

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to the course of action to be taken, please consult your stockbroker, bank manager, solicitor, accountant or any other professional adviser immediately.

Bursa Malaysia Securities Berhad takes no responsibility for the contents of this Circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Circular.



FREIGHT MANAGEMENT HOLDINGS BHD.

Registration No. 199601008064 (380410-P)
(Incorporated in Malaysia)

CIRCULAR TO SHAREHOLDERS

**IN RELATION TO THE
PROPOSED BONUS ISSUE OF 279,222,415 NEW ORDINARY SHARES IN FREIGHT MANAGEMENT HOLDINGS BHD. (“FREIGHT MANAGEMENT SHARE(S)” OR “SHARE(S)”) (“BONUS SHARE(S)”) ON THE BASIS OF 1 BONUS SHARE FOR EVERY 1 EXISTING SHARE HELD ON AN ENTITLEMENT DATE TO BE DETERMINED AND ANNOUNCED LATER**

AND

NOTICE OF EXTRAORDINARY GENERAL MEETING

Principal Adviser



CIMB Investment Bank Berhad

Registration No. 197401001266 (18417-M)

The Extraordinary General Meeting (“EGM”) of Freight Management Holdings Bhd. (“**Company**”) will be conducted virtually through live streaming from the **Broadcast Venue at Tricor Business Centre, Manuka 2 & 3 Meeting Room, Unit 29-01, Level 29, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia on Tuesday, 1 June 2021 at 10.00 a.m.**, or at any adjournment thereof. The Notice of EGM together with the Form of Proxy are enclosed herein.

If you decide to appoint a proxy or proxies to participate in the EGM, please complete and sign the Form of Proxy and deposit it at the Share Registrar’s office of our Company at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia not less than 48 hours before the time appointed for holding the EGM, or at any adjournment thereof. You also have an option to submit the Form of Proxy electronically via the TIH Online website at <https://tiih.online> before the Form of Proxy lodgement cut-off time as mentioned below. For further information on the electronic lodgement of the Form of Proxy, kindly refer to the Administrative Guide, available at <http://fmgloballogistics.listedcompany.com/egm2021.html>.

Last day, date and time for lodging the Form of Proxy : Sunday, 30 May 2021 at 10.00 a.m.

Date and time of the EGM : Tuesday, 1 June 2021 at 10.00 a.m.

This Circular is dated 17 May 2021

THE REST OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

DEFINITIONS

Except where the context otherwise requires, the following definitions shall apply throughout this Circular.

Act	:	Companies Act 2016
Board	:	Board of Directors of Freight Management
Bonus Share(s)	:	279,222,415 new shares to be issued pursuant to the Proposed Bonus Issue
Bursa Securities	:	Bursa Malaysia Securities Berhad
CIMB or Principal Adviser	:	CIMB Investment Bank Berhad
Circular	:	This circular to shareholders of our Company dated 17 May 2021 in relation to the Proposed Bonus Issue
COVID-19	:	Coronavirus disease 2019
Directors	:	The directors of Freight Management and shall have the meaning given in Section 2(1) of the Act and Section 2(1) of the Capital Markets and Services Act 2007
EGM	:	Extraordinary general meeting
Entitled Shareholders	:	Shareholders whose names appear in the Record of Depositors of Freight Management at the close of business on the Entitlement Date
Entitlement Date	:	5.00 p.m. on a date to be determined and announced later by our Board on which the names of the shareholders of Freight Management must appear in the Record of Depositors of our Company in order to be entitled to receive the Bonus Shares
EPS	:	Earnings per Share
FPE	:	Financial period ended/ending, as the case may be
Freight Management or Company	:	Freight Management Holdings Bhd.
Freight Management Group or Group	:	Freight Management and its subsidiaries, collectively

DEFINITIONS (*Cont'd*)

Freight Management Share(s) or Share(s)	:	Ordinary shares in Freight Management
FYE	:	Financial year ended/ending, as the case may be
Listing Requirements	:	Main Market Listing Requirements of Bursa Securities
LPD	:	30 April 2021, being the latest practicable date prior to the printing of this Circular
Market Day	:	Any day on which Bursa Securities is open for securities trading
MCO	:	Movement control order
NA	:	Net Asset
Proposed Bonus Issue	:	Proposed bonus issue of 279,222,415 new Freight Management Shares on the basis of 1 Bonus Share for every 1 existing Share held on the Entitlement Date
Record of Depositors	:	A record of depositors maintained by Bursa Malaysia Depository Sdn. Bhd. under the Rules of Bursa Malaysia Depository Sdn. Bhd.
RM and sen	:	Ringgit Malaysia and sen respectively
VWAMP	:	Volume weighted average market price

(The rest of this page has been intentionally left blank)

DEFINITIONS (*Cont'd*)

All references to “**our Company**” in this Circular are to Freight Management and references to “**our Group**” mean our Company and our subsidiaries. References to “**we**”, “**us**” and “**our**” are to our Company and where the context requires, our Company and our subsidiaries.

All references to “**you**” and “**your**” in this Circular are to our shareholders, unless the context otherwise requires.

Unless specifically referred to, words denoting the singular shall, where applicable, include the plural and vice versa. Words denoting the masculine gender shall, where applicable, include the feminine and/or neuter genders and vice versa. Reference to persons shall include corporations, unless otherwise specified.

Any reference to any act, law, ordinance, enactment or guideline in this Circular is a reference to that act, law, ordinance, enactment or guideline as amended or re-enacted from time to time.

Any reference to a time of day and date in this Circular is a reference to Malaysian time and date, unless otherwise stated.

Any discrepancies in the figures in this Circular between the amounts stated, actual figures and the totals thereof are due to rounding.

Certain statements in this Circular may be forward-looking in nature, which are subject to uncertainties and contingencies. Forward-looking statements may contain estimates and assumptions made by our Board after due enquiry, which are nevertheless subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance and achievements to differ materially from the anticipated results, performance and achievements expressed or implied in such forward-looking statements. In light of these and other uncertainties, the inclusion of a forward-looking statement in this Circular should not be regarded as a representation or warranty that our Group’s plans and objectives will be achieved.

(The rest of this page has been intentionally left blank)

TABLE OF CONTENTS

	Page
LETTER TO OUR SHAREHOLDERS IN RELATION TO THE PROPOSED BONUS ISSUE	
1. INTRODUCTION	1
2. DETAILS OF THE PROPOSED BONUS ISSUE	2
3. RATIONALE AND JUSTIFICATION FOR THE PROPOSED BONUS ISSUE	3
4. IMPACT OF THE COVID-19 PANDEMIC TO OUR GROUP	4
5. EFFECTS OF THE PROPOSED BONUS ISSUE	5
6. APPROVALS REQUIRED	8
7. CONDITIONALITY OF THE PROPOSAL	9
8. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVE AND PERSON CONNECTED	9
9. DIRECTORS' RECOMMENDATION	9
10. TIMEFRAME FOR COMPLETION / IMPLEMENTATION	9
11. EGM	10
12. FURTHER INFORMATION	10
APPENDIX	
1. ADDITIONAL INFORMATION	11
NOTICE OF EGM	Enclosed
FORM OF PROXY	Enclosed



FREIGHT MANAGEMENT HOLDINGS BHD.

Registration No. 199601008064 (380410-P)
(Incorporated in Malaysia)

Registered Office

Unit 30-01, Level 30, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Malaysia

17 May 2021

Board of Directors

Tengku Nurul Azian Binti Tengku Shahrman (*Chairperson / Independent Non-Executive Director*)
Chew Chong Keat (*Group Managing Director*)
Yang Heng Lam (*Executive Director*)
Gan Siew Yong (*Executive Director*)
Ong Looi Chai (*Executive Director*)
Soh Chin Teck (*Independent Non-Executive Director*)
Lau Swee Chin (*Independent Non-Executive Director*)
Khua Kian Keong (*Non-Independent Non-Executive Director*)

To: Our shareholders

Dear Sir/Madam,

Proposed Bonus Issue

1. INTRODUCTION

On 19 April 2021, CIMB had, on behalf of our Board, announced that our Company proposes to undertake the Proposed Bonus Issue.

Subsequently on 20 April 2021, CIMB had, on behalf of our Board, announced that the listing application in relation to the Proposed Bonus Issue had been submitted to Bursa Securities.

On 23 April 2021, CIMB had, on behalf of our Board, announced that Bursa Securities had vide its letter dated 23 April 2021, approved the listing of and quotation of 279,222,415 Bonus Shares to be issued pursuant to the Proposed Bonus Issue on the Main Market of Bursa Securities, subject to conditions as set out in Section 6 of this Circular.

THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE YOU WITH THE DETAILS OF THE PROPOSED BONUS ISSUE AND TO SEEK YOUR APPROVAL ON THE RESOLUTION IN RELATION TO THE PROPOSED BONUS ISSUE TO BE TABLED AT THE FORTHCOMING EGM OF OUR COMPANY. THE NOTICE OF THE EGM AND THE FORM OF PROXY ARE ENCLOSED TOGETHER WITH THIS CIRCULAR.

YOU ARE ADVISED TO READ AND CONSIDER CAREFULLY THE CONTENTS OF THE CIRCULAR TOGETHER WITH THE APPENDIX CONTAINED HEREIN BEFORE VOTING ON THE RESOLUTION BY WAY OF POLL IN RELATION TO THE PROPOSED BONUS ISSUE TO BE TABLED AT OUR FORTHCOMING EGM.

2. DETAILS OF THE PROPOSED BONUS ISSUE

2.1 Basis and number of Bonus Shares to be issued

The Proposed Bonus Issue entails the issuance of 279,222,415 Bonus Shares on the basis of 1 Bonus Share for every 1 existing Share held by the Entitled Shareholders.

As at the LPD, the issued share capital of our Company is RM104,289,706.58 comprising 279,222,415 Shares and we do not hold any treasury shares.

The basis of the Proposed Bonus Issue of 1 Bonus Share for every 1 existing Share was arrived after taking into consideration the potential adjustments to the share price of our Shares arising from the Proposed Bonus Issue. Pursuant to Paragraph 6.30(1A) of the Listing Requirements, a listed issuer must ensure that its share price adjusted for a bonus issue is not less than RM0.50 based on the VWAMP during the 3-month period before the application date.

Based on the daily VWAMP of Freight Management Shares during the 3-month period up to and including 19 April 2021 (*being the date immediately before submission of the application to Bursa Securities on 20 April 2021*) which ranged between RM1.01 and RM1.69, the theoretical ex-bonus share price of our Shares ranged between RM0.51 and RM0.85.

Accordingly, our Board confirms that our share price adjusted for the Proposed Bonus Issue is in compliance with Paragraph 6.30(1A) of the Listing Requirements.

For illustration purposes, based on the closing price of Freight Management Shares on 19 April 2021 and assuming 1,000 Freight Management Shares held by a shareholder, the effect of the Proposed Bonus Issue on the Shares held by the shareholder is as follow:

	No. of Shares held	Closing price of Freight Management Shares on 19 April 2021 / Theoretical ex- bonus price	Total Value
Before the Proposed Bonus Issue	1,000	RM1.450	RM1,450
After the Proposed Bonus Issue	2,000	RM0.725	RM1,450

The Proposed Bonus Issue is not intended to be implemented in stages over a period of time.

2.2 No capitalisation of reserves

The Bonus Shares in respect of the Proposed Bonus Issue will be issued as fully paid, at no consideration and without capitalisation of our Company's reserves. The Proposed Bonus Issue will not raise any funds for our Company.

For avoidance of doubt, the Proposed Bonus issue will increase the number of Freight Management Shares but will not increase the value of issued share capital of our Company.

2.3 Ranking of the Bonus Shares

The Bonus Shares will, upon allotment and issuance, rank equally in all respects with our existing Shares at the date of allotment of the Bonus Shares, save and except that the Bonus Shares will not be entitled to participate in any rights, allotments, dividends, and/or any other distributions that may be declared, made or paid before the Entitlement Date.

2.4 Listing of and quotation for the Bonus Shares

Bursa Securities had vide its letter dated 23 April 2021, approved the listing of and quotation for the Bonus Shares on the Main Market of Bursa Securities, subject to the conditions as set out in Section 6 of this Circular.

The Bonus Shares will be listed and quoted on the Main Market of Bursa Securities on the next Market Day after the Entitlement Date.

3. RATIONALE AND JUSTIFICATION FOR THE PROPOSED BONUS ISSUE

Our Board has considered that the Proposed Bonus Issue is an appropriate avenue to reward shareholders for their continuous support to our Group. The Proposed Bonus Issue is intended to:

- (i) allow our shareholders to increase the number of Shares held in our Company without incurring any additional costs, whilst maintaining their percentage of equity interests; and
- (ii) improve the marketability and trading liquidity of our Shares on Bursa Securities due to the lower trading price which attracts a broader range of investors to participate in the equity of our Company.

4. IMPACT OF THE COVID-19 PANDEMIC TO OUR GROUP

In light of the unprecedented COVID-19 pandemic as declared by World Health Organisation on 11 March 2020, the government of Malaysia had imposed the MCO from 18 March 2020 until 3 May 2020 as a containment measure under the Prevention and Control of Infectious Diseases Act 1988 where only businesses listed as essential services were allowed to continue operations subject to certain operating conditions. As our Group's operations are considered essential services, our performance during our FYE 30 June 2020 was satisfactory against the backdrop of continued trade tensions and economic fallout from the COVID-19 pandemic. Our core business divisions, namely Freight Forwarding and Third Party Logistics ("3PL"), Warehousing & Distribution, have performed relatively well but our overall performance was negatively impacted by losses at our Tug and Barge associate and Distribution operations. For our FPE 31 December 2020, or first half of our FYE 30 June 2021, we recorded an improved performance on the back of stable volume and strong demand for our services. Our Group's revenue registered a growth of approximately 11%, representing an increase from RM287.6 million to RM319.4 million while our Group's Profit After Tax and Minority Interest increased approximately 39% from RM8.9 million to RM12.4 million based on the six months unaudited financial results of our Group for the respective FPE 31 December 2019 and 31 December 2020.

On the whole, our Board is of the view that the freight and logistics sector may have fared better than other industries during the government-imposed lockdowns. Our businesses were spared from the brunt of the economic slowdown since global trade, especially of essential items, were allowed to be carried out unabated. This is due to governments designating ports, shipping, and trucking services as essential, thus exempted from lockdown measures faced by other industries. Moreover, although many airports remain closed to passenger flights, most are still open to cargo. As a freight and total logistics service provider, our Group was instrumental in moving medical supplies and equipment at a time when supply chain disruptions hampered many different types of businesses.

Our Board is cautiously optimistic of the renewed trading activities in the calendar year 2021. However, the recovery and long-term impact of the pandemic on the freight and logistics sector is highly contingent on factors such as the pace of recovery of other countries and sectors, as well as increased logistics costs due to tighter cross-border inspections, processing, and control protocols resulting from concerns pertaining to the transmission of COVID-19.

As at the LPD, other than as stated above, our Board is not aware of any other material impact on the business operations and financial performance arising from the COVID-19 pandemic. Nonetheless, our Board and management will continue to monitor the development of the COVID-19 pandemic and its related impact on our Group's businesses closely, and will adopt strategies to mitigate any potential risks arising therefrom.

Premised on the above and the outlook of the industry and segments where our Group operates, our Board is optimistic that the overall business prospect of our Group remains positive.

(Source: Management of Freight Management)

5. EFFECTS OF THE PROPOSED BONUS ISSUE

The proforma effects of the Proposed Bonus Issue on issued share capital, substantial shareholders' shareholdings of our Company, and the NA per Share, gearing and EPS of our Group are as follows:

5.1 Issued share capital

For illustration purposes, the proforma effects of the Proposed Bonus Issue on the share capital of our Company are as follows:

	No. of Shares ('000)	RM'000
Issued share capital as at the LPD	279,222	104,290
To be issued pursuant to the Proposed Bonus Issue	279,222	(1)-
Enlarged issued share capital	558,444	104,290

Note:

(1) *The Bonus Shares shall be issued as fully paid shares at no consideration and without capitalisation of our Company's reserves.*

5.2 NA per Share and gearing

For illustration purposes, based on our latest audited consolidated financial statements as at 30 June 2020, the proforma effects of the Proposed Bonus Issue on the NA per Share and gearing of our Group are as follows:

	Audited as at 30 June 2020	After the Proposed Bonus Issue
	RM'000	RM'000
Issued share capital	104,290	104,290
Exchange translation reserve	2,139	2,139
Revaluation reserve	57,680	57,680
Retained earnings	126,452	(1)126,302
Shareholders' funds / NA	290,561	290,411
No. of Shares ('000)	279,222	558,444
NA per Share (RM)	1.04	0.52
Total borrowings (RM'000)	88,466	88,466
Gearing ratio (times)	0.30	0.30

Note:

(1) *After deducting the estimated expenses in relation to the Proposed Bonus Issue of approximately RM150,000.*

5.3 Earnings and EPS

The Proposed Bonus Issue is not expected to have any material effect on the earnings of our Group for the FYE 30 June 2021, save for the dilution in the EPS of our Group as a result of the increase in the number of Shares in issue arising from the Proposed Bonus Issue.

For illustration purposes, based on the audited consolidated financial statements of our Group for the FYE 30 June 2020 and assuming that the Proposed Bonus Issue had been effected on 30 June 2020, the Proposed Bonus Issue will have the following proforma effects on the consolidated earnings of our Group:

	Audited as at 30 June 2020	After the Proposed Bonus Issue
Profit attributable to owners of the parent for the audited FYE 30 June 2020 (RM'000)	12,045	12,045
No. of Shares ('000)	279,222	558,444
EPS (sen)	4.31	2.16

(The rest of this page has been intentionally left blank)

5.4 Substantial shareholders' shareholdings

The Proposed Bonus Issue will not have any effect on the percentage of shareholdings of the substantial shareholders of our Company as the Bonus Shares will be allotted on a pro-rata basis to all shareholders of our Company. However, the number of Shares held by the substantial shareholders will increase proportionately as a result of the Proposed Bonus Issue.

For illustrative purposes, the proforma effects of the Proposed Bonus Issue on the substantial shareholders' shareholding of our Company are as follows:

Substantial shareholders	As at the LPD			After the Proposed Bonus Issue		
	Direct		Indirect	Direct		Indirect
	No. of Shares	%	No. of Shares	No. of Shares	%	No. of Shares
Chew Chong Keat	67,187,614	24.06	(1)274,999	134,375,228	24.06	(1)549,998
Singapore Enterprises Private Limited	55,988,700	20.05	-	111,977,400	20.05	-
Yang Heng Lam	51,305,038	18.37	(2)919,948	102,610,076	18.37	(2)1,839,896
Khua Kian Keong	-	-	(3)55,988,700	-	-	(3)111,977,400

Notes:

- (1) Deemed interested in shares held by his children by virtue of Section 59(1)(c) of the Act.
- (2) Deemed interested in shares held by his spouse and children by virtue of Section 59(1)(c) of the Act.
- (3) Deemed interested in shares held by Singapore Enterprises Private Limited pursuant to Section 8 of the Act.

(The rest of this page has been intentionally left blank)

5.5 Convertible securities

As at the LPD, our Company does not have any existing convertible securities.

5.6 Material commitments

Save as disclosed below, as at the LPD, our Board, after making all reasonable enquiries, is not aware of any material commitments incurred or known to be incurred by our Group, which upon becoming enforceable, may have a material impact on the financial results/position of our Group:

	RM'000
Capital expenditure in respect of building, purchase of computers, office equipment, furniture and fittings, trucks, prime movers, trailers, warehouse equipment	5,981

5.7 Contingent liabilities

Save as disclosed below, as at the LPD, our Board, after making all reasonable enquiries, is not aware of any contingent liabilities incurred or known to be incurred by our Group, which upon becoming enforceable, may have a material impact on the financial results/position of our Group:

	RM'000
Corporate guarantees given to third parties in respect of trade performance of subsidiaries	6,523
Corporate guarantees given to financial institutions in respect of credit facilities granted to subsidiaries	64,353
Total	70,876

6. APPROVALS REQUIRED

The Proposed Bonus Issue is conditional upon the following approvals being obtained:

- (i) Bursa Securities for the listing of and quotation for the Bonus Shares on the Main Market of Bursa Securities, which was obtained vide its letter dated 23 April 2021, subject to following conditions; and

Conditions	Status of compliance
(i) Freight Management and CIMB must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Proposed Bonus Issue;	To be complied
(ii) Freight Management and CIMB to inform Bursa Securities upon the completion of the Proposed Bonus Issue;	To be complied
(iii) Freight Management to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Proposed Bonus Issue is completed; and	To be complied

Conditions	Status of compliance
(iv) Freight Management and CIMB are required to make the relevant announcements pursuant to Paragraphs 6.35(2)(a) & (b) and 6.35(4) of the Listing Requirements.	To be complied

(ii) the shareholders of our Company for the Proposed Bonus Issue at the forthcoming EGM.

The Proposed Bonus Issue is not conditional upon any other proposals undertaken or to be undertaken by our Company.

7. CONDITIONALITY OF THE PROPOSAL

Save for the Proposed Bonus Issue, there is no other corporate exercise that has been announced but not yet completed as at the LPD.

8. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS, CHIEF EXECUTIVE AND PERSON CONNECTED

None of the Directors, major shareholders, chief executive and/or persons connected to them has any interest, either direct or indirect, in the Proposed Bonus Issue, apart from their respective entitlements as shareholders of our Company, in which the Bonus Shares are also available to all other Entitled Shareholders.

9. DIRECTORS' RECOMMENDATION

Our Board, having considered all aspects of the Proposed Bonus Issue, including but not limited to the rationale as well as the effects of the Proposed Bonus Issue, is of the opinion that the Proposed Bonus Issue is in the best interest of our Company and our shareholders.

Accordingly, our Board recommends that you vote in favour of the resolution in relation to the Proposed Bonus Issue to be tabled at our forthcoming EGM.

10. TIMEFRAME FOR COMPLETION / IMPLEMENTATION

Barring any unforeseen circumstances and subject to all requisite approvals being obtained, the Proposed Bonus Issue is expected to be completed in the second quarter of calendar year 2021.

The tentative timeline for the implementation of the Proposed Bonus Issue is as follows:

Tentative timing	Events
1 June 2021	<ul style="list-style-type: none"> • EGM
Early June 2021	<ul style="list-style-type: none"> • Announcement of Entitlement Date
Mid June 2021	<ul style="list-style-type: none"> • Entitlement Date • Listing of and quotation for the Bonus Shares

11. EGM

An EGM, the notice of which is set out in this Circular, will be conducted virtually through live streaming from the **Broadcast Venue at Tricor Business Centre, Manuka 2 & 3 Meeting Room, Unit 29-01, Level 29, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia** on **Tuesday, 1 June 2021 at 10.00 a.m.**, or at any adjournment thereof, for the purpose of considering and, if thought fit, passing the ordinary resolution to give effect to the Proposed Bonus Issue.

If you are unable to attend or vote via remote voting and participation at the EGM, you may complete, sign and return the enclosed Form of Proxy in accordance with the instructions provided thereon as soon as possible, to the Share Registrar's office of our Company at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia, or by electronic lodgement via the TIIH Online website at <https://tiih.online>, not less than 48 hours before the time fixed for holding the EGM.

12. Further Information

You are advised to refer to the Appendix set out in this Circular for further information.

Yours faithfully,
For and on behalf of our Board of
FREIGHT MANAGEMENT HOLDINGS BHD.

CHEW CHONG KEAT
Group Managing Director

ADDITIONAL INFORMATION

1. HISTORICAL SHARE PRICES

The monthly highest and lowest prices of Freight Management Shares as traded on Bursa Securities for the past 12 months up to and including the LPD are set out in the table below:

	High	Low
	RM	RM
<u>2020</u>		
May	0.52	0.48
June	0.53	0.50
July	0.53	0.50
August	0.54	0.50
September	0.56	0.52
October	0.63	0.53
November	0.84	0.63
December	0.94	0.81
<u>2021</u>		
January	1.28	0.83
February	1.78	1.27
March	1.37	1.07
April	1.96	1.34
The last transacted price on 19 April 2021 (being the last trading day prior to the announcement of the Proposed Bonus Issue)		1.45
The last transacted price on 30 April 2021 as at the LPD		1.67

(Source: Bloomberg)

2. DIRECTORS' RESPONSIBILITY STATEMENT

This Circular has been seen and approved by our Board who individually and collectively, accept full responsibility for the accuracy of the information contained in this Circular. Our Board confirmed that, after making all reasonable enquiries and to the best of their knowledge and belief, there are no other facts the omission of which would make any statement in the Circular misleading.

3. CONSENT AND DECLARATION OF CONFLICT OF INTEREST

CIMB, being the Principal Adviser for the Proposed Bonus Issue, has given and has not subsequently withdrawn its written consent for the inclusion of its name and all references to it in the form and context in which it appears in this Circular.

CIMB, its related and associated companies, as well as its holding company CIMB Group Holdings Berhad, and the subsidiaries and associated companies of its holding company (“**CIMB Group**”) form a diversified financial group and are engaged in a wide range of investment and commercial banking, brokerage, securities trading, assets and fund management and credit transaction services businesses. CIMB Group has engaged and may in the future, engage in transactions with and perform services for our Company and/or our affiliates, in addition to the role set out in this Circular.

In addition, in the ordinary course of business, any member of CIMB Group may at any time offer or provide its services to or engage in any transactions (on its own account or otherwise) with our Company and/or our affiliates and/or any other entity or person, hold long or short positions in securities issued by our Company and/or our affiliates, make investment recommendations and/or publish or express independent research views on such securities and may trade or otherwise effect transactions for its own account or the account of its other customers in debt or equity securities or senior loans of our Company and/or our affiliates. This is a result of the business of CIMB Group generally acting independently of each other, and accordingly, there may be situations where parts of CIMB Group and/or its customers now have or in the future, may have interest or take actions that may conflict with the interests of our Company and/or our affiliates.

CIMB has confirmed that it is not aware of any conflict of interest which exists or is likely to exist in its role as the Principal Adviser for the Proposed Bonus Issue.

4. MATERIAL LITIGATION

Save as disclosed below, as at the LPD, neither we nor our subsidiaries are engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, and our Board has no knowledge of any proceedings pending or threatened against our Company or our subsidiaries or of any material facts likely to give rise to any proceedings which may materially and adversely affect the position or the business of our Company or our subsidiaries.

On 1 November 2019, our wholly-owned subsidiary, FM Global Logistics (M) Sdn. Bhd. (“**Plaintiff**”) has filed a civil suit at the Shah Alam High Court against Prestige Sports Sdn. Bhd. (“**Defendant**”) to recover the principal sum of RM1,918,909.16 due to warehousing and logistics services rendered as at 4 October 2019. The Defendant has admitted the amount outstanding is RM1,842,026.65 but disputes further storage charges and interest.

On 6 December 2019, the Defendant has also filed a counterclaim against the Plaintiff in the same suit for negligence and in the alternative, the tort of conversion, and for damages amounting to RM8,862,965.50 in total.

The trial was heard in February, March and April 2021. Further trial dates have been fixed on 29 July 2021, 27 August 2021, 6 September 2021, 23 September 2021 and 24 September 2021. The Plaintiff’s solicitors are of the opinion that the Plaintiff’s claim is likely to succeed and that the Defendant’s claim may not succeed.

5. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents are available for inspection at the registered office of our Company at Unit 30-01, Level 30, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia during normal business hours from Monday to Friday (except public holidays) from the date of this Circular up to and including the date of the forthcoming EGM:

- (i) our constitution;
- (ii) our audited consolidated annual financial statements for the past two FYE 30 June 2019 and 30 June 2020;
- (iii) our latest unaudited quarterly financial statements for the FPE 31 December 2020;
- (iv) the letter of consent and declaration of conflict of interest referred to in Section 3 of this Appendix; and
- (v) the relevant cause papers in respect of the material litigation referred to in Section 4 of this Appendix.

(The rest of this page has been intentionally left blank)



FREIGHT MANAGEMENT HOLDINGS BHD.

Registration No. 199601008064 (380410-P)
(Incorporated in Malaysia)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting (“**EGM**”) of Freight Management Holdings Bhd. (“**Freight Management**” or the “**Company**”) will be conducted virtually through live streaming from the **Broadcast Venue at Tricor Business Centre, Manuka 2 & 3 Meeting Room, Unit 29-01, Level 29, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia on Tuesday, 1 June 2021 at 10.00 a.m.**, or at any adjournment thereof, for the purpose of considering and if thought fit, passing the following ordinary resolution, with or without modification:-

ORDINARY RESOLUTION

PROPOSED BONUS ISSUE OF 279,222,415 NEW ORDINARY SHARES IN FREIGHT MANAGEMENT HOLDINGS BHD. (“FREIGHT MANAGEMENT SHARE(S)” OR “SHARE(S)”) (“BONUS SHARE(S)”) ON THE BASIS OF 1 BONUS SHARE FOR EVERY 1 EXISTING SHARE HELD ON AN ENTITLEMENT DATE TO BE DETERMINED AND ANNOUNCED LATER

“**THAT** subject to the approvals of all relevant regulatory authorities for the listing of and quotation for 279,222,415 new ordinary shares in the Company (“**Bonus Shares**”) on the Main Market of Bursa Malaysia Securities Berhad, the Board of Directors (“**Board**”) be and is hereby authorised to issue 279,222,415 Bonus Shares in the share capital of the Company on the basis of 1 Bonus Share for every 1 existing Share held by shareholders of the Company whose names appear in the Record of Depositors of the Company (“**Entitled Shareholders**”) as at the close of business on the date to be determined and announced later by the Board (“**Entitlement Date**”) (“**Proposed Bonus Issue**”);

THAT the Bonus Shares shall, upon allotment and issuance, rank equally in all respects with the then existing Shares in the Company, save and except that the Bonus Shares will not be entitled to any dividends, rights, allotments, and/or other forms of distribution that may be declared, made or paid to shareholders prior to the Entitlement Date;

AND THAT the Board be and is hereby authorised to take all such necessary steps to give effect to the Proposed Bonus Issue with full powers to assent to any conditions, modifications, variations and/or amendments in any manner as may be required by the relevant authorities and to deal with all matters relating thereto and to take all such steps and do all acts and things in any manner as the Board may deem necessary or expedient to implement, finalise and give full effect to the Proposed Bonus Issue.”

BY ORDER OF THE BOARD

FONG SOK YEE (MAICSA 7066501) (SSM PC No. 202008001180)

LIM HOOI MOOI (MAICSA 0799764) (SSM PC No. 201908000134)

TE HOCK WEE (MAICSA 7054787) (SSM PC No. 202008002124)

Company Secretaries

Kuala Lumpur
17 May 2021

Notes:

a. IMPORTANT NOTICE

The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairperson of the meeting to be present at the main venue of the meeting.

Shareholders **will not be allowed** to attend to the EGM in person at the Broadcast Venue on the day of the meeting.

Shareholders are to attend, speak (in the form of real time submission of typed texts) and vote (collectively, “participate”) remotely at the EGM via the Remote Participation and Voting (“RPV”) facilities provided by Tricor Investor & Issuing House Services Sdn. Bhd. via the TIH Online website at <https://tiah.online>.

Please read these Notes carefully and follow the procedures in the Administrative Guide, available at <http://fmngloballogistics.listedcompany.com/egm2021.html> for the EGM in order to participate remotely via RPV facilities.

- b. In respect of deposited securities, only members whose names appear in the Record of Depositors on 24 May 2021 (General Meeting Record of Depositors) shall be eligible to attend the meeting or appoint proxy(ies) to attend and/or vote on his behalf.
- c. A member, including an authorised nominee, entitled to attend, speak and vote at the meeting may appoint not more than two (2) proxies to attend, speak and vote for him. A proxy need not be a member of the Company. There shall be no restriction as to the qualification of the proxy.
- d. Where a member is an exempt authorised nominee which holds ordinary shares for multiple beneficial owners in one securities account (“omnibus account”), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
- e. Where a member, an authorised nominee or an exempt authorised nominee, appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportion of his holding to be represented by each proxy in the Form of Proxy.
- f. The appointment of proxy(ies) may be made in the following manner and must be received by the Company not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof:-
- (i) **In hard copy form**: Form of Proxy may be deposited at the Share Registrar’s office of the Company at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.
- (ii) **By electronic means via the TIH Online website**: Form of Proxy can also be lodged electronically via the TIH Online website at <https://tiah.online>. Please refer to the Administrative Guide on the procedures to submit the Form of Proxy via the TIH Online website.
- g. Any authority pursuant to which such an appointment is made by a power of attorney must be deposited with the Company’s Share Registrar at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.
- h. For a corporate member who has appointed a representative, please deposit the **original** or **duly certified** certificate of appointment at the Company’s Share Registrar at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the appointment proposes to vote. The certificate of appointment should be executed in the following manner:
- (i) If the corporate member has a common seal, the certificate of appointment of authorised representative should be executed under seal in accordance with the constitution of the corporate member.
- (ii) If the corporate member does not have a common seal, the certificate of appointment of authorised representative should be affixed with the rubber stamp of the corporate member (if any) and executed by: (a) at least two (2) authorised officers, of whom shall be a director; or (b) any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.
- i. A member who has appointed a proxy or attorney or authorised representative to participate at the EGM must request his/her proxy or attorney or authorised representative to register himself/herself for RPV via the TIH Online website. Procedures for RPV can be found in the Administrative Guide for the EGM.
- j. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the resolution set out in this Notice will be put to vote by poll.



FREIGHT MANAGEMENT HOLDINGS BHD.

Registration No. 199601008064 (380410-P)
(Incorporated in Malaysia)

FORM OF PROXY

(Before completing this form please refer to the notes below)

No. of ordinary shares held

* I/We (BLOCK LETTERS)

*NRIC No./Company No.....CDS Account No.of
..... Tel No:
(FULL ADDRESS)

being a *member / members of **Freight Management Holdings Bhd. ("Company")** hereby appoint the following person(s):

Full Name in Block Letters		Proportion of Shareholdings
NRIC No.		
Full Address		
		%

*and,

Full Name in Block Letters		Proportion of Shareholdings
NRIC No.		
Full Address		
		%
		100%

or failing *him / her, the Chairman of the Meeting as *my/our *proxy/proxies to attend and vote for *me/us on *my/our behalf at the Extraordinary General Meeting ("**EGM**") of the Company to be conducted virtually through live streaming from the Broadcast Venue at Tricor Business Centre, Manuka 2 & 3 Meeting Room, Unit 29-01, Level 29, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi 59200 Kuala Lumpur, Malaysia on Tuesday, 1 June 2021 at 10.00 a.m., or any adjournment thereof on the following resolution referred to in the notice of the EGM:-

ORDINARY RESOLUTION	FOR	AGAINST
PROPOSED BONUS ISSUE		

Please indicate with an "X" in the space provided on how you wish your vote to be cast. If no instruction as to voting is given, the proxy will vote or abstain from voting at his/her discretion.

[*Delete if not applicable]

Dated this.....day of, 2021

COMMON
SEAL

.....
Signature of Shareholders(s)

Notes:

a. IMPORTANT NOTICE

The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairperson of the meeting to be present at the main venue of the meeting.

Shareholders **will not be allowed** to attend to the EGM in person at the Broadcast Venue on the day of the meeting.

Shareholders are to attend, speak (in the form of real time submission of typed texts) and vote (collectively, "**participate**") remotely at the EGM via the Remote Participation and Voting ("**RPV**") facilities provided by Tricor Investor & Issuing House Services Sdn. Bhd. via the TIIH Online website at <https://tiih.online>.

Please read these Notes carefully and follow the procedures in the Administrative Guide, available at <http://fmgloballogistics.listedcompany.com/egm2021.html> for the EGM in order to participate remotely via RPV facilities.

- b. In respect of deposited securities, only members whose names appear in the Record of Depositors on 24 May 2021 (General Meeting Record of Depositors) shall be eligible to attend the meeting or appoint proxy(ies) to attend and/or vote on his behalf.
- c. A member, including an authorised nominee, entitled to attend, speak and vote at the meeting may appoint not more than two (2) proxies to attend, speak and vote for him. A proxy need not be a member of the Company. There shall be no restriction as to the qualification of the proxy.
- d. Where a member is an exempt authorised nominee which holds ordinary shares for multiple beneficial owners in one securities account ("**omnibus account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
- e. Where a member, an authorised nominee or an exempt authorised nominee, appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportion of his holding to be represented by each proxy in the Form of Proxy.
- f. The appointment of proxy(ies) may be made in the following manner and must be received by the Company not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof:-
- (i) **In hard copy form:** Form of Proxy may be deposited at the Share Registrar's office of the Company at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.
- (ii) **By electronic means via the TIIH Online website:** Form of Proxy can also be lodged electronically via the TIIH Online website at <https://tiih.online>. Please refer to the Administrative Guide on the procedures to submit the Form of Proxy via the TIIH Online website.
- g. Any authority pursuant to which such an appointment is made by a power of attorney must be deposited with the Company's Share Registrar at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.
- h. For a corporate member who has appointed a representative, please deposit the **original or duly certified** certificate of appointment at the Company's Share Registrar at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia not less than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the appointment proposes to vote. The certificate of appointment should be executed in the following manner:
- (i) If the corporate member has a common seal, the certificate of appointment of authorised representative should be executed under seal in accordance with the constitution of the corporate member.
- (ii) If the corporate member does not have a common seal, the certificate of appointment of authorised representative should be affixed with the rubber stamp of the corporate member (if any) and executed by: (a) at least two (2) authorised officers, of whom shall be a director; or (b) any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.
- i. A member who has appointed a proxy or attorney or authorised representative to participate at the EGM must request his/her proxy or attorney or authorised representative to register himself/herself for RPV via the TIIH Online website. Procedures for RPV can be found in the Administrative Guide for the EGM.
- j. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the resolution set out in this Notice will be put to vote by poll.

Then fold here

Freight Management Holdings Bhd.
Extraordinary General Meeting



To:

The Share Registrar
FREIGHT MANAGEMENT HOLDINGS BHD.
Registration No. 199601008064 (380410-P)

Unit 32-01, Level 32
Tower A, Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Malaysia

1st fold here
