services. Upon the completion of the allotment of shares, FMGLV holds 40% equity interest in FMGLL. The acquisition was funded through internally generated funds. The above incorporation of FMGLL did not have any material financial effect to the Group.

43. 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:

	2014		2013	
	Group RM'000	Company RM'000	Group RM'000	Company RM'000
Total retained earnings of the Company and its subsidiaries:				
- Realised	118,647	14,086	100,544	10,510
- Unrealised	(9,492)	-	(8,964)	-
	109,155	14,086	91,580	10,510
Total share of retained earnings from associates:				
- Realised	148	-	239	-
Total share of accumulated losses from joint ventures:				
- Realised	(62)	-	-	-
Less: Consolidation adjustments	(31,503)	-	(30,407)	-
Total retained earnings	77,738	14,086	61,412	10,510

ANALYSIS OF SHAREHOLDINGS
AS AT 8 OCTOBER 2014

SHARE CAPITAL

Authorised share capital	:	RM125,000,000
Issued and paid up share capital	:	RM85,401,127
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	165	13.54	7,122	0.00
100 to 1,000	350	28.71	111,226	0.07
1,001 to 10,000	437	35.84	1,926,357	1.13
10,001 to 100,000	211	17.31	6,483,972	3.80
100,001 to Less Than 5%	52	4.27	52,261,387	30.60
5% And Above	4	0.33	110,012,190	64.41
TOTAL	1,219	100.00	170,802,254	100.00

DIRECTORS' SHAREHOLDINGS

Names	Direct Interest No. of Shares Held	%	Indirect Interest No. of Shares Held	%
CHEW CHONG KEAT	43,011,110	25.18	183,333§	0.11
YANG HENG LAM	29,701,374	17.39	423,199*	0.25
GAN SIEW YONG	7,042,189	4.12	183,333§	0.11
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^	21.85
KHUA KIAN KEONG (alternate director to Chua Tiong Hock)	-	-	37,325,800^	21.85

§ Deemed interested in shares held by their children by virtue of Section 134 of the Companies Act, 1965.
* 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

Substantial Shareholders	Direct Interest No. of Shares Held	%	Indirect Interest No. of Shares Held	%
1 CHEW CHONG KEAT	43,011,110	25.18	183,333§	0.11
2 SINGAPORE ENTERPRISES PRIVATE LIMITED	37,325,800	21.85	-	-
3 YANG HENG LAM	29,701,374	17.39	423,199*	0.25

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

TOP 30 SHAREHOLDERS AS AT 8 OCTOBER 2014

No.	Names	No. of Shares Held	%
1	CHEW CHONG KEAT	43,011,110	25.18
2	SINGAPORE ENTERPRISES PRIVATE LIMITED	37,325,800	21.85
3	YANG HENG LAM	29,701,374	17.39
4	HSBC NOMINEES (ASING) SDN BHD (EXEMPT AN FOR JPMORGAN CHASE BANK, NATIONAL ASSOCIATION (BERMUDA))	8,222,900	4.81
5	HSBC NOMINEES (ASING) SDN BHD (KBL EURO PB FOR HALLEY SICAV - HALLEY ASIAN PROSPERITY)	7,357,400	4.31
6	GAN SIEW YONG	7,042,189	4.12
7	CITIGROUP NOMINEES (ASING) SDN BHD (JP MORGAN CLR CORP FOR FPA HAWKEYE FUND, LLC (FPA GLB OPP FD))	2,482,700	1.45
8	MALAYSIA NOMINEES (TEMPATAN) SENDIRIAN BERHAD (GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (LPF))	2,433,180	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	MAYBAN NOMINEES (TEMPATAN) SDN BHD (PLEDGED SECURITIES ACCOUNT FOR YOONG FUI KIEN)	1,611,300	0.94
13	LIU SUON LAONG @ LAU SUON LAONG	1,439,000	0.84
14	SEE KOK HING	1,387,180	0.81
15	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD (PLEDGED SECURITIES ACCOUNT FOR WONG TET FUI (8054679))	1,314,000	0.77
16	TANG GEONG KOANG	1,073,333	0.63
17	CARTABAN NOMINEES (ASING) SDN BHD (SSBT FUND F9EX FOR FIDELITY NORTHSTAR FUND)	1,000,000	0.59
18	HSBC NOMINEES (ASING) SDN BHD (EXEMPT AN FOR JPMORGAN CHASE BANK, NATIONAL ASSOCIATION (U.S.A))	809,341	0.47

TOP 30 SHAREHOLDERS AS AT 8 OCTOBER 2014 (CONT'D)

No.	Names	No. of Shares Held	%
19	DB (MALAYSIA) NOMINEE (ASING) SDN BHD (EXEMPT AN FOR DEUTSCHE BANK AG SINGAPORE (PWM ASING))	740,000	0.43
20	CHEW PHEK YING	698,333	0.41
21	LIN, KUANG	666,666	0.39
22	MALAYSIA NOMINEES (TEMPATAN) SENDIRIAN BERHAD (GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (NULF 1))	553,033	0.32
23	YVONNE KALATHINI A/P M. VIJAYARAJ	533,333	0.31
24	TODA TORU	476,189	0.28
25	GOH CHONG WENG	450,000	0.26
26	YEOW SOON GUAT	423,199	0.25
27	MAYBANK NOMINEES (TEMPATAN) SDN BHD (PLEDGED SECURITIES ACCOUNT FOR MARCIA LOH YUNN PING)	400,000	0.23
28	HSBC NOMINEES (ASING) SDN BHD (BBH AND CO BOSTON FOR GRANDEUR PEAK EMERGING MARKETS OPPORTUNITIES FUND)	327,900	0.19
29	LOH YOKE PENG	323,809	0.19
30	MALACCA EQUITY NOMINEES (TEMPATAN) SDN BHD (EXEMPT AN FOR PHILLIP CAPITAL MANAGEMENT SDN BHD)	308,570	0.18

Type of Securities	:	5 Years Warrants 2012/2017
Total Warrants Issued and Not Exercised	:	15,826,318
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	407	38.61	10,122	0.06
100 to 1,000	351	33.30	172,299	1.09
1,001 to 10,000	229	21.72	733,343	4.63
10,001 to 100,000	52	4.93	1,552,434	9.81
100,001 to Less Than 5%	10	0.95	2,113,744	13.36
5% And Above	5	0.47	11,244,376	71.05
TOTAL	1,054	100.00	15,826,318	100.00

DIRECTORS' WARRANT HOLDINGS

Names	Direct Interest No. of Warrants Held	%	Indirect Interest No. of Warrants Held	%
CHEW CHONG KEAT	3,780,633	23.89	-	-
YANG HENG LAM	4,512,185	28.51	35,000 *	0.22
GAN SIEW YONG	1,056,347	6.67	-	-
DATUK DR HJ NOORDIN BIN HJ AB RAZAK	-	-	-	-
AARON SIM KWEE LEIN	-	-	-	-
ONG LOOI CHAI	285,990	1.81	-	-
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 8 OCTOBER 2014

No.	Names	No. of Warrants Held	%
1	YANG HENG LAM	4,512,185	28.51
2	CHEW CHONG KEAT	3,780,633	23.89
3	GAN SIEW YONG	1,056,347	6.67
4	HSBC NOMINEES (ASING) SDN BHD (EXEMPT AN FOR JPMORGAN CHASE BANK, NATIONAL ASSOCIATION (BERMUDA))	992,760	6.27

TOP 30 WARRANTHOLDERS AS AT 8 OCTOBER 2014 (CONT'D)

No.	Names	No. of Warrants Held	%
5	FOO SOOK WAN	906,365	5.73
6	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD (PLEDGED SECURITIES ACCOUNT FOR WONG YEE HUI (8095789))	355,660	2.25
7	ONG LOOI CHAI	285,990	1.81
8	CITIGROUP NOMINEES (ASING) SDN BHD (JP MORGAN CLR CORP FOR FPA HAWKEYE FUND, LLC (FPA GLB OPP FD))	264,420	1.67
9	MAYBANK NOMINEES (TEMPATAN) SDN BHD (PLEDGED SECURITIES ACCOUNT FOR LIEW WAI MING)	241,000	1.52
10	SUSY DING	205,200	1.30
11	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD (PLEDGED SECURITIES ACCOUNT FOR WONG TET FUI (8054679))	197,100	1.25
12	NIOW SOO SEE	195,245	1.23
13	LOONG MEI YIN	130,100	0.82
14	MAYBANK SECURITIES NOMINEES (TEMPATAN) SDN BHD (PLEDGED SECURITIES ACCOUNT FOR AHMAD ZAIDAN BIN HJ KHAIRUDDIN MOHD (REM 646-MARGIN))	130,000	0.82
15	DB (MALAYSIA) NOMINEE (ASING) SDN BHD (EXEMPT AN FOR DEUTSCHE BANK AG SINGAPORE (PWM ASING))	111,000	0.70
16	LIN, KUANG	100,000	0.63
17	LIU SUON LAONG & LAU SUON LAONG	100,000	0.63
18	YVONNE KALATHINI A/P M.VIJAYARAJ	80,000	0.51
19	TODA TORU	71,428	0.45
20	KENANGA NOMINEES (ASING) SDN BHD (MONEX BOOM SECURITIES (HK) LIMITED FOR ENDO KAORU)	63,700	0.40
21	TANG GEONG KOANG	51,900	0.33
22	TAN LING HUOY	50,000	0.32
23	LOH YOKE PENG	48,571	0.31
24	MALACCA EQUITY NOMINEES (TEMPATAN) SDN BHD (EXEMPT AN FOR PHILLIP CAPITAL MANAGEMENT SDN BHD)	46,285	0.29

TOP 30 WARRANTHOLDERS AS AT 8 OCTOBER 2014 (CONT'D)

No.	Names	No. of Warrants Held	%
25	HO NYUK FOONG	40,500	0.26
26	HLB NOMINEES (TEMPATAN) SDN BHD (PLEDGED SECURITIES ACCOUNT FOR YAP KOK KHEN)	40,000	0.25
27	YEOH TENG WEI	38,600	0.24
28	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD (PLEDGED SECURITIES ACCOUNT FOR TAN KENG AIK (CEB))	36,600	0.23
29	YEOW SOON GUAT	35,000	0.22
30	LAW KOK VOON	34,600	0.22

LIST OF PROPERTIES
AS AT 30 JUNE 2014

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 30.06.14 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	13 years	13 September 1996	277
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	39 years	22 October 1994	401
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	39 years	25 June 2002	418
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	14 years	23 Septmeber 1998	61

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 30.06.14 RM'000
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	14 years	23 September 1998	56
HS (D) 116412, PT 239, Mukim Bandar Sultan Sulaiman, Daerah Klang, Negeri Selangor. Postal Address: Lot 37, Jalan Lebuh Sultan Mohamed 1, Kawasan Perindustrian Bandar Sultan Suleiman, 42000 Port Klang, Selangor Darul Ehsan.	Industrial land Warehouse cum 2-storey office building	Warehouse and Office	653,400	99 years ending on 30 June 2105	8 years	16 September 2005	10,506 (Land) 37,019 (Building)
HS (D) 116367, PT 183 Mukim Bandar Sultan Sulaiman, Daerah Klang, Negeri Selangor. Postal Address: Lot 24, Jalan Lebuh Sultan Mohamed 1, Kawasan Perindustrian Bandar Sultan Suleiman, 42000 Port Klang, Selangor Darul Ehsan.	Industrial land Warehouse cum 2-storey office building	Warehouse and Office	148,815	99 years ending on 30 June 2105	21 years	17 January 2011	6,518 (Land) 7,697 (Building)
HS (D) 37855, PT 478 Mukim 6, Daerah Seberang Perai Tengah, Negeri Pulau Pinang. Postal Address: No 1077, Lorong Perusahaan Maju 1, Kaw Perusahaan F4, 13600 Perai, Pulau Pinang.	Industrial land Warehouse cum 2-storey office building	Warehouse and Office	92,424	60 years ending on 30 October 2052	19 years	11 April 2012	2,064 (Land) 4,913 (Building)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Eighteenth 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 **Tuesday, 25 November 2014** at **10:00 a.m.** for the following purposes:

1. To receive the Audited Financial Statements for the financial year ended 30 June 2014 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 RM417,600.00 in respect of the financial year ended 30 June 2014. **(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 Yang Heng Lam **(ORDINARY RESOLUTION 2)**
   (b) Mr Ong Looi Chai **(ORDINARY RESOLUTION 3)**

4. To approve the payment of a single tier dividend of 3.5 sen per share for the year ended 30 June 2014. **(ORDINARY RESOLUTION 4)**

5. To re-appoint Messrs BDO as the Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration. **(ORDINARY RESOLUTION 5)**

AS SPECIAL BUSINESS:

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

6. **Proposed Renewal of Shareholders' Mandate and Proposed New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature**

   "**THAT**, approval be and is hereby given for the Proposed Renewal of Shareholders' Mandate and Proposed New Shareholders' Mandate for the Freight Management Holdings Bhd Group of Companies to enter into the categories of recurrent related party transactions of a revenue or trading nature falling within the nature of transactions set out in Section 2.4 under Part A of the Circular to Shareholders dated 3 November 2014 ("the Circular"), with the related parties falling within the classes of persons set out in Section 2.4 under Part A of the Circular, such transactions are necessary for the Group's day-to-day operations and carried out in the ordinary course of business, on terms which are not more favorable to the related parties than those generally available to the public and are not detriment of the minority shareholders.

   THAT the authority conferred by such mandate shall continue to be in force until:

   (a) the conclusion of the next Annual General Meeting ("AGM") of the Company, at which time it will lapse, unless by a resolution passed at the next AGM, the authority is renewed;

   (b) the expiration of the period within which the next AGM 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 the earlier.

AND THAT the Directors of the Company be hereby authorised to complete and do all such acts and things as they may consider expedient or necessary to give effect to this Ordinary Resolution." **(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 authorised 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 RM14,086,998 and RM3,983,505 respectively based on the latest audited financial statements of the Company as at 30 June 2014, be allocated by the Company for the Proposed Renewal Share Buy-Back Authority.

THAT such authority shall commerce 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 authorised 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 **(ORDINARY RESOLUTION 9)**
(ii) Mr Aaron Sim Kwee Lein **(ORDINARY RESOLUTION 10)**

10. **Proposed Amendment to the Articles of Association of the Company**

"**THAT** the following Articles of Association of the Company be hereby amended:

Existing Article
Article 141
Subject to the requirements of the Stock Exchange and the Act, a copy of every balance sheet and profit and loss account which is to be laid before the Company in general meeting (including every document required by law to be annexed thereto) together with a copy of the Auditors' report relating thereto and of the Directors' report shall not more than six (6) months after the close of the financial year and not less than twenty-one (21) days before the date of the meeting be sent in printed form or in compact disc read-only memory (CD-ROM) or digital versatile disc read-only memory (DVD-ROM) format or in a format that may be developed in the future for the playback of images to every Member of, and every holder of Debenture of the Company and to every other person who is entitled to receive notices from the Company under the provisions of the Act or of these Articles. Provided that this Article shall not require a copy of these documents to be sent to any person of whose address the Company is not aware of but any Member to whom a copy of these documents has not been sent shall be entitled to receive a copy free of charge on application to the Office.

Proposed Amended Article
Article 141
Subject to the requirements of the ~~Stock~~ Exchange and the Act, a copy of every balance sheet and profit and loss account which is to be laid before the Company in general meeting (including every document required by law to be annexed thereto) together with a copy of the Auditors' report relating thereto and of the Directors' report shall ~~not more than six (6) months after the close of the financial year and~~ not less than twenty-one (21) days before the date of the meeting be sent in printed form or in ~~compact disc read-only memory (CD-ROM) or digital versatile disc read-only memory (DVD-ROM)~~ **other electronic** format or in a format that may be developed in the future for the playback of images to every Member of, and every holder of Debenture of the Company and to every other person who is entitled to receive notices from the Company under the provisions of the Act or of these Articles. Provided that this Article shall not require a copy of these documents to be sent to any person of whose address the Company is not aware of but any Member to whom a copy of these documents has not been sent shall be entitled to receive a copy free of charge on application to the Office." **(SPECIAL RESOLUTION 1)**

11. 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 Eighteenth Annual General Meeting, a single tier final dividend of 3.5 sen per share will be payable on 22 December 2014 to shareholders whose name appear in the Record of Depositors at the close of business on 27 November 2014.

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 27 November 2014 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
3 November 2014

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 19 November 2014 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 shares 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 is to seek renewal of Shareholders' Mandate and new Shareholders' Mandate to allow the Company and its subsidiaries to enter into Recurrent Related Party Transactions of a Revenue or Trading Nature and 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 3 November 2014 which is despatched together with the Company's 2014 Annual Report.

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 27 November 2013. 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.

7. **Special Resolution No. 1**

   The proposed amendment to the Articles of Association of the Company is to bring the Articles of Association of the Company to be in line with the amendments to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and to enhance administrative efficiency.

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 Eighteenth 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 **Tuesday, 25 November 2014** 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 2014.

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		
Special Resolution		
Special Resolution 1		

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 ______________________________2014

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 19 November 2014 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. 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.

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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		
Head Office		
FREIGHT MANAGEMENT HOLDINGS BHD Wisma Freight Management, Lot 37, Lebuh 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
Location of Subsidiary Offices		
FM GLOBAL LOGISTICS (M) SDN BHD Wisma Freight Management, Lot 37, Lebuh 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, Lebuh 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)		
Location of Subsidiary Offices (cont'd)		
FM GLOBAL LOGISTICS (KUL) 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: fmhwlair@streamys.com	03-7877 0017	03-7877 0120
(PENANG) Block A-Unit 8, Cargo Agent Building, MAS Cargo Complex, Penang International Airport, 11900 Bayan Lepas Penang. Email: peter.lai@fmgloballogistics.com	04-640 4943 04-640 4944	04-640 4948
FM MULTIMODAL SERVICES SDN BHD Lot 37, Lebuh 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, Lebuh 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, Lebuh Sultan Mohamed 1, Kaw. Perindustrian Bandar Sultan Suleiman, 42000 Port Klang, Selangor. Email: gen@fmgloballogistics.com	03-3176 1111	03-3176 8634
OVERSEAS		
TCH MARINE PTE. LTD. 6001 Beach Road, #19-11A, Golden Mile Tower, Singapore 199589. Email: tchtay@singnet.com.sg	65-6294 7787	65-6294 8483

OVERSEAS (CONT'D)	Tel	Fax
FM GLOBAL LOGISTICS (S'PORE) PTE. LTD. Lot 37, Lebuh Sultan Mohamed 1, Kaw. Perindustrian Bandar Sultan Suleiman, 42000 Port Klang, Selangor. Email: gen@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 (08) 9314 2004	+61 (08) 9314 6004
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
FM GLOBAL LOGISTICS CO., LTD 41/8, Moo 6 Soi Plu-Charoen, Bangna-Trad Road 16.5, Bangcha-long, Bangplee, Samutprakarn, 10540 Bangkok, Thailand. Email: enquiry-th@fmgloballogistics.com	662-3496 7007	662-3496 7089
FM GLOBAL LOGISTICS COMPANY LIMITED Unit 1205, 12th Floor, Citilight Tower, 45 Vo Thi Sau Street, Dakao Ward, District 1 Ho Chi Minh City, Vietnam. Email: enquiry-vn@fmgloballogistics.com	848-3823 8628	848-3823 7868
FM GLOBAL LOGISTICS (INDIA) PVT. LTD. Empee Tower, 59 Harris Road, Egmore, Chennai 600002, Tamilnadu, India Email : enquiry-in@fmgloballogistics.com	91 44 30103800	91 44 28551575
FM GLOBAL LOGISTICS (PHIL.) INC. 2nd Floor TMI Centre Building Arzobispo Street Intramuros Manila, Philippines	(63-2) 5270221 (63-2) 5270224	(63-2) 5270209
F M GLOBAL LOGISTICS LANKA (PRIVATE) LIMITED No: 2, Ground Floor Hunupitiya Gross Road Colombo 2, Sri Lanka 2nd Floor TMI Centre Building Arzobispo Street	0094 114645900	0094 114645903


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Shanghai, Shekou
Xiamen, Xingang
Yantian, Nanjing
Nansha, Nantong
Sanshui, Shenzen
Tianjin, Zhanjiang
Zhongshan, Fuqing
Guoming,
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