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# TRANSPARENCY



# AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

The Board of Directors (“the Board”) is pleased to present the Audit and Risk Management Committee (“ARMC”) Report for the financial year ended 30 June 2020.

## COMPOSITION AND ATTENDANCE

The present composition of the ARMC and their attendance to the ARMC meetings during the financial year ended 30 June 2020 were as follows:

Name	Designation/Directorate	Attendance
Soh Chin Teck	Chairman, Independent Non-Executive Director	4/4
Tengku Nurul Azian Binti Tengku Shahriman	Member, Independent Non-Executive Director	4/4
Lau Swee Chin	Member, Independent Non-Executive Director	5/5
Chua Tiong Hock (Ceased on 30 April 2020)	Member, Non-Independent Non-Executive Director	4/4

The ARMC was established by the Board to assist the Board in carrying out its responsibility, amongst others, its oversight function on the Group’s financial reporting process as well as the risk management framework and policies. In recognition of its risk management function, the Audit Committee was renamed as Audit and Risk Management Committee (“ARMC”) effective 20 February 2020.

The ARMC has three (3) members, all of whom are Independent Directors following the resignation of Mr Chua Tiong Hock as Director on 30 April 2020. This meets the requirement of Paragraphs 15.09(1)(a) and (b) of the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) and Step Up Practice 8.4 of the Malaysian Code on Corporate Governance (“MCCG”) where the committee consists solely of Independent Directors.

The Chairman, Mr Soh Chin Teck is a Fellow Member of the Chartered Accountants of Australia and New Zealand, and a Member of the Malaysian Institute of Accountants. Accordingly, the ARMC meets the requirements of Paragraph 15.09(1)(c) of the MMLR of Bursa Securities to have at least 1 member of the ARMC as qualified accountant.

The Group Managing Director, Executive Directors, Head of Internal Auditors, External Auditors (“EA”) and relevant responsible senior management are invited to attend the ARMC meetings to assist and brief the ARMC on any matters of interest and to provide input and clarification to the relevant items on the agenda. The Company Secretary acted as Secretary at the meetings to record and to maintain minutes of the proceedings of the meetings.

The Chairman of the ARMC briefs the Board on matters discussed at every ARMC meeting and the minutes of each ARMC meeting were tabled for confirmation at the following ARMC meeting and subsequently to the Board for notation.

## AUDIT AND RISK MANAGEMENT COMMITTEE REPORT (CONTINUED)

### TERMS OF REFERENCE

The ARMC is governed by its Terms of Reference, which is available on the Company's website at [www.fmgloballogistics.com](http://www.fmgloballogistics.com). The Terms of Reference of the ARMC were last reviewed by the ARMC and the Board on 24 August 2020.

### SUMMARY OF ACTIVITIES OF THE ARMC

The ARMC carried out the following activities during the financial year in the discharge of its functions and duties:

- Reviewed the unaudited quarterly financial results and made recommendations to the Board for approval and release to Bursa Securities;
- Reviewed its Terms of Reference to ensure its applicability and to align with the provisions of the MMLR and the MCCG;
- Reviewed all recurrent related party transactions ("RRPT") entered into by the Group and to ascertain that the transactions are conducted at arm's length basis and on normal commercial terms which are not more favourable to the related parties than those generally available to the public and not to the detriment of the minority shareholders;
- Reviewed and discussed with the External Auditors ("EA"), Crowe Malaysia PLT:-
  - the audit review of the Group for the financial year ended 30 June 2019 encompassing, amongst others, significant audit findings, deficiencies in internal control, status of audit and summary of audit adjustment.
  - the final report on the audit of the financial statements for the financial year ended 30 June 2019 setting out the EA's comments and conclusions on the significant audit findings and accounting matters, summary of unadjusted differences and deviation in results as well as the adequacy of disclosures in the financial statements before recommending the same to the Board for approval.
  - the audit plan of the financial statements for the financial year ended 30 June 2020 outlining the engagement and reporting requirements, audit approach, areas of audit emphasis, IT controls assessment, significant audit events, reporting timelines and deliverables, fraud consideration, updates in accounting standards, new amendments to anti-corruption act as well as implications of Covid-19 to the financial statements.
- Conduct private sessions with the EA without the presence of the Executive Board members and Management to discuss issues in relation to the audit of the financial statements and suggestions arising thereon.
- Reviewed the audit and non-audit services provided by the EA or its affiliates to the Group and fees incurred for the financial year ended 30 June 2019.
- Reviewed the External Auditors Assessment Policy and made recommendations to the Board for amendments, where applicable.
- Assessed the performance, independence and competency of the EA, Crowe Malaysia PLT for the financial year ended 30 June 2019 and made recommendations to the Board for their re-appointment and was subsequently put forth to the shareholders for approval at the 2019 AGM.

## AUDIT AND RISK MANAGEMENT COMMITTEE REPORT (CONTINUED)

### SUMMARY OF ACTIVITIES OF THE ARMC (CONTINUED)

- Reviewed the adequacy of scope, functions, competency and resources of the internal audit function. The ARMC was satisfied with the competence and independence of Internal Auditors in carrying out its scope of work.
- Reviewed the assessment on the effectiveness of risk management and internal control of the Group. The ARMC was satisfied that the risk management framework and internal control system of the Group are able to function effectively in identifying, assessing and managing its risks.
- Reviewed and deliberated on the Internal Audit Reports covering the internal audit scope and functions, plans, findings and reviews (including follow-up reviews), performance of the internal audit function for the Group as well as management action plans and responses on a quarterly basis.
- Reviewed and recommended to the Board, the Corporate Governance Report and reports/statements for inclusion into the Annual Report, amongst others, Corporate Governance Overview Statement, ARMC Report, Management Discussion & Analysis and Statement on Risk Management and Internal Control.
- Reviewed and recommended to the Board, the Circular to Shareholders in relation to the Proposed Renewal of Shareholders' Mandate for RRPT of a revenue or trading nature.
- Reviewed and recommended to the Board for adoption, the Anti-Bribery and Anti-Corruption Policy in line with the Adequate Procedures under Section 17A(5) of the Malaysian Anti-Corruption Commission Act 2009 ("MACC Act 2009").

### INTERNAL AUDIT FUNCTION AND SUMMARY OF ACTIVITIES

The Group recognises that an internal audit function is essential in ensuring the effectiveness of the Group's system of internal control and is an integral part of the risk management process.

The Group's internal audit function was undertaken by the in-house internal audit team. The Internal Auditors ("IA") of the Group report directly to the ARMC and assist the Board in monitoring and managing risks and internal control system. The ARMC approves the internal audit plan and the scope of internal audit covering the relevant departments within the Group from time to time.

The IA had adopted a risk-based approach in undertaking the internal audits for the Group which involved the establishment of a comprehensive audit plan formulated through a risk assessment process. In doing so, the IA had planned the engagement through conducting necessary consultation sessions with the senior management and staff in order to identify the relevant risks faced by the Group. With the necessary understanding of these risks, it had facilitated the IA to develop a comprehensive audit programme in order to identify any weaknesses in the system of internal controls.

At the same time, the Board had ensured that relevant control measures were implemented so as to address the control weaknesses identified during the course of the internal audit and enhance the integrity of the Group's system of internal controls ultimately. This was carried out via necessary consultations with the IA and senior management.

## AUDIT AND RISK MANAGEMENT COMMITTEE REPORT (CONTINUED)

### INTERNAL AUDIT FUNCTION AND SUMMARY OF ACTIVITIES (CONTINUED)

With the enforcement of Section 17A of the MACC Act 2009 on the corporate liability for corruption and personal liability on directors, controllers and management, the IA updates the ARMC and the Board on the status of the implementation of the Anti-Bribery and Anti-Corruption Policy throughout the Company and Group.

During the financial year, the IA conducted reviews on certain key operating functions and procedures and recommended action plans for management improvements. The internal audit reports containing audit findings and recommendations together with management's responses thereto were circulated to all members of the ARMC. Areas of improvement identified were communicated to the management for further action. The IA also conducted follow-up audit reviews to ensure that all corrective actions were implemented appropriately. All audit reports were reviewed and discussed by the ARMC while the ARMC Chairman briefed the Board on audit matters on a quarterly basis.

Areas in which the IA had reviewed during the financial year were as follows:

- Workshop Management
- Inventory Management System
- Operation Management
- Retail Operations

Cost incurred for the internal audit function of the Group in respect of the financial year ended 30 June 2020 amounted to approximately RM88,000 (2019: RM33,550).

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors is pleased to present this Corporate Governance Overview Statement to the shareholders and investors for the financial year ended 30 June 2020 ("FY2020").

The Board acknowledges the importance of adopting high standards of corporate governance in the Company in order to safeguard stakeholders' interest as well as enhancing shareholders' value. The Board is committed to uphold high standards of business integrity and ethics, and has worked to maintain these standards through the course of the year.

The Malaysian Code on Corporate Governance ("MCCG") sets out the principles and best practices on structures and processes that the Group may adopt towards achieving their optimal governance framework:

This Statement gives an overview as to how the Group has applied these principles and best practices of the MCCG during the

PRINCIPLE A	PRINCIPLE B	PRINCIPLE C
<p><b>Board Leadership and Effectiveness</b></p> <ul style="list-style-type: none"> <li>• Board Responsibilities</li> <li>• Board Composition</li> <li>• Remuneration</li> </ul>	<p><b>Effective Audit and Risk Management</b></p> <ul style="list-style-type: none"> <li>• Audit Committee</li> <li>• Risk Management and Internal Control</li> </ul>	<p><b>Integrity in Corporate Reporting and Meaningful Relationship with Stakeholder</b></p> <ul style="list-style-type: none"> <li>• Communication with Stakeholders</li> <li>• Conduct of General Meetings</li> </ul>

financial year under review. The detailed application of each best practice is set out in the Corporate Governance Report ("CG Report") which is available on the website of Bursa Securities as well as the Company's website at [www.fmgloballogistics.com](http://www.fmgloballogistics.com).

The Company has generally applied all best practices of the Code for FY2020 except for the following:

- Practice 4.1 – At least half of the Board comprises Independent Directors.
- Practice 11.2 – Adoption of integrated reporting.

Explanation for the non-application of the abovementioned practices and alternative measures have been provided in the CG Report.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONTINUED)

### PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS

#### 1. **Board Responsibilities**

The Board is responsible for the long-term success of the Company and the delivery of sustainable value to its stakeholders. In discharging its fiduciary duties and leadership function, it is imperative for the Board to govern and set the strategic direction of the Company while exercising oversight on management. The Board plays a critical role in setting the appropriate tone at the top, providing thought leadership and championing good governance and ethical practices throughout the Company.

The responsibilities of the Board are inclusive of but not limited to:

- Promoting good corporate governance and an ethical culture across all levels of the Group;
- Reviewing and approving annual and quarterly financial results;
- Overseeing the conduct of business and financial operations;
- Overseeing succession planning for the Board and key senior management personnel;
- Identifying principal risk and ensuring the implementation of appropriate internal controls and mitigation measures; and
- Promoting and maintaining effective and timely communication to its stakeholders.

To ensure effective discharge of the Board's functions, the Board has delegated specific powers to its Board Committees, the Group Managing Director, the Executive Directors, as well as the Management while the ultimate responsibility for the final decision on all matters lies with the Board.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONTINUED)

### PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

#### 1. Board Responsibilities (continued)

The following diagramme presents a brief overview of the responsibilities of the Board, the Board Committees and each composition of the Board and Management:-





## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONTINUED)

### PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

#### 1. Board Responsibilities (continued)

There is a clear distinction and separation of roles and responsibilities between the Chairman and the Group Managing Director to ensure a balance of power and authority and to strengthen the overall integrity of the Company. The Chairperson of the Board, Tengku Nurul Azian Binti Tengku Shahrman, leads the Board in its collective oversight of the Management and ensures Board effectiveness. Whereas the Group Managing Director, Chew Chong Keat ensures effective implementation of the Board's policies, achieves strategic plans and performance targets, exercises high levels of business judgement and manages the relationships with internal and external stakeholders as well as the public.

The Board has formalised a Board Charter which defines the role, responsibilities, functions and authority of the Board, Board Committees and individual Directors as well as the matters that are solely reserved for the Board's decision. The Board Charter is periodically reviewed by the Board incorporating updates and changes of the existing rules and regulations as well as standards of corporate governance to ensure its relevance to the function and needs of the Board. The Board Charter was last reviewed by the Board on 24 August 2020, which has also been uploaded on the Company's website ([www.fmgloballogistics.com](http://www.fmgloballogistics.com)).

The Board is supported by qualified Company Secretaries who provide advisory services to the Board on matters relating to corporate governance and relevant statutory and regulatory requirements as well as Company's policies and procedures. They are Members of the Malaysian Institute of Chartered Secretaries and Administrators ("MAICSA"). All Directors have unrestricted access to the advice and services of the Company Secretaries.

In discharging their roles and responsibilities, the Directors are aware of the time commitment expected from them to attend to the matters of the Group including reviewing the meeting materials and attending Company's meetings. Management provides complete, accurate and adequate information to the Directors in a timely manner to enable them to make informed decisions.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONTINUED)

## PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

1. **Board Responsibilities (continued)**

The breakdown of the Directors' attendance at the Company's meetings during FY2020 is set out below:-

Name of Directors	Total number of meetings held during the year				
	Board Meeting	Audit and Risk Management Committee Meeting	Nomination Committee Meeting	Remuneration Committee Meeting	General Meeting
<b>Tengku Nurul Azian</b> <b>Binti Tengku Shahrinan</b> <i>Chairman, Independent Non-Executive Director</i> (Appointed on 21 August 2019)	5/5	4/4	-	-	1/1
<b>Chew Chong Keat</b> <i>Group Managing Director</i>	5/5	-	-	-	1/1
<b>Yang Heng Lam</b> <i>Executive Director</i>	5/5	-	-	-	1/1
<b>Gan Siew Yong</b> <i>Executive Director</i>	5/5	-	-	-	1/1
<b>Ong Looi Chai</b> <i>Executive Director</i>	5/5	-	-	-	1/1
<b>Soh Chin Teck</b> <i>Independent Non-Executive Director</i> (Appointed on 30 September 2019)	4/4	4/4	-	-	1/1
<b>Lau Swee Chin</b> <i>Independent Non-Executive Director</i>	5/5	5/5	1/1	-	1/1
<b>Khua Kian Keong</b> <i>Non-Independent Non-Executive Director</i> (Appointed on 30 April 2020)	1/1	-	-	-	-
<b>Chua Tiong Hock</b> <i>Non-Independent Non-Executive Director</i> (Resigned on 30 April 2020)	4/4	4/4	-	1/1	1/1
<b>Datuk Dr. Hj. Noordin</b> <b>Bin Hj. Ab Razak</b> <i>Independent Non-Executive Director</i> (Resigned on 25 November 2019)	2/2	2/2	1/1	1/1	1/1

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONTINUED)

### PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

#### 1. **Board Responsibilities (continued)**

The Board was satisfied with the level of time commitment given by the Directors in fulfilling their roles and responsibilities.

The Company has adopted a Corporate Code of Business Conduct and Work Ethics Policy (“Code”), which is available on the Company’s website ([www.fmgloballogistics.com](http://www.fmgloballogistics.com)) that applies to the Directors, Management and employees of the Company and its subsidiaries. The Code sets out the Group’s values and principles to guide standards of behaviour and business conduct when dealing with third parties.

In line with the enforcement of the corporate liability provision under Section 17A of the Malaysian Anti-Corruption Commission Act 2009 effective 1 June 2020, the Company had on 8 April 2020 reviewed an Anti-Bribery and Anti-Corruption Policy (“ABAC Policy”) which provide guidance to Directors, Management, employees and business associates who work for/or act for on behalf of the Group to deal with any corrupt activities that may arise in the course of business.

Both the Code and the ABAC Policy are available on the Company’s website.

The Company encourages its employees and other stakeholders to report any breaches in its Code or ABAC Policy, suspected malpractice or misconduct. It has in place a Whistleblowing Policy to provide a mechanism whereby employees and other stakeholders can raise their concerns freely about possible improprieties directly to the Head of Compliance or the Chairman of the ARMC without fear of reprisal or intimidation. The Whistleblowing Policy is accessible on the Company’s website at [www.fmgloballogistics.com](http://www.fmgloballogistics.com).

#### 2. **Board Composition**

Board decisions are made objectively in the best interests of the Company taking into account diverse perspectives and insights.

Our Board currently has eight (8) Directors, comprising four (4) Executive Directors, three (3) Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director. The Board composition is balanced and in compliance with Paragraph 15.02(1) of the Listing Requirements of Bursa Securities which requires at least two (2) Directors or one-third (1/3) of the Board, whichever is higher, are Independent Directors. The Board considers that its current size is commensurates with the present scope and scale of the Group’s business operations with a diverse mix of skill sets, knowledge and experience. Each of the Board members has wide expertise in various fields such as logistics and operations management, economic and accounting. They objectively and independently deliberate on views and decision-making on all the Board’s decisions, at all times.

Whilst the Board does not comprise a majority of Independent Directors as recommended by the MCCG, in order to promote greater objectivity and independence in boardroom deliberation and decision making, all Independent Directors are free from any relationships with other Board members and any other corporations in a similar industry. Moreover, the Independent Directors have vast experience and exercised due care in discharging their duties and responsibilities as Independent Directors of the Company by contributing independent judgement and providing a check and balance to the Board with unbiased and independent views. Notwithstanding that, the Board is committed to embrace the culture of good governance and will continue to source for suitable candidates as additional Independent Directors to the Board.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONTINUED)

### PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

#### 2. **Board Composition (continued)**

##### **Nomination Committee (“NC”)**

The NC comprises the following members who are exclusively Non-Executive Directors, a majority of whom are independent. The NC is responsible to ensure the Board composition comprises individuals with the right balance of skills, knowledge and experience to maintain the Board’s effectiveness in discharging its responsibilities.

Chairman : Lau Swee Chin (Independent Non-Executive Director)

Member : Soh Chin Teck (Independent Non-Executive Director)  
\*Appointed as NC member on 26 November 2019

The NC is governed by its Terms of Reference, which was last reviewed by the NC and the Board on 24 August 2020. The Terms of Reference of the NC is available on the Company’s website at [www.fmgloballogistics.com](http://www.fmgloballogistics.com).

During the financial year, the NC carried out the following activities in the discharge of its functions and duties:

##### **(a) Appointment of Directors**

The NC plays a vital role in achieving Board diversity and considers the following before making its recommendations of suitable candidates to the Board:

- (i) The benefits of boardroom diversity and to appoint candidates based on merit and without prejudice when reviewing the Board’s composition;
- (ii) The balance of skills, experience, independence, knowledge and the diversity of representation on the Board, as part of the annual performance evaluation on the effectiveness of the Board, Board Committees and individual Directors; and
- (iii) Implement and monitor the progress of the Diversity Policy towards the achievement of such objectives.

In sourcing and identifying candidates for the Board, the NC obtains recommendations for potential candidates from existing board members or may seek professional advice and/or conduct searches by utilising various of independent sources.

The Company will organise orientations and induction programmes for any new appointments such as visits to the Company’s significant businesses and meetings with senior management personnel to enable them to have full understanding about the Company’s structure and operations. During FY2020, the NC assessed and recommended Tengku Nurul Azian Binti Tengku Shahrman and Soh Chin Teck who were appointed as Independent Directors of the Company on 21 August 2019 and 30 September 2019 respectively. Subsequent thereto, the NC had also recommended the appointment of Khua Kian Keong following the resignation of Chua Tiong Hock for the Board’s approval who was then appointed as Non-Independent Non-Executive Director on 30 April 2020.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONTINUED)

### PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

#### 2. Board Composition (continued)

##### (b) Board Evaluation

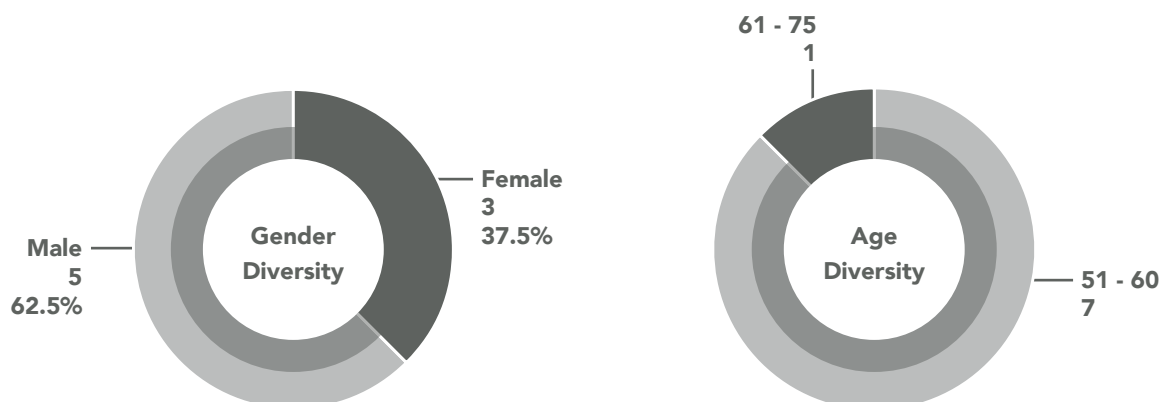
The Board, through the NC, has put in place a formal evaluation process to annually assess the effectiveness of the Board as a whole and the Board Committees, as well as the contribution and performance of each individual Director.

The NC had on 24 August 2020 carried out the annual evaluation on the Board, Board Committees and individual Directors in accordance with its Terms of Reference, reported its findings and made recommendations to the Board. This annual exercise involved Directors completing questionnaires which covered the assessment of the Board and Board Committees' performances, assessment of individual Directors and assessment on independence of Independent Directors. The Directors' responses were collated by the Company Secretaries and a summary of the findings was presented to the NC for deliberation.

The NC was satisfied with the performance of the Board and Board Committees as a whole, as well as the contribution of each Individual Director. The Independent Non-Executive Directors had fulfilled the criteria of "independence" under the MMLR and other criteria pursuant to the Code. The NC also reviewed the results of the assessment and evaluation of the Directors who are due for retirement at the Twenty-Fourth AGM, taking into consideration their skill sets, experience, professional qualifications, contribution to the Company and time commitment, and had recommended the Board to table their re-election at the Twenty-Fourth AGM.

The NC also conducted an annual review of the term of office, competency and performance of the Audit and Risk Management Committee and its members and was satisfied that the Audit and Risk Management Committee has carried out its roles and responsibilities appropriately and effectively.

The current Board composition is illustrated below:-



The Company currently has three (3) female Directors on board which constituted a ratio of 37.5% of the Board composition. The NC will continue to source for suitable Board candidates based on diversity measured against meritocracy and other objective criteria such as skills and experience.

Based on the report of the NC, the Board was of the view that the current size and composition is appropriate for its purpose, and is satisfied that the current Board composition has the right mix of skills, competencies and experiences to discharge its duties effectively.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONTINUED)

### PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

#### 2. Board Composition (continued)

##### (c) **Tenure of Independent Directors**

The Board acknowledges the recommendation of the MCCG that the tenure for an Independent Director shall not exceed nine (9) years. If the Board intends to retain the Independent Director beyond the cumulative term of nine (9) years, it must obtain shareholder's approval commencing the 10th year onwards and justifying the review carried out in determining any impairment to the independence of the said Director(s). If the Board continues to retain the Independent Director after the 12th years, the Board shall seek annual shareholders' approval through a 2-tier voting process.

At present, the Company does not have any Independent Director who has served in that capacity for more than nine (9) years.

##### (d) **Re-election of Retiring Directors**

In accordance with the Company's Constitution, all newly appointed Directors shall retire from office but shall be eligible for re-election at the next AGM subsequent to their appointment. It further provides that at least one-third of the Directors for the time being shall retire by rotation at each AGM at least once every three (3) years but shall be eligible for re-election.

The Board, had via the NC, evaluated the performance of the following Directors who were due to retirement by rotation pursuant to the Company's Constitution and recommended their re-election at the forthcoming AGM for shareholders' approval:-

- (i) Yang Heng Lam (Clause 125);
- (ii) Ong Looi Chai (Clause 125); and
- (iii) Khua Kian Keong (Clause 130).

##### (e) **Continuing Education Programme**

The Board, via the NC, continues to identify appropriate briefings, seminars and courses for the Directors to attend in order to keep abreast with changes in legislations and regulations affecting the Company. All Directors have completed the Mandatory Accreditation Programme. The Directors are mindful of the need to continue enhancing their skills and knowledge as well as continuously being updated on the Company's business and regulatory requirements as to maximise their effectiveness as Directors during their tenure.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONTINUED)

### PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

#### 2. Board Composition (continued)

##### (e) Continuing Education Programme (continued)

During the FY2020, all Directors attended various training programmes, which are set forth below:-

Name of Director	Training Programme/Conference/Seminar
Tengku Nurul Azian Binti Tengku Shahrman	<ul style="list-style-type: none"> <li>• General Understanding of Section 17A MACC Act 2009</li> <li>• It'sNotOK! Creating harassment free workspaces</li> <li>• Bursa Thought Leadership: Sustainability - Inspired Innovations: Enablers of the 21<sup>st</sup> Century</li> <li>• Sunway Leaders Conference 2019</li> <li>• Project Cycle Management, Regional Conference, Grenada</li> <li>• Outcomes based approaches in Government</li> <li>• The role of the Nomination and Remuneration Committee in Human Capital Management</li> </ul>
Chew Chong Keat	<ul style="list-style-type: none"> <li>• General Understanding of Section 17A MACC Act 2009</li> <li>• Cargo World Network Conference</li> <li>• Star Cargo Alliance Conference</li> </ul>
Yang Heng Lam	<ul style="list-style-type: none"> <li>• General Understanding of Section 17A MACC Act 2009</li> <li>• Cargo World Network Conference</li> <li>• Star Cargo Alliance Conference</li> </ul>
Gan Siew Yong	<ul style="list-style-type: none"> <li>• General Understanding of Section 17A MACC Act 2009</li> <li>• Cargo World Network Conference</li> <li>• Star Cargo Alliance Conference</li> </ul>
Ong Looi Chai	<ul style="list-style-type: none"> <li>• General Understanding of Section 17A MACC Act 2009</li> <li>• Cargo World Network Conference</li> <li>• Star Cargo Alliance Conference</li> </ul>
Lau Swee Chin	<ul style="list-style-type: none"> <li>• General Understanding of Section 17A MACC Act 2009</li> </ul>
Soh Chin Teck	<ul style="list-style-type: none"> <li>• General Understanding of section 17A MACC Act 2009</li> <li>• Custom In-house Training for Internal Audit Department</li> <li>• Mandatory Accreditation Program for Directors of Public Listed Companies</li> <li>• Raising Defences : Section 17A, MACC Act</li> <li>• Directors' duties and responsibilities – A refresher</li> <li>• Anti-Money Laundering in Malaysia</li> <li>• Cyber Attacks and You</li> </ul>
Khua Kian Keong	<ul style="list-style-type: none"> <li>• General Understanding of Section 17A MACC Act 2009</li> </ul>

The Company Secretaries have been constantly briefed and highlighted the relevant guidelines on statutory and regulatory requirements from time to time to the Board, amongst others, the amendments to the Listing Requirements of Bursa Securities, the new requirements of MCGG and the Companies Act 2016. The External Auditors also briefed the Board members on any current and future changes to the Malaysian Financial Reporting Standards that affect the Company's financial statements.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONTINUED)

### PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

#### **Remuneration Committee (“RC”)**

The RC was established to assist the Board in determining and developing a remuneration policy for Directors. The RC consists of the following members:-

Chairman : Tengku Nurul Azian Binti Tengku Shahrizan (Independent Non-Executive Director)  
\*Appointed as Chairperson on 26 November 2019

Member : Lau Swee Chin (Independent Non-Executive Director)  
\*Appointed as RC member on 21 August 2019

The RC is governed by its Terms of Reference, which is periodically reviewed and available on the Company’s website at [www.fmgloballogistics.com](http://www.fmgloballogistics.com). The Terms of Reference of the RC was last reviewed by the RC and the Board on 24 August 2020.

#### **Directors’ Remuneration Framework**

The Company had adopted a Remuneration Policy and Procedure for Directors and Senior Management which aims to attract, develop and retain high performing and motivated Directors and senior management with a competitive remuneration package. The Remuneration Policy and Procedure for Directors and Senior Management is subject to periodical review and is disclosed on the Company’s website at [www.fmgloballogistics.com](http://www.fmgloballogistics.com).

The Board, with the assistance of the RC, reviews the overall remuneration policy of the Non-Executive Directors (“NEDs”) and Executive Directors (“ED”) to attract, retain and motivate executives and Directors who will create sustainable value and returns for the Company’s members and other stakeholders. There is a clear distinction between the remuneration structure of the NEDs and the EDs.

In the case of the EDs, the overall remuneration is structured so as to link rewards to corporate and individual financial performance. A significant portion of an ED’s compensation package has been made variable, which is to be determined by financial performance during the year against the budgeted figures which is aligned to the corporate objectives as approved by the Board.

In the case of NEDs, the level of remuneration reflects the experience and level of responsibilities undertaken by the particular NEDs concerned. The Board shall determine and recommend the remuneration of the NEDs to shareholders for approval at the AGM. The NEDs are remunerated by way of fixed monthly fees and allowances.

The Board, as a whole, determines the level of remuneration package of NEDs and EDs with the interested Directors abstaining from any deliberations or voting on their own remuneration. The RC held one (1) meeting during the year under review. The RC reviewed and recommended the Directors’ fees and benefits payable to Directors to the Board to seek shareholders’ approval at the Company’s forthcoming AGM. No Director is involved in deciding his own remuneration.

The detailed disclosure of the remuneration of the individual Directors of the Company for the financial year ended 30 June 2020 is disclosed in the CG Report.



## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONTINUED)

### PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT

#### 1. Audit and Risk Management Committee (“ARMC”)

The Audit Committee was renamed as the Audit and Risk Management Committee (“ARMC”) on 20 February 2020. The ARMC comprises three (3) members following the resignation of Mr Chua Tiong Hock on 30 April 2020, all of whom are Independent Non-Executive Directors. The ARMC is chaired by Mr Soh Chin Teck, an Independent Director who is distinct from the Chairman of the Board.

The ARMC oversees the integrity of the financial statements, compliance with relevant accounting standards and the Group’s risk management and internal control. All ARMC members are financially literate and had continuously keep themselves abreast with the latest development in the new accounting and auditing standards.

The ARMC is steered by its Terms of Reference which were last reviewed by the ARMC and the Board on 24 August 2020.

As part of its remit, the ARMC keeps under review the effectiveness of the external auditors. The Board had adopted an External Auditors Assessment Policy which outlines the guidelines to monitor and assess the performance of the external auditors in respect of their suitability, objectivity and independence.

The Board has determined that the provision of non-audit service contracts which cannot be entered into with the external auditors include strategic decision, internal audit and policy and standard operating procedures documentation. The Board was of view that the objectivity and independence of the external auditors are not in any way impaired by reason of the non-audit services provided to the Group.

The Board strives to provide true, fair and comprehensive financial reporting of the Group’s performance in the audited financial statements and quarterly financial reports together with material disclosures in the notes to accounts, in accordance with the MFRS and Listing Requirements of Bursa Securities.

The activities of the ARMC are further detailed in the ARMC Report as contained in the Annual Report.

#### 2. Risk Management and Internal Control Framework

The Board recognises that it is crucial to achieve a critical balance between risks incurred and potential returns for the viability of the Group. A robust risk management and internal control framework helps the Group to achieve its value-creation targets by providing risk information to enable better formulation of the Group’s strategies and decision making. Thus, the Company has established an Enterprise Risk Management (“ERM”) framework which proactively identifies, evaluates and manages key risks of the Group. The Board has delegated the responsibility to the Executive Directors to approve and review the process and framework formulated to identify, measure and monitor various risk components.

The Group as a whole has established several risk management processes where the responsibility and accountability are with the various Head of Divisions and also involving the participation of the EDs and Internal Auditors. The Head of Divisions are responsible for the day-to-day management of risks inherent in their business activities, while the EDs are responsible for setting the risk management framework as well as developing tools and methodologies.

The responsibility to review the adequacy and integrity of the internal control function has been delegated by the Board to the ARMC through independent reviews conducted by an in-house internal audit team established by the Company. All internal audit work carried out is guided by International Professional Practices Framework published by The Institute of Internal Auditors. The Internal Auditors and their personnel are free from any relationships or conflicts of interest with the Group.

The Statement on Risk Management and Internal Control furnished on pages 91 to 94 of the Annual Report provides an overview on the state of internal controls within the Group, in an effort to manage risk.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONTINUED)

### PRINCIPLE C – INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

#### 1. **Communication With Stakeholders**

There is continuous communication between the Company and stakeholders to facilitate mutual understanding of each other's objectives and expectations. Stakeholders are able to make informed decisions with respect to the business of the Company, its policies on governance, the environment and social responsibility.

The Board endeavours to ensure that communication with the Group's stakeholders are conducted in a continuous and forthcoming manner guided by the Company's Corporate Disclosure Policies and Procedures.

The Group ensures that the Company's corporate website at, [www.fmgloballogistics.com](http://www.fmgloballogistics.com) contains all information relating to the Company, corporate announcements, quarterly financial results, Annual Reports, Company's policies and procedures so as to promote a closer association with its stakeholders by allowing accessibility of information.

#### 2. **Conduct of General Meetings**

General meetings are the principal forum for dialogue and interaction with the shareholders. The Board is committed to provide shareholders with comprehensive and timely information about the Group's activities and performance to enable investors make informed decisions. Shareholders are encouraged to attend AGM and use the opportunity to enquire and seek clarification on the resolutions being proposed and the Group's performance and future prospects. The Board also encourages participation from shareholders by having a question and answer session during the AGM which the Directors (inclusive of the Chairman of each Board Committee) with the assistance of external auditors, are available to provide meaningful explanations to the questions raised by the shareholders.

In addition, the notice of AGM together with the Annual Report are circulated to shareholders at least 28 days before the meeting. The Company also encourages shareholders and investors to access the Company's Annual Report and up-to-date announcements, which are made available at Bursa Securities and the Company's website.

Investors and the public, who wish to contact the Group on any enquiry, comment or proposal can channel them through email: [enquiry-my@fmgloballogistics.com](mailto:enquiry-my@fmgloballogistics.com) any time throughout the year.

#### **Focus Areas and Future Priorities**

The Board took cognisance of the MCCG recommendation to have at least half of the Board must comprise Independent Directors. The Board will review the Board size and composition and take appropriate steps to discuss the merits of increasing the number of Independent Directors to the Board that could bring a wider range of perspectives, experience and knowledge.

#### **Conclusion**

The Board recognises the importance of the Group practising good corporate governance and has made it a corporate policy to continuously improve on its corporate governance practices and structure to achieve an optimal governance framework.

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Board of Directors (“the board”) of Freight Management Holdings Bhd (“the Company”) is committed to maintaining a robust system of risk management and internal control throughout its group of companies (“Group”). This Statement outlines the key features of the Group’s risk management framework and internal control system and is prepared pursuant to Paragraph 15.26(b) of the Main Market Listing Requirements (“Listing Requirements”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) and guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers issued by Bursa Securities.

## BOARD RESPONSIBILITY

The Board acknowledges its responsibility to maintain a sound internal control and risk management system that would provide a reasonable assurance in the reliability of financial reporting and compliance with applicable laws and regulations, to safeguard shareholders’ interests. This responsibility requires the Board to establish procedures, controls and policies and to seek continuous assurance that the system is operating satisfactorily in respect of the strategic direction, financial, operational, compliance and risk management policies and procedures.

The system of internal control is designed to manage the Company’s risks rather than eliminate the risk of failure to achieve the Company’s policies and business objectives, and provides reasonable assurance against any material errors, misstatement or irregularities. The system of internal control covers, inter alia, risk management, financial as well as compliance controls.

The Board confirms that the system of internal control of the Group was in place during the financial year ended 30 June 2020 and the system is subject to regular review by the Board.

## RISK MANAGEMENT

The risk management objectives of the Group include the following:-

- Ensure the continuity of business;
- Safeguard the assets of the Group;
- Safeguard the interest of all shareholders;
- Ensure the continuity of its quality service to customers at all times;
- Preserve the safety and health of its employees; and
- Promote an effective risk awareness culture where risk management is an integral aspect of the Group’s management systems.

The Board recognises that it is crucial to achieve a critical balance between risks incurred and potential returns for the viability of the Group. Thus, the Company has adopted an Enterprise Risk Management (“ERM”) Framework which proactively identifies, evaluates and manages key risks of the Group. The ERM Framework and its methodology are in line with ISO 31000:2018 – Risk Management Principles and Guidelines, to promote risk ownership and the continuous monitoring of key risks identified. The Board has delegated the responsibility to the Executive Directors to approve and review the process and framework formulated to identify, measure and monitor various risk components.

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONTINUED)

### RISK MANAGEMENT (CONTINUED)

Furthermore, the Board has established an organisation structure with clearly defined lines of responsibility and accountability which are aligned to the requirements of its business and operations, which support the maintenance of a strong control environment. It has extended the responsibilities of the Audit and Risk Management Committee ("ARMC") to oversee the Group's risk management framework and policies.

The Group as a whole has established several risk management processes where the responsibility and accountability are with the various Head of Divisions and also involving the participation of the Executive Directors and Internal Auditors. The Head of Divisions are responsible for the day-to-day management of risks inherent in their business activities, while the Executive Directors are responsible for setting the risk management framework as well as developing tools and methodologies. Complementing this is internal audit, which provides an independent assurance on the effectiveness of the risk management approach. These risk management processes are aligned across the business units and subsidiaries of the Group through the streamlining of the risk frameworks, policies and organisational structures in order to embed and enhance a risk management culture based on the Group's business segments, its regional growth and expansion plans.

In addition to the above, the ERM Manual which outlines the Risk Policy, Risk Governance Structure and Risk Management Processes has also been established. For good measure, the ERM Manual is in line with the ISO 31000:2018 - Risk Management Principles and Guidelines. The Risk Register outlines and categorises the sources of risks, the impacts, the risk owners and the controls that are in place. The ERM plan had also been implemented and is a continuous on-going process to check and review the key risks for ensuring the controls are adequate, effective and also developing further actions for continuous improvement, where necessary.

### RISK ASSESSMENT

The risk appetite defines the value and type of risks that the Group is prepared to accept in pursuit of its strategic business objectives. It stipulates the level of tolerance and limits established to govern and manage the Group's risk-taking activities. The Group's risk appetite serves as a benchmark for all divisions to develop risk tolerances and limits in accordance to their specific business or operational requirements and objectives.

ERM methodology is being adopted in identifying, evaluating and managing significant risks faced by the Group.

### INTERNAL CONTROL MECHANISM

The responsibility to review the adequacy and integrity of the internal control system has been delegated by the Board to the ARMC. The ARMC, in turn, assesses the adequacy and integrity of the internal control system through independent reviews conducted on reports received from in-house internal auditors and the management. In addition, the ARMC also considers findings from the external auditors in the form of management letters, which highlight certain internal control areas for improvement identified during the course of the external audit. Any areas for improvement identified by the external auditors and internal auditors are brought to the attention of the ARMC.

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONTINUED)

### KEY ELEMENTS OF INTERNAL CONTROL SYSTEM

The key elements of the Group's internal control system are described below:-

- Organisation structure with clearly defined delegation of responsibilities to the Board;
- Regular meetings are held at operational and management levels to identify and resolve business, financial, operational and management issues;
- Three subsidiaries were accredited ISO 9001:2015 certification on quality management system. Documented internal procedures and standard operating procedures have been put in place and surveillance audits are conducted by assessors of the ISO certification bodies on a yearly basis to ensure that the system is adequately implemented;
- Guidelines on operating procedures have been put in place for relevant departments;
- Quarterly information is provided by the management to the Board on financial performance and key business indicators;
- Monthly monitoring of results by the management through financial reports;
- Quarterly internal audit visits and other specific assignments, if the need arises, assigned by the ARMC and/or the Board who monitors compliance with procedures and assesses the integrity of financial information provided; and
- The ARMC holds quarterly meetings with the management on the actions taken on internal control issues, identified through reports prepared by the internal auditors, external auditors (identified during the course of their audits) and/or the management.

### INTERNAL AUDIT FUNCTION

The internal auditors report independently and directly to the ARMC. They had reviewed the Group's system of internal control and had reported the internal audit activities to the ARMC on a quarterly basis. During the financial year ended 30 June 2020, an independent review on the effectiveness of the internal control system was conducted by the in-house internal audit division.

The internal auditors had adopted a risk-based approach in undertaking the internal audits for the Group which involved the establishment of a comprehensive audit plan formulated through a risk assessment process. In doing so, the internal auditors had planned the engagement through conducting necessary consultation sessions with the senior management and staff in order to identify the relevant risks faced by the Group. With the necessary understanding of these risks, it had facilitated the internal auditors to develop comprehensive audit programmes in order to identify any weaknesses in the system of internal control.

At the same time, the Board had ensured that relevant control measures were implemented so as to address the control weaknesses identified during the course of internal audits and enhance the integrity of the Group's system of internal control ultimately. This was carried out via necessary consultation with the internal auditors and senior management.

The Board recognises that the development of a good internal control system for the Group is a continuous process. Hence, the Board encourages interactive discussion of audit findings through the ARMC, taking into consideration possible establishment of additional control measures in managing its risk within the Group from time to time.

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONTINUED)

### EFFECTIVENESS OF RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

The Board's review of risk management and internal control effectiveness is based on information from:-

- Executive Directors and Heads of Divisions who are responsible for the maintenance and continuous improvements and development of the risk management and internal control system; and
- Review internal audit reports and work undertaken by the internal auditors, who report to the ARMC together with the assessment of the internal control system relating to key risks and recommendations for improvement.

The review and assurance of the system of internal control is continuously reviewed by the ARMC and weaknesses and incidents of non-compliance with policies and procedures are highlighted to the management for further improvement actions in order to achieve business objectives.

The Board are of the opinion that the system of internal control described in this Statement to be satisfactory and the risks to be at an acceptable level within the context of the Group's business environment. The Board and senior management will continue the ERM methodology to strengthen and also monitor the risk and control environment and the internal control of the Group.

### REVIEW OF THE INTERNAL CONTROL STATEMENT BY EXTERNAL AUDITORS

As required by Paragraph 15.23 of the Listing Requirements of Bursa Securities, the external auditors have reviewed this Statement and reported to the Board that nothing has come to their attention that cause them to believe that the Statement, in all material aspects, has not been prepared in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, or is factually inaccurate. Their limited assurance review was performed in accordance with the scope set out in Audit and Assurance Practice Guide 3, Guidance for Auditor on Engagements to Report in the Statement on Risk Management and Internal Control included in the Annual Report ("AAPG3"), issued by the Malaysian Institute of Accountants.

### ASSURANCE FROM MANAGEMENT

Based on the risk management framework and internal control maintained by the Group, the Group Managing Director and the Group Financial Controller acknowledged that the risk management and internal control system of the Company is operating adequately and effectively in all material aspects.

For the financial year under review, the Board is of the opinion that the system of internal control and risk management processes are adequate and sound to provide reasonable assurance in safeguarding shareholders' investments, the Group's assets and other stakeholders' interests as well as in addressing key risks impacting the business operations of the Group. There was no major internal control weakness identified that may result in any material loss or uncertainty that would require disclosure in this Annual Report.

This Statement is made in accordance with the resolution of the Board dated 20 October 2020.

## ADDITIONAL COMPLIANCE INFORMATION

### 1. Utilisation of Proceeds raised from Corporate Proposals

The Company did not raise any funds from any corporate proposals during the financial year.

### 2. Audit and Non-Audit Fees

The amount of audit and non-audit fees paid or payable to the Group and the Company's external auditors for the financial year ended 30 June 2020 are as follows:-

	Group (RM)	Company (RM)
Audit fees	309,975	63,000
Non-audit fees	39,500	39,500
<b>Total fees:</b>	<b>349,475</b>	<b>102,500</b>

### 3. Material Contracts

There were no material contracts entered into by the Company and its subsidiaries involving the interests of Directors and major shareholders, either still subsisting at the end of the financial year ended 30 June 2020 or entered into since the end of the previous financial year.

### 4. Recurrent Related Party Transactions ("RRPTs")

All RRPTs entered into by the Group during the financial year ended 30 June 2020 are disclosed in Note 38 of the Financial Statements in pages 186 to 188 of this Annual Report.

The RRPTs are of revenue or trading in nature and are entered into in the ordinary course of business. The Shareholders' mandate was obtained on 25 November 2019.

## STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE PREPARATION OF THE ANNUAL AUDITED FINANCIAL STATEMENTS

The Companies Act 2016 ("Act") requires the Directors to present the financial statements of the Company and of the Group in accordance with the Act and approved accounting standards and that they give a true and fair view of the results of the business and the state of affairs of the Company and of the Group at the end of the financial year.

In preparing the financial statements for the financial year ended 30 June 2020, the Board of Directors had:-

- Adopted appropriate accounting policies and applied them consistently;
- Ensured that applicable approved accounting standards in Malaysia have been followed; and
- Considered the going concern basis and made enquiries that the Group has adequate resources to continue in operations for the foreseeable future.

The Directors have further responsibility of ensuring that proper accounting records are kept with reasonable accuracy which enables the Company to provide a true and fair view of the financial position. In addition, the annual audited financial statements have been prepared based on relevant and appropriate policies and with usage of reasonable and prudent judgements and estimates.

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

In compliance with the several responsibilities of the Directors, the Board of Directors presents the financial statements of the Company and of the Group for the financial year ended 30 June 2020 as set out on pages 109 to 197 of this Annual Report.



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# FINANCIAL STATEMENTS



# DIRECTORS' REPORT

The Directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 30 June 2020.

## PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding. The principal activities and details of the subsidiaries are disclosed in Note 7 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

## RESULTS

	Group RM'000	Company RM'000
Profit for the financial year	12,746	5,807
Attributable to:		
Owners of the parent	12,045	5,807
Non-controlling interests	701	-
	12,746	5,807

## DIVIDENDS

Dividends paid or declared by the Company since 30 June 2019 are as follows:

	RM'000
<b>Ordinary Share</b>	
<u>In respect of the financial year 30 June 2019</u>	
Second interim single tier dividend of 2.5 sen per ordinary share, paid on 15 November 2019	6,981
<u>In respect of the financial year 30 June 2020</u>	
First interim single tier dividend of 1.0 sen per ordinary share, paid on 28 July 2020	2,792
	9,773

The Company paid a second interim single tier dividend of 1.0 sen per ordinary share amounting to RM2,792,224 for the financial year ended 30 June 2020 on 16 October 2020.

The Directors do not recommend the payment of any final dividend in respect of the financial year ended 30 June 2020.

**DIRECTORS' REPORT (CONTINUED)****RESERVES AND PROVISIONS**

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

**ISSUES OF SHARES AND DEBENTURES**

During the financial year:

- (a) there were no changes in the issued and paid-up share capital of the Company; and
- (b) there were no issues of debentures by the Company.

**OPTIONS GRANTED OVER UNISSUED SHARES**

During the financial year, no options were granted by the Company to any person to take up any unissued shares in the Company.

**DIRECTORS**

The names of directors of the Company who served during the financial year and up to the date of this report are as follows:-

Chew Chong Keat  
 Yang Heng Lam  
 Gan Siew Yong  
 Ong Looi Chai  
 Lau Swee Chin  
 Tengku Nurul Azian binti Tengku Shahrman (appointed on 21 August 2019)  
 Soh Chin Teck (appointed on 30 September 2019)  
 Khua Kian Keong (appointed on 30 April 2020 and resigned as Alternate Director to Chua Tiong Hock on 30 April 2020)  
 Datuk Dr. Hj. Noordin bin Hj. Ab. Razak (resigned on 25 November 2019)  
 Chua Tiong Hock (resigned on 30 April 2020)

The names of directors of the Company's subsidiaries who served during the financial year and up to the date of this report, not including those directors mentioned above, are as follows:-

Yeow Soon Guat  
 Leong Wan Keng  
 Bradley John O' Donnell  
 Chew Chong Ngai  
 Gan Siew Hooi  
 Stuart Eshantha Fernando  
 Low Gim Beng  
 Dang Anh Binh  
 Sanila Jayaprakash  
 Gan Siew Geok

**DIRECTORS' REPORT (CONTINUED)****DIRECTORS (CONTINUED)**

The names of directors of the Company's subsidiaries who served during the financial year and up to the date of this report, not including those directors mentioned above, are as follows:- (continued)

Won Mi-Yeon  
Juliana Eddy  
Herman  
Phatteera Sirijitjinda  
Yupadee Sirijitjinda (appointed on 29 August 2019)  
Pimyada Thitkulthanasat (appointed on 29 August 2019)  
Odin Chong Wei Hing (appointed on 1 March 2020)  
Chua Kok Yee (appointed on 1 March 2020 and resigned on 1 July 2020)

**DIRECTORS' INTERESTS**

According to the register of directors' shareholdings, the interests of directors holding office at the end of the financial year in shares of the Company and its related corporations during the financial year are as follows:-

	<----- Number of ordinary shares ----->			
	Balance as at 1.7.2019	Bought	Sold	Balance as at 30.6.2020
<b>Shares in the Company</b>				
<u>Direct interests</u>				
Chew Chong Keat	67,187,614	-	-	67,187,614
Yang Heng Lam	51,206,338	98,700	-	51,305,038
Gan Siew Yong	12,147,804	-	-	12,147,804
Ong Looi Chai	3,515,033	754,000	-	4,269,033
<u>Indirect interests</u>				
Chew Chong Keat@	274,999	-	-	274,999
Yang Heng Lam@#	919,948	-	-	919,948
Gan Siew Yong@	274,999	-	-	274,999
Khua Kian Keong^	55,988,700	-	-	55,988,700

@ Deemed interested in shares held by their children.

# Deemed interested in shares held by spouse.

^ Deemed interested by virtue of his interest in Singapore Enterprise Private Limited.

By virtue of their shareholdings in the Company, Chew Chong Keat, Yang Heng Lam and Khua Kian Keong are also deemed to be interested in the ordinary shares of its related corporations during the financial year to the extent of the Company's interests, in accordance with Section 8 of the Companies Act 2016.

The other directors holding office at the end of the financial year had no interest in shares of the Company or its related corporations during the financial year.

**DIRECTORS' REPORT (CONTINUED)****DIRECTORS' BENEFITS**

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of remuneration received or due and receivable by directors shown in the financial statements, or the fixed salary of a full-time employee of the Company or related corporations) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest except for any benefits which may be deemed to arise from transactions entered into in the ordinary course of business with companies in which certain directors have substantial financial interests as disclosed in Note 38(b) to the financial statements.

Neither during nor at the end of the financial year was the Group or the Company a party to any arrangements whose object is to enable the directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

**DIRECTORS' REMUNERATION**

The details of the directors' remuneration paid or payable to the directors of the Company during the financial year are disclosed in Note 38(c) to the financial statements.

**INDEMNITY AND INSURANCE FOR DIRECTORS AND OFFICERS**

The Company maintains a Directors' and Officers' Liability Insurance Policy on a group basis. During the financial year, the amount of indemnity coverage and insurance premium paid for the directors and certain officers of the Group were RM10,000,000 and RM16,016 respectively.

**OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY****(I) AS AT THE END OF THE FINANCIAL YEAR**

- (a) Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:
  - (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for impairment losses on receivables, and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for impairment losses on receivables; and
  - (ii) to ensure that any current assets, which were unlikely to be realised in the ordinary course of business had been written down to their estimated realisable values.
- (b) In the opinion of the Directors, the results of the operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

**(II) FROM THE END OF THE FINANCIAL YEAR TO THE DATE OF THIS REPORT**

- (c) The Directors are not aware of any circumstances:
  - (i) which would further render the amounts written off for bad debts or the additional allowance for impairment losses on receivables in the financial statements of the Group and of the Company inadequate to any material extent;
  - (ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; and
  - (iii) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

## DIRECTORS' REPORT (CONTINUED)

### OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY (CONTINUED)

#### (II) FROM THE END OF THE FINANCIAL YEAR TO THE DATE OF THIS REPORT (CONTINUED)

- (d) In the opinion of the Directors:
- (i) there has not arisen any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made; and
  - (ii) no contingent or other liability has become enforceable, or is likely to become enforceable, within the period of twelve (12) months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet their obligations as and when they fall due.

#### (III) AS AT THE DATE OF THIS REPORT

- (e) There are no charges on the assets of the Group and of the Company which have arisen since the end of the financial year to secure the liabilities of any other person.
- (f) There are no contingent liabilities of the Group and of the Company which have arisen since the end of the financial year.
- (g) The Directors are not aware of any circumstances not otherwise dealt with in this report or financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading.

### SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

The significant events during the financial year are disclosed in Note 42 to the financial statements.

### AUDITORS

The auditors, Crowe Malaysia PLT have expressed their willingness to continue in office.

The details of the auditors' remuneration are disclosed in Note 33 to the financial statements.

Signed in accordance with a resolution of the Directors dated 20 October 2020.

**Chew Chong Keat**  
Director

**Yang Heng Lam**  
Director

Port Klang

20 October 2020

## STATEMENT BY DIRECTORS PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

We, Chew Chong Keat and Yang Heng Lam, being two of the Directors of Freight Management Holdings Bhd, state that, in the opinion of the Directors, the financial statements set out on pages 109 to 197 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards, and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 30 June 2020 and of their financial performance and cash flows for the financial year ended on that date.

Signed in accordance with a resolution of the Directors dated 20 October 2020.

**Chew Chong Keat**  
Director

**Yang Heng Lam**  
Director

## STATUTORY DECLARATION PURSUANT TO SECTION 251(1)(b) OF THE COMPANIES ACT 2016

I, Chew Chong Keat, being the Director primarily responsible for the financial management of Freight Management Holdings Bhd, do solemnly and sincerely declare that the financial statements set out on pages 109 to 197 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the abovementioned  
Chew Chong Keat,  
at Kuala Lumpur  
in the Federal Territory  
on this 20 October 2020

**Chew Chong Keat**

Before me:

**Datin Hajah Raihela Wanchik (No. W-275)**  
Commissioner for Oaths

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

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

### Opinion

We have audited the financial statements of Freight Management Holdings Bhd, which comprise the statements of financial position as at 30 June 2020 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 109 to 197.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 June 2020, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

### Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters.



## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FREIGHT MANAGEMENT HOLDINGS BHD (CONTINUED)

### Key Audit Matters

We have determined the matters described below to be the key audit matters to be communicated in our report.

<b>Revenue recognition</b> Refer to Note 31 to the financial statements	
<b>Key Audit Matter</b>	<b>How our audit addressed the key audit matter</b>
<p>Revenue from freight and forwarding services amounting to RM549.92 million represent 99% of the Group's revenue for the financial year ended 30 June 2020.</p> <p>Revenue from freight and forwarding services is recognised during the period in which control over the promised services have been transferred to customers. These services consist of large volumes of individually low value transactions and the rates applied to each transaction are based on contract terms agreed among different customers.</p> <p>Although the recognition of revenue transactions from these services is largely automated, management periodically records manual adjustments to accrue for revenue when services have been rendered but not billed. Through such manual adjustments, management has the ability to influence the recognition of revenue, hence there is a risk of misstatement in the revenue recognised from these services.</p> <p>The accounting policies for revenue recognition has been disclosed in Note 31 to the financial statements.</p>	<p>Our procedures, with involvement of the component auditors, included the following:</p> <ul style="list-style-type: none"> <li>• obtained an understanding of the revenue recognition process and evaluated the controls surrounding revenue recognition;</li> <li>• engaged our IT auditors to test the Group's application controls;</li> <li>• verified recorded revenue before and after the end of the reporting period, covering a period in excess of the normal lead time between rendering of services and receipt of proof of delivery of services, and verified against the underlying proof of delivery to ascertain whether revenue has been appropriately recognised; and</li> <li>• assessed the appropriateness of the manual adjustments recorded in computing accrued revenue in relation to revenue from freight and forwarding services.</li> </ul>

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FREIGHT MANAGEMENT HOLDINGS BHD (CONTINUED)

### Key Audit Matters (continued)

<b>Recoverability of trade receivables</b> Refer to Note 14 to the financial statements	
Key Audit Matter	How our audit addressed the key audit matter
<p>As at 30 June 2020, the Group's trade receivables amounted to RM115.09 million net of impairment losses. Trade receivables are a major component of the financial position of the Group's total assets.</p> <p>We focused on this area due to the magnitude of the amount involved and judgements are required to assess the allowance for impairment losses of trade receivables.</p>	<p>Our procedures, with involvement of the component auditors, included the following:</p> <ul style="list-style-type: none"> <li>• reviewed ageing analysis of trade receivables and tested the reliability thereof;</li> <li>• reviewed subsequent cash collections for major receivables and overdue amounts;</li> <li>• tested the adequacy of the Group's allowance for impairment losses on trade receivables by assessing management's policy; and</li> <li>• reviewed the adequacy of the Group's disclosure in this area.</li> </ul>

### Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FREIGHT MANAGEMENT HOLDINGS BHD (CONTINUED)

### Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

### Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:-

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FREIGHT MANAGEMENT HOLDINGS BHD (CONTINUED)

### Auditors' Responsibilities for the Audit of the Financial Statements (continued)

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also (continued):-

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 7 to the financial statements.

### OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

**Crowe Malaysia PLT**  
201906000005 (LLP0018817-LCA) & AF 1018  
Chartered Accountants

Kuala Lumpur

20 October 2020

**Chan Kuan Chee**  
02271/10/2021 J  
Chartered Accountants

# STATEMENTS OF FINANCIAL POSITION

## AS AT 30 JUNE 2020

	Note	Group		Company	
		2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	5	169,352	248,099	-	-
Intangible assets	6	1,005	982	-	-
Investments in subsidiaries	7	-	-	64,248	67,356
Investments in associates	8	1,473	7,499	2,820	8,869
Investments in joint ventures	9	4,686	4,360	-	-
Other investments	10	360	360	-	-
Right-of-use assets	11	96,870	-	-	-
Deferred tax assets	12	1,215	1,048	-	-
		<b>274,961</b>	<b>262,348</b>	<b>67,068</b>	<b>76,225</b>
<b>Current assets</b>					
Other investments	10	835	4,998	-	-
Inventories	13	1,617	1,077	-	-
Trade receivables	14	115,090	119,827	-	-
Other receivables, deposits and prepayments	15	18,099	17,128	917	259
Amounts owing by subsidiaries	16	-	-	20,232	25,074
Amounts owing by associates	17	5,302	8,148	2,122	4,783
Amount owing by a related company	18	-	-	9,441	-
Amounts owing by related parties	19	101	193	-	-
Amounts owing by joint ventures	20	5,320	5,313	5,083	5,208
Current tax assets		2,775	3,628	132	-
Cash and cash equivalents	21	57,972	40,886	13,159	7,310
		<b>207,111</b>	<b>201,198</b>	<b>51,086</b>	<b>42,634</b>
<b>TOTAL ASSETS</b>		<b>482,072</b>	<b>463,546</b>	<b>118,154</b>	<b>118,859</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity attributable to owners of the parent</b>					
Share capital	22	104,290	104,290	104,290	104,290
Reserves	23	186,271	184,225	3,228	7,194
		<b>290,561</b>	<b>288,515</b>	<b>107,518</b>	<b>111,484</b>
Non-controlling interests		7,953	7,899	-	-
<b>TOTAL EQUITY</b>		<b>298,514</b>	<b>296,414</b>	<b>107,518</b>	<b>111,484</b>

**STATEMENTS OF FINANCIAL POSITION  
AS AT 30 JUNE 2020 (CONTINUED)**

	Note	Group		Company	
		2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
<b>LIABILITIES</b>					
<b>Non-current liabilities</b>					
Lease liabilities	24	21,826	-	-	-
Hire purchase payables	25	-	13,683	-	-
Term loans	26	46,657	42,649	-	-
Deferred tax liabilities	12	23,758	24,398	-	-
Post-employment benefits obligation	27	1,807	1,453	-	-
		<b>94,048</b>	82,183	-	-
<b>Current liabilities</b>					
Trade payables	28	38,904	40,612	-	-
Other payables and accruals	29	23,813	22,814	133	215
Amounts owing to subsidiaries	16	-	-	7,711	4,322
Amount owing to an associate	17	-	6	-	-
Amount owing to a related party	19	-	6	-	-
Amount owing to a joint venture	20	98	198	-	-
Lease liabilities	24	10,859	-	-	-
Hire purchase payables	25	-	5,041	-	-
Term loans	26	5,099	6,700	-	-
Bank overdrafts - secured	30	4,025	3,118	-	-
Dividend payable		2,792	2,792	2,792	2,792
Current tax liabilities		3,920	3,662	-	46
		<b>89,510</b>	84,949	<b>10,636</b>	7,375
<b>TOTAL LIABILITIES</b>		<b>183,558</b>	167,132	<b>10,636</b>	7,375
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>482,072</b>	463,546	<b>118,154</b>	118,859

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

## STATEMENTS OF PROFIT OR LOSS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020

	Note	Group		Company	
		2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Revenue	31	<b>551,609</b>	545,353	<b>16,171</b>	15,390
Cost of services		<b>(395,621)</b>	(398,601)	-	-
Gross profit		<b>155,988</b>	146,752	<b>16,171</b>	15,390
Other income		<b>8,872</b>	7,932	<b>595</b>	524
Administrative expenses		<b>(135,991)</b>	(124,210)	<b>(10,959)</b>	(4,463)
Finance costs	32	<b>(3,931)</b>	(3,695)	-	-
Share of loss of associates	8	<b>(6,026)</b>	(4,893)	-	-
Share of profit of joint ventures	9	<b>1,355</b>	716	-	-
Profit before tax	33	<b>20,267</b>	22,602	<b>5,807</b>	11,451
Tax expense	34	<b>(7,521)</b>	(7,902)	-	(236)
Profit for the financial year		<b>12,746</b>	14,700	<b>5,807</b>	11,215
Profit for the financial year attributable to:					
Owners of the parent		<b>12,045</b>	13,600	<b>5,807</b>	11,215
Non-controlling interests		<b>701</b>	1,100	-	-
		<b>12,746</b>	14,700	<b>5,807</b>	11,215
Earnings per ordinary share attributable to equity holders of the Company:					
Basic earnings per ordinary share (sen)	37	<b>4.31</b>	4.87		
Diluted earnings per ordinary share (sen)	37	<b>4.31</b>	4.87		

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

## STATEMENTS OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020

	Note	Group		Company	
		2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
<b>Profit for the financial year</b>		<b>12,746</b>	<b>14,700</b>	<b>5,807</b>	<b>11,215</b>
<b>Other comprehensive income</b>					
<b>Items that will be reclassified subsequently to profit or loss</b>					
Foreign currency translations	34(d)	578	327	-	-
		<b>578</b>	<b>327</b>	<b>-</b>	<b>-</b>
<b>Items that will not be reclassified subsequently to profit or loss</b>					
Actuarial loss on defined benefits plan	34(d)	(7)	(33)	-	-
		<b>(7)</b>	<b>(33)</b>	<b>-</b>	<b>-</b>
<b>Other comprehensive income for the financial year, net of tax</b>		<b>571</b>	<b>294</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the financial year</b>		<b>13,317</b>	<b>14,994</b>	<b>5,807</b>	<b>11,215</b>
<b>Total comprehensive income attributable to:</b>					
Owners of the parent		12,540	13,800	5,807	11,215
Non-controlling interests		777	1,194	-	-
		<b>13,317</b>	<b>14,994</b>	<b>5,807</b>	<b>11,215</b>

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



# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

## FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020

GROUP	Note	Non-distributable			Distributable			Total equity RM'000
		Share capital RM'000	Foreign exchange translation reserve RM'000	Revaluation reserve RM'000	Retained earnings RM'000	Attributable to owners of the parent RM'000	Non-controlling interests RM'000	
Balance as at 1 July 2018		104,290	1,417	59,320	120,146	285,173	5,131	290,304
Profit for the financial year		-	-	-	13,600	13,600	1,100	14,700
Actuarial loss on defined benefits plan, net of tax		-	-	-	(22)	(22)	(11)	(33)
Foreign currency translations, net of tax		-	222	-	-	222	105	327
Total comprehensive income, net of tax		-	222	-	13,578	13,800	1,194	14,994
<b>Transactions with owners</b>								
Dilution of equity by non-controlling interests of a subsidiary		-	-	-	(1,151)	(1,151)	1,151	-
Dividends paid	35	-	-	-	(9,307)	(9,307)	-	(9,307)
Dividends paid to non-controlling interests of a subsidiary		-	-	-	-	-	(200)	(200)
Ordinary shares contributed by non-controlling interests of subsidiaries		-	-	-	-	-	623	623
Total transactions with owners		-	-	-	(10,458)	(10,458)	1,574	(8,884)
Transfer due to crystallisation of revaluation reserve		-	-	(837)	837	-	-	-
Balance as at 30 June 2019		104,290	1,639	58,483	124,103	288,515	7,899	296,414

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

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020 (CONTINUED)

GROUP	Note	Non-distributable			Distributable			Total equity RM'000
		Share capital RM'000	Foreign exchange translation reserve RM'000	Revaluation reserve RM'000	Retained earnings RM'000	Attributable to owners of the parent RM'000	Non-controlling interests RM'000	
Balance as at 1 July 2019, as previously reported		104,290	1,639	58,483	124,103	288,515	7,899	296,414
Adjustments on initial application of MFRS 16	44.1	-	-	-	(718)	(718)	-	(718)
Balance as at 1 July 2019, as restated		104,290	1,639	58,483	123,385	287,797	7,899	295,696
Profit for the financial year		-	-	-	12,045	12,045	701	12,746
Actuarial loss on defined benefits plan, net of tax		-	-	-	(5)	(5)	(2)	(7)
Foreign currency translations, net of tax		-	500	-	-	500	78	578
Total comprehensive income, net of tax		-	500	-	12,040	12,540	777	13,317
Balance c/f		104,290	2,139	58,483	135,425	300,337	8,676	309,013
<b>Transactions with owners</b>								
Disposal of a subsidiary		-	-	-	-	-	70	70
Additional investment in a subsidiary		-	-	-	(3)	(3)	(63)	(66)
Dividends paid		-	-	-	(9,773)	(9,773)	-	(9,773)
Dividends paid to non-controlling interests of subsidiaries	35	-	-	-	-	-	(831)	(831)
Ordinary shares contributed by non-controlling interests of a subsidiary		-	-	-	-	-	101	101
Total transactions with owners		-	-	-	(9,776)	(9,776)	(723)	(10,499)
Transfer due to crystallisation of revaluation reserve		-	-	(803)	803	-	-	-
Balance as at 30 June 2020		<b>104,290</b>	<b>2,139</b>	<b>57,680</b>	<b>126,452</b>	<b>290,561</b>	<b>7,953</b>	<b>298,514</b>

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

## STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020

COMPANY	Note	Distributable		Total equity RM'000
		Share capital RM'000	Retained earnings RM'000	
Balance as at 1 July 2018		104,290	5,286	109,576
Profit for the financial year		-	11,215	11,215
Other comprehensive income, net of tax		-	-	-
Total comprehensive income, net of tax		-	11,215	11,215
<b>Transactions with owners</b>				
Dividends paid	35	-	(9,307)	(9,307)
Balance as at 30 June 2019		104,290	7,194	111,484
Balance as at 1 July 2019		104,290	7,194	111,484
Profit for the financial year		-	5,807	5,807
Other comprehensive income, net of tax		-	-	-
Total comprehensive income, net of tax		-	5,807	5,807
<b>Transactions with owners</b>				
Dividends paid	35	-	(9,773)	(9,773)
Balance as at 30 June 2020		<b>104,290</b>	<b>3,228</b>	<b>107,518</b>

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

## STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Profit before tax	20,267	22,602	5,807	11,451
Adjustments for:				
Amortisation of intangible assets	527	426	-	-
Bad debts written off	1,097	900	-	-
Depreciation:				
- property, plant and equipment	8,413	12,687	-	-
- right-of-use assets	10,896	-	-	-
Dividend income	(60)	(25)	(12,700)	(10,800)
Fair value (gain)/loss on:				
- short-term fund	(19)	(62)	-	-
- quoted shares	157	168	-	-
Gain on disposal of:				
- a subsidiary	(41)	-	-	-
- property, plant and equipment	(511)	(710)	-	-
Impairment losses on:				
- amounts owing by associates	686	-	686	-
- intangible assets	-	234	-	-
- investments in associates	-	320	6,049	-
- trade receivables	808	100	-	-
Interest expense	3,931	3,695	-	-
Interest income	(501)	(436)	(132)	(121)
Property, plant and equipment written off	791	5	-	-
Provision for post-employment benefits obligation	360	316	-	-
Reversal of impairment losses on:				
- trade receivables	(219)	(2,370)	-	-
- other receivables	-	(186)	-	-
Share of loss of associates	6,026	4,893	-	-
Share of profit of joint ventures	(1,355)	(716)	-	-
Unrealised loss/(gain) on foreign currency transactions	1,119	575	(463)	(403)
Operating profit/(loss) before changes in working capital	52,372	42,416	(753)	127
Increase in inventories	(540)	(1,077)	-	-
Decrease/(Increase) in trade receivables	3,149	(4,059)	-	-
Decrease/(Increase) in other receivables, deposits and prepayments	73	714	(658)	6
Decrease in amounts owing by related parties	92	142	-	-
(Increase)/Decrease in amounts owing by joint ventures	(424)	718	-	-
Balance c/f	54,722	38,854	(1,411)	133

## STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020 (CONTINUED)

	Note	Group		Company	
		2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES (continued)</b>					
Balance c/f		<b>54,722</b>	38,854	<b>(1,411)</b>	133
(Decrease)/Increase in amount owing to a related party		<b>(6)</b>	6	-	-
(Decrease)/Increase in amount owing to a joint venture		<b>(100)</b>	164	-	-
(Decrease)/Increase in trade payables		<b>(1,783)</b>	3,747	-	-
(Decrease)/Increase in other payables and accruals		<b>(966)</b>	1,507	<b>(82)</b>	(413)
Cash generated from/(used in) operations		<b>51,867</b>	44,278	<b>(1,493)</b>	(280)
Contributions paid for post-employment benefits obligation	27	<b>(41)</b>	(53)	-	-
Interest paid		<b>(137)</b>	(123)	-	-
Tax paid		<b>(7,220)</b>	(9,730)	<b>(178)</b>	(194)
Net cash generated from/(used in) operating activities		<b>44,469</b>	34,372	<b>(1,671)</b>	(474)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Additional investment in an existing associate		-	(1,295)	-	(1,295)
Acquisition of a subsidiary company, net of cash and cash equivalents acquired		-	(9)	-	-
Disposal of a subsidiary, net of cash and cash equivalents		<b>(27)</b>	-	-	-
Repayment from subsidiaries		-	-	<b>4,211</b>	1,251
Repayment from/(Advances to) joint ventures		<b>419</b>	(1,131)	<b>420</b>	(1,131)
Repayment from/(Advances to) associates		<b>2,286</b>	(2,786)	<b>(36)</b>	(1,409)
Dividends received		<b>60</b>	25	<b>12,700</b>	10,800
Dividends received from a joint venture		<b>1,029</b>	-	-	-
Interest received		<b>501</b>	436	<b>132</b>	121
Placements of:					
- fixed deposits pledged to licensed banks		<b>(276)</b>	(175)	-	-
- fixed deposits placed with licensed banks with original maturity of more than three (3) months		<b>(20)</b>	(19)	-	-
Balance c/f		<b>3,972</b>	(4,954)	<b>17,427</b>	8,337

## STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020 (CONTINUED)

	Note	Group		Company	
		2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
<b>CASH FLOWS FROM INVESTING ACTIVITIES (continued)</b>					
Balance c/f		<b>3,972</b>	(4,954)	<b>17,427</b>	8,337
Proceeds from disposals of property, plant and equipment		<b>922</b>	1,711	-	-
Purchase of:				-	-
- intangible assets	6(e)	<b>(550)</b>	(4)	-	-
- property, plant and equipment	5(e)	<b>(4,427)</b>	(5,903)	-	-
- right-of-use assets	11(f)	<b>(1,683)</b>	-	-	-
Additional investment in a subsidiary		-	-	<b>(134)</b>	-
Net cash (used in)/generated from investing activities		<b>(1,766)</b>	(9,150)	<b>17,293</b>	8,337
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Dividends paid		<b>(9,773)</b>	(9,307)	<b>(9,773)</b>	(9,307)
Dividends paid to non-controlling interests of subsidiaries		<b>(831)</b>	(200)	-	-
Drawdown of term loans		-	22,389	-	-
Interest paid		<b>(3,794)</b>	(3,572)	-	-
Ordinary share capital contributed by non-controlling interests of subsidiaries		<b>101</b>	623	-	-
Repayments of:	21(h)				
- hire purchase		-	(4,261)	-	-
- lease liabilities		<b>(11,733)</b>	-	-	-
- term loans		<b>(5,243)</b>	(29,893)	-	-
Net cash used in financing activities		<b>(31,273)</b>	(24,221)	<b>(9,773)</b>	(9,307)
Net increase/(decrease) in cash and cash equivalents		<b>11,430</b>	1,001	<b>5,849</b>	(1,444)
Effects of exchange rate changes on cash and cash equivalents		<b>446</b>	128	-	-
Cash and cash equivalents at beginning of the financial year		<b>37,599</b>	36,470	<b>7,310</b>	8,754
Cash and cash equivalents at end of the financial year	21(d)	<b>49,475</b>	37,599	<b>13,159</b>	7,310

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

# NOTES TO THE FINANCIAL STATEMENTS

## 30 JUNE 2020

### 1. CORPORATE INFORMATION

Freight Management Holdings Bhd (“the Company”) is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad.

The registered office of the Company is located at Unit 30-01, Level 30, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur.

The principal place of business of the Company is located at Lot 37, Lebuhr Sultan Mohamed 1, Kawasan Perindustrian Bandar Sultan Suleiman, 42000 Port Klang, Selangor Darul Ehsan.

The consolidated financial statements for the financial year ended 30 June 2020 comprise of the Company and its subsidiaries and the interests of the Group in associates and joint ventures. These financial statements are presented in Ringgit Malaysia (“RM”), which is also the functional currency of the Company. All financial information presented in RM has been rounded to the nearest thousand, unless otherwise stated.

The financial statements were authorised for issue in accordance with a resolution by the Board of Directors on 20 October 2020.

### 2. PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding. The principal activities and details of the subsidiaries are disclosed in Note 7 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

### 3. BASIS OF PREPARATION

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRSs”), International Financial Reporting Standards (“IFRSs”) and the requirements of the Companies Act 2016 in Malaysia.

The accounting policies adopted are consistent with those of the previous financial year except for the effects of adoption of new MFRSs during the financial year. The new MFRSs and Amendments to MFRSs adopted during the financial year are disclosed in Note 44.1 to the financial statements.

The Group and the Company applied MFRS 16 *Leases*, IC Interpretation 23 *Uncertainty over Income Tax Treatments* and Amendments to MFRS 128 *Long-term Interests in Associates and Joint Ventures* for the first time during the current financial year, using the cumulative effect method as at 1 July 2019. Consequently, the comparative information were not restated and are not comparable to the financial information of the current financial year.

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

## NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2020 (CONTINUED)

### 4. OPERATING SEGMENTS

The Group is principally engaged in the freight and forwarding industry. The Group has arrived at eight (8) (2019: eight (8)) reportable segments that are organised and managed separately according to the nature of services that is logistics, which requires different business and marketing strategies.

The reportable segments are Malaysia, Australia, Indonesia, Thailand, Vietnam, India, Sri Lanka and the United States of America ("USA"), which are involved in providing integrated freight and logistics services such as sea freight, air freight, land freight, warehouse and distribution and supporting services.

Other operating segments comprise operations related to investment holdings and provision of management services, provision of IT application solutions, support services and trading of goods.

The accounting policies of operating segments are the same as those described in the respective sections of the notes to the financial statements.

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 segment liabilities to the statements of financial position of the Group.



## NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2020 (CONTINUED)

### 4. OPERATING SEGMENTS (CONTINUED)

	Logistics										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	Sri Lanka RM'000	USA RM'000				
<b>2020</b>												
Revenue												
Total revenue	417,205	61,042	34,982	23,535	12,847	12,001	591	6,510	9,598	(26,702)	551,609	
Inter-segment revenue	(5,339)	(1,700)	(1,147)	(2,287)	(922)	(837)	(12)	(5,797)	(8,661)	26,702	-	
<b>Revenue from external customers</b>	411,866	59,342	33,835	21,248	11,925	11,164	579	713	937	-	551,609	
Finance costs	(3,680)	(18)	(69)	(29)	(7)	(128)	-	-	-	-	(3,931)	
Share of loss of associates	(53)	-	-	-	-	-	-	-	(5,973)	-	(6,026)	
Share of profit of joint ventures	-	-	-	-	-	-	-	-	1,355	-	1,355	
<b>Segment profit/ (loss) before income tax</b>	22,633	802	1,383	442	62	(234)	(28)	167	6,022	(10,982)	20,267	
Investments in associates	447	-	-	-	-	-	-	-	1,026	-	1,473	
Investments in joint ventures	-	-	-	-	-	-	-	-	4,686	-	4,686	
Other investments	-	-	-	-	-	-	-	-	1,195	-	1,195	
Additions to non-current assets other than financial instruments	21,877	367	1,513	797	373	20	85	-	550	-	25,582	

## NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2020 (CONTINUED)

	Logistics					Other operating segments			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	USA RM'000		Eliminations RM'000
<b>2020 (continued)</b>										
<b>Segment assets</b>	459,589	13,257	17,929	7,638	3,108	3,636	-	1,782	(115,416)	478,082
<b>Segment liabilities</b>	233,142	6,559	5,897	12,473	2,084	3,705	-	984	(145,109)	155,880
<b>Other material non-cash items</b>										
Depreciation:										
- property, plant and equipment	7,443	106	381	41	124	226	6	8	-	8,413
- right-of-use assets	10,187	61	430	175	43	-	-	-	-	10,896
Impairment losses on:										
- amounts owing by associates	-	-	-	-	-	-	-	-	686	686
- trade receivables	621	1	40	49	-	95	2	-	-	808
Provision for post-employment benefits obligation	-	-	360	-	-	-	-	-	-	360
Reversal of impairment losses on trade receivables	(207)	-	-	-	(12)	-	-	-	-	(219)

## NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2020 (CONTINUED)

### 4. OPERATING SEGMENTS (CONTINUED)

	Logistics										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	Sri Lanka RM'000	USA RM'000	Eliminations RM'000			
<b>2019</b>												
Revenue												
Total revenue	420,275	56,492	36,237	21,718	10,741	8,364	1,529	2,126	(23,398)	11,269		545,353
Inter-segment revenue	(4,759)	(2,305)	(1,434)	(2,200)	(631)	(341)	(13)	(1,460)	23,398	(10,255)		-
<b>Revenue from external customers</b>	415,516	54,187	34,803	19,518	10,110	8,023	1,516	666	-	1,014		545,353
Finance costs	(3,544)	(19)	(22)	(4)	-	(106)	-	-	-	-		(3,695)
Share of profit/ (loss) of associates	68	-	-	-	-	-	-	-	(4,961)	-		(4,893)
Share of profit of joint ventures	-	-	-	-	-	-	-	-	716	-		716
<b>Segment profit/ (loss) before income tax</b>	21,159	1,174	3,640	161	(392)	131	(143)	(206)	(10,749)	7,827		22,602
Investments in associates	500	-	-	-	-	-	-	-	-	6,999		7,499
Investments in joint ventures	-	-	-	-	-	-	-	-	-	4,360		4,360
Other investments	4,007	-	-	-	-	-	-	-	-	1,351		5,358
Additions to non-current assets other than financial instruments	17,360	204	567	54	176	262	-	29	-	36		18,688

## NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2020 (CONTINUED)

4. 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	USA RM'000					
<b>2019 (continued)</b>													
<b>Segment assets</b>	442,261	13,424	17,720	5,604	2,554	3,319	371	1,430	82,855	(110,668)	458,870		
<b>Segment liabilities</b>	220,385	6,401	5,891	10,296	1,625	3,151	464	821	30,341	(140,303)	139,072		
<b>Other material non-cash items</b>													
Depreciation of property, plant and equipment	11,745	171	345	61	175	47	11	4	128	-	12,687		
Impairment losses on:													
- intangible assets	225	-	-	9	-	-	-	-	-	-	234		
- investments in associates	-	-	-	-	-	-	-	-	320	-	320		
- trade receivables	6	-	-	93	1	-	-	-	-	-	100		
Provision for post-employment benefits obligation	-	-	316	-	-	-	-	-	-	-	316		
Reversal of impairment losses on:													
- trade receivables	(2,161)	(138)	-	(24)	(9)	(22)	(16)	-	-	-	(2,370)		
- other receivables	-	-	-	-	-	-	-	-	(186)	-	(186)		

## NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2020 (CONTINUED)

### 4. OPERATING SEGMENTS (CONTINUED)

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

	2020 RM'000	2019 RM'000
<b>Profit for the financial year</b>		
Total profit or loss for reportable segments	20,267	22,602
Tax expense	(7,521)	(7,902)
Profit for the financial year of the Group per consolidated statement of profit or loss	<b>12,746</b>	14,700
<b>Assets</b>		
Total assets for reportable segments	478,082	458,870
Deferred tax assets	1,215	1,048
Current tax assets	2,775	3,628
Assets of the Group per consolidated statement of financial position	<b>482,072</b>	463,546
<b>Liabilities</b>		
Total liabilities for reportable segments	155,880	139,072
Deferred tax liabilities	23,758	24,398
Current tax liabilities	3,920	3,662
Liabilities of the Group per consolidated statement of financial position	<b>183,558</b>	167,132

### 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.

## NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2020 (CONTINUED)

### 5. PROPERTY, PLANT AND EQUIPMENT

Group	Balance as at 1.7.2019 RM'000	Effects of adoption of MFRS 16 (Note 44.1) RM'000	Additions RM'000	Disposals RM'000	Written off RM'000	Depreciation charge for the financial year RM'000	Disposal of subsidiary adjustments RM'000	Translations adjustments RM'000	Balance as at 30.6.2020 RM'000
<b>Carrying amount</b>									
<b>At valuation</b>									
Freehold land	55,560	-	-	-	-	-	-	-	55,560
Long-term leasehold land	55,615	(55,615)	-	-	-	-	-	-	-
Buildings	92,829	-	-	-	-	(2,260)	-	10	90,579
<b>At cost</b>									
Machinery, furniture and fittings	8,848	-	812	-	(218)	(1,793)	(10)	-	7,639
Office equipment	3,614	-	1,313	(97)	(64)	(1,244)	(2)	(6)	3,514
Renovations	2,790	-	440	-	(509)	(457)	-	7	2,271
Motor vehicles	10,202	(7,718)	3	(153)	-	(859)	(5)	(2)	1,468
Forklifts	143	(130)	-	-	-	(13)	-	-	-
Storage containers	416	-	85	(85)	-	(102)	(84)	-	230
Prime movers and trailers	18,082	(13,957)	-	(76)	-	(1,685)	-	-	2,364
Construction -in-progress	-	-	5,727	-	-	-	-	-	5,727
	248,099	(77,420)	8,380	(411)	(791)	(8,413)	(101)	9	169,352

## NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2020 (CONTINUED)

### 5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Group	At 30.6.2020				
	Cost RM'000	Valuation RM'000	Accumulated depreciation RM'000	Accumulated impairment losses RM'000	Carrying amount RM'000
<b>At valuation</b>					
Freehold land	-	55,560	-	-	55,560
Buildings	-	95,209	(4,558)	(72)	90,579
<b>At cost</b>					
Machinery, furniture and fittings	20,824	-	(13,185)	-	7,639
Office equipment	18,042	-	(14,528)	-	3,514
Renovations	4,038	-	(1,767)	-	2,271
Motor vehicles	11,937	-	(10,469)	-	1,468
Forklifts	3,856	-	(3,856)	-	-
Storage containers	869	-	(639)	-	230
Prime movers and trailers	26,801	-	(24,437)	-	2,364
Construction-in-progress	5,727	-	-	-	5,727
	<b>92,094</b>	<b>150,769</b>	<b>(73,439)</b>	<b>(72)</b>	<b>169,352</b>

## NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2020 (CONTINUED)

### 5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Group	Balance as at 1.7.2018 RM'000	Additions RM'000	Disposals RM'000	Written off RM'000	Depreciation charge for the		Balance as at 30.6.2019 RM'000
					financial year adjustments RM'000	Translations adjustments RM'000	
<b>Carrying amount</b>							
<b>At valuation</b>							
Freehold land	55,560	-	-	-	-	-	55,560
Long-term leasehold land	56,400	-	-	-	(785)	-	55,615
Buildings	95,056	-	-	-	(2,259)	32	92,829
<b>At cost</b>							
Machinery, furniture and fittings	9,762	1,148	(317)	(1)	(1,743)	(1)	8,848
Office equipment	3,318	1,624	(80)	(4)	(1,246)	2	3,614
Renovations	1,535	1,585	-	-	(339)	9	2,790
Motor vehicles	7,151	5,621	(224)	-	(2,379)	33	10,202
Forklifts	348	-	-	-	(205)	-	143
Storage containers	513	24	(4)	-	(117)	-	416
Prime movers and trailers	13,390	8,682	(376)	-	(3,614)	-	18,082
	243,033	18,684	(1,001)	(5)	(12,687)	75	248,099



## NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2020 (CONTINUED)

### 5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Group	At 30.6.2019				
	Cost RM'000	Valuation RM'000	Accumulated depreciation RM'000	Accumulated impairment losses RM'000	Carrying amount RM'000
<b>At valuation</b>					
Freehold land	-	55,560	-	-	55,560
Long-term leasehold land	-	56,400	(785)	-	55,615
Buildings	-	95,197	(2,296)	(72)	92,829
<b>At cost</b>					
Machinery, furniture and fittings	20,519	-	(11,671)	-	8,848
Office equipment	19,221	-	(15,607)	-	3,614
Renovations	4,273	-	(1,483)	-	2,790
Motor vehicles	23,388	-	(13,186)	-	10,202
Forklifts	4,942	-	(4,799)	-	143
Storage containers	1,682	-	(1,266)	-	416
Prime movers and trailers	43,782	-	(25,700)	-	18,082
	117,807	207,157	(76,793)	(72)	248,099

## NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2020 (CONTINUED)

### 5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

- (a) All items of property, plant and equipment are initially measured at cost. After initial recognition, property, plant and equipment except for land and buildings are stated at cost less accumulated depreciation and any accumulated impairment losses.

Land and buildings are stated at valuation, which are the fair values at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Land and buildings are revalued regularly (or at least once in every three (3) years) to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

Depreciation is calculated to write down the cost or valuation of the assets to their residual values on a straight line basis over their estimated useful lives. The estimated useful lives represent common life expectancies applied in the industry within which the Group operates. The principal depreciation periods and annual rates are as follows:

Long-term leasehold land	Not applicable (2019: 60 years - 99 years)
Buildings	50 years
Machinery, furniture and fittings	10% - 33%
Office equipment	10% - 66%
Renovations	10% - 25%
Motor vehicles	10% - 20%
Forklifts	20%
Storage containers	10%
Prime movers and trailers	10%

Freehold land has unlimited useful life and is not depreciated.

Construction work-in-progress included in property, plant and equipment are not depreciated as these assets are not yet available for use.

- (b) In the previous financial year, the Group had assessed and classified land use rights of the Group as finance leases based on the extent to which risks and rewards incidental to ownership of the land resides with the Group arising from the lease term. Consequently, the Group had classified the unamortised upfront payment for land use rights as finance leases in accordance with MFRS 117 *Leases*.
- (c) Had the revalued assets been carried out at cost less accumulated depreciation, the carrying amount would have been:

	Group	
	2020 RM'000	2019 RM'000
Freehold land	42,480	42,480
Long-term leasehold land	-	17,802
Buildings	67,730	69,395
	<b>110,210</b>	129,677

## NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2020 (CONTINUED)

### 5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(d) The fair value of land and buildings (at valuation) of the Group are categorised as follows:

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
<b>2020</b>				
Freehold land	-	55,560	-	55,560
Buildings	-	90,579	-	90,579
	-	<b>146,139</b>	-	<b>146,139</b>
<b>2019</b>				
Freehold land	-	55,560	-	55,560
Long-term leasehold land	-	55,615	-	55,615
Buildings	-	92,829	-	92,829
	-	204,004	-	204,004

- (i) There were no transfers between Level 1, Level 2 and Level 3 fair value measurements during the financial year ended 30 June 2020.
- (ii) Level 2 fair value of land and buildings (at valuation) was determined by external and independent property valuer, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued. The property valuer provides the fair value of the land and buildings (at valuation) of the Group on a regular basis.
- (iii) The fair value measurements of the land and buildings (at valuation) were based on the highest and best use, which did not differ from their actual use.

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

	Group	
	2020 RM'000	2019 RM'000
Purchase of property, plant and equipment	8,380	18,684
Financed by hire purchase arrangements	-	(12,781)
Financed by term loans	(3,953)	-
Cash payments on purchase of property, plant and equipment	<b>4,427</b>	5,903

(f) In the previous financial year, included in the property, plant and equipment of the Group were assets acquired under hire purchase arrangements with a total carrying amount of RM21,902,000.

## NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2020 (CONTINUED)

### 5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

- (g) Property, plant and equipment charged as security for banking facilities granted to the Group as disclosed in Notes 26 and 30 to the financial statements are as follows:

	Group	
	2020 RM'000	2019 RM'000
<b>Carrying amount</b>		
Freehold land	55,000	55,000
Long-term leasehold land	-	55,615
Buildings	89,209	91,405
	144,209	202,020

### 6. INTANGIBLE ASSETS

Group	Balance as at 1.7.2019 RM'000	Additions RM'000	Amortisation charge for the financial year RM'000	Balance as at 30.6.2020 RM'000
Computer software	982	550	(527)	1,005

Group	← As at 30.6.2020 →		
	Cost RM'000	Accumulated amortisation and impairment RM'000	Carrying amount RM'000
Goodwill on consolidation	226	(226)	-
Computer software	2,674	(1,669)	1,005
Rights to participate in hub business	250	(250)	-
	3,150	(2,145)	1,005

Group	Balance as at 1.7.2018 RM'000	Additions RM'000	Acquisition of a subsidiary RM'000	Impairment losses RM'000	Amortisation charge for the financial year RM'000	Balance as at 30.6.2019 RM'000
Goodwill on consolidation	-	-	9	(9)	-	-
Computer software	1,404	4	-	-	(426)	982
Rights to participate in hub business	225	-	-	(225)	-	-
	1,629	4	9	(234)	(426)	982

## NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2020 (CONTINUED)

### 6. INTANGIBLE ASSETS (CONTINUED)

Group	← As at 30.6.2019 →		
	Cost RM'000	Accumulated amortisation and impairment RM'000	Carrying amount RM'000
Goodwill on consolidation	226	(226)	-
Computer software	2,124	(1,142)	982
Rights to participate in hub business	250	(250)	-
	2,600	(1,618)	982

- (a) Intangible assets are initially measured at cost. After initial recognition, intangible assets, excluding goodwill are carried at cost less accumulated amortisation and any accumulated impairment losses.
- (b) Goodwill recognised in a business combination is an asset at the acquisition date and is initially measured at cost. After initial recognition, goodwill is measured at cost less accumulated impairment losses.
- (c) Goodwill on consolidation

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	
	2020 RM'000	2019 RM'000
Logistics:		
- Malaysia	179	179
- Thailand	32	32
- Australia	4	4
Others	11	11
	226	226
Less: Impairment losses		
Logistics:		
- Malaysia	(179)	(179)
- Thailand	(32)	(32)
- Australia	(4)	(4)
Others	(11)	(11)
	-	-

- (d) Rights to participate in hub business are the rights to operate and manage the hub business, which was acquired from an associate, Hubwire Sdn. Bhd. to a subsidiary, FM Hubwire Sdn. Bhd.. The rights is initially measured at cost and is amortised on a straight line basis over its estimated useful life of ten (10) years.

In the previous financial year, there was an impairment loss of approximately RM225,000 recognised in "Administrative Expenses" line item of the consolidated statement of profit or loss due to the recoverable amount of the rights was less than its carrying amount.

## NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2020 (CONTINUED)

### 6. INTANGIBLE ASSETS (CONTINUED)

(e) During the financial year, the Group made the following cash payments to purchase intangible assets:

	Group	
	2020 RM'000	2019 RM'000
Cash payments on purchase of intangible assets	550	4

(f) Computer software that does not form an integral part of the related hardware is treated as intangible assets with finite useful lives and is amortised on a straight line basis over its estimated useful life of five (5) years.

### 7. INVESTMENTS IN SUBSIDIARIES

	Company	
	2020 RM'000	2019 RM'000
Unquoted equity shares, at cost	40,387	43,495
Equity loan to a subsidiary	26,161	26,161
	<b>66,548</b>	69,656
Less: Impairment losses	<b>(2,300)</b>	(2,300)
	<b>64,248</b>	67,356

(a) Investments in subsidiaries are measured at cost in the separate financial statements of the Company. Non-controlling interests are measured at their proportionate share of the net assets of subsidiaries, unless another measurement basis is required by MFRSs.

(b) Equity loan to a subsidiary is unsecured and interest-free. Equity loan represents non-trade loan granted by the Company to a subsidiary for which settlement is neither planned nor likely to occur in the foreseeable future and is intended to provide the subsidiary with a long-term source of additional capital.

## NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2020 (CONTINUED)

### 7. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

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

Name of company	Country of incorporation/ Principal place of business	Effective interest in equity		Principal activities
		2020	2019	
FM Global Logistics (M) Sdn. Bhd.	Malaysia	100%	100%	Provision of freight services
FM Multimodal Services Sdn. Bhd.	Malaysia	100%	100%	Provision of freight services
FM Global Logistics (KUL) Sdn. Bhd.	Malaysia	100%	100%	Provision of freight services
# FM Worldwide Logistics Sdn. Bhd. (formerly known as FM Worldwide Logistics (Penang) Sdn. Bhd.)	Malaysia	100%	100%	Dormant
# FM Global Logistics (Ipoh) Sdn. Bhd.	Malaysia	100%	100%	Dormant
# FM Global Logistics (Melaka) Sdn. Bhd.	Malaysia	100%	100%	Dormant
# FM Global Logistics (Penang) Sdn. Bhd.	Malaysia	100%	100%	Dormant
# Advance International Freight Sdn. Bhd.	Malaysia	100%	100%	Dormant
# FMG Capital & Management Sdn. Bhd. ("FMGC")	Malaysia	100%	100%	Investment holding
# Freight Management MSC Sdn. Bhd.	Malaysia	100%	100%	Developing, providing and maintaining IT software application solutions
Symphony Express Sdn. Bhd.	Malaysia	80%	80%	Provision of freight services
# Exterian Enterprise Sdn. Bhd.	Malaysia	100%	100%	Provision of freight services
# FM Global Logistics (S'pore) Pte. Ltd.	Singapore	-	100%	Provision of freight services
FM Global Logistics Ventures Sdn. Bhd. ("FMGLV")	Malaysia	-	100%	Investment holding
+ Icon Freight International Inc.	British Virgin Islands	-	100%	Provision of management services
# FM Hubwire Sdn. Bhd.	Malaysia	65%	65%	Provision of e-commerce logistics services

## NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2020 (CONTINUED)

### 7. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

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

Name of company	Country of incorporation/ Principal place of business	Effective interest in equity		Principal activities
		2020	2019	
Parcel To Post Services Sdn. Bhd.	Malaysia	100%	100%	Provision of parcel services
+ FMGL Overseas Venture Limited	Hong Kong	100%	100%	Investment holding
<b>Subsidiaries of FMGL Overseas Venture Limited</b>				
+ Icon Freight International Inc.	British Virgin Islands	100%	-	Provision of management services
# FM Global Logistics (S'pore) Pte. Ltd.	Singapore	100%	-	Provision of freight services
FM Global Logistics Ventures Sdn. Bhd. ("FMGLV")	Malaysia	100%	-	Investment holding
<b>Subsidiaries of FM Global Logistics Ventures Sdn. Bhd.</b>				
* PT. FM Global Logistics ("PTFM")	Indonesia	67%	67%	Provision of freight services
+ FM Global Logistics Pty. Ltd.	Australia	55%	55%	Provision of integrated freight and logistic services
# FM Global Logistics Co., Ltd.	Thailand	49%	100%	Provision of freight services
+ FM Global Korea Corporation	South Korea	100%	100%	Provision of trading services
* FM Global Logistics Company Limited	Vietnam	95%	95%	Provision of freight services
+ FM Global Logistics (HK) Limited	Hong Kong	100%	100%	Provision of freight services
#@ FM Global Logistics (India) Private Limited	India	51%	51%	Provision of integrated freight and logistic services
#^ FM Global Logistics Lanka (Private) Limited ("FMGLL")	Sri Lanka	-	40%	Provision of integrated freight and logistic services
+ FM Global Logistics (USA), LLC	United States of America	70%	70%	Provision of freight services



## NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2020 (CONTINUED)

### 7. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

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

Name of company	Country of incorporation/ Principal place of business	Effective interest in equity		Principal activities
		2020	2019	
<b>Subsidiaries of FM Global Logistics Ventures Sdn. Bhd. (continued)</b>				
# Star Cargo Network Pte. Ltd.	Singapore	100%	-	Provision of freight services
+ Star Cargo Alliance Pte. Ltd.	Singapore	100%	-	Provision of freight services
<b>Subsidiary of FM Global Logistics Co., Ltd.</b>				
# FMG Logistics Co., Ltd ("FMGT")	Thailand	-	49%	Provision of freight services
<b>Subsidiary of FMG Global Logistics Co., Ltd. ("FMGT")</b>				
# FM Global Logistics Co., Ltd	Thailand	51%	-	Provision of freight services
<b>Subsidiary of FM Multimodal Services Sdn. Bhd.</b>				
# Dependable Global Express Malaysia Sdn. Bhd.	Malaysia	51%	51%	Provision of freight services
<b>Subsidiaries of FM Global Logistics (M) Sdn. Bhd.</b>				
# FM Contract Logistics Sdn. Bhd.	Malaysia	100%	100%	Provision of freight services
# Advance Retail Services Sdn. Bhd.	Malaysia	-	100%	Provision of freight services
<b>Subsidiaries of FMG Capital &amp; Management Sdn. Bhd.</b>				
Centro Maxx Sdn. Bhd.	Malaysia	86%	100%	Trading of goods
# Advance Retail Services Sdn. Bhd.	Malaysia	100%	-	Provision of freight services

## NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2020 (CONTINUED)

### 7. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

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

Name of company	Country of incorporation/ Principal place of business	Effective interest in equity		Principal activities
		2020	2019	
<b>Subsidiaries of Exterian Enterprise Sdn. Bhd.</b>				
+ Exterian Capital Pte. Ltd.	Singapore	100%	-	Investment holding
# Ω FMG Logistics Co., Ltd ("FMGT")	Thailand	24%	-	Provision of freight services
<b>Subsidiary of Advance International Freight Sdn. Bhd.</b>				
# Ω FMG Logistics Co., Ltd ("FMGT")	Thailand	25%	-	Provision of freight services

<sup>^</sup> The financial statements of FMGLL was consolidated up to the date of disposal. The financial effects arising from disposal was not presented as the gain on disposal was not material to the Group.

+ Subsidiaries are consolidated based on management accounts for the financial year ended 30 June 2020. The financial statements of these subsidiaries are not required to be audited in their country of incorporation.

\* Subsidiaries audited by member firms of Crowe Global of which Crowe Malaysia PLT is a member.

# Subsidiaries audited by other firms of chartered accountants.

@ Subsidiary had financial year ended 31 March 2020 and was consolidated based on management accounts for the financial year ended 30 June 2020.

Ω Although the Company owns less than half of the voting power in FMGT, the Company controls this subsidiary by virtue of an agreement with the other investor of FMGT. Consequently, the Company consolidates its investment in this subsidiary at 100% effective interest in equity.

## NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2020 (CONTINUED)

### 7. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

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

	PT. FM Global Logistics	FM Global Logistics Pty. Ltd	Other individual immaterial subsidiaries	Total
<b>2020</b>				
NCI percentage of ownership and voting interests	33%	45%		
Carrying amount of NCI (RM'000)	4,414	2,970	569	7,953
Profit allocated to NCI (RM'000)	350	325	26	701
Other comprehensive loss allocated to NCI (RM'000)	(2)	-	-	(2)
Dividend paid to NCI (RM'000)	-	(531)	(300)	(831)
<b>2019</b>				
NCI percentage of ownership and voting interests	33%	45%		
Carrying amount of NCI (RM'000)	4,004	3,138	757	7,899
Profit allocated to NCI (RM'000)	835	191	74	1,100
Other comprehensive loss allocated to NCI (RM'000)	(11)	-	-	(11)
Dividend paid to NCI (RM'000)	-	-	(200)	(200)

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

## NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2020 (CONTINUED)

### 7. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

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

	PT. FM Global Logistics RM'000	FM Global Logistics Pty. Ltd. RM'000
<b>2020</b>		
<b>Assets and liabilities</b>		
Non-current assets	3,378	614
Current assets	15,896	12,644
Non-current liabilities	(71)	(339)
Current liabilities	(5,826)	(6,318)
Net assets	<b>13,377</b>	<b>6,601</b>
<b>Results</b>		
Revenue	34,982	61,042
Profit for the financial year	1,062	721
Total comprehensive income	1,062	721
Cash flows from/(used in) operating activities	693	(394)
Cash flows used in investing activities	(159)	(242)
Cash flows used in financing activities	(343)	(1,342)
Net increase/(decrease) in cash and cash equivalents	<b>191</b>	<b>(1,978)</b>
<b>2019</b>		
<b>Assets and liabilities</b>		
Non-current assets	2,460	616
Current assets	15,659	12,808
Non-current liabilities	(227)	(267)
Current liabilities	(5,759)	(6,150)
Net assets	<b>12,133</b>	<b>7,007</b>
<b>Results</b>		
Revenue	36,237	56,492
Profit for the financial year	2,531	773
Total comprehensive income	2,531	773
Cash flows from/(used in) operating activities	1,688	(74)
Cash flows used in investing activities	(220)	(89)
Cash flows (used in)/from financing activities	(96)	151
Net increase/(decrease) in cash and cash equivalents	<b>1,372</b>	<b>(12)</b>

## NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2020 (CONTINUED)

### 7. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

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.

### 8. INVESTMENTS IN ASSOCIATES

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Unquoted equity shares, at cost	16,630	16,630	8,869	8,869
Share of post-acquisition losses	(13,557)	(7,531)	-	-
	<b>3,073</b>	9,099	<b>8,869</b>	8,869
Less: Impairment losses	<b>(1,600)</b>	(1,600)	<b>(6,049)</b>	-
	<b>1,473</b>	7,499	<b>2,820</b>	8,869

(a) Investments in associates are measured at cost less impairment losses, if any, in the separate financial statements of the Company and accounted for using the equity method in the consolidated financial statements of the Group.

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

Name of company	Country of incorporation/ Principal place of business	Effective interest in equity		Principal activities
		2020	2019	
* TCH Marine Pte. Ltd. ("TCH")	Singapore	49%	49%	Charterers of barge and tugboats
*^ YKP-FM Global Shipyard Co., Ltd.	Thailand	31%	31%	Development and operation of shipyard

## NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2020 (CONTINUED)

### 8. INVESTMENTS IN ASSOCIATES (CONTINUED)

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

Name of company	Country of incorporation/ Principal place of business	Effective interest in equity		Principal activities
		2020	2019	
<b>Associate of FM Global Logistics (M) Sdn. Bhd.</b>				
* FM Distribution Sdn. Bhd.	Malaysia	<b>49%</b>	49%	Provision of warehouse services
<b>Associate of FM Global Logistics Ventures Sdn. Bhd.</b>				
*^ Hubwire Sdn. Bhd.	Malaysia	<b>20%</b>	20%	Provision of e-commerce business
* Associates audited by other firms of chartered accountants.				
^ Associates had financial year ended 31 December 2019 and were equity accounted based on management accounts for the financial year ended 30 June 2020.				

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

	TCH	FM	YKP-FM	
	Marine Pte. Ltd.	Distribution Sdn. Bhd.	Global Shipyard Co., Ltd.	Hubwire Sdn. Bhd.
2020	RM'000	RM'000	RM'000	RM'000
<b>Assets and liabilities</b>				
Non-current assets	-	-	20,783	-
Current assets	7,927	801	2,521	3
Non-current liabilities	-	-	(1)	-
Current liabilities	(5,834)	(28)	(34,241)	(188)
Net assets/(liabilities)	<b>2,093</b>	<b>773</b>	<b>(10,938)</b>	<b>(185)</b>
<b>Results</b>				
Revenue	6,079	7	2,799	-
Loss for the financial year	(3,984)	(108)	(25,253)	-
Total comprehensive loss	<b>(3,984)</b>	<b>(108)</b>	<b>(25,253)</b>	-

## NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2020 (CONTINUED)

### 8. INVESTMENTS IN ASSOCIATES (CONTINUED)

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

	TCH Marine Pte. Ltd. RM'000	FM Distribution Sdn. Bhd. RM'000	YKP-FM Global Shipyards Co., Ltd. RM'000	Hubwire Sdn. Bhd. RM'000
<b>2019</b>				
<b>Assets and liabilities</b>				
Non-current assets	19,583	-	39,732	-
Current assets	1,968	894	2,526	15
Non-current liabilities	-	-	(20,119)	-
Current liabilities	(15,763)	(13)	(7,725)	(101)
Net assets/(liabilities)	5,788	881	14,414	(86)
<b>Results</b>				
Revenue	11,444	88	3,222	-
(Loss)/Profit for the financial year	(10,125)	(56)	309	-
Total comprehensive (loss)/income	(10,125)	(56)	309	-

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

	TCH Marine Pte. Ltd. RM'000	FM Distribution Sdn. Bhd. RM'000	YKP-FM Global Shipyards Co., Ltd. RM'000	Hubwire Sdn. Bhd. RM'000	Total RM'000
<b>As at 30 June 2020</b>					
Share of net assets of the Group	1,026	379	-	342	1,747
Goodwill	-	68	-	1,258	1,326
Less: Impairment losses	-	-	-	(1,600)	(1,600)
Carrying amount in the statements of financial position	1,026	447	-	-	1,473
<b>Share of results of the Group for the financial year ended 30 June 2020</b>					
Share of loss/other comprehensive loss of the Group	(1,952)	(53)	(4,021)	-	(6,026)

## NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2020 (CONTINUED)

### 8. 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 (continued):

	TCH Marine Pte. Ltd. RM'000	FM Distribution Sdn. Bhd. RM'000	YKP-FM Global Shipyard Co., Ltd. RM'000	Hubwire Sdn. Bhd. RM'000	Total RM'000
<b>As at 30 June 2019</b>					
Share of net assets of the Group	2,978	432	4,021	342	7,773
Goodwill	-	68	-	1,258	1,326
Less: Impairment losses	-	-	-	(1,600)	(1,600)
Carrying amount in the statements of financial position	2,978	500	4,021	-	7,499
<b>Share of results of the Group for the financial year ended 30 June 2019</b>					
Share of (loss)/profit/other comprehensive (loss)/income of the Group	(4,961)	(27)	95	-	(4,893)

- (e) The Group has not recognised losses relating to YKP-FM Global Shipyard Co., Ltd and Hubwire Sdn. Bhd., where their share of losses exceeds the Group's interest in these associates. The Group's cumulative share of unrecognised losses at the end of the reporting period was RM4,129,625 (2019: RM316,308) of which RM3,813,317 (2019: RM316,308) was the share of the current financial year's losses. The Group has no obligation in respect of these losses.



## NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2020 (CONTINUED)

### 9. INVESTMENTS IN JOINT VENTURES

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Unquoted equity shares, at cost	2,987	2,987	997	997
Long-term advances to a joint venture	1,413	1,413	1,413	1,413
Share of post-acquisition profits/(losses)	286	(40)	-	-
	<b>4,686</b>	4,360	<b>2,410</b>	2,410
Less: Impairment losses	-	-	<b>(2,410)</b>	(2,410)
	<b>4,686</b>	4,360	-	-

- (a) Investments in joint ventures are measured at cost less impairment losses, if any, in the separate financial statements of the Company. The Group has determined that all of its joint arrangements structured through separate vehicles provide rights to the net assets and are therefore, classified as joint ventures. The Group accounts for investments in joint ventures using the equity method.
- (b) Long-term advances to a joint venture are unsecured, settlement is neither planned nor likely to occur in the foreseeable future and interest-free.
- (c) The details of the joint ventures are as follows:

Name of company	Country of incorporation/ Principal place of business	Effective interest in equity		Principal activities
		2020	2019	
* Transenergy Shipping Pte. Ltd.	Malaysia	50%	50%	Provision of marine services
* Transenergy Shipping Management Sdn. Bhd.	Malaysia	50%	50%	Provision of marine services
<b>Joint ventures of FM Global Logistics Ventures Sdn. Bhd.</b>				
* FM Global Logistics (Phil.), Inc.	Philippines	50%	50%	Provision of integrated freight and logistics services
*^ Amass Freight Middle East FZCO	United Arab Emirates	50%	50%	Investment holding

\* Joint ventures audited by other firms of chartered accountants.

^ Joint venture had financial year ended 31 December 2019 and was equity accounted based on management accounts for the financial year ended 30 June 2020.

## NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2020 (CONTINUED)

### 9. INVESTMENTS IN JOINT VENTURES (CONTINUED)

(d) The summarised financial information of the joint ventures is as follows:

	Transenergy Group of Companies* RM'000	FM Global Logistics (Phil.), Inc. RM'000	Amass Freight Middle East FZCO RM'000
<b>2020</b>			
<b>Assets and liabilities</b>			
Non-current assets	5,176	1,963	307
Current assets	1,916	11,946	7,066
Current liabilities	(24,551)	(7,992)	(5,010)
Net (liabilities)/assets	(17,459)	5,917	2,363
<b>Results</b>			
Revenue	201	26,616	42,173
Administrative expenses	(728)	(24,765)	(41,313)
(Loss)/Profit for the financial year	(527)	1,851	860
<b>2019</b>			
<b>Assets and liabilities</b>			
Non-current assets	8,068	1,939	589
Current assets	4,275	8,593	8,135
Current liabilities	(28,016)	(4,814)	(7,683)
Net (liabilities)/assets	(15,673)	5,718	1,041
<b>Results</b>			
Revenue	3,935	27,948	33,206
Administrative expenses	(5,445)	(27,077)	(32,646)
(Loss)/Profit for the financial year	(1,510)	871	560

\* Represent Transenergy Shipping Pte. Ltd. and Transenergy Shipping Management Sdn. Bhd..

## NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2020 (CONTINUED)

### 9. INVESTMENTS IN JOINT VENTURES (CONTINUED)

- (e) The reconciliation of net assets of the joint ventures to the carrying amount of the investments in joint ventures is as follows:

	Transenergy Group of Companies*	FM Global Logistics (Phil.), Inc.	Amass Freight Middle East FZCO	Total
	RM'000	RM'000	RM'000	RM'000
<b>As at 30 June 2020</b>				
Share of net assets of the Group	-	2,755	951	3,706
Goodwill	-	980	-	980
Carrying amount in the statements of financial position	-	3,735	951	4,686
<b>Share of results of the Group for the financial year ended 30 June 2020</b>				
Share of profit by the Group for the financial year	-	925	430	1,355
Dividend received from joint ventures	-	1,029	-	1,029
<b>As at 30 June 2019</b>				
Share of net assets of the Group	-	2,859	521	3,380
Goodwill	-	980	-	980
Carrying amount in the statements of financial position	-	3,839	521	4,360
<b>Share of results of the Group for the financial year ended 30 June 2019</b>				
Share of profit by the Group for the financial year	-	436	280	716

\* Represent Transenergy Shipping Pte. Ltd. and Transenergy Shipping Management Sdn. Bhd..

- (f) The Group has not recognised losses relating to Transenergy Group of Companies, where its share of losses exceeds the Group's interest in these joint ventures. The Group's cumulative share of unrecognised losses at the end of the reporting period was RM6,019,675 (2019: RM5,756,160) of which RM263,515 (2019: RM754,975) was the share of the current financial year's losses. The Group has no obligation in respect of these losses.

## NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2020 (CONTINUED)

### 10. OTHER INVESTMENTS

	Group	
	2020	2019
	RM'000	RM'000
Non-current		
Equity security:		
- Unquoted shares in Malaysia	360	360
Current		
Equity securities:		
- Unit trust funds quoted in Malaysia	-	4,007
- Quoted shares outside Malaysia	835	991
Total current other investments	835	4,998
Total other investments	<b>1,195</b>	5,358

- (a) Equity securities which are not held for trading for which the Group has irrevocably elected to recognise at fair value through other comprehensive income. These are strategic investments for which the Group considers this classification to be appropriate and relevant.
- (b) All regular way purchases and sales of financial assets are recognised or derecognised using trade date accounting.
- (c) 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 the reporting period.

The fair value of unquoted shares in Malaysia is estimated based on the market approach model. Management obtained the industry share price from observable market data divided by price to earnings ratio ("P/E"), and multiplied by profit after taxation of the investee to derive the estimated fair value. Management believes that the estimated fair value resulting from this valuation model is reasonable and the most appropriate at the end of the reporting period.

- (d) The Group divested its unit trust funds quoted in Malaysia, at net for a total cash consideration of RM8,026,196 (2019: RM7,056,132).

At the end of the reporting period, the Group recognised a fair value gain of RM19,405 (2019: RM62,027) in the financial statements.

In the previous financial year, unit trust funds quoted in Malaysia, which were held by the Group were highly liquid, readily convertible to cash and were subjected to insignificant risk of changes in value and hence, met the definition to be classified as cash and cash equivalents (Note 21(d)).

- (e) At the end of the reporting period, the Group recognised a fair value loss on quoted shares of RM156,519 (2019: RM167,542) in the financial statements.

## NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2020 (CONTINUED)

### 10. OTHER INVESTMENTS (CONTINUED)

(f) The fair values of other investments of the Group are categorised as follows:

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
<b>Group</b>				
<b>2020</b>				
<b>Other investments</b>				
- Unquoted shares in Malaysia	-	-	360	360
- Quoted shares outside Malaysia	835	-	-	835
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
<b>Group</b>				
<b>2019</b>				
<b>Other investments</b>				
- Unit trust funds quoted in Malaysia	4,007	-	-	4,007
- Unquoted shares in Malaysia	-	-	360	360
- Quoted shares outside Malaysia	991	-	-	991

(g) Sensitivity analysis of changes in market quoted prices for unit trust funds at the end of the reporting period, assuming all other variables remain constant is as follows:

	Group	
	2020 RM'000	2019 RM'000
<b>Effects of 100bp changes in market quoted prices to profit after tax</b>		
- Unit trust funds	-	30

(h) 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 in Malaysia	Industry price-earnings ratio of comparable competitors 32.10 (2019: 11.06)	The higher the price-earnings ratio, the higher the fair values of the unquoted investments would be.

## NOTES TO THE FINANCIAL STATEMENTS

### 30 JUNE 2020 (CONTINUED)

#### 11. RIGHT-OF-USE ASSETS

Group	Balance as at 1.7.2019	Effects of adoption of MFRS 16 (Note 44.1)	Additions	Depreciation charge for the financial year	Transitions adjustments	Balance as at 30.6.2020
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Long-term leasehold land	-	55,615	4,611	(867)	-	59,359
Motor vehicles	-	7,718	1,907	(1,627)	4	8,002
Forklifts	-	130	1,133	(203)	-	1,060
Prime movers and trailers	-	13,957	5,303	(1,905)	-	17,355
Warehouse	-	10,625	1,485	(4,548)	-	7,562
Office	-	3,073	2,213	(1,746)	(8)	3,532
	-	91,118	16,652	(10,896)	(4)	96,870

Group	At 30.6.2020		
	Cost	Valuation	Accumulated depreciation
	RM'000	RM'000	RM'000
Long-term leasehold land	-	61,011	(1,652)
Motor vehicles	11,971	-	(3,969)
Forklifts	1,457	-	(397)
Prime movers and trailers	21,666	-	(4,311)
Warehouse	14,895	-	(7,333)
Office	6,321	-	(2,789)
	56,310	61,011	(20,451)
			96,870

The comparative information is not presented as the Group has applied MFRS 16 using the modified retrospective approach.

## NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2020 (CONTINUED)

### 11. RIGHT-OF-USE ASSETS (CONTINUED)

- (a) The right-of-use assets are initially measured at cost, which comprise the initial amount of the lease liabilities adjusted for any lease payments made at or before the commencement date of the leases.

After initial recognition, right-of-use assets except for long-term leasehold land are stated at cost less accumulated depreciation and any accumulated impairment losses, and adjusted for any re-measurement of the lease liabilities.

Long-term leasehold land is stated at valuation, which is the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Long-term leasehold land is revalued regularly (or at least once in every three (3) years) to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

The right-of-use assets are depreciated on the straight-line basis over the earlier of the estimated useful lives of the right-of-use assets or the end of the lease term. The lease terms of right-of-use assets are as follows:

Long-term leasehold land	60 years - 99 years
Motor vehicles	10% - 20%
Forklifts	20%
Prime movers and trailers	10%
Warehouse	2 - 3 years
Office	2 - 4 years

- (b) Included in right-of-use assets of the Group, the long-term leasehold land with a carrying amount of RM59,539,146 is subject to fixed charges as security for banking facilities granted to the Group as disclosed in Notes 26 and 30 to the financial statements to secure certain lease liabilities of the Group.
- (c) The Group has certain leases with lease term of 12 months or less. The Group applies the "short-term lease" exemptions for these leases.
- (d) Had the revalued assets been carried out at cost less accumulated depreciation, the carrying amount would have been:

	Group	
	2020 RM'000	2019 RM'000
Long-term leasehold land	22,074	-

## NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2020 (CONTINUED)

### 11. RIGHT-OF-USE ASSETS (CONTINUED)

(e) The fair value of long-term leasehold land (at valuation) of the Group is categorised as follows:

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
<b>2020</b>				
Long-term leasehold land	-	59,359	-	59,359

(i) There were no transfers between Level 1, Level 2 and Level 3 fair value measurements during the financial year ended 30 June 2020.

(ii) Level 2 fair value of long-term leasehold land (at valuation) was determined by external and independent property valuer, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued. The property valuer provides the fair value of the long-term leasehold land (at valuation) of the Group on a regular basis.

(iii) The fair value measurements of the long-term leasehold land (at valuation) was based on the highest and best use, which did not differ from their actual use.

(f) During the financial year, the Group made the following cash payments to acquire right-of-use assets:

	Group	
	2020 RM'000	2019 RM'000
Right-of-use assets acquired	16,652	-
Financed by lease liabilities arrangements	(11,272)	-
Financed by term loans	(3,697)	-
Cash payments on right-of-use assets acquired	1,683	-



## NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2020 (CONTINUED)

### 12. DEFERRED TAX (ASSETS)/LIABILITIES

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

	Group	
	2020	2019
	RM'000	RM'000
Balance as at 1 July 2019/2018	23,350	24,221
Recognised in profit or loss (Note 34)		
- Originating and reversal of temporary differences	(962)	(1,212)
- Underprovision in prior years	237	381
Recognised in other comprehensive income		
- Actuarial loss on defined benefits plan	(2)	(11)
Exchange differences	(80)	(29)
	<b>22,543</b>	23,350
Presented after appropriate offsetting		
Deferred tax assets, net	(1,215)	(1,048)
Deferred tax liabilities, net	23,758	24,398
	<b>22,543</b>	23,350

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

	Group	
	2020	2019
	RM'000	RM'000
<b>Deferred tax assets</b>		
Balance as at 1 July 2019/2018	(1,048)	(908)
Recognised in profit or loss		
- Property, plant and equipment	-	72
- Trade receivables	(5)	-
- Provision for post-employment benefits obligation	(31)	(77)
- Unused tax losses	31	(124)
- Others	(160)	-
Recognised in other comprehensive income		
- Actuarial loss on defined benefits plan	(2)	(11)
	<b>(1,215)</b>	(1,048)

## NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2020 (CONTINUED)

### 12. DEFERRED TAX (ASSETS)/LIABILITIES (CONTINUED)

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

	Group	
	2020	2019
	RM'000	RM'000
<b>Deferred tax liabilities</b>		
Balance as at 1 July 2019/2018	<b>24,398</b>	25,129
Recognised in profit or loss		
- Property, plant and equipment	<b>(203)</b>	(391)
- Unrealised loss on foreign currency transactions	<b>(177)</b>	(93)
- Crystallisation of deferred tax on revaluation reserve	<b>(260)</b>	(247)
Balance as at 30 June 2020/2019	<b>23,758</b>	24,398

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

	Group	
	2020	2019
	RM'000	RM'000
<b>Deferred tax assets</b>		
Trade receivables	<b>(41)</b>	(36)
Provision for post-employment benefits obligation	<b>(378)</b>	(347)
Unused tax losses	<b>(617)</b>	(648)
Actuarial loss on defined benefits plan	<b>(19)</b>	(17)
Others	<b>(160)</b>	-
	<b>(1,215)</b>	(1,048)
<b>Deferred tax liabilities</b>		
Property, plant and equipment	<b>9,238</b>	9,441
Unrealised loss on foreign currency transactions	<b>(418)</b>	(241)
Revaluation of land and buildings	<b>14,938</b>	15,198
	<b>23,758</b>	24,398

## NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2020 (CONTINUED)

### 12. DEFERRED TAX (ASSETS)/LIABILITIES (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	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Unused tax losses	5,631	4,650	-	-
Unabsorbed capital allowances	599	201	-	-
Others	(347)	(143)	-	-
	<b>5,883</b>	<b>4,708</b>	<b>-</b>	<b>-</b>

### 13. INVENTORIES

	Group	
	2020 RM'000	2019 RM'000
Trading goods	<b>1,617</b>	1,077

- (a) Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average method.
- (b) During the financial year, inventories of the Group recognised as cost of sales amounted to RM1,398,494 (2019: RM177,785).

### 14. TRADE RECEIVABLES

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Third parties	117,529	121,706	-	-
Less: Impairment losses	(2,439)	(1,879)	-	-
Total trade receivables	<b>115,090</b>	<b>119,827</b>	<b>-</b>	<b>-</b>

- (a) Trade receivables are classified as financial assets measured at amortised cost.
- (b) Trade receivables are non-interest bearing and the normal credit terms granted by the Group ranges from 7 to 60 days (2019: 7 to 60 days) from date of invoices. They are recognised at their original invoice amounts, which represent their fair values on initial recognition.

## NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2020 (CONTINUED)

### 14. TRADE RECEIVABLES (CONTINUED)

- (c) The information about the exposure to credit risk and the loss allowance calculated under MFRS 9 are summarised below:

Group	Gross amount RM'000	Collective impairment RM'000	Carrying amount RM'000
<b>2020</b>			
Current (not past due)	77,120	(341)	76,779
1 to 30 days past due	11,450	(212)	11,238
31 to 60 days past due	9,833	(202)	9,631
61 to 90 days past due	5,819	(176)	5,643
91 to 120 days past due	3,005	(159)	2,846
More than 120 days	10,302	(1,349)	8,953
	<b>117,529</b>	<b>(2,439)</b>	<b>115,090</b>
<b>2019</b>			
Current (not past due)	89,088	(384)	88,704
1 to 30 days past due	15,752	(286)	15,466
31 to 60 days past due	5,764	(242)	5,522
61 to 90 days past due	2,533	(81)	2,452
91 to 120 days past due	1,350	(57)	1,293
More than 120 days	7,219	(829)	6,390
	<b>121,706</b>	<b>(1,879)</b>	<b>119,827</b>

- (d) Impairment for trade receivables that do not contain a significant financing component are recognised based on the simplified approach using the lifetime expected credit losses.

The Group uses an allowance matrix to measure the expected credit loss of trade receivables from individual customers. The expected loss rates are based on the Group's historical credit losses experienced over a one year period prior to the period end. The historical loss rates are then adjusted for current and forward-looking information on macroeconomic factors affecting the Group's customers. The Group has identified the gross domestic product (GDP) as the key macroeconomic factors.

For trade receivables, which are reported net, such impairments are recorded in a separate impairment account with the loss being recognised within 'Administrative Expenses' in the consolidated statement of profit or loss. On confirmation that the trade receivable would not be collectable, the gross carrying value of the asset would be written off against the associated impairment.

Management exercised significant judgement in determining the probability of default by trade receivables and appropriate forward looking information.

## NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2020 (CONTINUED)

### 14. TRADE RECEIVABLES (CONTINUED)

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

	Group	
	2020 RM'000	2019 RM'000
At 1 July	1,879	4,145
Charged for the financial year	808	100
Reversal for the financial year	(219)	(2,370)
Written off	(5)	-
Disposal of a subsidiary	(22)	-
Exchange differences	(2)	4
At 30 June	<b>2,439</b>	1,879

(f) 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 the reporting period are as follows:

	Group			
	2020		2019	
	RM'000	% of total	RM'000	% of total
<b>By country</b>				
Domestic	87,805	76	95,482	80
Foreign	27,285	24	24,345	20
	<b>115,090</b>	<b>100</b>	119,827	100

The Company does not have any significant concentration of credit risk other than the amounts owing by subsidiaries, which constitutes 53.53% (2019: 68.29%) of total receivables of the Company as at the end of the reporting period.

(g) Foreign currency exposure profiles of trade receivables are as follows:

	Group	
	2020 RM'000	2019 RM'000
Ringgit Malaysia	87,805	95,456
US Dollar	8,255	6,656
Singapore Dollar	20	73
Australian Dollar	6,118	6,011
Thai Baht	2,873	1,625
Indonesian Rupiah	7,398	7,198
Vietnamese Dong	794	933
Indian Rupee	1,805	1,690
Others	22	185
	<b>115,090</b>	119,827

## NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2020 (CONTINUED)

### 14. TRADE RECEIVABLES (CONTINUED)

- (h) Sensitivity analysis of Ringgit Malaysia ("RM") against foreign currencies at the end of the reporting period, assuming that all other variables remain constant, are as follows:

	Group	
	2020	2019
	RM'000	RM'000
<b>Effects of 5% changes to RM against foreign currencies</b>		
<b>Profit after tax</b>		
- US Dollar	306	245

The exposure to the other currencies are not significant, hence the effects of the changes in the exchange rates are not presented.

### 15. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Group		Company	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
<b>Other receivables and deposits</b>				
Other receivables	6,566	5,966	148	148
Deposits	5,041	4,795	1	1
	<b>11,607</b>	10,761	<b>149</b>	149
<b>Prepayments</b>				
Prepayments	6,492	6,367	768	110
	<b>18,099</b>	17,128	<b>917</b>	259

- (a) The Group and the Company have no significant concentration of credit risk that may arise from exposures to a single debtor or to groups of debtors.

- (b) The reconciliation of movements in the impairment losses on other receivables are as follows:

	Group		Company	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
At 1 July	-	186	-	-
Reversal for the financial year	-	(186)	-	-
At 30 June	-	-	-	-

## NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2020 (CONTINUED)

### 15. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS (CONTINUED)

(c) Foreign currency exposure profiles of other receivables and deposits are as follows:

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Ringgit Malaysia	8,923	7,436	149	149
Indonesian Rupiah	239	920	-	-
Australian Dollar	1,385	474	-	-
Thai Baht	255	71	-	-
Vietnamese Dong	266	295	-	-
US Dollar	12	49	-	-
Indian Rupee	525	693	-	-
Singapore Dollar	2	-	-	-
Sri Lankan Rupee	-	289	-	-
Arab Emirates Dirham	-	534	-	-
	<b>11,607</b>	10,761	<b>149</b>	149

(d) Sensitivity analysis of RM against foreign currencies at the end of the reporting period is not presented as the effect is immaterial to the Group.

### 16. AMOUNTS OWING BY/(TO) SUBSIDIARIES

	Company	
	2020 RM'000	2019 RM'000
Amounts owing by subsidiaries	20,232	28,585
Less: Impairment losses	-	(3,511)
	<b>20,232</b>	25,074
Amounts owing to subsidiaries	<b>(7,711)</b>	(4,322)

#### 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) The maturity profile of amounts owing to subsidiaries of the Company at the end of the reporting period based on contractual undiscounted repayment obligations is repayable on demand or within one year.
- (c) Amounts owing by/(to) subsidiaries are denominated in RM.

## NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2020 (CONTINUED)

### 16. AMOUNTS OWING BY/(TO) SUBSIDIARIES (CONTINUED)

(d) The reconciliation of movements in the impairment losses on amounts owing by subsidiaries are as follows:

	Company	
	2020 RM'000	2019 RM'000
At 1 July	3,511	3,511
Reclassified to amount owing by a related company	(3,511)	-
At 30 June	-	3,511

### 17. AMOUNTS OWING BY/(TO) ASSOCIATES

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Amounts owing by associates	6,870	9,030	3,481	5,456
Less: Impairment losses	(1,568)	(882)	(1,359)	(673)
	5,302	8,148	2,122	4,783
Amount owing to an associate	-	(6)	-	-

#### Group and Company

- (a) The amounts owing by/(to) associates represent mainly advances and payments made on behalf, which are unsecured, interest-free and payable upon demand in cash and cash equivalents.
- (b) The maturity profile of amount owing to an associate of the Group at the end of the previous reporting period based on contractual undiscounted repayment obligations was repayable on demand or within one year.
- (c) The reconciliation of movements in the impairment losses on amounts owing by associates are as follows:

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
At 1 July	882	882	673	673
Charged for the financial year	686	-	686	-
At 30 June	1,568	882	1,359	673



## NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2020 (CONTINUED)

### 17. AMOUNTS OWING BY/(TO) ASSOCIATES (CONTINUED)

(d) Foreign currency exposure profiles of amounts owing by associates are as follows:

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Ringgit Malaysia	2,353	1,786	430	-
Singapore Dollar	1,000	3,434	-	2,160
Thai Baht	1,949	2,734	1,692	2,623
US Dollar	-	194	-	-
	<b>5,302</b>	<b>8,148</b>	<b>2,122</b>	<b>4,783</b>

(e) Sensitivity analysis of RM against foreign currencies at the end of the reporting period, assuming that all other variables remain constant, are as follows:

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
<b>Effects of 5% changes to RM against foreign currencies</b>				
<b>Profit after tax</b>				
- Singapore Dollar	38	130	-	82
- Thai Baht	65	104	64	100
- US Dollar	-	7	-	-
	<b>103</b>	<b>241</b>	<b>64</b>	<b>182</b>

(f) Amount owing to an associate was denominated in RM.

### 18. AMOUNT OWING BY A RELATED COMPANY

	Company	
	2020 RM'000	2019 RM'000
Amount owing by a related company	12,952	-
Less: Impairment losses	(3,511)	-
	<b>9,441</b>	<b>-</b>

#### Company

(a) The amount owing by a related company represent advances and payments made on behalf, which is unsecured, interest-free and payable upon demand in cash and cash equivalents.

(b) Amount owing by a related company is denominated in RM.

## NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2020 (CONTINUED)

### 18. AMOUNT OWING BY A RELATED COMPANY (CONTINUED)

(c) The reconciliation of movements in the impairment losses on amount owing by a related company are as follows:

	Company	
	2020 RM'000	2019 RM'000
At 1 July	-	-
Reclassified from amounts owing by subsidiaries	<b>3,511</b>	-
At 30 June	<b>3,511</b>	-

### 19. AMOUNTS OWING BY/(TO) RELATED PARTIES

#### Group

- (a) The amounts owing by/(to) related parties represent trade transactions that have credit terms ranging from 30 to 60 days (2019: 30 to 60 days) from date of invoices.
- (b) The maturity profile of amount owing to a related party of the Group at the end of the previous reporting period based on contractual undiscounted repayment obligations was repayable on demand or within one year.
- (c) Sensitivity analysis of RM against foreign currency at the end of the reporting period is not presented as there is no effect of the changes in the exchange rate.
- (d) Amounts owing by/(to) related parties are denominated in RM.

### 20. AMOUNTS OWING BY/(TO) JOINT VENTURES

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Amounts owing by joint ventures	<b>7,078</b>	7,071	<b>6,841</b>	6,966
Less: Impairment losses	<b>(1,758)</b>	(1,758)	<b>(1,758)</b>	(1,758)
	<b>5,320</b>	5,313	<b>5,083</b>	5,208
Amount owing to a joint venture	<b>(98)</b>	(198)	-	-

#### 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 credit terms ranging from 30 to 60 days (2019: 30 to 60 days) from date of invoices.

## NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2020 (CONTINUED)

### 20. AMOUNTS OWING BY/(TO) JOINT VENTURES (CONTINUED)

#### Group and Company

(b) The maturity profile of amount owing to a joint venture of the Group at the end of the reporting period based on contractual undiscounted repayment obligations is repayable on demand or within one year.

(c) Foreign currency exposure profiles of amounts owing by joint ventures are as follows:

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Ringgit Malaysia	-	8	-	-
Singapore Dollar	103	106	103	106
US Dollar	5,217	5,199	4,980	5,102
	<b>5,320</b>	<b>5,313</b>	<b>5,083</b>	<b>5,208</b>

(d) Sensitivity analysis of RM against foreign currencies at the end of the reporting period, assuming that all other variables remain constant, are as follows:

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
<b>Effects of 5% changes to RM against foreign currencies</b>				
<b>Profit after tax</b>				
- US Dollar	198	198	189	194

The exposure to the other currency is not significant, hence the effect of the change in the exchange rate is not presented.

(e) Amount owing to a joint venture is denominated in US Dollar. Sensitivity analysis of RM against foreign currency at the end of the reporting period is not presented as the effect is immaterial to the Group.

### 21. CASH AND CASH EQUIVALENTS

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Cash in hand	423	695	-	-
Cash at bank	51,727	36,015	13,159	7,310
Fixed deposits with licensed banks	5,822	4,176	-	-
	<b>57,972</b>	<b>40,886</b>	<b>13,159</b>	<b>7,310</b>

## NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2020 (CONTINUED)

### 21. CASH AND CASH EQUIVALENTS (CONTINUED)

- (a) The weighted average effective interest rate of deposits of the Group at the end of the reporting period is as follows:

	Group	
	2020	2019
Weighted average effective interest rate		
- Fixed rate	<b>1.60%</b>	3.17%

Sensitivity analysis for fixed rate deposits at the end of the reporting period is not presented as fixed rate instruments are not affected by changes in interest rates.

- (b) The fixed deposits of the Group as at 30 June 2020 have maturity periods ranging from 3 months to 12 months (2019: 3 months to 12 months).
- (c) Included in the fixed deposits with licensed banks of the Group is an amount of RM3,955,574 (2019: RM3,678,719), which has been pledged to licensed banks as security for banking facilities granted to the Group as disclosed in Note 30 to the financial statements.
- (d) For the purpose of the statements of cash flows, cash and cash equivalents comprise the following as at the end of the reporting period:

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Cash and bank balances	<b>52,150</b>	36,710	<b>13,159</b>	7,310
Fixed deposits with licensed banks	<b>5,822</b>	4,176	-	-
	<b>57,972</b>	40,886	<b>13,159</b>	7,310
Less:				
Bank overdrafts - secured (Note 30)	<b>(4,025)</b>	(3,118)	-	-
Fixed deposits placed with licensed banks with original maturity of more than three (3) months	<b>(517)</b>	(497)	-	-
Fixed deposits pledged to licensed banks	<b>(3,955)</b>	(3,679)	-	-
Add:				
Short-term funds (Note 10)	-	4,007	-	-
	<b>49,475</b>	37,599	<b>13,159</b>	7,310

- (e) No expected credit losses were recognised arising from the cash and bank balances and deposits with financial institutions because the probabilities of default by these financial institutions were negligible.

## NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2020 (CONTINUED)

### 21. CASH AND CASH EQUIVALENTS (CONTINUED)

(f) Foreign currency exposure profiles of cash and cash equivalents are as follows:

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Ringgit Malaysia	<b>31,709</b>	22,823	<b>13,152</b>	7,310
Singapore Dollar	<b>853</b>	444	-	-
US Dollar	<b>13,510</b>	7,483	<b>4</b>	-
Indonesian Rupiah	<b>5,577</b>	4,183	-	-
Thai Baht	<b>3,098</b>	2,830	-	-
Australian Dollar	<b>2,231</b>	2,084	-	-
Vietnamese Dong	<b>768</b>	819	-	-
Indian Rupee	<b>44</b>	107	-	-
Sri Lankan Rupee	-	63	-	-
Euro	<b>58</b>	50	-	-
Hong Kong Dollar	<b>124</b>	-	<b>3</b>	-
	<b>57,972</b>	40,886	<b>13,159</b>	7,310

(g) Sensitivity analysis of RM against foreign currencies at the end of the reporting period, assuming that all other variables remain constant, are as follows:

	Group	
	2020 RM'000	2019 RM'000
<b>Effects of 5% changes to RM against foreign currencies</b>		
<b>Profit after tax</b>		
- US Dollar	<b>479</b>	251

The exposure to the other currencies are not significant, hence the effects of the changes in the exchange rates are not presented.

## NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2020 (CONTINUED)

### 21. CASH AND CASH EQUIVALENTS (CONTINUED)

(h) The reconciliation of liabilities arising from financing activities are as follows:

Group	Term loans RM'000	Lease liabilities RM'000	Hire purchase payables RM'000	Total RM'000
<b>2020</b>				
At 1 July, as previously reported	49,349	-	18,724	68,073
Effects on adoption of MFRS 16	-	33,140	(18,724)	14,416
At 1 July, restated	49,349	33,140	-	82,489
<u>Changes in financing cash flows</u>				
Proceeds from drawdown	7,650	-	-	7,650
Repayment of borrowing principal	(5,243)	(11,733)	-	(16,976)
Repayment of borrowing interests	(2,264)	(2,195)	-	(4,459)
	143	(13,928)	-	(13,785)
<u>Non-cash changes</u>				
Acquisition of new leases (Note 11)	-	11,272	-	11,272
Finance charges recognised in cost of sales	-	758	-	758
Finance charges recognised in finance costs (Note 32)	2,264	1,437	-	3,701
Foreign translation differences	-	6	-	6
	2,264	13,473	-	15,737
At 30 June	51,756	32,685	-	84,441

## NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2020 (CONTINUED)

### 21. CASH AND CASH EQUIVALENTS (CONTINUED)

(h) The reconciliation of liabilities arising from financing activities are as follows (continued):

Group	Term loans RM'000	Hire purchase payables RM'000	Total RM'000
<b>2019</b>			
At 1 July	56,853	10,192	67,045
<u>Changes in financing cash flows</u>			
Proceeds from drawdown	22,389	-	22,389
Repayment of borrowing principal	(29,893)	(4,261)	(34,154)
Repayment of borrowing interests	(2,577)	(833)	(3,410)
	(10,081)	(5,094)	(15,175)
<u>Non-cash changes</u>			
New hire purchase (Note 5)	-	12,781	12,781
Finance charges recognised in profit or loss (Note 32)	2,577	833	3,410
Foreign translation differences	-	12	12
	2,577	13,626	16,203
At 30 June	49,349	18,724	68,073

## NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2020 (CONTINUED)

### 22. SHARE CAPITAL

	Group and Company			
	2020		2019	
	Number of shares '000	RM'000	Number of shares '000	RM'000
<b>Issued and fully paid</b>				
At beginning of the financial year	<b>279,222</b>	<b>104,290</b>	186,148	104,290
Issuance of bonus issue	-	-	93,074	-
At end of the financial year	<b>279,222</b>	<b>104,290</b>	279,222	104,290

- (a) 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.
- (b) In the previous financial year, the Company issued 93,073,969 new ordinary shares by way of an issuance of bonus issue ("Bonus Share") on the basis of one (1) Bonus Share for every two (2) existing ordinary shares held in the Company on 7 November 2018.

The new ordinary shares issued rank pari passu in all respects with the existing ordinary shares of the Company.

### 23. RESERVES

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Non-distributable:				
Foreign exchange translation reserve	<b>2,139</b>	1,639	-	-
Revaluation reserve	<b>57,680</b>	58,483	-	-
	<b>59,819</b>	60,122	-	-
Distributable:				
Retained earnings	<b>126,452</b>	124,103	<b>3,228</b>	7,194
	<b>186,271</b>	184,225	<b>3,228</b>	7,194

- (a) Foreign exchange translation reserve

The foreign 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 in foreign operations of the Group, where the monetary item is denominated in either the functional currency of the reporting entity or the foreign operation.

- (b) Revaluation reserve

The revaluation reserve arose from the revaluation of land and buildings.



## NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2020 (CONTINUED)

### 24. LEASE LIABILITIES

	Group	
	2020	2019
	RM'000	RM'000
At 1 July		
- As previously reported	-	-
- Effects of adoption of MFRS 16 (Note 44.1)	<b>33,140</b>	-
- As restated	<b>33,140</b>	-
Additions	<b>11,272</b>	-
Interest expense recognised in cost of sales	<b>758</b>	-
Interest expense recognised in finance costs	<b>1,437</b>	-
Repayment of principal	<b>(11,733)</b>	-
Repayment of interest expense	<b>(2,195)</b>	-
Exchange differences	<b>6</b>	-
At 30 June	<b>32,685</b>	-
Analysed by:-		
Current liabilities	<b>10,859</b>	-
Non-current liabilities	<b>21,826</b>	-
	<b>32,685</b>	-

- (a) The comparative information is not presented as the Group has applied MFRS 16 using the modified retrospective approach.
- (b) The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

The lease liability is subsequently measured at amortised cost using the effective interest method. It is remeasured when there is a change in the future lease payments (other than lease modification that is not accounted for as a separate lease) with the corresponding adjustment is made to the carrying amount of the right-of-use asset or is recognised in profit or loss if the carrying amount has been reduced to zero.

- (c) The table below summaries the maturity profile of the lease liabilities of the Group at the end of the reporting period based on contractual undiscounted repayment obligations:

	Within one year RM'000	One to five years RM'000	Over five years RM'000	Total RM'000
<b>Group</b>				
<b>2020</b>				
Lease liabilities	<b>12,332</b>	<b>23,454</b>	-	<b>35,786</b>

## NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2020 (CONTINUED)

### 24. LEASE LIABILITIES (CONTINUED)

(d) Foreign currency exposure profiles of lease liabilities were as follows:

	Group	
	2020 RM'000	2019 RM'000
Ringgit Malaysia	30,703	-
Australian Dollar	404	-
Indonesian Rupiah	740	-
Thai Baht	452	-
Vietnamese Dong	316	-
Indian Rupee	70	-
	<b>32,685</b>	-

(e) Sensitivity analysis of RM against foreign currencies at the end of the reporting period was not presented as there was no effect of the changes in the exchange rates due to they represent the functional currencies of the respective entities of the Group.

### 25. HIRE PURCHASE PAYABLES

	Group	
	2020 RM'000	2019 RM'000
Minimum hire purchase payments:		
- not later than one (1) year	-	5,940
- later than one (1) year but not later than five (5) years	-	14,775
Total minimum hire purchase payments	-	20,715
Less: Future interest charges	-	(1,991)
Present value of hire purchase payables	-	18,724
Repayable as follows:		
Current liabilities:		
- not later than one (1) year	-	5,041
Non-current liabilities:		
- later than one (1) year but not later than five (5) years	-	13,683
	-	18,724

(a) The hire purchase payables were guaranteed by the Company.

(b) In the previous financial year, the weighted average effective interest rate of the hire purchase payables of the Group as at the end of the reporting period was 5.15%.

(c) Hire purchase payables were fixed rate instruments. Sensitivity analysis at the end of the previous reporting period was not presented as change in interest rates would not affect profit or loss.

## NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2020 (CONTINUED)

### 25. HIRE PURCHASE PAYABLES (CONTINUED)

- (d) The carrying amount of hire purchase payables of the Group as at the reporting period that did not approximate their fair values were:

Group	2020		2019	
	Carrying amount RM'000	Fair value RM'000	Carrying amount RM'000	Fair value RM'000
Hire purchase payables	-	-	18,724	18,617

The fair values of hire purchase payables were 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 the previous reporting period.

The fair value of hire purchase payables were categorised as Level 2 in the fair value hierarchy. There was no transfer between levels in the hierarchy in the previous financial year.

- (e) The table below summaries the maturity profile of the hire purchase payables of the Group at the end of the previous reporting period based on contractual undiscounted repayment obligations:

Group	Within one year RM'000	One to five years RM'000	Over five years RM'000	Total RM'000
<b>2019</b>				
Hire purchase payables	5,940	14,775	-	20,715

- (f) Foreign currency exposure profiles of hire purchase payables were as follows:

	Group	
	2020 RM'000	2019 RM'000
Ringgit Malaysia	-	17,819
Australian Dollar	-	329
Indonesian Rupiah	-	390
Thai Baht	-	97
Indian Rupee	-	89
	-	18,724

- (g) In the previous financial year, sensitivity analysis of RM against foreign currencies at the end of the reporting period was not presented as there was no effect of the changes in the exchange rates due to they represented the functional currencies of the respective entities of the Group.

## NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2020 (CONTINUED)

### 26. TERM LOANS

	Group	
	2020	2019
	RM'000	RM'000
<b>Secured</b>		
Term loan I	922	1,264
Term loan II	773	1,015
Term loan III	22,018	25,015
Term loan IV	20,385	22,055
Term loan V	7,658	-
<b>Total term loans</b>	<b>51,756</b>	49,349
Term loans are repayable as follows:		
Current liabilities:		
- not later than one (1) year	5,099	6,700
Non-current liabilities:		
- later than one (1) year but not later than two (2) years	7,188	6,700
- later than two (2) years but not later than five (5) years	20,084	18,879
- later than five (5) years	19,385	17,070
	<b>46,657</b>	42,649
	<b>51,756</b>	49,349

- (a) Term loan I is repayable by 119 monthly instalments of RM34,167 plus one final instalment of RM34,127 and bears interest at 1.50% (2019: 1.50%) per annum above the effective cost of fund of the bank.

Term loan II is repayable by 119 monthly instalments of RM24,167 plus one final instalment of RM24,127 and bears interest at 1.50% (2019: 1.50%) 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 Notes 5 and 11 to the financial statements and are guaranteed by the Company.

- (b) Term loan III is repayable by 119 monthly instalments of RM330,000 plus one final instalment of RM373,300 and bears interest at 1.00% (2019: 1.00%) per annum above the effective cost of fund of the bank.

The term loan III is secured by way of a charge over freehold land and building of a subsidiary as disclosed in Note 5 to the financial statements and is guaranteed by the Company.

- (c) Term loan IV is repayable by 179 monthly instalments of RM167,000 plus one final instalment of RM107,000 and bears interest at 0.90% (2019: 1.00%) per annum above the effective cost of fund of the bank.

The term loan IV is secured by way of a charge over long-term leasehold land and building of a subsidiary as disclosed in Notes 5 and 11 to the financial statements and is guaranteed by the Company.

## NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2020 (CONTINUED)

### 26. TERM LOANS (CONTINUED)

- (d) Term loan V is repayable by 180 monthly instalments of RM58,522 inclusive of profit until full settlement of the facility and bears interest at 2.4% per annum below the base financing rate of the bank.

The term loan V is secured by way of a charge over long-term leasehold land and building of a subsidiary as disclosed in Notes 5 and 11 to the financial statements and is guaranteed by the Company.

- (e) The interest rate profiles of the term loans as at end of the reporting period are as follows:

	Group	
	2020 RM'000	2019 RM'000
Floating rate	51,756	49,349

- (f) The weighted average effective interest rates of the term loans of the Group as at the end of the reporting period are ranging from 3.25% to 4.05% (2019: 4.73% to 5.33%).
- (g) The fair values of term loans are estimated by discounting expected future cash flows at market incremental lending rate for similar types of lending and borrowing at the end of the reporting period.

The fair value of term loans are categorised as Level 2 in the fair value hierarchy. There is no transfer between levels in the hierarchy during the financial year.

- (h) The table below summaries the maturity profile of the term loans of the Group at the end of the reporting period based on contractual undiscounted repayment obligations:

Group	Within one year RM'000	One to five years RM'000	Over five years RM'000	Total RM'000
<b>2020</b>				
Term loans	6,884	31,945	21,242	60,071
<b>2019</b>				
Term loans	8,993	31,476	19,013	59,482

- (i) Sensitivity analysis of RM against foreign currency at the end of the reporting period is not presented as there is no effect of the changes in the exchange rate due to it represents the functional currency of the entity of the Group.
- (j) Sensitivity analysis of interest rates for the floating rate instruments at the end of the reporting period, assuming all other variables remain constant is as follows:

	Group	
	2020 RM'000	2019 RM'000
<b>Effects of 100bp changes to profit after tax</b>		
Floating rate instruments	393	375

## NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2020 (CONTINUED)

### 27. POST-EMPLOYMENT BENEFITS OBLIGATION

PT. FM Global Logistics ("PTFM"), a subsidiary of FM Global Logistics Ventures Sdn. Bhd. ("FMGLV"), operates a 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 uses the current income of employer to fund pension payment whenever it is required. 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	
	2020	2019
	RM'000	RM'000
Present value of defined benefits obligation	<b>1,807</b>	1,453

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

	Group	
	2020	2019
	RM'000	RM'000
Balance as at 1 July 2019/2018	<b>1,453</b>	1,089
Current service cost	<b>206</b>	181
Net interest cost	<b>116</b>	135
Excess benefits paid	<b>38</b>	-
Included in profit or loss (Note 33)	<b>360</b>	316
<b>Re-measurements</b>		
Actuarial losses from:		
- Effect on changes in actuarial assumptions	<b>42</b>	36
- Experience adjustments	<b>(33)</b>	8
Included in other comprehensive income (Note 34(d))	<b>9</b>	44
Exchange differences	<b>26</b>	57
Benefits paid	<b>(41)</b>	(53)
Balance as at 30 June 2020/2019	<b>1,807</b>	1,453

## NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2020 (CONTINUED)

### 27. POST-EMPLOYMENT BENEFITS OBLIGATION (CONTINUED)

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

	Group	
	2020 RM'000	2019 RM'000
Opening defined benefits obligation	1,453	1,089
Current service cost	206	181
Net interest cost	116	135
Excess benefits paid	38	-
<b>Re-measurement gains/(losses):</b>		
- Actuarial gains and losses on benefits payments	(33)	8
- Actuarial gains and losses on changes in actuarial assumptions	42	36
Benefits paid	(41)	(53)
Foreign currencies translation	26	57
Closing defined benefits obligation	<b>1,807</b>	1,453

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

	Group	
	2020 %	2019 %
Discount rate	8.0	8.4
Expected rate of wage increase	10.0	10.0

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

## NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2020 (CONTINUED)

### 28. TRADE PAYABLES

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Trade payables	<b>38,904</b>	40,612	-	-

- (a) Trade payables are classified as financial liabilities and measured at amortised cost using the effective interest method.
- (b) Trade payables are non-interest bearing and the normal trade credit terms granted to the Group range from 7 to 90 days (2019: 7 to 90 days) from date of invoices.
- (c) The maturity profile of the Group's trade payables at the end of the reporting period based on contractual undiscounted repayment obligations is repayable on demand or within one year.
- (d) Foreign currency exposure profiles of trade payables are as follows:

	Group	
	2020 RM'000	2019 RM'000
Ringgit Malaysia	<b>22,079</b>	22,210
US Dollar	<b>9,950</b>	10,115
Australian Dollar	<b>2,606</b>	3,274
Indonesian Rupiah	<b>1,000</b>	1,648
Indian Rupee	<b>1,017</b>	680
Thai Baht	<b>815</b>	1,638
Euro	<b>615</b>	732
Vietnamese Dong	<b>363</b>	-
Japanese Yen	<b>206</b>	-
Others	<b>253</b>	315
	<b>38,904</b>	40,612

- (e) Sensitivity analysis of RM against foreign currencies at the end of the reporting period, assuming that all other variables remain constant, are as follows:

	Group	
	2020 RM'000	2019 RM'000
<b>Effects of 5% changes to RM against foreign currencies</b>		
<b>Profit after tax</b>		
- US Dollar	<b>378</b>	384

The exposure to the other currencies are not significant, hence the effects of the changes in the exchange rates are not presented.



## NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2020 (CONTINUED)

### 29. OTHER PAYABLES AND ACCRUALS

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Other payables	6,965	7,922	-	6
Accruals	16,848	14,892	133	209
	<b>23,813</b>	22,814	<b>133</b>	215

- (a) The maturity profile of the Group's and of the Company's other payables and accruals at the end of the reporting period based on contractual undiscounted repayment obligations are repayable on demand or within one year.
- (b) Foreign currency exposure profiles of other payables and accruals are as follows:

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Ringgit Malaysia	17,729	15,780	133	215
Australian Dollar	2,158	2,103	-	-
Indonesian Rupiah	1,672	1,886	-	-
Hong Kong Dollar	896	-	-	-
US Dollar	456	1,619	-	-
Thai Baht	633	427	-	-
Indian Rupee	201	255	-	-
Sri Lankan Rupee	-	705	-	-
Others	68	39	-	-
	<b>23,813</b>	22,814	<b>133</b>	215

- (c) Sensitivity analysis of RM against foreign currencies at the end of the reporting period is not presented as the effect is immaterial to the Group.

## NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2020 (CONTINUED)

### 30. 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 21);
  - (ii) long-term leasehold land and buildings of the Group (Notes 5 and 11); and
  - (iii) fixed and floating charge over the assets of subsidiaries.
- (b) The bank overdrafts are guaranteed by the Company.
- (c) The maturity profile of the Group's bank overdrafts at the end of the reporting period based on contractual undiscounted repayment obligations is repayable on demand or within one year.
- (d) Foreign currency exposure profiles of bank overdrafts are as follows:

	Group	
	2020 RM'000	2019 RM'000
Ringgit Malaysia	2,550	1,926
Indian Rupee	1,475	1,192
	<b>4,025</b>	3,118

- (e) Sensitivity analysis of RM against foreign currencies at the end of the reporting period is not presented as there is no effect of the changes in the exchange rates due to it represents the functional currencies of the entity of the Group.
- (f) The weighted average effective interest rate of the bank overdrafts of the Group as at the end of the reporting period is 6.34% (2019: 8.28%).
- (g) Sensitivity analysis of interest rates for the floating rate instruments at the end of the reporting period is not presented as the effect is immaterial to the Group.

### 31. REVENUE

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
<b>Revenue from Contracts with Customers</b>				
Freight and forwarding services	549,924	545,153	-	-
Sale of goods	1,685	200	-	-
<b>Revenue from Other Sources</b>				
Dividend income	-	-	12,700	10,800
Management fees	-	-	3,471	4,590
	<b>551,609</b>	545,353	<b>16,171</b>	15,390

## NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2020 (CONTINUED)

### 31. REVENUE (CONTINUED)

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
<b>Timing of revenue recognition</b>				
Overtime:				
Freight and forwarding services	549,924	545,153	-	-
Management fees	-	-	3,471	4,590
At a point in time:				
Sale of goods	1,685	200	-	-
Dividend income	-	-	12,700	10,800
	<b>551,609</b>	<b>545,353</b>	<b>16,171</b>	<b>15,390</b>

Disaggregation of revenue from contracts with customers based on geographical location has been presented in the operating segments, Note 4 to the financial statements.

Revenue is recognised by reference to each distinct performance obligation in the contract with customer and is measured at consideration specified in the contract of which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, net of sales and service tax, returns, rebates and discounts.

The Group recognises revenue when (or as) it transfers control over a product or service to customer. An asset is transferred when (or as) the customer obtains control of that asset. Depending on the substance of the contract, revenue is recognised when the performance obligation is satisfied, which may be at a point in time or over time. The Group transfers control of a good or service at a point in time unless one of the following over time criteria is met:-

- The customer simultaneously receives and consumes the benefits provided as the Group performs.
- The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.
- The Group's performance does not create an asset with an alternative use and the Group has an enforceable right to payment for performance completed to date.

(a) Services

Revenue from freight and forwarding services are recognised over time in the period in which the services are rendered. For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided because the customer receives and uses the benefits simultaneously.

(b) Sale of goods

Revenue from sale of goods is recognised when the Group has transferred control of the goods to the customer, being when the goods have been delivered to the customer and upon its acceptance. Following delivery, the customer has full discretion over the manner of distribution and price to sell the goods, and bears the risks of obsolescence and loss in relation to the goods. A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

## NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2020 (CONTINUED)

### 31. REVENUE (CONTINUED)

(c) Dividend income

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

(d) Management fee

Management fee is recognised over time as the services are rendered.

### 32. FINANCE COSTS

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Interest expense on:				
- bank overdrafts	137	123	-	-
- hire purchase	-	833	-	-
- lease liabilities	1,437	-	-	-
- term loans	2,264	2,577	-	-
- others	93	162	-	-
	<b>3,931</b>	<b>3,695</b>	-	-

### 33. PROFIT BEFORE TAX

Other than those disclosed elsewhere in the financial statements, the following amounts have been included in arriving at profit before tax:

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Profit before tax is arrived at after charging:				
Auditors' remuneration:				
Crowe Malaysia				
- statutory audit:				
- current year	190	189	63	63
- underprovision in prior year	1	3	-	3
- non-statutory:				
- current year	40	37	40	37
- underprovision in prior year	3	22	3	22
Crowe Global Member Firms				
- statutory audit:				
- current year	59	87	-	-
Other auditors				
- statutory audit:				
- current year	60	64	-	-

## NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2020 (CONTINUED)

### 33. PROFIT BEFORE TAX (CONTINUED)

Other than those disclosed elsewhere in the financial statements, the following amounts have been included in arriving at profit before tax (continued):-

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Profit before tax is arrived at after charging (continued):				
Amortisation of intangible assets	527	426	-	-
Bad debts written off	1,097	900	-	-
Depreciation:				
- property, plant and equipment	8,413	12,687	-	-
- right-of-use assets	10,896	-	-	-
Directors' remunerations:				
- Fees:				
- payable by the Company	477	469	477	469
- payable by the subsidiaries	223	215	-	-
- Other emoluments:				
- paid by the Company	44	41	44	41
- paid by the subsidiaries	11,460	10,769	-	-
Expenses relating to short-term leases	2,552	-	-	-
Fair value loss on quoted shares	157	168	-	-
Impairment losses on:				
- amounts owing by associates	686	-	686	-
- intangible assets	-	234	-	-
- investments in associates	-	320	6,049	-
- trade receivables	808	100	-	-
Loss on foreign currency transactions:				
- realised	1,342	752	-	-
- unrealised	1,732	1,183	-	-
Management fees paid to a subsidiary	-	-	2,400	2,400
Property, plant and equipment written off	791	5	-	-
Provision for post-employment benefits obligation	360	316	-	-
Rental of hostel	-	8	-	-
Rental of office equipment	-	32	-	-
Rental of premises	-	3,590	-	-
Rental of warehouses	-	8,229	-	-
Rental of forklift	-	142	-	-

## NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2020 (CONTINUED)

### 33. PROFIT BEFORE TAX (CONTINUED)

Other than those disclosed elsewhere in the financial statements, the following amounts have been included in arriving at profit before tax (continued):-

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Profit before tax is arrived at after crediting:				
Bad debts recovered	46	17	-	-
Fair value gain on short term fund	19	62	-	-
Gain on disposal of:				
- a subsidiary	41	-	-	-
- property, plant and equipment	511	710	-	-
Gain on foreign currency transactions:				
- realised	733	930	-	-
- unrealised	613	608	463	403
Gross dividends from:				
- subsidiaries	-	-	12,700	10,800
- quoted shares	60	25	-	-
Interest income received from:				
- fixed deposits and repo	120	127	-	-
- current and savings accounts	248	202	132	121
- an associate	133	107	-	-
Management fees received from:				
- subsidiaries	-	-	3,471	4,590
- a third party	184	192	-	-
Lease income from:				
- third parties	4,687	4,626	-	-
- an associate	3	35	-	-
Reversal of impairment losses on:				
- trade receivables	219	2,370	-	-
- other receivables	-	186	-	-

(a) Interest income

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

(b) Lease income

Lease income is accounted for on a straight line basis over the lease term.

## NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2020 (CONTINUED)

### 34. TAX EXPENSE

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Current tax expense based on profit for the financial year	<b>8,085</b>	8,919	<b>10</b>	236
Deferred tax (Note 12)	<b>(962)</b>	(1,212)	-	-
	<b>7,123</b>	7,707	<b>10</b>	236
Under/(Over)provision in prior years:				
- income tax	<b>161</b>	(186)	<b>(10)</b>	-
- deferred tax (Note 12)	<b>237</b>	381	-	-
	<b>398</b>	195	<b>(10)</b>	-
Total income tax expense	<b>7,521</b>	7,902	-	236

- (a) The Malaysian income tax is calculated at the statutory tax rate of twenty-four percent (24%) (2019: twenty-four percent (24%)) of the estimated taxable profit for the fiscal year.
- (b) Tax expenses for other tax authorities are calculated at the rates prevailing in those respective jurisdictions.
- (c) A reconciliation of tax expense applicable to the profit before tax at the statutory tax rate to tax expense at the effective tax rate of the Group and of the Company is as follows:

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Profit before tax	<b>20,267</b>	22,602	<b>5,807</b>	11,451
Tax at the statutory rate of 24% (2019: 24%)	<b>4,864</b>	5,424	<b>1,394</b>	2,748
Tax effects in respect of:				
Share of results of associates	<b>1,446</b>	1,174	-	-
Share of results of joint ventures	<b>(325)</b>	(172)	-	-
Non-allowable expenses	<b>1,669</b>	1,928	<b>1,664</b>	320
Non-taxable income	<b>(562)</b>	(786)	<b>(3,048)</b>	(2,592)
Deferred tax assets not recognised	<b>402</b>	675	-	-
Utilisation of deferred tax assets previously not recognised	<b>(120)</b>	(260)	-	(240)
Crystallisation of deferred tax on revaluation reserve	<b>(260)</b>	(247)	-	-
Lower tax rate in foreign jurisdiction	<b>9</b>	(19)	-	-
Tax exempt income	-	(10)	-	-
	<b>7,123</b>	7,707	<b>10</b>	236
Under/(Over)provision in prior years:				
- income tax	<b>161</b>	(186)	<b>(10)</b>	-
- deferred tax	<b>237</b>	381	-	-
	<b>7,521</b>	7,902	-	236

## NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2020 (CONTINUED)

### 34. TAX EXPENSE (CONTINUED)

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

	Group					
	Before tax RM'000	2020 Tax effect RM'000	After tax RM'000	Before tax RM'000	2019 Tax effect RM'000	After tax RM'000
<b>Items that will be reclassified subsequently to profit or loss</b>						
Foreign currency translations	578	-	578	327	-	327
<b>Items that will not be reclassified subsequently to profit or loss</b>						
Actuarial loss on defined benefits plan (Note 27)	(9)	(2)	(7)	(44)	11	(33)

### 35. DIVIDENDS

	Group and Company			
	2020		2019	
	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 2019/2018				
- Second interim single tier dividend	2.5	6,981	3.5	6,515
In respect of the financial year ended 30 June 2020/2019				
- First interim single tier dividend	1.0	2,792	1.0	2,792
	<b>3.5</b>	<b>9,773</b>	4.5	9,307

The Company paid a second interim single tier dividend of 1.0 sen per ordinary share amounting to RM2,792,224 for the financial year ended 30 June 2020 on 16 October 2020. The financial statements for the current financial year do not reflect this dividend and it would be accounted for as an appropriation of retained earnings in the financial year ending 30 June 2021.

The Directors do not recommend the payment of any final dividend in respect of the financial year ended 30 June 2020.



## NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2020 (CONTINUED)

### 36. EMPLOYEE BENEFITS

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Salaries, wages and bonuses	72,698	70,154	44	41
Contributions to defined contribution plans	7,800	7,613	-	-
Social security contributions	636	620	-	-
Defined benefits plan (Note 27)	360	316	-	-
Other benefits	2,154	2,384	-	-
	<b>83,648</b>	81,087	<b>44</b>	41

Included in the employee benefits of the Group and of the Company are Directors' remunerations amounting to RM11,503,964 (2019: RM10,809,317) and RM43,500 (2019: RM40,500) respectively.

### 37. 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	
	2020 '000	2019 '000
Profit attributable to equity holders of the parent (RM)	12,045	13,600
Weighted average number of ordinary shares in issue (unit)	279,222	186,148
Effect of bonus issue (unit)	-	93,074
Adjusted weighted average number of ordinary shares applicable to basic earnings per ordinary share (unit)	279,222	279,222
Basic earnings per ordinary share (sen)	4.31	4.87

#### (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	
	2020 '000	2019 '000
Profit attributable to equity holders of the parent (RM)	12,045	13,600
Adjusted weighted average number of ordinary shares in issue applicable to diluted earnings per ordinary share (unit)	279,222	279,222
Diluted earnings per ordinary share (sen)	4.31	4.87

## NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2020 (CONTINUED)

### 38. 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:

<b>Related parties</b>	<b>Relationships</b>
Nankai Global Logistics (M) Sdn. Bhd.	Related by control of key management personnel
Advance Logistics Sdn. Bhd.	Related by control of key management personnel
1 <sup>st</sup> Cornerstone Investment Pte. Ltd.	Related by a common director of an associate, 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.
Hubwire Sdn. Bhd.	An associate of a subsidiary, namely FM Global Logistics Ventures Sdn. Bhd.

## NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2020 (CONTINUED)

### 38. RELATED PARTY DISCLOSURES (CONTINUED)

(b) Significant related party transactions

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	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Freight charges received/receivable from:				
- FM Global Logistics (Phil.), Inc.	1,400	1,586	-	-
Freight charges paid/payable to:				
- Nankai Global Logistics (M) Sdn. Bhd.	113	226	-	-
- Advance Logistics Sdn. Bhd.	214	262	-	-
- FM Global Logistics (Phil.), Inc.	1,078	1,914	-	-
Lease income received/receivable from:				
- FM Distribution Sdn. Bhd.	3	35	-	-
Warehouse services received/ receivable from:				
- FM Distribution Sdn. Bhd.	1	9	-	-
Dividend paid/payable to a Director of a subsidiary	300	200	-	-
Administrative income received/receivable from an associate				
- TCH Marine Pte. Ltd.	117	128	-	-
- FM Distribution Sdn. Bhd.	18	18	-	-
Administrative expenses paid/payable to a subsidiary	-	-	2,400	2,400
Interest income received/receivable from an associate	133	107	-	-
Gross dividends received from subsidiaries	-	-	12,700	10,800
Management fees received from subsidiaries	-	-	3,471	4,590

## NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2020 (CONTINUED)

### 38. RELATED PARTY DISCLOSURES (CONTINUED)

(b) Significant related party transactions (continued)

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

Information regarding outstanding balances arising from related party transactions as at 30 June 2020 is disclosed in Notes 16, 17, 18, 19 and 20 to the financial statements respectively.

(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 of the Company.

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

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Fees	700	684	477	469
Short-term employee benefits	10,386	9,783	44	41
Contributions to defined contribution plans	1,118	1,027	-	-
	<b>12,204</b>	11,494	<b>521</b>	510

### 39. 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 the reporting period as follows:

	Group	
	2020 RM'000	2019 RM'000
Not later than one (1) year	-	10,074
Later than one (1) year but not later than five (5) years	-	7,800
	-	17,874

## NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2020 (CONTINUED)

### 39. COMMITMENTS (CONTINUED)

(a) Operating lease commitments (continued)

(i) The Group as lessee (continued)

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

	Group	
	2020 RM'000	2019 RM'000
Ringgit Malaysia	-	17,317
Thai Baht	-	278
Vietnamese Dong	-	165
Australian Dollar	-	114
	-	17,874

(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 the reporting period as follows:

	Group	
	2020 RM'000	2019 RM'000
Not later than one (1) year	4,640	4,482
Later than one (1) year but not later than five (5) years	686	1,851
	5,326	6,333

## NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2020 (CONTINUED)

### 39. COMMITMENTS (CONTINUED)

(b) Capital commitments

	<b>Group</b>	
	<b>2020</b>	<b>2019</b>
	<b>RM'000</b>	<b>RM'000</b>
Capital expenditure in respect of purchase of property, plant and equipment:		
- contracted but not provided for	<b>1,829</b>	9,829

### 40. FINANCIAL GUARANTEE CONTRACTS

	<b>Company</b>	
	<b>2020</b>	<b>2019</b>
	<b>RM'000</b>	<b>RM'000</b>
Corporate guarantee given to financial institutions for credit facilities granted to subsidiaries, limit up to RM178,387,000 (2019: RM173,219,900)	<b>61,216</b>	56,004

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specific debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantee contracts are recognised initially as liabilities at fair value, net of transaction costs. Subsequent to initial recognition, financial guarantee contracts are recognised as income in profit or loss over the period of the guarantee or, when there is no specific contractual period, recognised in profit or loss upon discharge of the guarantee. If the debtor fails to make payment relating to a financial guarantee contract when it is due and the Company, as the issuer, is required to reimburse the holder for the associated loss, the liability is measured at the higher of the amount of the credit loss determined in accordance with the expected credit loss model and the amount initially recognised less cumulative amortisation.

## NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2020 (CONTINUED)

### 41. CAPITAL AND FINANCIAL RISK MANAGEMENT

#### (a) Capital management

The primary objective of the capital management of the Group is to maintain a strong capital base, good credit rating and healthy capital ratios to support its businesses and maximise its shareholders' value.

To manage the capital structure, the Group uses various methods including issuance of new shares, distribution of cash and share dividend payments to shareholders and debt financing. No changes were made in the objectives, policies or processes during the financial years ended 30 June 2020 and 30 June 2019.

The Group monitors capital utilisation on the basis of net debt-to-equity ratio, which is net debt divided by total capital. The Group includes within net debt, borrowings and lease liabilities less cash and cash equivalents. Capital represents equity attributable to the owners of the parent. The net debt-to-equity ratios as at 30 June 2020 and 30 June 2019 are as follows:

	Note	Group	
		2020 RM'000	2019 RM'000
Lease liabilities	24	<b>32,685</b>	-
Hire purchase payables	25	-	18,724
Term loans	26	<b>51,756</b>	49,349
Bank overdrafts - secured	30	<b>4,025</b>	3,118
Less: Cash and cash equivalents	21	<b>(57,972)</b>	(40,886)
Net debt		<b>30,494</b>	30,305
Total capital		<b>290,561</b>	288,515
Net debt-to-equity ratio		<b>0.10</b>	0.11

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 equal to or not less than the 25% of the issued and paid-up capital (excluding treasury shares) and such shareholders' equity is not less than RM40.0 million. The Company has complied with this requirement for the financial year ended 30 June 2020.

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

#### (b) Financial risk management

The overall financial risk management objective of the Group is to optimise its shareholders' value and not to engage in speculative transactions.

## NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2020 (CONTINUED)

### 41. CAPITAL AND FINANCIAL RISK MANAGEMENT (CONTINUED)

#### (b) Financial risk management (continued)

The Group is exposed mainly to foreign currency risk, interest rate risk, credit risk and liquidity and cash flow risk. Information on the management of the related exposures is detailed below:

#### (i) Credit risk

Cash deposits and trade receivables could give rise to credit risk, which requires the loss to be recognised if a counterparty fails to perform as contracted. The counterparties are major licensed financial institutions and reputable multinational organisations. It is the policy of the Group to monitor the financial standing of these counterparties on an ongoing basis to ensure that the Group is exposed to minimal credit risk.

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 for major customers. 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.

The credit risk profiles have been disclosed in Note 14 to the financial statements.

#### (ii) Liquidity and cash flow risks

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 analysis of financial instruments by remaining contractual maturities has been disclosed in Notes 16, 17, 19, 20, 24, 25, 26, 28, 29 and 30 to the financial statements respectively.

#### (iii) 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.

The interest rate profile and sensitivity analysis of interest rate risk have been disclosed in Notes 21, 24, 25, 26 and 30 to the financial statements respectively.



## NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2020 (CONTINUED)

### 41. CAPITAL AND FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Financial risk management (continued)

(iv) Foreign currency risk

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

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

It is not the 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.

The sensitivity analysis for foreign currency risk has been disclosed in Notes 14, 17, 20, 21 and 28 to the financial statements respectively.

(v) 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 purposes. Short term funds are unit trust funds quoted in Malaysia. These instruments are classified as financial assets designated at fair value through profit or loss.

At the end of the 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 position, which amounted to approximately RM834,607 (2019: RM4,998,000). 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.

The sensitivity analysis of market risk has been disclosed in Note 10 to the financial statements.

### 42. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

- (i) On 29 July 2019, the Company disposed of 100 ordinary shares of USD1 each in Icon Freight International Inc., a wholly-owned subsidiary of the Company for a consideration of USD100 (RM407), representing its entire equity interest in Icon Freight International Inc.. Consequently, FMGL Overseas Ventures Limited ("FMGOVL") acquired 100 ordinary shares of Icon Freight International Inc. from the Company for a total consideration of USD100 (RM407).
- (ii) On 30 July 2019, FM Global Logistics Ventures Sdn. Bhd. ("FMGLV"), a wholly-owned subsidiary of the Company disposed of 5,865 ordinary shares of THB100 each in FM Global Logistics Co. Ltd. for a cash consideration of THB8 (RM1). This resulted in a decrease in equity interest in FM Global Logistics Co., Ltd. from 100% to 49%. Consequently, FMGT acquired 5,865 ordinary shares of THB100 each in FM Global Logistics Co., Ltd. for a consideration of THB8 (RM1).

## NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2020 (CONTINUED)

### 42. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (CONTINUED)

- (iii) On 30 July 2019, FM Global Logistics Co., Ltd., a wholly-owned subsidiary of FMGLV disposed of 4,900 ordinary shares of THB100 each in FMG Logistics Co., Ltd. ("FMGT") for a cash consideration of THB490,000 (RM62,377), representing its entire equity interest in FMGT. Consequently, Advance International Freight Sdn. Bhd. and Exterian Enterprise Sdn. Bhd. acquired 2,500 and 2,400 ordinary shares of FMGT from FM Global Logistics Co., Ltd. for a total consideration of THB250,000 (RM31,825) and THB240,000 (RM30,552) respectively.
- (iv) On 9 September 2019, Exterian Enterprise Sdn. Bhd., a wholly-owned subsidiary of the Company incorporated a new subsidiary, Exterian Capital Pte. Ltd. and subscribed 10,000 ordinary shares of SGD1.00 each in Exterian Capital Pte. Ltd., for a consideration of SGD10,000 (RM30,805).
- (v) On 9 December 2019, FMGLV, a wholly-owned subsidiary of the Company incorporated two new subsidiaries, which are Star Cargo Alliance Pte. Ltd. ("SCA") and Star Cargo Network Pte. Ltd. ("SCN") respectively. FMGLV subscribed 10,000 ordinary shares of SGD1.00 each in SCA and SCN respectively, for a total consideration of SGD20,000 (RM58,190).
- (vi) On 22 January 2020, the Company disposed of its ordinary shares of RM1 each in FMGLV, a wholly-owned subsidiary of the Company for a total consideration of RM1,000,000, representing its entire equity interest in FMGLV. Consequently, FMGOVL acquired its entire ordinary shares of FMGLV from the Company for a total consideration of RM1,000,000.
- (vii) On 22 January 2020, FMGLV, a wholly-owned subsidiary of the Company disposed of its ordinary shares of SGD1.00 each in FM Global Logistics (S'pore) Pte. Ltd. ("FMGS"), for a total consideration of RM2,241,000, representing its entire equity interest in FMGLV. Consequently, FMGOVL acquired its entire ordinary shares of FMGS for a total consideration of RM2,241,000.
- (viii) On 11 March 2020, the World Health Organisation ("WHO") has declared the outbreak of Covid-19 to be a global pandemic. In Malaysia, to contain the spread of Covid-19, the Movement Control Order ("MCO") had been imposed from 18 March 2020 to 1 May 2020 and further extended through a conditional MCO till 9 June 2020. The conditional MCO is replaced by recovery MCO from 10 June 2020 to 31 December 2020. Except for those providing essential services and selected economic sectors which are critical for our local and the global supply chains, all businesses are required to suspend all in-person activities and activities at the business location. The Malaysian Government has relaxed the MCO on the logistics industry as this industry provides essential services to the country. With this decision, the Group's logistics operations are able to operate subject to certain operating conditions.

Directors are cognisant of the challenges posed by these events and the potential impact they have on the Group's and the Company's financial position, financial performance and cash flows subsequent to the reporting period. As the situation continues to evolve with significant level of uncertainty, the Group and the Company are unable to reasonably estimate the full financial impact of the Covid-19 outbreak. The Group and the Company are monitoring the situation closely and to mitigate the financial impact. The Group and the Company are conscientiously managing its cost by adopting an operating cost reduction strategy and conserving liquidity by working with major creditors to align repayment obligations with receivable collections.

## NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2020 (CONTINUED)

### 43. CONTINGENT LIABILITY

On 1 November 2019, FM Global Logistics (M) Sdn. Bhd. ("FMGLM"), a wholly-owned subsidiary of the Company has filed a civil suit claim against a customer at the Shah Alam High Court for warehousing and logistics services amounting to RM1,918,909. The customer filed a counterclaim against FMGLM for damages and tort of conversion amounting to RM8,862,965. Both the claim and counterclaim in the suit have been fixed for trial in February 2021. The Directors of the Company believe, based on legal advice that the Company's subsidiary has a good chance of success in this case.

### 44. ADOPTION ON NEW MFRSs AND AMENDMENTS TO MFRSs

#### 44.1 New MFRSs adopted during the financial year

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

Title	Effective Date
MFRS 16 <i>Leases</i>	1 January 2019
IC Interpretation 23 <i>Uncertainty over Income Tax Treatments</i>	1 January 2019
Amendments to MFRS 128 <i>Long-term Interests in Associates and Joint Ventures</i>	1 January 2019
Amendments to MFRS 9 <i>Prepayment Features with Negative Compensation</i>	1 January 2019
Amendments to MFRS 3 <i>Annual Improvements to MFRS Standards 2015 - 2017 Cycle</i>	1 January 2019
Amendments to MFRS 11 <i>Annual Improvements to MFRS Standards 2015 - 2017 Cycle</i>	1 January 2019
Amendments to MFRS 112 <i>Annual Improvements to MFRS Standards 2015 - 2017 Cycle</i>	1 January 2019
Amendments to MFRS 123 <i>Annual Improvements to MFRS Standards 2015 - 2017 Cycle</i>	1 January 2019
Amendments to MFRS 119 <i>Plan Amendment, Curtailment or Settlement</i>	1 January 2019

Adoption of the above Standards did not have any material effect on the financial performance or position of the Group and of the Company except for the adoption of MFRS 16 as described in the following sections.

#### MFRS 16 *Leases*

MFRS 16 supersedes MFRS 117 *Leases*, IFRIC 4 *Determining whether an Arrangement contains a Lease*, SIC-15 *Operating Leases-Incentives* and SIC-27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. MFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the financial statements.

Lessor accounting under MFRS 16 is substantially unchanged from MFRS 117. Lessors would continue to classify leases as either operating or finance leases using similar principles as in MFRS 117. Therefore, MFRS 16 does not have a material impact for leases for which the Group is the lessor.

The Group applied MFRS 16 using the modified retrospective approach, for which the cumulative effect of initial application is recognised in retained earnings as at 1 July 2019. Accordingly, the comparative information presented is not restated.

On adoption of MFRS 16, the Group recognised lease liabilities in relation to leases which had previously been classified as "operating leases" under the principles of MFRS 117. These liabilities were measured at the present value of the remaining lease payments, discounted using the incremental borrowing rate of the Group as of 1 July 2019. The range of incremental borrowing rates of the Group applied to the lease liabilities on 1 July 2019 were between 3.8% to 22.58%.

## NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2020 (CONTINUED)

### 44. ADOPTION ON NEW MFRSs AND AMENDMENTS TO MFRSs (CONTINUED)

#### 44.1 New MFRSs adopted during the financial year (continued)

##### MFRS 16 Leases (continued)

In order to compute the transition impact of MFRS 16, a significant data extraction exercise was undertaken by management to summarise all property, plant and equipment lease data such that the respective inputs could be uploaded into management's model. The incremental borrowing rate method has been adopted where the implicit rate of interest in a lease is not readily determinable.

For leases previously classified as finance leases, the Group recognised the carrying amount of the lease asset and lease liability immediately before transition as the carrying amount of the right-of-use asset and the lease liability respectively at the date of initial application. The measurement principles of MFRS 16 are only applied after that date.

In applying MFRS 16 for the first time, the Group has used the following practical expedients permitted by the standard:

- Applying a single discount rate to a portfolio of leases with reasonably similar characteristics;
- Relying on previous assessments on whether leases are onerous as an alternative to performing an impairment review - there were no onerous contracts as at 1 July 2019;
- Accounting for operating leases with a remaining lease term of less than 12 months as at 1 July 2019 and do not contain a purchase option as short-term leases;
- Excluding initial direct costs for the measurement of the right-of-use asset at the date of initial application; and
- Using hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

On transition to MFRS 16, the Group recognised right-of-use assets and lease liabilities, recognising the difference in retained earnings. The impact on transition is summarised below:

Group	Note	As at 30 June 2019 RM'000	Impact RM'000	As at 1 July 2019 RM'000
Property, plant and equipment	5	248,099	(77,420)	170,679
Right-of-use assets	11	-	91,118	91,118
Lease liabilities	24	-	(33,140)	(33,140)
Hire purchase payables	25	(18,724)	18,724	-
Retained earnings		124,103	(718)	123,385

## NOTES TO THE FINANCIAL STATEMENTS 30 JUNE 2020 (CONTINUED)

### 44. ADOPTION ON NEW MFRSs AND AMENDMENTS TO MFRSs (CONTINUED)

#### 44.2 New MFRSs that have been issued, but only effective for annual periods beginning on or after 1 January 2020

Title	Effective Date
<i>Amendments to References to the Conceptual Framework in MFRS Standards</i>	1 January 2020
<i>Amendments to MFRS 3 Definition of a Business</i>	1 January 2020
<i>Amendments to MFRS 101 and MFRS 108 Definition of Material</i>	1 January 2020
<i>Amendments to MFRS 9, MFRS 139 and MFRS 7 Interest Rate Benchmark Reform</i>	1 January 2020
<i>Amendments to MFRS 16 COVID-19-Related Rent Concessions</i>	1 June 2020
<i>Amendments to MFRS 4 Extension of the Temporary Exemption from Applying MFRS 9</i>	At issue date of 17 August 2020
<i>Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16 Interest Rate Benchmark Reform - Phase 2</i>	1 January 2021
<i>Annual Improvements to MFRS Standards 2018 - 2020</i>	1 January 2022
<i>Amendments to MFRS 3 Reference to the Conceptual Framework</i>	1 January 2022
<i>Amendments to MFRS 116 Property, Plant and Equipment - Proceeds before Intended Use</i>	1 January 2022
<i>Amendments to MFRS 137 Onerous Contracts - Cost of Fulfilling a Contract</i>	1 January 2022
<i>Amendments to MFRS 101 Classification of Liabilities as Current or Non-current</i>	1 January 2023
<i>MFRS 17 Insurance Contracts</i>	1 January 2023
<i>Amendments to MFRS 17 Insurance Contracts</i>	1 January 2023
<i>Amendments to MFRS 10 and MFRS 128 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred

The Group does not expect the adoption of the above Standards to have a significant impact on the financial statements.

## ANALYSIS OF SHAREHOLDINGS AS AT 30 SEPTEMBER 2020

Total No. of Share Capital : 279,222,415 ordinary shares  
 Class of Shares : Ordinary shares  
 Voting Right : One vote per ordinary share

### DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Holders	%	No. of Shares	%
Less than 100	197	8.47	8,054	0.00
100 – 1,000	493	21.21	184,834	0.07
1,001 – 10,000	909	39.10	4,493,455	1.61
10,001 – 100,000	622	26.75	19,405,492	6.95
100,001 to less than 5% of issued shares	100	4.30	85,644,228	30.67
5% and above of issued shares	4	0.17	169,486,352	60.70
<b>Total</b>	<b>2,325</b>	<b>100.00</b>	<b>279,222,415</b>	<b>100.00</b>

### SUBSTANTIAL SHAREHOLDERS

According to the Register of Substantial Shareholders as at 30 September 2020

Name	Direct Interest		Indirect Interest	
	No. of Shares	%	No. of Shares	%
CHEW CHONG KEAT	67,187,614	24.06	274,999@	0.10
SINGAPORE ENTERPRISES PRIVATE LIMITED	55,988,700	20.05	-	-
YANG HENG LAM	51,305,038	18.37	919,948#@	0.33
KHUA KIAN KEONG	-	-	55,988,700^	20.05

@ Deemed interested in shares held by their children.

# Deemed interested in shares held by his spouse.

^ Deemed interested by virtue of his interest in Singapore Enterprises Private Limited.

## ANALYSIS OF SHAREHOLDINGS AS AT 30 SEPTEMBER 2020 (CONTINUED)

### DIRECTORS' SHAREHOLDINGS

According to the Register of Directors' Shareholdings as at 30 September 2020

Directors	Direct Interest		Indirect Interest	
	No. of Shares	%	No. of Shares	%
CHEW CHONG KEAT	67,187,614	24.06	274,999@	0.10
YANG HENG LAM	51,305,038	18.37	919,948#@	0.33
GAN SIEW YONG	12,147,804	4.35	274,999@	0.10
ONG LOOI CHAI	4,269,033	1.53	-	-
TENGGU NURUL AZIAN BINTI TENGGU SHAHRIMAN	-	-	-	-
SOH CHIN TECK	-	-	-	-
LAU SWEE CHIN	-	-	-	-
KHUA KIAN KEONG	-	-	55,988,700^	20.05

@ Deemed interested in shares held by their children.

# Deemed interested in shares held by his spouse.

^ Deemed interested by virtue of his interest in Singapore Enterprises Private Limited.

## ANALYSIS OF SHAREHOLDINGS AS AT 30 SEPTEMBER 2020 (CONTINUED)

### THIRTY (30) LARGEST SHAREHOLDERS

No.	Name of Shareholders	No. of Shares Held	%
1.	CHEW CHONG KEAT	67,187,614	24.06
2.	SINGAPORE ENTERPRISES PRIVATE LIMITED	55,988,700	20.05
3.	YANG HENG LAM	29,557,932	10.59
4.	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR YANG HENG LAM (PB)	16,752,106	6.00
5.	GAN SIEW YONG	12,147,804	4.35
6.	CARTABAN NOMINEES (ASING) SDN BHD SSBT FUND F9EX FOR FIDELITY NORTHSTAR FUND	8,250,000	2.96
7.	SEE KOK HING	5,189,170	1.86
8.	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB BANK FOR YANG HENG LAM (PBCL-0G0321)	4,995,000	1.79
9.	CIMB GROUP NOMINEES (ASING) SDN. BHD. EXEMPT AN FOR DBS BANK LTD (SFS)	4,753,200	1.70
10.	ONG LOOI CHAI	4,249,320	1.52
11.	FOO SOOK WAN	3,227,503	1.16
12.	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR YOONG KAH YIN (MY2443)	3,000,000	1.07
13.	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR SUSY DING (CEB)	3,000,000	1.07
14.	TANG GEONG KOANG	2,380,249	0.85
15.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR WONG TET FUI (8054679)	2,266,650	0.81
16.	HSBC NOMINEES (ASING) SDN BHD EXEMPT AN FOR CREDIT SUISSE (SG BR-TST-ASING)	2,026,500	0.73



## ANALYSIS OF SHAREHOLDINGS AS AT 30 SEPTEMBER 2020 (CONTINUED)

### THIRTY (30) LARGEST SHAREHOLDERS (CONTINUED)

No.	Name of Shareholders	No. of Shares Held	%
17.	CARTABAN NOMINEES (ASING) SDN BHD BBH AND CO BOSTON FOR FIDELITY PURITAN TRUST: FIDELITY SERIES INTRINSIC OPPORTUNITIES FUND	1,500,000	0.54
18.	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM KUAN GIN	1,500,000	0.54
19.	YVONNE KALATHINI A/P M.VIJAYARAJ	1,200,099	0.43
20.	NIOW SOO SEE	1,178,973	0.42
21.	RHB NOMINEES (ASING) SDN BHD LIN, KUANG	1,149,999	0.41
22.	CHEW PHEK YING	1,077,499	0.39
23.	CARTABAN NOMINEES (ASING) SDN BHD SSBT FUND F9LJ FOR FIDELITY GLOBAL INTRINSIC VALUE INVESTMENT TRUST	1,013,500	0.36
24.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR WONG YEE HUI	946,639	0.34
25.	RHB NOMINEES (TEMPATAN) SDN BHD AMARA INVESTMENT MANAGEMENT SDN BHD FOR WONG YEE HUI	850,000	0.30
26.	HLB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR YAP KOK KHEN	834,250	0.30
27.	RHB NOMINEES (ASING) SDN BHD NAIGAI TRANS LINE LTD	821,425	0.29
28.	CITIGROUP NOMINEES (ASING) SDN BHD EXEMPT AN FOR UBS AG SINGAPORE (FOREIGN)	730,000	0.26
29.	YEOW SOON GUAT	687,298	0.25
30.	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR HONJI CORPORATION SDN BHD (E-SS2)	620,000	0.22
<b>TOTAL</b>		<b>239,081,430</b>	<b>85.62</b>

## LIST OF PROPERTIES

POSTAL ADDRESS/LOCATION	DESCRIPTION	EXISTING USE	LAND AREA (SQUARE FEET)	TENURE OF LAND (YEARS)	APPROXIMATE AGE OF BUILDING	DATE ACQUISITION	NET BOOK VALUE AS AT 30.06.20 RM'000
Geran No. 2893, Lot 1841 Seksyen 4, Bandar Butterworth, Daerah Seberang Perai Utara, Pulau Pinang Pulau Mutiara.  Postal Address: No. 4453, Jalan Bagan Luar, 12000 Butterworth, Pulau Pinang Pulau Mutiara.	Three (3) storey terrace shophouse	Office	1,019	Freehold	45 years	22 October 1994	280 (Land)  326 (Building)
Geran No. 2892, Lot 1840, Seksyen 4, Bandar Butterworth, Daerah Seberang Perai Utara, Pulau Pinang Pulau Mutiara.  Postal Address: No. 4454, Jalan Bagan Luar, 12000 Butterworth, Pulau Pinang Pulau Mutiara.	Three (3) storey terrace shophouse	Office	1,021	Freehold	45 years	25 June 2002	280 (Land)  330 (Building)
Master Title: H.S (D) 49488 and 49489, PT 49974 and 49975, Mukim Klang, Daerah Klang, Selangor Darul Ehsan.  Postal Address: No. 45-2A, 2 <sup>nd</sup> Floor, Jalan Sungai Chandong 15, Bandar Armada Putra, Pulau Indah, 42920 Port Klang, Selangor Darul Ehsan.	Office Unit	Vacant	Nil	99 years ending on 19 October 2102	20 years	23 September 1998	15 (Building)
Master Title: H.S (D) 49488 and 49489, PT 49974 and 49975, Mukim Klang, Daerah Klang, Selangor Darul Ehsan.  Postal Address: No. 45-2B, 2 <sup>nd</sup> Floor, Jalan Sungai Chandong 15, Bandar Armada Putra, Pulau Indah, 42920 Port Klang, Selangor Darul Ehsan.	Office Unit	Vacant	Nil	99 years ending on 19 October 2102	20 years	23 September 1998	14 (Building)
H.S (D) 116412, PT 239, Mukim Bandar Sultan Sulaiman, Daerah Klang, Selangor Darul Ehsan.  Postal Address: Lot 37, Lebuah Sultan Mohamed 1, Kawasan Perindustrian Bandar Sultan Suleiman, 42000 Port Klang, Selangor Darul Ehsan.	Industrial land	Warehouse and Office	644,811	99 years ending on 2105	14 years	16 September 2005	36,990 (Land)  59,085 (Building)

## LIST OF PROPERTIES (CONTINUED)

POSTAL ADDRESS/LOCATION	DESCRIPTION	EXISTING USE	LAND AREA (SQUARE FEET)	TENURE OF LAND (YEARS)	APPROXIMATE AGE OF BUILDING	DATE ACQUISITION	NET BOOK VALUE AS AT 30.06.20 RM'000
H.S (D) 116367, PT 183 Mukim Bandar Sultan Sulaiman, Daerah Klang, Selangor Darul Ehsan.	Industrial land	Warehouse and Office	217,797	99 years ending on 30 June 2105	27 years	17 January 2011	14,068 (Land)
Postal Address: Lot 24, Lebuh Sultan Mohamed 1, Kawasan Perindustrian Bandar Sultan Suleiman, 42000 Port Klang, Selangor Darul Ehsan.	Warehouse cum 2-storey office building						15,179 (Building)
H.S (D) 37855, PT 478 Mukim 6, Daerah Seberang Perai Tengah, Pulau Pinang Pulau Mutiara.	Industrial land	Warehouse and Office	92,424	60 years ending on 30 October 2052	25 years	11 April 2012	3,771 (Land)
Postal Address: No. 1077, Lorong Perusahaan Maju 1 Kawasan Perusahaan F4, 13600 Perai, Pulau Pinang Pulau Mutiara.	Warehouse cum 2-storey office building						5,657 (Building)
H.S (D) 261818, Lot No. PT598 Pekan Hicom, Daerah Petaling, Selangor Darul Ehsan.	Industrial land	Warehouse and Office	371,990	Freehold	31 years	27 August 2015	55,000 (Land)
Postal Address: Lot 5, Persiaran Sabak Bernam, Section 26 (Hicom), 40400 Shah Alam, Selangor Darul Ehsan.	Warehouse cum 2-storey office building						9,287 (Building)
HSD 37850, PT476, Mukim 6, Daerah Seberang Perai Tengah, Negeri Pulau Pinang	Office cum factory	Warehouse and Office	87,121	33 years ending on 23 September 2052	27 years	18 November 2019	4,529 (Land)
Ruko CBD Jababeka Blok B No. 18, Jl. Niaga Raya Kav. AA3, Pasirsari, Cikarang Selatan, Bekasi, Jawa Barat. Zip code : 17530	Office Unit	Office	58	8 years ending on 24 September 2026, after that extend every 30 years	22 years	1 November 2017	311 (Building)
Ruko CBD Jababeka Blok B No. 19, Jl. Niaga Raya Kav. AA3, Pasirsari, Cikarang Selatan, Bekasi, Jawa Barat. Zip code : 17530	Office Unit	Office	58	8 years ending on 24 September 2026, after that extend every 30 years	22 years	1 November 2017	365 (Building)

# NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** the Twenty-Fourth (24<sup>th</sup>) Annual General Meeting of the Company will be conducted fully virtual 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 **Friday, 27 November 2020** at **10.00 a.m.** for the following purposes:-

## AS ORDINARY BUSINESS:-

- |  |   |
|--|---|
| 1. To receive the Audited Financial Statements for the financial year ended 30 June 2020 together with the Reports of the Directors and Auditors thereon.                            | <b>Please refer to the Explanatory Note 1</b> |
| 2. To approve the payment of Directors' fees of up to an aggregate amount of RM480,000 for the financial year ending 30 June 2021 to be paid monthly in arrears.                     | <b>Ordinary Resolution 1</b>                  |
| 3. To approve the payment of Directors' benefits amounting to RM80,000 from the date of the forthcoming Annual General Meeting until the next Annual General Meeting of the Company. | <b>Ordinary Resolution 2</b>                  |
| 4. To re-elect the following Directors who are retiring by rotation pursuant to Clause 125 of the Company's Constitution:-   |   |
| a. Yang Heng Lam   | <b>Ordinary Resolution 3</b>                  |
| b. Ong Looi Chai   | <b>Ordinary Resolution 4</b>                  |
| 5. To re-elect Khua Kian Keong, the Director who is retiring pursuant to Clause 130 of the Company's Constitution.   | <b>Ordinary Resolution 5</b>                  |
| 6. To re-appoint Crowe Malaysia PLT as Auditors of the Company and to authorise the Directors to fix their remuneration.   | <b>Ordinary Resolution 6</b>                  |

## AS SPECIAL BUSINESS:-

To consider and, if thought fit, to pass the following resolutions with or without modification(s):-

- |   |                              |
|---|------------------------------|
| 7. <b>PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS ("RRPTs") OF A REVENUE OR TRADING NATURE ("PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RRPTs")</b> | <b>Ordinary Resolution 7</b> |
|---|------------------------------|

"THAT subject always to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given to the Company and/or its subsidiaries to enter into the RRPTs of a revenue or trading nature with the related parties as specified in Section 2.3 of Part A of the Circular/Statement to Shareholders dated 28 October 2020, provided that such transactions are necessary for the Group's day-to-day operations and carried out in the ordinary course of business and at arm's length basis and on normal commercial terms which are not more favourable to the related parties than those generally available to the public and are not detrimental to the interest of the minority shareholders of the Company.

**NOTICE OF ANNUAL GENERAL MEETING (CONTINUED)**

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

- (i) the conclusion of the next annual general meeting of the Company, at which time it will lapse, unless by a resolution passed at that meeting, the authority is renewed;
- (ii) the expiration of the period within which the next annual general meeting is required to be held pursuant to Section 340(2) of the Companies Act 2016 (but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Companies Act 2016); or
- (iii) revoked or varied by a resolution passed by the shareholders in a general meeting,

whichever is the earlier.

AND THAT the Directors of the Company be and are hereby authorised to do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary or in the best interest of the Company to give effect to the Proposed Renewal of Shareholders' Mandate for RRPTs."

**8. PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR SHARE BUY-BACK****Ordinary Resolution 8**

"THAT subject always to the Companies Act 2016 ("Act"), the Constitution of the Company, the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities") and all other applicable laws, guidelines, rules and regulations, approval be and is hereby given for the Company to purchase such amount of ordinary shares in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors of the Company may deem fit and expedient in the interest of the Company ("Share Buy-Back Mandate") provided that:

- (a) the aggregate number of ordinary shares in the Company purchased and/or held as treasury shares pursuant to the Share Buy-Back Mandate does not exceed ten per centum (10%) of the total number of issued shares of the Company as at the point of purchase(s);
- (b) the maximum funds to be allocated by the Company for the purpose of purchasing its ordinary shares shall not exceed the total retained profits of the Company based on the latest audited financial statements and/or the latest management accounts (where applicable) available at the time of the purchase; and
- (c) the Directors of the Company may decide either to retain the shares so purchased as treasury shares or cancel the shares so purchased or retain part of the shares so purchased and cancel the remainder or resell the treasury shares on Bursa Securities or distribute the treasury shares as dividends or transfer the treasury shares under an employees' share scheme or as purchase consideration or otherwise use the treasury shares for such other purpose in the manner as prescribed by the applicable laws, guidelines, rules and regulations.

**NOTICE OF ANNUAL GENERAL MEETING (CONTINUED)**

THAT the authority conferred by this resolution will be effective upon the passing of this resolution and will continue to be in force until:

- (a) the conclusion of the next annual general meeting of the Company, at which time it shall lapse, unless by an ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions;
- (b) the expiration of the period within which the next annual general meeting of the Company after that date is required by law to be held; or
- (c) revoked or varied by an ordinary resolution passed by the shareholders in a general meeting,

whichever occurs first, but shall not prejudice the completion of purchase(s) by the Company of its own shares before the aforesaid expiry date and, in any event, in accordance with the Listing Requirements and any applicable laws, rules, regulations, orders, guidelines and requirements issued by any relevant authorities.

AND THAT authority be and is hereby given to the Directors of the Company to take all such steps to implement, finalise and to give full effect to the Share Buy-Back Mandate with full power to assent to any conditions, modifications, variations and/or amendments as may be required by the relevant authorities or as the Directors deem fit and expedient at their discretion in the best interest of the Company."

9. **AUTHORITY TO ISSUE AND ALLOT SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016**

**Ordinary Resolution 9**

"THAT pursuant to Sections 75 and 76 of the Companies Act 2016 ("Act") and subject to the Constitution of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and the approvals of the relevant governmental/regulatory authorities, where such approval is required, the Directors be and are hereby empowered to issue and allot shares in the Company from time to time, at such price, upon such terms and conditions, to such persons and for such purposes as the Directors may in their absolute discretion deem fit PROVIDED THAT the aggregate number of shares to be issued pursuant to this resolution does not exceed twenty per centum (20%) of the total number of issued shares (excluding treasury shares) of the Company for the time being and that such authority shall continue to be in force until the conclusion of the next annual general meeting of the Company, AND THAT the Directors be authorised to do all such things as they deem fit and expedient in the best interest of the Company to give effect to the issuance of new shares under this resolution including making such applications to Bursa Securities for the listing of and quotation for the additional shares so issued on Bursa Securities."

10. To transact any other business of which due notice shall have been given in accordance with the Constitution of the Company and the Companies Act 2016.

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  
28 October 2020

## NOTICE OF ANNUAL GENERAL MEETING (CONTINUED)

### NOTES:-

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

Shareholders **WILL NOT BE ALLOWED** to attend the 24<sup>th</sup> AGM in person at the Broadcast Venue on the day of the meeting.

Shareholders are to attend, speak (including posing questions to the Board via real time submission of typed texts) and vote (collectively, "participate") remotely at the 24<sup>th</sup> AGM via the Remote Participation and Voting facilities ("RPV") provided by Tricor Investor & Issuing House Services Sdn. Bhd. ("Tricor") via its TIH Online website at <https://tiah.online>.

Shareholders are advised to read and follow the procedures provided in the Administrative Guide available at <http://fmgloballogistics.listedcompany.com/AR2020.html> in order to participate remotely via RPV.

- b. In respect of deposited securities, only members whose names appear in the Record of Depositors on 18 November 2020 (General Meeting Record of Depositors) shall be eligible to participate the 24<sup>th</sup> AGM or appoint proxy(ies) to participate on his behalf at the meeting.
- 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 as defined under the Securities Industry (Central Depositories) Act 1991 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 Proxy Form.
- f. The appointment of proxy(ies) may be made in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the meeting or any adjournment thereof:-
- i. In hard copy form: Proxy form 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 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.
  - ii. By electronic means via Tricor system, TIH Online: Proxy form can also be lodged electronically via TIH Online website at <https://tiah.online> (applicable to individual members only). Please refer to the Administrative Guide for further information on electronic submission.
- 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 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 forty-eight (48) hours before the time appointed for holding the General Meeting or adjourned General 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 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 forty-eight (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 proxy or attorney or authorised representative to participate this meeting must request his proxy or attorney or authorised representative to register himself for the RPV at the Share Registrar's TIH Online website at <https://tiah.online>. Please read and follow the procedures provided in the Administrative Guide.
- j. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in this Notice will be put to vote by poll.

## NOTICE OF ANNUAL GENERAL MEETING (CONTINUED)

### EXPLANATORY NOTES:-

#### 1. Item 1 of the Agenda – Audited Financial Statements for the financial year ended 30 June 2020

This Agenda item is meant for discussion only as the provision of Section 340(1)(a) of the Companies Act 2016 does not require a formal approval of the shareholders for the Audited Financial Statements. Hence, this Agenda item is not put forward for voting.

#### 2. Ordinary Resolution 7 – Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature

This proposed resolution, if passed, will allow the Group to enter into recurrent related party transactions of a revenue or trading nature with its related parties in accordance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad without the necessity to convene separate general meetings to seek shareholders' approval as and when such recurrent related party transactions occur. This would reduce substantial administrative time and expenses associated with the convening of such meetings without compromising the corporate objectives of the Group or affecting the business opportunities available to the Group. This authority, unless revoked or varied at a general meeting, will expire at the next annual general meeting of the Company and is subject to renewal on an annual basis.

Further details relating to this proposed resolution are set out in Part A of the Company's Circular/Statement to Shareholders dated 28 October 2020, which is available at <http://fmgloballogistics.listedcompany.com/AR2020.html>.

#### 3. Ordinary Resolution 8 – Proposed Renewal of Shareholders' Mandate for Share Buy-Back

The proposed Ordinary Resolution 8, if passed, will empower the Company to purchase its own shares up to ten percent (10%) of the total number of issued shares of the Company. This authority, unless revoked or varied at a general meeting, will expire at the next annual general meeting of the Company.

The Company has not purchased any of its own shares since the approval of the said mandate from its shareholders at the last Annual General Meeting held on 25 November 2019.

Further information relating to this proposed resolution is set out in Part B of the Circular/Statement to Shareholders dated 28 October 2020, which is available at <http://fmgloballogistics.listedcompany.com/AR2020.html>.

#### 4. Ordinary Resolution 9 – Proposed Authority to Issue and Allot Shares pursuant to Sections 75 & 76 of the Companies Act 2016

Bursa Malaysia Securities Berhad had via a letter dated 16 April 2020 allowed listed issuers to seek a higher general mandate under Paragraph 6.03 of the Main Market Listing Requirements of not more than 20% of the total number of issued shares (excluding treasury shares) for issue of new securities. This 20% general mandate may be utilised by listed issuer to issue new securities until 31 December 2021 and thereafter, the 10% limit will be reinstated.

This proposed resolution is to empower the Directors to issue shares up to an aggregate amount not exceeding 20% of the total number of issued shares (excluding treasury shares) of the Company for the time being for such purposes as the Directors consider would be in the best interest of the Company without having to convene separate general meetings. The authority, unless revoked or varied by the Company in general meeting, will expire at the conclusion of the next annual general meeting of the Company.

This general mandate, if passed, will provide flexibility to the Company for any possible fund-raising exercises including but not limited to further placement of shares for purpose of funding current and/or future investment projects, working capital, acquisitions and/or for issuance of shares.

The Board, having considered the economic challenges arising from the global Covid-19 pandemic and future financial needs of the Group, is of the opinion that the 20% general mandate is in the best interest of the Company and its shareholders.

The Company had at its last Annual General Meeting held on 25 November 2019 obtained the mandate from shareholders to allot up to a maximum of 10% of the total number of issued shares of the Company. The Company had not issued any new shares pursuant to Section 75 of the Companies Act 2016 under the general mandate which was approved at the preceding Annual General Meeting.





**FREIGHT MANAGEMENT HOLDINGS BHD**  
(Registration No: 199601008064 (380410-P))  
(Incorporated in Malaysia)

# FORM OF PROXY

CDS A/C. No.	No. of shares held

I/We \_\_\_\_\_ NRIC No./Co. Registration No. \_\_\_\_\_  
(Full Name in Block Letters)

of \_\_\_\_\_  
(Full Address)

being (a) member(s) of Freight Management Holdings Bhd., hereby appoint:-

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 to vote for \*me/us on \*my/our behalf at the 24<sup>th</sup> Annual General Meeting of the Company, which will be conducted fully virtual 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 Friday, 27 November 2020 at 10.00 a.m., and at any adjournment thereof and to vote as indicated below:

RESOLUTIONS		FOR	AGAINST
Ordinary Resolution 1	To approve the payment of Directors' fees for the financial year ending 30 June 2021 to be paid monthly in arrears.		
Ordinary Resolution 2	To approve the payment of Directors' benefits.		
Ordinary Resolution 3	To re-elect Yang Heng Lam as Director of the Company.		
Ordinary Resolution 4	To re-elect Ong Looi Chai as Director of the Company.		
Ordinary Resolution 5	To re-elect Khua Kian Keong as Director of the Company.		
Ordinary Resolution 6	To re-appoint Crowe Malaysia PLT as Auditors of the Company.		
Ordinary Resolution 7	Proposed Renewal of Shareholders' Mandate for RRPT.		
Ordinary Resolution 8	Proposed Renewal of Shareholders' Mandate for Share Buy-Back.		
Ordinary Resolution 9	Authority to Issue and Allot Shares pursuant to Sections 75 and 76 of the Companies Act 2016.		

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

[\*Delete if not applicable]

Telephone no. during office hours:

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2020

\_\_\_\_\_  
[Signature/Common Seal of shareholder(s)]

**NOTES:-**

- a. The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairman of the meeting to be present at the main venue of the meeting.  
Shareholders **WILL NOT BE ALLOWED** to attend the 24<sup>th</sup> AGM in person at the Broadcast Venue on the day of the meeting.  
Shareholders are to attend, speak (including posing questions to the Board via real time submission of typed texts) and vote (collectively, "participate") remotely at the 24<sup>th</sup> AGM via the Remote Participation and Voting facilities ("RPV") provided by Tricor Investor & Issuing House Services Sdn. Bhd. ("Tricor") via its TIH Online website at <https://tjih.online>.  
Shareholders are advised to read and follow the procedures provided in the Administrative Guide available at <http://fmgloballogistics.listedcompany.com/AR2020.html> in order to participate remotely via RPV.
- b. In respect of deposited securities, only members whose names appear in the Record of Depositors on 18 November 2020 (General Meeting Record of Depositors) shall be eligible to participate the 24<sup>th</sup> AGM or appoint proxy(ies) to participate on his behalf at the meeting.
- 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 as defined under the Securities Industry (Central Depositories) Act 1991 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 Proxy Form.
- f. The appointment of proxy(ies) may be made in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the meeting or any adjournment thereof:-
- i. In hard copy form: Proxy form 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 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.
- ii. By electronic means via Tricor system, TIH Online: Proxy form can also be lodged electronically via TIH Online website at <https://tjih.online> (applicable to individual members only). Please refer to the Administrative Guide for further information on electronic submission.
- 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 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 forty-eight (48) hours before the time appointed for holding the General Meeting or adjourned General 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 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 forty-eight (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:
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- i. A member who has appointed proxy or attorney or authorised representative to participate this meeting must request his proxy or attorney or authorised representative to register himself for the RPV at the Share Registrar's TIH Online website at <https://tjih.online>. Please read and follow the procedures provided in the Administrative Guide.
- j. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in this Notice will be put to vote by poll.

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Affix Stamp

**Freight Management Holdings Bhd** (Registration No. 199601008064 (380410-P))

The Share Registrar:  
Tricor Investor & Issuing House Services Sdn. Bhd.  
Unit 32-01, Level 32, Tower A  
Vertical Business Suite  
Avenue 3, Bangsar South  
No. 8, Jalan Kerinchi  
59200 Kuala Lumpur, Malaysia

## FREIGHT MANAGEMENT GROUP DIRECTORY

NO	AREA	ADDRESS	TEL	FAX
<b>MALAYSIA</b>				
1.	PORT KLANG (OCEAN) (WAREHOUSE) (3PL)	<b>FM GLOBAL LOGISTICS (M) SDN. BHD.</b> <b>(Company No. 85740-U)</b> Lot 37, Lebuah Sultan Mohamed 1, Kawasan Perindustrian Bandar Sultan Suleiman, 42000 Port Klang, Selangor Darul Ehsan. General Email address : gen@fmgloballogistics.com Website : www.fmgloballogistics.com	+603-3176 1111	+603-3176 8634
2.	SELANGOR (AIR FREIGHT)	<b>FM GLOBAL LOGISTICS (KUL) SDN. BHD.</b> <b>(Company No. 199558-U)</b> (KLIA-Warehouse & Operation office) Lot C3A, Block C, Malaysia Airlines Freight Forwarders Complex, Free Commercial Zone, KLIA Cargo Village, Kuala Lumpur International Airport, 64000 Sepang, Selangor Darul Ehsan.	+603-8787 2990	+603-8787 2933
		<b>(KELANA JAYA)</b> Suite 1601-2, Level 16, Tower 2, Wisma AmFIRST, Jalan SS7/15, Jalan Stadium, 47301 Kelana Jaya, Selangor Darul Ehsan. Email : enquiry-air@fmgloballogistics.com	+603-7610 3300	+603-7610 3232
3.	SELANGOR	<b>FM MULTIMODAL SERVICES SDN. BHD.</b> <b>(Company No. 251269-V)</b> Lot 37B, Lebuah Sultan Mohamed 1, Kawasan Perindustrian Bandar Sultan Suleiman, 42000 Port Klang, Selangor Darul Ehsan. Email : general@fmmultimodal.com	+603-3176 6888	+603-3176 3993 +603-3176 4209
4.	SELANGOR	<b>FM WORLDWIDE LOGISTICS SDN. BHD.</b> <b>(Company No. 287219-U)</b> Lot 37B, Lebuah Sultan Mohamed 1, Kawasan Perindustrian Bandar Sultan Suleiman, 42000 Port Klang, Selangor Darul Ehsan. General Email address : enquiry@fmworldwide.my	+603-3176 5336	+603-3176 5636
5.	SELANGOR (LAST-MILE DELIVERY)	<b>PARCEL TO POST SERVICES SDN. BHD.</b> <b>(Company No. 1224580-W)</b> Lot 14, Lorong Keluli 1C, Kawasan Perindustrian Bukit Raja, 40000 Shah Alam, Selangor. Email : hello@parceltopost.com	+603-3362 5666	

## FREIGHT MANAGEMENT GROUP DIRECTORY (CONTINUED)

NO	AREA	ADDRESS	TEL	FAX
<b>MALAYSIA</b>				
6.	PASIR GUDANG, JOHOR (OCEAN)	<b>FM GLOBAL LOGISTICS (M) SDN. BHD.</b> <b>(Company No. 85740-U)</b> <b>(JOHOR BAHRU)</b> No. 1-02, Jalan Molek 3/20, Taman Molek, 81100 Johor Bahru, Johor Darul Takzim. General Email address : enquiry-my@fmgloballogistics.com	+607-350 0959	+607-361 2621
		<b>(BATU PAHAT)</b> No. 13B, Jalan Kundang, Taman Bukit Pasir, 83000 Batu Pahat, Johor Darul Takzim.	+607-439 3884	+607-439 3860
7.	PENANG (OCEAN)	<b>FM GLOBAL LOGISTICS (M) SDN. BHD.</b> <b>(Company No. 85740-U)</b> No. 4453 & 4454, Jalan Bagan Luar, 12000 Butterworth, P.W. Pulau Pinang. Email Address : enquiry-pen@fmgloballogistics.com	+604-331 4358	+604-331 4368
8.	PENANG (AIR FREIGHT)	<b>FM GLOBAL LOGISTICS (KUL) SDN. BHD.</b> <b>(Company No. 199558-U)</b> Block A-Unit 8, Cargo Agent Building, MAS Cargo Complex, Penang International Airport, 11900 Bayan Lepas, Pulau Pinang Pulau Mutiara. Email : enquiry-air@fmgloballogistics.com	+604-640 4943 +604-640 4944	+604-640 4948
9.	IPOH	<b>FM GLOBAL LOGISTICS (M) SDN. BHD.</b> <b>(Company No. 85740-U)</b> 1B (2 <sup>nd</sup> Floor), Persiaran Greentown 9, Greentown Business Centre, 30450 Ipoh, Perak Darul Ridzuan. General Email Address : fmipoh@fmgloballogistics.com Email : cs_ipoh@fmgloballogistics.com	+605-242 1600 +605-255 1382	+605-255 1446 +605-255 1380
10.	MELAKA	<b>FM GLOBAL LOGISTICS (M) SDN. BHD.</b> <b>(Company No. 85740-U)</b> No. 1-2, Jalan PPMP 1, Pusat Perniagaan Malim Permai, 75250 Hang Tuah Jaya, Malim, Melaka Bandar Bersejarah. General Email Address : sales_mel@fmgloballogistics.com	+606-336 8888	+606-336 7777
11.	KUANTAN	<b>FM GLOBAL LOGISTICS (M) SDN. BHD.</b> <b>(Company No. 85740-U)</b> A-43, Tingkat 1, Lorong Balok Perdanan 3/1, Balok Perdana, 26100 Kuantan, Pahang Darul Makmur. General Email Address : azha@fmgloballogistics.com	+609-584 0359 +609-584 0459	+609-584 0159

## FREIGHT MANAGEMENT GROUP DIRECTORY (CONTINUED)

NO	AREA	ADDRESS	TEL	FAX
<b>THAILAND</b>				
<b>FM GLOBAL LOGISTICS CO. LTD</b>				
1.	BANGKOK	Richmond Building 11 <sup>th</sup> Floor 75/25 Soi Sukhumvit 26, Klongton, Klongtoey, Bangkok, 10110 Thailand. Email : enquiry-th@fmgloballogistics.com	+66-2 661 2400-6	+66-2 661 2407-8
2.	SADAO	97 Moo 2 Kanjanavanich Road, Samnak kham, Sadao, Songkhla 90320 Thailand.	+66-74-802089	
<b>INDONESIA</b>				
<b>PT. FM GLOBAL LOGISTICS</b>				
1.	JAKARTA	Rukan Artha Gading Niaga Blok H No. 11, Jl. Bulevar Artha Gading, Kelapa Gading 14240, Jakarta Utara, Indonesia. Email : enquiry-id@fmgloballogistics.com	+62-21 4585 6727 +62-21 4585 0905	+62-21 4585 0906
2.	JAKARTA	Jakarta Cengkareng Airport Office & Warehouse Soewarna Integrated Business Park Warehouse Area, Block E3 Soekarno Hatta, International Airport Tangerang 19110, Indonesia Email : enquiry-id@fmgloballogistics.com	+62-21 5591 1270	
3.	CIKARANG	Ruko CBD Jababeka Blok B No. 18 & 19, Jl. Niaga Raya Kav AA3, Cikarang Baru, Bekasi 17550 Kawasan Industri Jababeka Tahap 2, Indonesia. Email : enquiry-id@fmgloballogistics.com	+62-21 893 4869 +62-21 893 4913	+62-21 8983 6776
4.	BANDUNG	Metro Trade Centre Blok H-58, Jl. Soekarno Hatta, No. 590, Bandung 40286, Indonesia. Email : enquiry-id@fmgloballogistics.com	+62-22 753 6478 +62-22 753 5706	+62-22 756 5687
5.	MEDAN (BELAWAN)	Graha Harmoni Building 6 <sup>th</sup> Floor, Jln. Gaharu No. 2B, Harmoni, Medan Timur, Kota Medan, Sumatera Utara 20235, Indonesia. Email : enquiry-id@fmgloballogistics.com	+62-61 414 1723	+62-61 414 1785
6.	SURABAYA	Jl. Ikan Trowani No. 18, Surabaya, Jawa Timur, 60177 Indonesia. Email : enquiry-id@fmgloballogistics.com	+62-31 352 0158	+62-31 990 91381

**FREIGHT MANAGEMENT GROUP DIRECTORY (CONTINUED)**

NO	AREA	ADDRESS	TEL	FAX
<b>VIETNAM</b>				
<b>FM GLOBAL LOGISTICS COMPANY LIMITED</b>				
1.	HO CHI MINH	Unit 1205, 12 <sup>th</sup> Floor, Citilight Tower, 45 Vo Thi Sau Street, Dakao Ward, District 1, Ho Chi Minh City, Vietnam. Email : enquiry-vn@fmgloballogistics.com	+8428-3823 8628	+8428-3823 7868
2.	HAIPHONG	Unit 516A, 5 <sup>th</sup> Floor, TD Business Center, Lot 20A, Le Hong Phong Street, Dong Khe Ward, Ngo Quyen District, Hai Phong City, Vietnam. Email : enquiry-vn@fmgloballogistics.com	+ 84225-3722 168	+ 84225-3722 998
3.	HA NOI	12 <sup>th</sup> Floor, Mipec Tower, 229 Tay Son Street, Nga Tu So Ward, Dong Da District, Ha Noi City, Vietnam. Email : enquiry-vn@fmgloballogistics.com	+ 8424-6683 1836	
<b>SINGAPORE</b>				
<b>TCH MARINE PTE. LTD.</b>				
1.	SINGAPORE	6001 Beach Road #19 - 11A, Golden Mile Tower, Singapore 199589. Email : tchtay@singnet.com.sg	+65-6294 7787	+65-6294 8483
<b>INDIA</b>				
<b>FM GLOBAL LOGISTICS (INDIA) PVT. LTD.</b>				
1.	CHENNAI	23, Andhra Chamber of Commerce Building, 2 <sup>nd</sup> Floor, 3 <sup>rd</sup> Cross Street. West CIT Nagar, Nandanam, Chennai - 600035, Tamilnadu, India. Email : prem.maa@fmgloballogistics.com Dhamu.maa@fmgloballogistics.com	+91 999 435 5523	+91 44 2433 2045
2.	MUMBAI	V TIMES SQUARE, Office Number 1003, 10 <sup>th</sup> Floor, Plot Number 03, Sector 15, C B D Belapur, Navi Mumbai 400614, India. Email : nadeem@fmgloballogistics.com abdul@fmgloballogistics.com	+91 998 778 6178	+91 22 6846 3300

**FREIGHT MANAGEMENT GROUP DIRECTORY (CONTINUED)**

NO	AREA	ADDRESS	TEL	FAX
<b>AUSTRALIA</b>				
<b>FM GLOBAL LOGISTICS PTY LTD.</b>				
1.	FREMANTLE	6 Rivers Street WA 6163, Australia. Email : brad@fmgloballogistics.com.au	+61 8 9314 2004	+61 8 9314 6004
2.	MELBOURNE	218C Waterdale Road, Ivanhoe VIC 3079, Australia. Email : tania@fmgloballogistics.com.au	+61 433 436 232	
3.	ADELAIDE	104 Wing Street, Wingfield SA 5013, Australia. Email : darren@fmgloballogistics.com.au	+61 413 939 204	
4.	BRISBANE	Unit 29, 16 Crockford Street, Northgate QLD 4013, Australia. Email : brad.evans@fmgloballogistics.com.au	+61 478 564 090	
<b>PHILIPPINES</b>				
<b>FM GLOBAL LOGISTICS (PHIL.), INC.</b>				
1.	MANILA	2/F, TMI Centre Arzobispo St, Intramuros, Manila, Philippines. Email : elma@fmgloballogistics.com	+63 - 2- 85270221 +63 - 2- 85270224	+63-2-85270209
2.	CEBU	EO Perez St. Subangdaku North Reclamation Area, Mandaue City, Philippines. Email : import-ph@fmgloballogistics.com	+63 - 32- 83340935 +63 - 32- 83340936	+63 - 32- 83340937
3.	PARANAQUE	G/F Unit 22 Cargo Village Complex Ninoy Aquino cor. Multinational Aves. Brgy. Sto. Niño, Parañaque City, Philippines. Email : airfreight-ph@fmgloballogistics.com	+63 - 2- 88390538 +63 - 2- 88390539	+63 - 2- 88390411
<b>UAE</b>				
<b>AMASS MIDDLE EAST SHIPPING SERVICES LLC</b>				
1.	DUBAI	202, Sultan Business Centre, Oud Metha, P.O. Box 33463, Dubai, UAE. Email : jay.prakash@dxb.amassfreight.com	+971 4 2255551	+971 4 2221794
<b>USA</b>				
<b>FM GLOBAL LOGISTICS (USA), LLC</b>				
1.	CARSON	One Civic Plaza Drive Suite 555 Carson CA 90745, USA. Email : manager-usa@fmgloballogistics.com	323-982-8007	323-982-8711

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### ASIA-PACIFIC

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**BRUNEI**

Muara

**CHINA**

Dalian, Huangpu Ningbo, Qingdao Shanghai, Shekou Xiamen, Xingang Yantian, Nanjing Nansha, Nantong Sanshui, Shenzhen Tianjin, Zhanjiang Zhongshan Fuqing, Guoming, Lianhuashan Zhangjiagang

**CAMBODIA**

Sihanoukville, Phnom Penh

**HONG KONG**

Hong Kong

**INDIA**

Calcutta, Chennai, Mumbai, New Delhi, Nhava Sheva, Bangalore, Cochin

**INDONESIA**

Belawan, Jakarta, Surabaya, Batam Island, Pontianak

**JAPAN**

Hakata, Kobe, Moji, Nagoya, Osaka, Shimizu, Tokyo, Yokohama

**KOREA**

Busan, Incheon

**PAKISTAN**

Karachi

**PHILIPPINES**

Manila, Cebu

**SINGAPORE**

Singapore

**SRI LANKA**

Colombo

**TAIWAN**

Kaoshiung, Keelung, Taipei, Taichung

**THAILAND**

Bangkok, Lat Krabang, Laem Chabang

**VIETNAM**

Ho Chi Minh, Hanoi, Tanchang, Haiphong

**AUSTRALIA**

Adelaide, Brisbane, Fremantle, Sydney, Melbourne, Tasmania

**NEW ZEALAND**

Auckland, Timaru, Lyttelton, Wellington, Tauranga, Napier, New Plymouth, Port Chalmers

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### EUROPE

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**FRANCE**

LeHavre, Paris, Marseille

**GERMANY**

Hamburg

**SWITZERLAND**

Basel, Geneva

**NETHERLANDS**

Amsterdam, Rotterdam

**PORTUGAL**

Leixoes

**SPAIN**

Barcelona, Valencia

**ITALY**

Genoa, Venice, Milan, Trieste

**BELGIUM**

Antwerp

**TURKEY**

Mersin, Istanbul

**UNITED KINGDOM**

Felixstowe, Liverpool, London, Dublin, Southampton, Grangemouth, Thames Port

**GEORGIA**

Poti

**RUSSIA**

St. Petersburg

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### MIDDLE EAST

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**KUWAIT**

Kuwait

**BAHRAIN**

Bahrain

**QATAR**

Doha

**EGYPT**

Alexandria, Sokhna Port

**OMAN**

Muscat

**SAUDI ARABIA**

Ad Dammam Jeddah, Riyadh

**UNITED ARAB EMIRATES**

Dubai, Jebel Ali

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### AFRICA & THE WEST INDIES

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**NIGERIA**

Apapa, Tin Can Island Port

**KENYA**

Mombasa, ICD Nairobi

**SOUTH AFRICA**

Durban, Cape Town, Johannesburg

**CAMEROON**

Douala

**THE GAMBIA**

Banjul

**GHANA**

Tema

**SWAZILAND**

Matsapha

**BOTSWANA**

Gaborone

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### PACIFIC ISLANDS

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**PAPUA NEW GUINEA**

Lae, Port Moresby

**FIJI ISLAND**

Suva, Lautoka

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### AMERICAS

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**UNITED STATES OF AMERICA**

Los Angeles, New York, Chicago, Long Beach

**GUATEMALA**

Guatemala City, Puerto Quetzal

**CANADA**

Montreal, Vancouver, Toronto

**BRAZIL**

Santos

**ARGENTINA**

Buenos Aires

**MEXICO**

Mexico City, Manzanillo



## ASIA-PACIFIC



BANGLADESH



PAKISTAN



BRUNEI



PHILIPPINES



CHINA



SINGAPORE



CAMBODIA



SRI LANKA



HONG KONG



TAIWAN



INDIA



THAILAND



INDONESIA



VIETNAM



JAPAN



AUSTRALIA



KOREA



NEW ZEALAND

## EUROPE



FRANCE



ITALY



GERMANY



BELGIUM



SWITZERLAND



TURKEY



NETHERLANDS



UNITED KINGDOM



PORTUGAL



GEORGIA



SPAIN



RUSSIA

## PACIFIC ISLANDS



PAPUA NEW GUINEA



FIJI ISLAND

## MIDDLE EAST



KUWAIT



EGYPT



BAHRAIN



OMAN



QATAR



SAUDI ARABIA



UNITED ARAB EMIRATES

## AFRICA & THE WEST INDIES



NIGERIA



THE GAMBIA



KENYA



GHANA



SOUTH AFRICA



SWAZILAND



CAMEROON



BOTSWANA

## AMERICAS



UNITED STATES OF AMERICA



GUATEMALA



CANADA



BRAZIL



ARGENTINA



MEXICO



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