

FREIGHT MANAGEMENT HOLDINGS BHD (“FMHB” OR “THE COMPANY”)

VALUATION OF PROPERTIES

1. INTRODUCTION

Pursuant to Paragraph 9.19(46) and Part H of Appendix 9A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the Board of Directors of FMHB (“Board”) wishes to announce that FMHB has carried out a revaluation exercise on the following non-current assets of the Company (collectively referred to as “the Properties”):

1. Name of Property : HS (D) 116412, PT 239, Mukim Bandar Sultan Suleiman, Daerah Klang, Negeri Selangor.
Address : Lot 37, Jalan Lebu Sultan Mohamed 1, Kawasan Perindustrian Bandar Sultan Suleiman, 42000 Port Klang, Selangor Darul Ehsan.
Description : Property comprises of a single storey warehouse with a two storey office block and a single storey warehouse with a four storey office block.
2. Name of Property : HS (D) 116367, PT 183, Mukim Bandar Sultan Suleiman, Daerah Klang, Negeri Selangor.
Address : Lot 24, Jalan Lebu Sultan Mohamed 1, Kawasan Perindustrian Bandar Sultan Suleiman, 42000 Port Klang, Selangor Darul Ehsan.
Description : Property is a parcel of industrial land built upon with a single storey warehouse annexe double storey office building and a double storey amenity building.
3. Name of Property : HS (D) 49488 and 49489, PT 49974 and 49975, Mukim Klang, Daerah Klang, Negeri Selangor.
Address : No. 78-2A, 2nd Floor, Jalan Sg. Chandong 15, Pulau Indah, 42100 Port Klang, Selangor Darul Ehsan
Description : Office Unit located on the second floor of a four storey shop office.
4. Name of Property : HS (D) 49488 and 49489, PT 49974 and 49975, Mukim Klang, Daerah Klang, Negeri Selangor.
Address : No. 78-2B, 2nd Floor, Jalan Sg. Chandong 15, Pulau Indah, 42100 Port Klang, Selangor Darul Ehsan
Description : Office Unit located on the second floor of a four storey shop office
5. Name of Property : HS (D) 72751, PT 144740, Mukim Hulu Kinta, Daerah Kinta, Negeri Perak.
Address : No. 26, Jalan SCI 1/10, Sunway City, 31150 Ipoh, Perak Darul Ridzuan.
Description : Corner 1 ½ storey terrace industrial factory
6. Name of Property : Geran No. 2893, Lot 1841, seksyen 4, Bandar Butterworth, Daerah Seberang Perai Utara, Negeri Pulau Pinang.
Address : No. 4453, Jalan Bagan Luar, 12000 Butterworth, Penang.
Description : An intermediate Three (3) storey terrace shophouse.

7. Name of Property : Geran No. 2892, Lot 1840, seksyen 4, Bandar Butterworth, Daerah Seberang Perai Utara, Negeri Pulau Pinang.
 Address : No. 4454, Jalan Bagan Luar, 12000 Butterworth, Penang.
 Description : An intermediate Three (3) storey terrace shophouse.
8. Name of Property : HS (D) 37855, PT 478, Mukim 6, Daerah Seberang Perai Tengah, Negeri Pulau Pinang.
 Address : No. 1077, Lorong Perusahaan Maju 1, Kaw Perusahaan F4, 13600 Perai, Pulau Pinang.
 Description : Property comprises of a single storey warehouse with a two storey office block

2. RATIONALE FOR VALUATION

The revaluation was conducted to as a result of the Group changing its accounting policy for its leasehold land, freehold land and buildings from the cost model to the revaluation model. Malaysian Financial Reporting Standards ("MFRS") 108 sets out the rules for accounting for changes in accounting policy, but makes a specific exception for a change in policy to measure property, plant and equipment at a revalued amount for the first time. This exception only applies if the Group does not have a fair value as deemed cost or previous revalued amount before. As the Group previously adopted the cost model, there would be no restatement of comparative. Therefore, this change is not accounted for retrospectively.

The Group's property, plant and equipment other than leasehold land, freehold land and buildings are stated at cost model.

3. REVALUATION SURPLUS

The details of the revaluation surplus are as follow:

Name of Property	Unaudited book value as at 30 June 2015 RM'000	Latest Market Valuation RM'000	Revaluation Surplus/ (Deficit) RM'000)
Port Klang - Lot No. 37	57,513	80,000	22,487
Port Klang - Lot No. 24	18,473	24,000	5,527
Port Klang - Lot No. 78-2A	60	25	(35)
Port Klang - Lot No. 78-2B	54	20	(34)
Ipoh - No. 26	270	410	140
Penang - Lot 4453	397	520	123
Penang - Lot 4454	407	520	113
Penang - Lot 1077	6,798	9,500	2,702
Total	83,972	114,995	31,023

The Board at its meeting on 26 August 2015, has approved to incorporate the above revaluation surplus in the Fourth Quarterly Results for the period ended 30 June 2015.

4. EFFECT OF THE REVALUATION SURPLUS ON THE NET ASSET VALUE PER SHARE AND EARNINGS PER SHARE OF THE GROUP

Based on the unaudited results as at 30 June 2015, the net asset value per share of RM1.11 will increase to RM1.29 upon incorporation of the revaluation surplus of RM 31.023 Million or equivalent to 17.93 sen per share.

5. NAME OF THE VALUER

The valuation of Properties was carried out by an independent registered valuer, Messrs. W. M. Malik & Kamaruzaman.

6. DATE OF VALUATION

The cut off date for the Revaluation is 30th June 2015 and the valuation certificates were dated 20th August 2015 & 25th August 2015 respectively.

7. DOCUMENTS FOR INSPECTION

The Valuation Reports are available for inspection at the Company's Registered Office at Level 18, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur, during normal office hours from Monday to Friday (except public holidays) for a period of three (3) months from the date of this announcement.

This announcement is dated 26 August 2015.