

8. INVESTMENTS IN SUBSIDIARIES (continued)

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

Name of company	Country of incorporation	Interest in equity held by Company		Principal activities
		2015	2014	
#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%	40%	Provision of integrated freight and logistic services

Subsidiary of FM Multimodal Services Sdn. Bhd.

Dependable Global Express Malaysia Sdn. Bhd.	Malaysia	51%	51%	Provision of freight services
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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 and FMGLL were consolidated as subsidiaries as the Group has control over the Board and power to govern the relevant activities of these companies (Note 8(d)).*

⁺ *Subsidiaries are consolidated based on management accounts for the financial year ended 30 June 2015. The financial statements of these subsidiaries are not required to be audited in their country of incorporation.*

^{*} *Subsidiaries audited by BDO Member Firms.*

[#] *Subsidiaries not audited by BDO Member Firms.*

[@] *Subsidiaries had financial year ended 31 March 2015 and were consolidated based on management accounts for the financial period ended 30 June 2015.*

8. INVESTMENTS IN SUBSIDIARIES (continued)

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

Financial year ended 30 June 2015

- (i) On 12 February 2015, the Company announced that its wholly-owned subsidiary, FM Global Logistics Ventures Sdn. Bhd. ('FMGLV'), had on 11 February 2015 incorporated its wholly-owned subsidiary by the name of FM Global Korea Corporation ('FMGKC'), under the laws of Korea. FMGKC has an initial issued and paid-up share capital of KRW200,000,000 (RM650,400) comprising 20,000 shares of KRW10,000 each.

The above incorporation of FMGKC did not have any material financial effect to the Group. The intended business activity of FMGKC is the provision of trading services.

Financial year ended 30 June 2014

- (i) In the previous financial year, on 27 February 2014, the Company announced that FMGLV 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).

Business activity of FMGLL 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 in the previous financial year.

- (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 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.

8. INVESTMENTS IN SUBSIDIARIES (continued)

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

2015	TCH Marine Pte. Ltd.	PT. FM Global Logistics	FM Global Logistics Pty. Ltd.	Other individual immaterial subsidiaries	Total
NCI percentage of ownership and voting interests	49%	51%	25%		
Carrying amount of NCI (RM'000)	12,508	1,750	1,026	1,059	16,343
Profit/(Loss) allocated to NCI (RM'000)	34	(60)	383	(473)	(116)
Dividend paid to NCI (RM'000)	-	-	-	200	200
2014	TCH Marine Pte. Ltd.	PT. FM Global Logistics	FM Global Logistics Pty. Ltd.	Other individual immaterial subsidiaries	Total
NCI percentage of ownership and voting interests	49%	51%	25%		
Carrying amount of NCI (RM'000)	11,453	1,742	669	1,103	14,967
Profit/(Loss) allocated to NCI (RM'000)	694	606	263	(5)	1,558
Dividends paid to NCI (RM'000)	-	-	110	70	180

The NCI of all other subsidiaries that are not wholly-owned by the Group are deemed to be immaterial.

8. INVESTMENTS IN SUBSIDIARIES (continued)

- (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	FM Global Logistics Pty. Ltd. RM'000
2015			
Assets and liabilities			
Non-current assets	32,777	1,088	428
Current assets	5,308	6,863	7,181
Non-current liabilities	(5,595)	(123)	(337)
Current liabilities	(6,963)	(4,396)	(3,167)
Net assets	<u>25,527</u>	<u>3,432</u>	<u>4,105</u>
Results			
Revenue	19,636	21,794	33,368
Profit/(Loss) for the financial year	69	(117)	1,532
Total comprehensive income/(loss)	<u>69</u>	<u>(168)</u>	<u>1,427</u>
Cash flows from/(used in) operating activities	4,174	(165)	346
Cash flows (used in)/from investing activities	(288)	(59)	86
Cash flows used in financing activities	(5,190)	(243)	(144)
Net increase/(decrease) in cash and cash equivalents	<u>(1,304)</u>	<u>(467)</u>	<u>288</u>
2014			
Assets and liabilities			
Non-current assets	29,996	1,012	243
Current assets	6,909	5,836	5,888
Non-current liabilities	(6,727)	(315)	(177)
Current liabilities	(6,805)	(3,118)	(3,277)
Net assets	<u>23,373</u>	<u>3,415</u>	<u>2,677</u>
Results			
Revenue	17,182	22,830	29,612
Profit for the financial year	1,416	1,189	1,053
Total comprehensive income	<u>1,416</u>	<u>1,189</u>	<u>1,122</u>
Cash flows from operating activities	1,324	1,455	1,271
Cash flows from/(used in) investing activities	1,363	(104)	(81)
Cash flows used in financing activities	(2,760)	(194)	(505)
Net (decrease)/increase in cash and cash equivalents	<u>(73)</u>	<u>1,157</u>	<u>685</u>

8. INVESTMENTS IN SUBSIDIARIES (continued)

(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., FM Global Logistics (KUL) Sdn. Bhd. and FM Global Logistics (M) 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	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Unquoted equity shares, at cost	3,151	3,077	3,028	3,028
Share of post-acquisition reserves	163	148	-	-
	<u>3,314</u>	<u>3,225</u>	<u>3,028</u>	<u>3,028</u>

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

Name of company	Country of incorporation	Interest in equity held by				Principal activities
		Group		Company		
		2015	2014	2015	2014	
YKP-FM Global Shipyard Co., Ltd.	Thailand	25%	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

(b) During the current financial year, FM Distribution Sdn. Bhd. ('FMD'), an associate of FM Global Logistics (M) Sdn. Bhd. ('FMGLM') increased its issued and paid-up share capital from RM100,000 to RM250,000 by an allotment of 150,000 ordinary shares of RM1.00 each. FMGLM subscribed for 73,500 ordinary shares of RM1.00 each in FMD for a total consideration of RM73,500 ('Subscription of Shares'). The remaining 76,500 ordinary shares of RM1.00 each were subscribed by the other investor for a cash consideration of RM76,500. Following the Subscription of Shares, the equity interest of the Group via FMGLM in FMD remained at 49%. The Subscription of Shares did not have any material financial effect to the Group.

9. INVESTMENTS IN ASSOCIATES (continued)

(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
2015		
Assets and liabilities		
Non-current assets	-	20,371
Current assets	721	2,742
Non-current liabilities	-	-
Current liabilities	(7)	(11,530)
Net assets	<u>714</u>	<u>11,583</u>
Results		
Revenue	349	-
Profit/(Loss) for the financial year	33	(3)
Total comprehensive income/(loss)	<u>33</u>	<u>(3)</u>
Cash flows from/(used in) operating activities	131	(2,258)
Cash flows used in investing activities	-	(4,672)
Cash flows from financing activities	150	5,977
Net increase/(decrease) in cash and cash equivalents	<u>281</u>	<u>(953)</u>
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	<u>532</u>	<u>11,586</u>
Results		
Revenue	482	-
Profit/(Loss) for the financial year	24	(412)
Total comprehensive income/(loss)	<u>24</u>	<u>(412)</u>
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	<u>(119)</u>	<u>683</u>

9. INVESTMENTS IN ASSOCIATES (continued)

- (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 2015			
Share of net assets of the Group	350	2,896	3,246
Goodwill	68	-	68
Carrying amount in the statements of financial position	<u>418</u>	<u>2,896</u>	<u>3,314</u>
Share of results of the Group for the financial year ended 30 June 2015			
Share of profit/(loss)/other comprehensive income/(loss) of the Group	<u>16</u>	<u>(1)</u>	<u>15</u>
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	<u>328</u>	<u>2,897</u>	<u>3,225</u>
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	<u>11</u>	<u>(102)</u>	<u>(91)</u>

10. INTERESTS IN JOINT VENTURES

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Unquoted equity shares, at cost	3,169	2,651	997	997
Share of post-acquisition losses	(783)	(62)	-	-
	<u>2,386</u>	<u>2,589</u>	<u>997</u>	<u>997</u>

10. INTERESTS IN JOINT VENTURES (continued)

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

Name of company	Country of incorporation	Interest in equity held by				Principal activities
		Group		Company		
		2015	2014	2015	2014	
Transenergy Shipping Pte. Ltd.	Malaysia	50%	50%	50%	50%	Provision of marine services
Transenergy Shipping Management Sdn. Bhd.	Malaysia	50%	50%	50%	50%	Provision of marine services
Joint ventures of FM Global Logistics Ventures Sdn. Bhd.						
FM Global Logistics (Phil.), Inc. ('FMGLP')	Philippines	50%	50%	-	-	Provision of integrated freight and logistics services
Amass Freight Middle East FZCO ('AMASS')	United Arab Emirates	50%	-	-	-	Investment holding

(b) On 26 November 2014, the Company announced that its wholly-owned subsidiary, FM Global Logistics Ventures Sdn. Bhd. ('FMGLV'), had on 26 November 2014 entered into an agreement ('the Agreement') with Amass Freight International Co. Ltd., a company incorporated in the Peoples Republic of China ('AFICL') to jointly set up a limited liability company within the Jebel Ali Free Trade Zone in United Arab Emirates. The joint venture company had been issued with an approved trading licence by Jebel Ali Free Zone Authority in Dubai under the name of 'Amass Freight Middle East FZCO' ('AMASS').

The intended activity of AMASS is an investment holding company. AMASS had an authorised share capital of AED1,000,000 divided into 10 shares of AED100,000 each. The paid-up share capital of AMASS of AED1,000,000 was divided into 10 shares of AED100,000 each and the capital was contributed as follows:

- (i) 50% from FMGLV; and
- (ii) 50% from AFICL;

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

10. INTERESTS IN JOINT VENTURES (continued)

(c) In the previous financial year, on 6 September 2013, the Company announced that FMGLV 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. 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.

(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	Amass Freight Middle East FZCO RM'000	Total RM'000
2015					
Assets and liabilities					
Non-current assets	13,900	329	-	-	14,229
Current assets	598	2,750	*	1,035	4,383
Current liabilities	(14,624)	(1,541)	-	-	(16,165)
Net (liabilities)/ assets	<u>(126)</u>	<u>1,538</u>	<u>*</u>	<u>1,035</u>	<u>2,447</u>

10. INTERESTS IN JOINT VENTURES (continued)

- (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 (continued):

	Transenergy Shipping Pte. Ltd. RM'000	FM Global Logistics (Phil.), Inc. RM'000	Transenergy Shipping Management Sdn. Bhd. RM'000	Amass Freight Middle East FZCO RM'000	Total RM'000
2015 (continued)					
Proportion of the ownership of the Group	50%	50%	50%	50%	
Share of net (liabilities)/assets	(63)	769	-	518	1,224
Goodwill at acquisition	-	1,162	-	-	1,162
Carrying amount of the interests in joint ventures	<u>(63)</u>	<u>1,931</u>	<u>-</u>	<u>518</u>	<u>2,386</u>
Results					
Revenue	-	13,285	-	-	13,285
Administrative expenses	<u>(1,995)</u>	<u>(12,731)</u>	<u>-</u>	<u>-</u>	<u>(14,726)</u>
(Loss)/Profit for the financial year	<u>(1,995)</u>	<u>554</u>	<u>-</u>	<u>-</u>	<u>(1,441)</u>
Share of (loss)/profit by the Group for the financial year	<u>(998)</u>	<u>277</u>	<u>-</u>	<u>-</u>	<u>(721)</u>
2014					
Assets and liabilities					
Non-current assets	12,083	-	-	-	12,083
Current assets	978	984	*	-	1,962
Current liabilities	<u>(11,191)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(11,191)</u>
Net assets	<u>1,870</u>	<u>984</u>	<u>*</u>	<u>-</u>	<u>2,854</u>
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	<u>935</u>	<u>1,654</u>	<u>-</u>	<u>-</u>	<u>2,589</u>
Results					
Revenue	-	-	-	-	-
Administrative expenses	<u>(124)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(124)</u>
Loss for the financial year	<u>(124)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(124)</u>
Share of loss by the Group for the financial year	<u>(62)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(62)</u>
* Represents RM2.					

11. OTHER INVESTMENTS

	Group	
	2015 RM'000	2014 RM'000
Non-current		
Available-for-sale financial assets		
- Unquoted shares in Malaysia	3	3
- Unquoted shares outside Malaysia	232	4,067
Total non-current other investments	235	4,070
Current		
Financial assets at fair value through profit or loss		
- Unit trust quoted in Malaysia	2,002	-
- Quoted shares outside Malaysia	826	-
Total current other investments	2,828	-
Total other investments	3,063	4,070

- (a) On 7 August 2014, FMG Capital & Management Sdn. Bhd. ('FMG'), a wholly-owned subsidiary of the Company, invested in a company listed on the Tokyo Stock Exchange for a total cash consideration of RM476,599.

During the current financial year, FMG recognised a fair value gain of RM349,369 in the financial statements.

- (b) On 8 June 2015, FM Global Logistics (M) Sdn. Bhd. ('FMGLM'), a wholly-owned subsidiary of the Company, invested in a unit trust quoted in Malaysia for a total cash consideration of RM2,000,000.

During the current financial year, FMGLM recognised a fair value gain of RM2,396 in the financial statements.

Unit trust quoted in Malaysia, which are held by the Group are highly liquid, readily convertible to cash and are subject to insignificant risk of changes in value and hence, meet the definition to be classified as cash and cash equivalents (Note 20(e)).

- (c) In the previous financial year, on 30 September 2013, FMG 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 2015, FMG further invested 20,000 common shares in Aventree for a total cash consideration of Korean Won equivalent to USD100,500 (RM336,400).

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

During the current financial year, FMG disposed of all the common shares in Aventree for a total cash consideration of USD1,101,191 (RM3,945,900). Such consideration had been received by the Group on 13 May 2015. The disposal has resulted in a gain of RM389,122 to the Group.

11. OTHER INVESTMENTS (continued)

- (d) In the previous 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).
- (e) Information on financial risks of other investments is disclosed in Note 42(e) to the financial statements.
- (f) Information on the fair value hierarchy is disclosed in Note 41(d) to the financial statements.

12. GOODWILL ON CONSOLIDATION

2015	Balance as at 1.7.2014 RM'000	Impairment loss for the financial year RM'000	Balance as at 30.6.2015 RM'000
Goodwill on consolidation	1,659	-	1,659
	[----- As at 30.6.2015 -----]		
	Cost RM'000	Accumulated impairment RM'000	Carrying amount RM'000
Goodwill on consolidation	1,876	(217)	1,659
	[----- As at 30.6.2014 -----]		
	Cost RM'000	Accumulated impairment RM'000	Carrying amount 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

12. GOODWILL ON CONSOLIDATION (continued)

- (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	
	2015 RM'000	2014 RM'000
Logistics:		
- Malaysia	179	179
- Thailand	23	23
- Australia	4	4
Marine	1,659	1,659
Others	11	11
	<u>1,876</u>	<u>1,876</u>
Less: Impairment losses		
Logistics:		
- Malaysia	(179)	(179)
- Thailand	(23)	(23)
- Australia	(4)	(4)
Others	(11)	(11)
	<u>(11)</u>	<u>(11)</u>
Goodwill on consolidation	<u>1,659</u>	<u>1,659</u>

- (b) As at 30 June 2015, 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.
- (c) 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 7.58% (2014: 7.80%) 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% (2014: 5%).

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.

13. DEFERRED TAX

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

	Group	
	2015	2014
	RM'000	RM'000
Balance as at 1 July 2014/2013	9,111	8,880
Recognised in profit or loss (Note 33)		
- Originating and reversal of temporary differences	(67)	242
- Under/(Over) provision in prior years	145	(11)
Recognised in other comprehensive income		
- Actuarial loss on defined benefits plan	(17)	-
- Arising from revaluation of land and buildings (Note 7(a))	7,459	-
Exchange differences	(34)	-
	<u>16,597</u>	<u>9,111</u>
Balance as at 30 June 2015/2014	<u>16,597</u>	<u>9,111</u>
	Group	
	2015	2014
	RM'000	RM'000
Presented after appropriate offsetting		
Deferred tax assets, net	(565)	-
Deferred tax liabilities, net	<u>17,162</u>	<u>9,111</u>
	<u>16,597</u>	<u>9,111</u>

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

	Group	
	2015	2014
	RM'000	RM'000
Deferred tax assets		
Balance as at 1 July 2014/2013	-	-
Recognised in profit or loss		
- Property, plant and equipment	(9)	-
- Provision for post-employment benefits obligation	(168)	-
- Unused tax losses	(371)	-
Recognised in other comprehensive income		
- Actuarial loss on defined benefits plan	(17)	-
	<u>(565)</u>	<u>-</u>
Balance as at 30 June 2015/2014	<u>(565)</u>	<u>-</u>

13. DEFERRED TAX (continued)

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

	Group	
	2015	2014
	RM'000	RM'000
Deferred tax liabilities		
Balance as at 1 July 2014/2013	9,111	8,880
Recognised in profit or loss		
- Property, plant and equipment	598	437
- Unrealised loss on foreign currency transactions	(168)	(44)
- Others	162	(162)
Recognised in other comprehensive income		
- Arising from revaluation of land and buildings (Note 7(a))	7,459	-
	<u>17,162</u>	<u>9,111</u>

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

	Group	
	2015	2014
	RM'000	RM'000
Deferred tax assets		
Property, plant and equipment	(9)	-
Provision for post-employment benefits obligation	(168)	-
Unused tax losses	(371)	-
Actuarial loss on defined benefits plan	(17)	-
	<u>(565)</u>	<u>-</u>

	Group	
	2015	2014
	RM'000	RM'000
Deferred tax liabilities		
Property, plant and equipment	9,915	9,317
Unrealised loss on foreign currency transactions	(212)	(44)
Revaluation of land and buildings	7,459	-
Others	-	(162)
	<u>17,162</u>	<u>9,111</u>

13. DEFERRED TAX (continued)

- (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	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Unused tax losses	2,557	2,379	1,063	1,043
Unabsorbed capital allowances	6	6	-	-
Other temporary differences	(378)	67	(403)	-
	<u>2,185</u>	<u>2,452</u>	<u>660</u>	<u>1,043</u>

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.

14. TRADE RECEIVABLES

	Group	
	2015 RM'000	2014 RM'000
Third parties	101,070	77,277
Less: Impairment losses	(1,714)	(1,215)
	<u>99,356</u>	<u>76,062</u>

- (a) Trade receivables are non-interest bearing and the normal credit terms granted by the Group ranges from 7 to 60 days (2014: 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	
	2015 RM'000	2014 RM'000
Ringgit Malaysia	83,000	62,109
US Dollar	6,020	6,165
Singapore Dollar	286	1,007
Australian Dollar	4,435	2,853
Thai Baht	1,404	1,226
Indonesian Rupiah	2,231	1,561
Vietnamese Dong	355	500
Indian Rupee	1,403	-
Others	222	641
	<u>99,356</u>	<u>76,062</u>

14. TRADE RECEIVABLES (continued)

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

	Group	
	2015	2014
	RM'000	RM'000
Neither past due nor impaired	73,097	59,853
Past due, not impaired		
1 to 30 days past due	14,241	10,664
31 to 60 days past due	5,441	3,413
61 to 90 days past due	1,907	1,447
91 to 120 days past due	707	676
More than 120 days	3,963	9
	<u>26,259</u>	<u>16,209</u>
Past due and impaired	<u>1,714</u>	<u>1,215</u>
	<u><u>101,070</u></u>	<u><u>77,277</u></u>

Receivables that are neither past due nor impaired

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

Receivables that are past due but not impaired

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

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	
	2015	2014
	RM'000	RM'000
Trade receivables, gross	1,714	1,215
Less: Impairment losses	<u>(1,714)</u>	<u>(1,215)</u>
	<u><u>-</u></u>	<u><u>-</u></u>

14. TRADE RECEIVABLES (continued)

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

	Group	
	2015 RM'000	2014 RM'000
At 1 July 2014/2013	1,215	1,972
Charge for the financial year (Note 32)	1,277	702
Written off	(114)	(845)
Reversal of impairment losses (Note 32)	(661)	(625)
Exchange differences	(3)	11
	1,714	1,215
At 30 June 2015/2014	1,714	1,215

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 42 to the financial statements.

15. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Other receivables and deposits				
Other receivables	2,522	2,508	9	-
Deposits	3,704	3,572	1	1
	6,226	6,080	10	1
Prepayments				
Prepayments	4,115	3,626	100	102
	10,341	9,706	110	103
	10,341	9,706	110	103

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

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Ringgit Malaysia	4,385	4,401	10	1
Indonesian Rupiah	641	347	-	-
Australian Dollar	47	15	-	-
Thai Baht	146	124	-	-
Singapore Dollar	270	848	-	-
Vietnamese Dong	414	159	-	-
US Dollar	1	11	-	-
Indian Rupee	322	175	-	-
	6,226	6,080	10	1
	6,226	6,080	10	1

(b) Information on financial risks of other receivables and deposits is disclosed in Note 42 to the financial statements.

16. 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 payable upon demand in cash and cash equivalents.
- (b) Amounts owing by/(to) subsidiaries are denominated in RM.
- (c) Information on financial risks of amounts owing by/(to) subsidiaries is disclosed in Note 42 to the financial statements.

17. AMOUNT OWING BY AN ASSOCIATE

Group and Company

- (a) The amount owing by an associate represents advances and payments made on behalf, which are unsecured, interest-free and payable upon demand in cash and cash equivalents.
- (b) Amount owing by an associate is denominated in Thai Baht.
- (c) Information on financial risks of amount owing by an associate is disclosed in Note 42 to the financial statements.

18. AMOUNTS OWING BY/(TO) RELATED PARTIES

Group

- (a) The amounts owing by/(to) related parties represent trade transactions that have a credit term of 30 to 60 days (2014: 30 to 60 days) from date of invoices.
- (b) Information on financial risks of amounts owing by/(to) related parties is disclosed in Note 42 to the financial statements.
- (c) The currency exposure profiles of amounts owing by related parties are as follows:

	Group	
	2015	2014
	RM'000	RM'000
Ringgit Malaysia	640	386
Singapore Dollar	77	692
	<u>717</u>	<u>1,078</u>

- (d) Amounts owing to related parties are denominated in RM.

19. AMOUNTS OWING BY/(TO) JOINT VENTURES

Group and Company

(a) The amounts owing by/(to) joint ventures represent trade transactions and payments made on behalf, which are unsecured, interest-free and payable upon demand in cash and cash equivalents, except for trade transactions that have a credit term of 30 to 60 days (2014: 30 to 60 days) from date of invoices.

(b) The currency exposure profiles of amounts owing by joint ventures are as follows:

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Singapore Dollar	97	91	97	91
US Dollar	2,999	2,525	2,870	2,470
	<u>3,096</u>	<u>2,616</u>	<u>2,967</u>	<u>2,561</u>

(c) Amount owing to a joint venture is denominated in US Dollar.

(d) Information on financial risks of amounts owing by/(to) joint ventures is disclosed in Note 42 to the financial statements.

20. CASH AND BANK BALANCES

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Cash in hand	558	437	-	-
Cash at bank	35,296	40,159	11,350	17,821
Fixed deposits with licensed banks	3,582	4,970	-	-
	<u>39,436</u>	<u>45,566</u>	<u>11,350</u>	<u>17,821</u>

(a) The fixed deposits of the Group as at 30 June 2015 have a maturity period of 12 months (2014: 12 months).

(b) Included in the fixed deposits with licensed banks of the Group is an amount of RM3,154,000 (2014: RM4,557,000), which has been pledged to licensed banks as securities for banking facilities granted to the Group as disclosed in Note 28 to the financial statements.

(c) Information on financial risks of cash and bank balances is disclosed in Note 42 to the financial statements.

20. CASH AND BANK BALANCES (continued)

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

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Ringgit Malaysia	21,843	30,089	11,350	17,821
Singapore Dollar	7,472	6,830	-	-
US Dollar	6,931	5,150	-	-
Indonesian Rupiah	495	893	-	-
Thai Baht	105	27	-	-
Australian Dollar	1,554	1,627	-	-
Vietnamese Dong	507	288	-	-
Indian Rupee	325	287	-	-
Sri Lankan Rupee	104	245	-	-
Euro	100	130	-	-
	<u>39,436</u>	<u>45,566</u>	<u>11,350</u>	<u>17,821</u>

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

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Cash and bank balances	35,854	40,596	11,350	17,821
Fixed deposits with licensed banks	<u>3,582</u>	<u>4,970</u>	<u>-</u>	<u>-</u>
	39,436	45,566	11,350	17,821
Less:				
Bank overdrafts - secured (Note 28)	(1,226)	(1,123)	-	-
Fixed deposits placed with a licensed bank with original maturity of more than three (3) months	(428)	(413)	-	-
Fixed deposits pledged to licensed banks	(3,154)	(4,557)	-	-
Add:				
Short term fund (Note 11(b))	<u>2,002</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>36,630</u>	<u>39,473</u>	<u>11,350</u>	<u>17,821</u>

21. SHARE CAPITAL

	Group and Company			
	2015		2014	
	Number of shares '000	RM'000	Number of shares '000	RM'000
Ordinary shares of RM0.50 each:				
Authorised	<u>250,000</u>	<u>125,000</u>	<u>250,000</u>	<u>125,000</u>
Issued and fully paid:				
Balance as at 1 July 2014/2013	170,762	85,381	167,786	83,893
Issued pursuant to exercise of warrants	<u>2,238</u>	<u>1,119</u>	<u>2,976</u>	<u>1,488</u>
Balance as at 30 June 2015/2014	<u>173,000</u>	<u>86,500</u>	<u>170,762</u>	<u>85,381</u>

- (a) During the financial year, the Company increased its issued and paid-up share capital by the issuance of 2,238,164 (2014: 2,975,784) new ordinary shares of RM0.50 each for cash via the exercise of 2,238,164 (2014: 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.
- (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.

21.1 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, 2,238,164 (2014: 2,975,784) warrants had been exercised and the balances of warrants that remain unexercised are 13,629,151 (2014: 15,867,315) warrants.

22. RESERVES

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Non-distributable:				
Share premium	5,036	3,984	5,036	3,984
Exchange translation reserve	3,859	935	-	-
Revaluation reserve	23,633	-	-	-
Available-for-sale reserve	-	297	-	-
	<u>32,528</u>	<u>5,216</u>	<u>5,036</u>	<u>3,984</u>
Distributable:				
Retained earnings	<u>88,425</u>	<u>77,738</u>	<u>15,665</u>	<u>14,086</u>
	<u>120,953</u>	<u>82,954</u>	<u>20,701</u>	<u>18,070</u>

(a) Share premium

The premium arose from the exercise of warrants.

(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.

(c) Revaluation reserve

The revaluation reserve arose from the revaluation of land and buildings (Note 7(a)).

(d) Available-for-sale reserve

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

23. HIRE PURCHASE AND LEASE LIABILITIES

	Group	
	2015 RM'000	2014 RM'000
Minimum hire purchase and lease payments:		
- not later than one (1) year	1,840	1,324
- later than one (1) year but not later than five (5) years	<u>3,616</u>	<u>3,636</u>
Total minimum hire purchase and lease payments	5,456	4,960
Less: Future interest charges	<u>(485)</u>	<u>(488)</u>
Present value of hire purchase and lease payments	<u>4,971</u>	<u>4,472</u>

23. HIRE PURCHASE AND LEASE LIABILITIES (continued)

	Group	
	2015	2014
	RM'000	RM'000
Repayable as follows:		
Current liabilities:		
- not later than one (1) year	1,602	1,233
Non-current liabilities:		
- later than one (1) year but not later than five (5) years	3,369	3,239
	4,971	4,472
	4,971	4,472

- (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 42 to the financial statements.
- (c) The currency exposure profiles of hire purchase and lease liabilities are as follows:

	Group	
	2015	2014
	RM'000	RM'000
Australian Dollar	398	223
Indonesian Dollar	333	496
Ringgit Malaysia	4,011	3,409
Thai Baht	29	60
Singapore Dollar	200	284
	4,971	4,472
	4,971	4,472

24. TERM LOANS

	Group	
	2015	2014
	RM'000	RM'000
<u>Secured</u>		
Term loan I	9,260	10,040
Term loan II	1,615	1,825
Term loan III	2,904	3,314
Term loan IV	2,175	2,465
Term loan V	1,292	1,783
Term loan VI	1,778	2,381
Term loan VII	2,452	3,023
Term loan VIII	1,604	2,082
Term loan IX	3,868	4,434
Term loan X	18,740	6,833
Term loan XVII	4,267	-
Term loan XVIII	2,101	-
	52,056	38,180
	52,056	38,180

24. TERM LOANS (continued)

	Group	
	2015 RM'000	2014 RM'000
Unsecured		
Term loan XI	150	750
Term loan XII	520	1,000
Term loan XIII	49	600
Term loan XIV	49	605
Term loan XV	-	514
Term loan XVI	-	550
	768	4,019
Total term loans	52,824	42,199

	Group	
	2015 RM'000	2014 RM'000
Term loans are repayable as follows:		
Current liabilities:		
- not later than one (1) year	9,442	9,528
Non-current liabilities:		
- later than one (1) year but not later than two (2) years	8,722	9,389
- later than two (2) years but not later than five (5) years	16,810	12,480
- later than five (5) years	17,850	10,802
	43,382	32,671
	52,824	42,199

- (a) Term loan I is repayable by 178 monthly instalments of RM65,000 plus one final instalment of RM30,000 and bears interest at 1.00% (2014: 1.00%) per annum above the effective cost of fund of the bank.

Term loan II is repayable by 113 monthly instalments of RM17,500 plus one final instalment of RM22,500 and bears interest at 1.00% (2014: 1.00%) per annum above the effective cost of fund of the bank.

The term loans I and II 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.

- (b) Term loan III is repayable by 119 monthly instalments of RM34,167 plus one final instalment of RM34,127 and bears interest at 1.50% (2014: 1.50%) per annum above the effective cost of fund of the bank.

Term loan IV is repayable by 119 monthly instalments of RM24,167 plus one final instalment of RM24,127 and bears interest at 1.50% (2014: 1.50%) per annum above the effective cost of fund of the bank.

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

24. TERM LOANS (continued)

- (c) Term loan V is repayable by 48 monthly instalments of SGD22,436, which is equivalent to RM62,035 and bears interest at 5.75% (2014: 5.75%) per annum.

The term loan V 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.

- (d) Term loan VI is repayable by 48 monthly instalments of SGD28,419, which is equivalent to RM78,579 and bears interest at 5.75% (2014: 5.75%) per annum.

The term loan VI 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.

- (e) Term loans VII and VIII are repayable by 48 monthly instalments of SGD25,333 and SGD20,000 respectively, which are equivalent to RM70,046 and RM55,300 respectively and bear interest at 1.50% (2014: 1.50%) per annum above the effective cost of fund of the bank.

The term loans VII and VIII 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.

- (f) Term loan IX is repayable by 96 monthly instalments of RM47,100 plus one final instalment of RM53,500 and bears interest at 1.00% (2014: 1.00%) per annum above the effective cost of fund of the bank.

Term loan X is repayable by 111 (2014: 108) monthly instalments of RM180,000 (2014: RM185,000) plus one final instalment of RM20,000 (2014: RM205,000) and bears interest at 1.00% (2014: 1.00%) per annum above the effective cost of fund of the bank.

The term loans IX and X 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.

- (g) Term loan XVII is repayable by 89 monthly instalments of RM48,400 plus one final instalment of RM56,280 and bears interest at 1.00% per annum above the effective cost of fund of the bank.

The term loan XVII is 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 is guaranteed by the Company.

- (h) Term loan XVIII is repayable by 48 monthly instalments of SGD20,000, which is equivalent to RM55,300 and bears interest at 4.36% per annum above the effective cost of fund of the bank.

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

- (i) Term loan XI is repayable by 60 monthly instalments of RM50,000 and bears interest at a 1.50% (2014: 1.50%) per annum above the effective cost of fund of the bank.

The term loan XI is guaranteed by the Company.

- (j) Term loan XII is repayable by 60 monthly instalments of RM40,000 and bears interest at a flat rate of 5.93% (2014: 5.93%) per annum.

The term loan XII is guaranteed by the Company.

24. TERM LOANS (continued)

- (k) Term loan XIII is repayable by 60 monthly instalments of RM47,534 and bears interest at a flat rate of 5.31% (2014: 5.31%) per annum.

The term loan XIII is guaranteed by the Company.

- (l) Term loan XIV is repayable by 60 monthly instalments of RM48,100 and bears interest at a flat rate of 5.80% (2014: 5.80%) per annum.

The term loan XIV is guaranteed by the Company.

- (m) Term loans XV and XVI were fully settled during the current financial year.

The term loans XV and XVI were guaranteed by the Company.

- (n) Information on financial risks of term loans and their remaining maturity is disclosed in Note 42 to the financial statements.

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

	Group	
	2015	2014
	RM'000	RM'000
Ringgit Malaysia	43,597	32,930
Singapore Dollar	9,227	9,269
	<u>52,824</u>	<u>42,199</u>

25. POST-EMPLOYMENT BENEFITS OBLIGATION

During the current financial year, PT. FM Global Logistics ('PTFM'), a subsidiary of FM Global Logistics Ventures Sdn. Bhd. ('FMGLV'), operates a funded defined benefits plan for its employees. The employee benefits scheme was valued by an independent qualified actuary using the projected unit credit method.

PTFM provides its employees with the retirement, disability, death and voluntarily resignation benefits. PTFM has separate assets to fund these benefits through Saving Plan from an insurance company, PT Asuransi Jiwa Manulife Indonesia. The figures presented in the financial statements cover the potential excess of benefits stipulated under Labor Law in Indonesia over the balance in the Saving Plan.

- (a) The amount recognised in the statements of financial position is analysed as follows:

	Group	
	2015	2014
	RM'000	RM'000
Present value of funded defined benefits obligation	956	-
Fair value of plan asset	(222)	-
	<u>734</u>	<u>-</u>

25. POST-EMPLOYMENT BENEFITS OBLIGATION (continued)

(b) The following table sets out the reconciliation of defined benefits plan:

	Group	
	2015 RM'000	2014 RM'000
Balance as at 1 July 2014/2013	-	-
Current service cost	577	-
Net interest cost	83	-
Included in profit or loss (Note 35)	660	-
Re-measurements		
Actuarial losses from:		
- Effect on changes in actuarial assumptions	(42)	-
- Experience adjustments	110	-
Included in other comprehensive income	68	-
Exchange differences	12	-
Benefits paid	(6)	-
Balance as at 30 June 2015/2014	<u>734</u>	<u>-</u>

(c) Movements in the present value of the defined benefits obligation in the current year are as follows:

	Group 2015 RM'000
Opening defined benefits obligation	-
Current service cost	782
Net interest cost	103
Re-measurement gains/(losses):	
- Actuarial gains and losses on obligation	129
- Actuarial gains and losses on benefits payments	(19)
- Actuarial gains and losses on changes in actuarial assumptions	(49)
Benefits paid	(6)
Foreign currencies translation	16
Closing defined benefits obligation	<u>956</u>

25. POST-EMPLOYMENT BENEFITS OBLIGATION (continued)

(d) Movements in the fair value of the plan asset in the current year are as follows:

	Group 2015 RM'000
Opening fair value of plan asset	-
Expected return on plan asset	35
Contributions by the employer	190
Re-measurement (losses)/gains:	
- Return on plan asset	(7)
- Foreign currencies translation	4
	<u>222</u>
Closing fair value of plan asset	<u>222</u>

(e) The principal actuarial assumptions used in respect of the funded defined benefits plan of the Group are as follows:

	2015 %
Discount rate	8.5
Expected return on plan asset	8.5
Expected rate of wage increase	<u>10.0</u>

(f) The employee benefits of the Group are exposed to changes in discount rate, expected return on plan asset and expected rate of salary. However, the volatility of these changes is considered low, and hence, sensitivity analysis for employee benefits is not presented.

26. 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 (2014: 7 to 90 days) from date of invoices.
- (b) Information on financial risks of trade payables is disclosed in Note 42 to the financial statements.
- (c) The currency exposure profiles of trade payables are as follows:

	Group	
	2015 RM'000	2014 RM'000
Ringgit Malaysia	21,381	18,604
US Dollar	5,921	5,049
Australian Dollar	1,793	2,109
Singapore Dollar	983	447
Thai Baht	538	569
Indonesian Rupiah	592	255
Euro	220	124
British Pound	181	11
Hong Kong Dollar	24	10
Vietnamese Dong	430	517
Others	2	175
	<u>32,065</u>	<u>27,870</u>

27. OTHER PAYABLES AND ACCRUALS

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Other payables	4,879	2,512	-	-
Accruals	10,652	10,408	482	501
	<u>15,531</u>	<u>12,920</u>	<u>482</u>	<u>501</u>

- (a) Information on financial risks of other payables and accruals is disclosed in Note 42 to the financial statements.
- (b) The currency exposure profiles of other payables and accruals are as follows:

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Ringgit Malaysia	12,020	10,845	482	501
Australian Dollar	1,166	948	-	-
Singapore Dollar	353	213	-	-
Indonesian Rupiah	996	352	-	-
Thai Baht	318	326	-	-
Vietnamese Dong	219	128	-	-
Indian Rupee	420	108	-	-
Sri Lankan Rupee	39	-	-	-
	<u>15,531</u>	<u>12,920</u>	<u>482</u>	<u>501</u>

28. 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 20);
 - (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 42 to the financial statements.
- (d) All bank overdrafts are denominated in RM.

29. ACQUISITION OF ADDITIONAL INTERESTS IN A SUBSIDIARY

On 1 April 2015, FM Global Logistics Ventures Sdn. Bhd. ('FMGLV'), a wholly-owned subsidiary of the Company increased its shareholding in its subsidiary, FM Global Logistics Co., Ltd. ('FMGLT'), from 49% to 100% for a cash consideration of RM265,712.

Details of net liabilities acquired are as follows:

	Group RM'000
Carrying amounts of net identifiable assets, liabilities and contingent liabilities, if any, of FMGLT as at the date of acquisition	(1,086)
Less: Carrying amounts of 49% equity interest held previously as a subsidiary	<u>532</u>
Identifiable net liabilities acquired at 49%	(554)
Excess of cost arising from additional interests acquired over the interest in the carrying amounts of the identifiable assets, liabilities and contingent liabilities, if any	<u>820</u>
Purchase consideration settled in cash	<u><u>266</u></u>

30. REVENUE

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Services rendered	420,271	403,301	-	-
Dividend income	-	-	10,217	12,194
Management fees	-	-	3,296	3,328
	<u>420,271</u>	<u>403,301</u>	<u>13,513</u>	<u>15,522</u>

31. FINANCE COSTS

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Interest expense on:				
- bank overdrafts	2	7	-	-
- hire purchase and lease liabilities	290	296	-	-
- term loans	2,695	1,813	-	-
- revolving credits	-	6	-	-
	<u>2,987</u>	<u>2,122</u>	<u>-</u>	<u>-</u>

32. PROFIT BEFORE TAX

	Note	Group		Company	
		2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Profit before tax is arrived at after charging:					
Auditors' remuneration:					
- statutory audit:					
- current year		257	230	52	50
- over provision in prior year		(1)	-	-	-
- non-statutory:					
- current year		28	32	28	32
- under provision in prior year		1	-	1	-
Bad debts written off		319	181	-	-
Depreciation of property, plant and equipment	7	13,543	11,229	-	-
Directors' remunerations:					
- Fees:					
- payable by the Company		418	300	418	300
- payable by the subsidiaries		224	99	-	-
- Other emoluments:					
- paid by the Company		37	35	37	35
- paid by the subsidiaries		6,773	6,822	-	-
Impairment losses on:					
- trade receivables	14	1,277	702	-	-
- investment in a subsidiary	8	-	-	-	300
- property, plant and equipment	7	69	-	-	-
Interest expense	31	2,987	2,122	-	-
Property, plant and equipment written off	7	42	116	-	-
Rental of hostel		40	40	-	-
Rental of office equipment		25	22	-	-
Rental of premises		1,659	1,607	-	-
Rental of warehouses		6,166	5,911	-	-
Unrealised loss on foreign currency transactions		593	381	-	-

32. PROFIT BEFORE TAX (continued)

	Note	Group		Company	
		2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
And crediting:					
Bad debts recovered		2	7	-	-
Fair value gain on other investments		351	-	-	-
Gain on disposal of:					
- property, plant and equipment		134	1,972	-	-
- other investment	11	389	-	-	-
Gain on foreign currency transactions:					
- realised		1,208	707	-	29
- unrealised		-	-	403	-
Gross dividends from:					
- subsidiaries		-	-	10,217	12,194
- other investments		6	-	-	-
Interest income received from:					
- fixed deposits and repo		336	295	211	158
- current and savings accounts		27	44	4	24
- a trade receivable		4	-	-	-
Management fees received from subsidiaries		-	-	3,296	3,328
Rental income from:					
- third parties		888	773	-	-
- an associate		154	296	-	-
Reversal of impairment losses on trade receivables	14	661	625	-	-

33. TAX EXPENSE

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Current tax expense based on profit for the financial year	4,150	4,788	-	-
Deferred tax (Note 13)	(67)	242	-	-
	4,083	5,030	-	-
Under/(Over) provision in prior years:				
- income tax	27	244	19	253
- deferred tax (Note 13)	145	(11)	-	-
	172	233	19	253
	4,255	5,263	19	253

33. TAX EXPENSE (continued)

- (a) The Malaysian income tax is calculated at the statutory tax rate of twenty-five percent (25%) (2014: 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		Company	
	2015 %	2014 %	2015 %	2014 %
Tax at Malaysian statutory tax rate	25.00	25.00	25.00	25.00
Tax effects in respect of:				
Non-allowable expenses	4.90	3.43	1.05	1.65
Non-taxable income	(0.60)	(2.22)	(25.11)	(26.49)
Movements in deferred tax assets not recognised	(0.25)	0.61	(0.94)	-
Utilisation of previously unrecognised tax losses	(0.03)	(0.07)	-	(0.16)
Reduction in deferred taxes as a result of reduction in statutory tax rate	(1.61)	-	-	-
Lower tax rate in foreign jurisdiction	(3.32)	(2.56)	-	-
Investment tax incentive	(7.06)	(6.63)	-	-
Tax exempt income	(0.19)	(1.24)	-	-
	<u>16.84</u>	<u>16.32</u>	<u>-</u>	<u>-</u>
Under/(Over) provision in prior years:				
- income tax	0.11	0.79	0.19	2.20
- deferred tax	<u>0.60</u>	<u>(0.04)</u>	<u>-</u>	<u>-</u>
Effective tax rate	<u><u>17.55</u></u>	<u><u>17.07</u></u>	<u><u>0.19</u></u>	<u><u>2.20</u></u>

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

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Arising from utilisation of previously unrecognised tax losses	<u><u>7</u></u>	<u><u>23</u></u>	<u><u>-</u></u>	<u><u>19</u></u>

33. TAX EXPENSE (continued)

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

	Group					
	Before tax RM'000	2015 Tax effect RM'000	After tax RM'000	Before tax RM'000	2014 Tax effect RM'000	After tax RM'000
Items that may be reclassified subsequently to profit or loss						
Actuarial loss on defined benefits plan (Note 25)	(68)	17	(51)	-	-	-
Fair value gain on available-for- sale financial asset	-	-	-	297	-	297
Foreign currency translations	4,069	-	4,069	13	-	13
Reclassification adjustment on disposal of available-for-sale financial asset	(297)	-	(297)	-	-	-
	<u>3,704</u>	<u>17</u>	<u>3,721</u>	<u>310</u>	<u>-</u>	<u>310</u>
Item that will not be reclassified subsequently to profit or loss						
Revaluation surplus on land and buildings	31,092	(7,459)	23,633	-	-	-

34. DIVIDENDS

	Group and Company			
	2015		2014	
	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 2014				
- Final single tier dividend	3.5	5,978	3.0	5,118
In respect of the financial year ended 30 June 2015				
- Interim single tier dividend	<u>1.5</u>	<u>2,595</u>	<u>1.5</u>	<u>2,562</u>
	<u>5.0</u>	<u>8,573</u>	<u>4.5</u>	<u>7,680</u>

A final single tier dividend in respect of the financial year ended 30 June 2015 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 2016.

35. EMPLOYEE BENEFITS

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Salaries, wages and bonuses	44,430	42,509	37	35
Contributions to defined contribution plans	4,549	4,384	-	-
Social security contributions	430	392	-	-
Defined benefits plan (Note 25)	660	-	-	-
Other benefits	2,193	1,714	-	-
	<u>52,262</u>	<u>48,999</u>	<u>37</u>	<u>35</u>

Included in the employee benefits of the Group and of the Company is Directors' remunerations amounting to RM6,810,000 (2014: RM6,857,000) and RM37,000 (2014: RM35,000) respectively.

36. 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	
	2015 '000	2014 '000
Profit attributable to equity holders of the parent (RM)	<u>20,105</u>	<u>24,006</u>
Weighted average number of ordinary shares in issue (unit)	170,762	167,786
Effect of exercise of warrants	<u>377</u>	<u>2,624</u>
Adjusted weighted average number of ordinary shares applicable to basic earnings per ordinary share	<u>171,139</u>	<u>170,410</u>
Basic earnings per ordinary share (sen)	<u>11.75</u>	<u>14.09</u>

(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	
	2015 '000	2014 '000
Profit attributable to equity holders of the parent (RM)	<u>20,105</u>	<u>24,006</u>
Weighted average number of ordinary shares in issue applicable to basic earnings per ordinary share (unit)	171,139	170,410
Effect of dilution in exercise of warrants	<u>5,506</u>	<u>6,530</u>
Adjusted weighted average number of ordinary shares applicable to diluted earnings per ordinary share	<u>176,645</u>	<u>176,940</u>
Diluted earnings per ordinary share (sen)	<u>11.38</u>	<u>13.57</u>

37. 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
1 st 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.
FM Global Logistics (Phil.), Inc.	A joint venture of a subsidiary, namely FM Global Logistics Ventures Sdn. Bhd.

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

	Group		Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Freight charges received/receivable from:				
- FM Global Logistics (Phil.), Inc.	444	-	-	-
- 1 st Cornerstone Investment Pte. Ltd.	1,889	3,040	-	-
Freight charges paid/payable to:				
- FM Forwarding Sdn. Bhd.	3,336	3,944	-	-
- Advance Logistics Sdn. Bhd.	2,683	3,715	-	-
- FM Global Logistics (Phil.), Inc.	223	-	-	-
Rental income received/receivable from:				
- FM Distribution Sdn. Bhd.	154	296	-	-

37. RELATED PARTY DISCLOSURES (continued)

- (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 (continued):

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Warehouse services received/ receivable from:				
- FM Distribution Sdn. Bhd.	9	9	-	-
Dividend paid/payable to a Director of a subsidiary	200	70	-	-
Administrative expenses paid/payable to a subsidiary	-	-	2,400	2,400
Gross dividends received from subsidiaries	-	-	10,217	12,194
Management fees received from subsidiaries	-	-	3,296	3,328

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.

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

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Short term employee benefits	6,092	5,976	37	35
Contributions to defined contribution plans	718	881	-	-
	<u>6,810</u>	<u>6,857</u>	<u>37</u>	<u>35</u>

38. 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	
	2015	2014
	RM'000	RM'000
Not later than one (1) year	4,999	4,372
Later than one (1) year but not later than five (5) years	1,423	2,597
	<u>6,422</u>	<u>6,969</u>

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

	Group	
	2015	2014
	RM'000	RM'000
Ringgit Malaysia	5,689	5,621
Singapore Dollar	117	42
Thai Baht	319	203
Vietnamese Dong	94	250
Indonesian Rupiah	203	217
Australian Dollar	-	636
	<u>6,422</u>	<u>6,969</u>

(ii) The Group as lessor

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

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

	Group	
	2015	2014
	RM'000	RM'000
Not later than one (1) year	1,066	884
Later than one (1) year but not later than five (5) years	367	1,389
	<u>1,433</u>	<u>2,273</u>

38. COMMITMENTS (continued)

(b) Capital commitments

	Group	
	2015	2014
	RM'000	RM'000
Capital expenditure in respect of purchase of property, plant and equipment:		
-contracted but not provided for	<u>6,899</u>	<u>16,512</u>

39. CONTINGENT LIABILITIES - UNSECURED

	Company	
	2015	2014
	RM'000	RM'000
Corporate guarantee given to financial institutions for credit facilities granted to subsidiaries, limit up to RM106,147,000 (2014: RM116,817,000)	<u>53,160</u>	<u>39,652</u>

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.

40. OPERATING SEGMENTS

The Company and its subsidiaries are principally engaged in the freight and forwarding industry. The Group has arrived at eight (8) (2014: seven (7)) 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, Sri Lanka and Singapore, which involved in two separate natures of services summarised as below:

(a) Logistics

There are seven (7) (2014: six (6)) 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, India and Sri Lanka.

(b) Marine

There is one (1) (2014: one (1)) reportable segment engaged as charterers and operators of barges and tugboats, which is operated by a company in Singapore.

40. OPERATING SEGMENTS (continued)

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 current tax assets and deferred tax assets.

Segment liabilities exclude current 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.

40. OPERATING SEGMENTS (continued)

	Logistics										Other operating segments RM'000	Eliminations RM'000	Total RM'000
	Malaysia RM'000	Australia RM'000	Indonesia RM'000	Thailand RM'000	Vietnam RM'000	India RM'000	Sri Lanka RM'000	[--Marine--] Singapore RM'000					
2015													
Revenue													
Total revenue	317,948	33,368	21,794	10,935	11,624	9,017	1,980	19,636	10,886	420,271	(16,917)	420,271	
Inter-segment revenue	(3,099)	(311)	(1,424)	(1,087)	(346)	(194)	(21)	-	(10,435)	-	16,917	-	
Revenue from external customers	314,849	33,057	20,370	9,848	11,278	8,823	1,959	19,636	451	420,271	-	420,271	
Finance costs	(2,400)	(26)	(51)	(4)	-	-	-	(570)	-	(2,987)	64	(2,987)	
Share of profit/(loss) of associates	16	-	-	-	-	-	-	-	(1)	15	-	15	
Share of loss of joint ventures	-	-	-	-	-	-	-	-	(721)	(721)	-	(721)	
Segment profit/(loss) before income tax	18,667	2,275	20	(525)	286	(387)	(180)	69	14,444	24,244	(10,425)	24,244	
Investments in associates	418	-	-	-	-	-	-	-	2,896	3,314	-	3,314	
Interests in joint ventures	-	-	-	-	-	-	-	-	2,386	2,386	-	2,386	
Other investments	2,005	-	-	-	-	-	-	232	826	3,063	-	3,063	
Additions to non-current assets other than financial instruments	26,377	315	90	9	49	45	56	2,914	281	30,136	-	30,136	
Segment assets	299,784	7,609	7,765	2,167	2,725	2,165	495	38,085	59,290	351,134	(68,951)	351,134	
Segment liabilities	162,657	3,488	4,416	4,024	2,132	1,854	417	12,558	15,046	110,143	(96,449)	110,143	

40. OPERATING SEGMENTS (continued)

	[----- Logistics -----] [---Marine---]										Other operating segments RM'000	Total RM'000
	Malaysia RM'000	Australia RM'000	Indonesia RM'000	Thailand RM'000	Vietnam RM'000	India RM'000	Singapore RM'000					
2014												
Revenue												
Total revenue	317,414	29,612	22,830	8,348	7,784	3,607	17,182				(23,542)	403,301
Inter-segment revenue	(1,363)	(217)	(589)	(1,014)	(213)	(130)	-				23,542	-
Revenue from external customers												
	316,051	29,395	22,241	7,334	7,571	3,477	17,182				-	403,301
Finance costs	(1,640)	(22)	(61)	(5)	-	-	(544)				150	(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												
	26,151	1,419	1,290	(886)	235	(851)	1,416				(12,087)	30,827
Investments in associates	329	-	-	-	-	-	-				2,896	3,225
Interests in joint ventures	-	-	-	-	-	-	-				2,589	2,589
Other investments	3	-	-	-	-	-	213				-	4,070
Additions to non-current assets other than financial instruments												
	21,060	67	322	213	75	160	7,935				-	29,988
Segment assets												
	226,381	5,833	6,807	1,879	2,014	1,380	36,905				(53,007)	284,787
Segment liabilities												
	126,073	3,454	3,433	3,149	1,716	720	13,532				(80,565)	91,211

40. OPERATING SEGMENTS (continued)

	Logistics							Other operating segments RM'000	Eliminations RM'000	Total RM'000
	Malaysia RM'000	Australia RM'000	Indonesia RM'000	Thailand RM'000	Vietnam RM'000	India RM'000	[--Marine--] Singapore RM'000			
2014 (continued)										
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	-	-	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)

40. OPERATING SEGMENTS (continued)

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

	2015 RM'000	2014 RM'000
Profit for the financial year		
Total profit or loss for reportable segments	24,244	30,827
Tax expense	<u>(4,255)</u>	<u>(5,263)</u>
Profit for the financial year of the Group per consolidated statement of profit or loss and other comprehensive income	<u>19,989</u>	<u>25,564</u>
Assets		
Total assets for reportable segments	351,134	284,787
Deferred tax assets	565	-
Current tax assets	<u>727</u>	<u>927</u>
Assets of the Group per consolidated statement of financial position	<u>352,426</u>	<u>285,714</u>
Liabilities		
Total liabilities for reportable segments	110,143	91,211
Current tax liabilities	1,325	2,090
Deferred tax liabilities	<u>17,162</u>	<u>9,111</u>
Liabilities of the Group per consolidated statement of financial position	<u>128,630</u>	<u>102,412</u>

Major customers

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

41. 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 2014.

41. FINANCIAL INSTRUMENTS (continued)

(a) Capital management (continued)

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 2015 and 30 June 2014.

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	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Trade payables	32,065	27,870	-	-
Other payables and accruals	15,531	12,920	482	501
Amounts owing to subsidiaries	-	-	2,992	6,770
Amounts owing to related parties	131	34	-	-
Amount owing to a joint venture	66	31	-	-
Hire purchase and lease liabilities	4,971	4,472	-	-
Term loans	52,824	42,199	-	-
Bank overdrafts - secured	1,226	1,123	-	-
Dividend payable	2,595	2,562	2,595	2,562
Post-employment benefits obligation	734	-	-	-
Total liabilities	110,143	91,211	6,069	9,833
Less: Cash and bank balances	(39,436)	(45,566)	(11,350)	(17,821)
Net debt/(cash)	70,707	45,645	(5,281)	(7,988)
Total capital	223,796	183,302	107,201	103,451
Net debt/(cash)	70,707	45,645	(5,281)	(7,988)
Total	294,503	228,947	101,920	95,463
Gearing ratio	24%	20%	-	-

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 equals to twenty-five percent (25%) of the issued and paid-up capital and such shareholders' equity is not less than RM40.0 million. The Group has complied with this requirement for the financial year ended 30 June 2015.

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

41. FINANCIAL INSTRUMENTS (continued)

(b) Categories of financial instruments

Group 2015	Loans and receivables RM'000	Available- for-sale RM'000	Fair value through profit or loss RM'000	Total RM'000
Financial assets				
Other investments	-	235	2,828	3,063
Trade receivables	99,356	-	-	99,356
Other receivables and deposits	6,226	-	-	6,226
Amount owing by an associate	257	-	-	257
Amounts owing by related parties	717	-	-	717
Amounts owing by joint ventures	3,096	-	-	3,096
Cash and bank balances	39,436	-	-	39,436
	<u>149,088</u>	<u>235</u>	<u>2,828</u>	<u>152,151</u>
			Other financial liabilities RM'000	Total RM'000
Financial liabilities				
Trade payables			32,065	32,065
Other payables and accruals			15,531	15,531
Amounts owing to related parties			131	131
Amount owing to a joint venture			66	66
Hire purchase and lease liabilities			4,971	4,971
Term loans			52,824	52,824
Bank overdrafts - secured			1,226	1,226
Dividend payable			2,595	2,595
			<u>109,409</u>	<u>109,409</u>
			Loans and receivables RM'000	Total RM'000
Company 2015				
Financial assets				
Other receivables and deposits			10	10
Amounts owing by subsidiaries			23,474	23,474
Amount owing by an associate			257	257
Amounts owing by joint ventures			2,967	2,967
Cash and bank balances			11,350	11,350
			<u>38,058</u>	<u>38,058</u>

41. FINANCIAL INSTRUMENTS (continued)

(b) Categories of financial instruments (continued)

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
Amounts owing by joint ventures	2,561	2,561
Cash and bank balances	17,821	17,821
	38,070	38,070
	38,070	38,070
	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
	9,833	9,833

(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 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.

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

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

- (iii) Other 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.

41. FINANCIAL INSTRUMENTS (continued)

(c) Methods and assumptions used to estimate fair values (continued)

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

(iv) Other investments - Quoted investments

The fair values of quoted investments are determined by reference to the exchange quoted market bid prices at the close of the business 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
<u>Financial assets</u>		
Unquoted investments	Discounted industry price-earnings ratio 4.47 (2014: 5.85)	The higher the price-earnings ratio, the higher the fair values of the unquoted investments would be.

41. FINANCIAL INSTRUMENTS (continued)

(d) Fair value hierarchy (continued)

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

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

41. FINANCIAL INSTRUMENTS (continued)

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

Group	2015 RM'000	2014 RM'000
Financial assets		
Balance as at 1 July 2014/2013	4,070	3
Additions	-	3,770
Disposal	(3,854)	-
Exchange differences	19	-
Gain recognised in other comprehensive income	-	297
	<u>235</u>	<u>4,070</u>
Balance as at 30 June 2015/2014	<u>235</u>	<u>4,070</u>

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

Group	2015 RM'000	2014 RM'000
Profit after tax		
Price-earnings ratio		
- Increase by 0.5	7	330
- Decrease by 0.5	(7)	(330)
	<u>7</u>	<u>(330)</u>

(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.

42. 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, foreign currency risk and market 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.

42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(a) Credit risk (continued)

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 14 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:

	2015		2014	
	RM'000	% of total	RM'000	% of total
By country				
Domestic	83,000	84	62,109	82
Foreign	16,356	16	13,953	18
	<u>99,356</u>	<u>100</u>	<u>76,062</u>	<u>100</u>

The Company does not have any significant concentration of credit risk other than the amounts owing by subsidiaries, which constitutes 87.56% (2014: 85.63%) 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 14 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 14 to the financial statements.

42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(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.

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 2015				
Group				
Financial liabilities				
Trade payables	32,065	-	-	32,065
Other payables and accruals	15,531	-	-	15,531
Amounts owing to related parties	131	-	-	131
Amount owing to a joint venture	66	-	-	66
Hire purchase and lease liabilities	1,840	3,616	-	5,456
Term loans	11,670	50,460	-	62,130
Bank overdrafts - secured	1,226	-	-	1,226
Dividend payable	2,595	-	-	2,595
	<hr/>			
Total undiscounted financial liabilities	65,124	54,076	-	119,200
<hr/>				
Company				
Financial liabilities				
Other payables and accruals	482	-	-	482
Amounts owing to subsidiaries	2,992	-	-	2,992
Dividend payable	2,595	-	-	2,595
	<hr/>			
Total undiscounted financial liabilities	6,069	-	-	6,069
<hr/>				

42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(b) Liquidity and cash flow risk (continued)

	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	34	-	-	34
Amount owing to a joint venture	31	-	-	31
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

(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 2015, if interest rates at the date had been 100 basis points lower with all other variables held constant, the profit after tax of the Group for the year would have been RM692,000 (2014: RM554,000) 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 profit after tax of the Group for the year would have been RM692,000 (2014: RM554,000) 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.

42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(c) Interest rate risk (continued)

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

		At 30 June 2015							
Group	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
Fixed rates									
Fixed deposits with licensed banks	20	3.20	3,582	-	-	-	-	-	3,582
Hire purchase and lease liabilities	23	5.78	1,602	1,441	1,219	445	264	-	4,971
Term loans	24	5.81	2,128	1,559	-	-	-	-	3,687
Floating rates									
Bank overdrafts - secured	28	7.60	1,226	-	-	-	-	-	1,226
Term loans	24	4.89	7,314	7,163	6,707	5,107	4,996	17,850	49,137

42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(c) Interest rate risk (continued)

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

Group	Note	Weighted average effective interest rate %	At 30 June 2014					Total RM'000
			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	
Fixed rates								
Fixed deposits with licensed banks	20	3.02	4,970	-	-	-	-	4,970
Hire purchase and lease liabilities	23	5.91	1,233	1,293	1,051	832	63	4,472
Term loans	24	5.83	3,997	2,002	1,435	-	-	7,434
Floating rates								
Bank overdrafts - secured	28	7.35	1,123	-	-	-	-	1,123
Term loans	24	4.57	5,531	7,387	5,437	3,353	2,255	34,765

42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(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	
		2015	2014
		Profit	Profit
		net of tax	net of tax
		RM'000	RM'000
USD/RM	- Strengthened 5% (2014: 5%)	+365	+224
	- Weakened 5% (2014: 5%)	-365	-224
SGD/RM	- Strengthened 5% (2014: 5%)	+246	+170
	- Weakened 5% (2014: 5%)	-246	-170
		<hr/>	<hr/>

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

(e) Market risk

Market risk is the risk that the fair value of future cash flows of the financial instruments of the Group would fluctuate because of changes in market prices (other than interest or exchange rates).

The Group is exposed to equity price risks arising from quoted investments held by the Group. Quoted equity instrument outside Malaysia is listed on the Tokyo Stock Exchange, which is held for strategic rather than trading purpose. Short term fund is unit trust quoted in Malaysia. These instruments are classified as financial assets designated at fair value through profit or loss.

42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(e) Market risk (continued)

At the end of each reporting period, the maximum exposure of the Group to market risk is represented by the total carrying amount of these financial assets recognised in the statements of financial positions, which amounted to RM2,828,364 (2014: Nil). There has been no change to the exposure of the Group to market risk or the manner in which the risk is managed and measured.

As the Group neither has the intention, nor historical trend of active trading in these financial instruments, the Directors are of the opinion that the Group is not subject to significant exposure to price risk and accordingly, no sensitivity analysis is being presented at the end of each reporting period.

43. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

- (a) On 12 February 2015, the Company announced that its wholly-owned subsidiary, FM Global Logistics Ventures Sdn. Bhd. ('FMGLV'), had on 11 February 2015 incorporated of its wholly-owned subsidiary by the name of FM Global Korea Corporation ('FMGKC'), under the laws of Korea. FMGKC has an initial issued and paid-up share capital of KRW200,000,000 (RM650,400) comprising 20,000 shares of KRW10,000 each.

The above incorporation of FMGKC did not have any material financial effect to the Group. The intended business activity of FMGKC is the provision of trading services.

- (b) On 26 November 2014, the Company announced that FMGLV had on 26 November 2014 entered into an agreement ('the Agreement') with Amass Freight International Co. Ltd., a company incorporated in the Peoples Republic of China ('AFICL') to jointly set up a limited liability company within the Jebel Ali Free Trade Zone in United Arab Emirates. The joint-venture company had been issued with an approved trading licence by Jebel Ali Free Zone Authority in Dubai under the proposed name 'Amass Freight Middle East FZCO' ('AMASS').

The intended activity of AMASS is an investment holding company. AMASS had an authorised share capital of AED1,000,000 divided into 10 shares of AED100,000 each. The paid-up share capital of AMASS of AED1,000,000 was divided into 10 shares of AED100,000 each and the capital was contributed as follows:

- (i) 50% from FMGLV; and
- (ii) 50% from AFICL;

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

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

- (a) On 6 July 2015, the Company announced that its wholly-owned subsidiary, FM Global Logistics Ventures Sdn. Bhd. ('FMGLV'), had entered into a Subscription and Shareholders' Agreement ('the Agreement') with the six (6) other parties for the subscription of 258,352 new ordinary shares of RM1.00 each in Hubwire Sdn. Bhd. (Company No. 1070185-P) ('HSB'), a company incorporated under the Companies Act, 1965 in Malaysia, for a total cash consideration of RM1,600,000.

The business activities of HSB comprise multi-channel information technology ('IT') retail management and IT solutions, e-commerce and other related business in Malaysia and Asia Pacific. The Subscription of Shares was completed on 6 July 2015 and upon completion; FMGLV holds 20% of the equity in HSB. This allows FMGLV to get involve in e-commerce logistics services.

The above Subscription of Shares did not have any material financial effect to the Group.

- (b) On 27 August 2015, the Company announced that its wholly-owned subsidiary, FM Global Logistics (M) Sdn. Bhd. ('FMGLM' or 'Purchaser') had entered into a Sale and Purchase Agreement ('SPA') with Johnson Controls Automotive Holding (M) Sdn. Bhd. (Company No. 114130-M) ('Vendor') to acquire the land held under HS (D) 261818, Lot No. PT 598, Pekan Hicom, Daerah Petaling, Negeri Selangor with an approximate area of 34,559 square meters ('Land') together with the two (2) double storey office buildings/canteen and four (4) production/warehouses erected thereon (collectively known as the 'Property') for a total purchase price of RM50,000,000 (excluding Goods and Services Tax) ('Proposed Acquisition'), which are free from encumbrances and in the state and condition as at the date of completion on an 'as is where is' basis.

The Proposed Acquisition was completed on 25 September 2015.

45. 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:

	2015		2014	
	Group RM'000	Company RM'000	Group RM'000	Company RM'000
Total retained earnings of the Company and its subsidiaries:				
- Realised	139,130	15,262	118,647	14,086
- Unrealised	<u>(17,190)</u>	<u>403</u>	<u>(9,492)</u>	<u>-</u>
	121,940	15,665	109,155	14,086
Total share of retained earnings from associates:				
- Realised	163	-	148	-
Total share of accumulated losses from joint ventures:				
- Realised	(783)	-	(62)	-
Less: Consolidation adjustments	<u>(32,895)</u>	<u>-</u>	<u>(31,503)</u>	<u>-</u>
Total retained earnings	<u>88,425</u>	<u>15,665</u>	<u>77,738</u>	<u>14,086</u>