GLOBAL LOGISTICS

FREIGHT MANAGEMENT HOLDINGS BHD

380410-P

YOUR CONNECTION TO THE WORLD

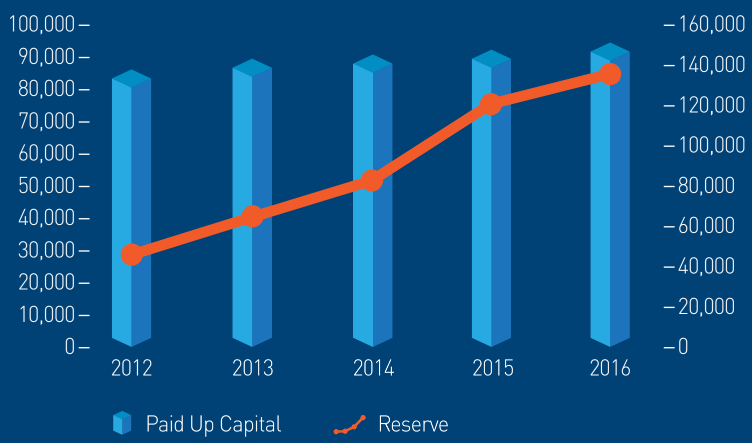
Annual Report
2016

STATEMENTS OF COMPREHENSIVE INCOME (RM'000)	2012	2013	2014	2015	2016
Revenue	327,101	364,808	403,301	420,271	413,771
Profit Before Taxation	28,030	30,224	30,827	24,244	24,761
Profit After Tax and Non-Controlling Interests	20,872	22,566	24,006	20,105	19,874
Net Earning Per Share (sen)	12.86	13.90	14.09	11.75	11.45
Gross Dividend Per Share (sen)	4.00	4.50	5.00	5.00	5.00

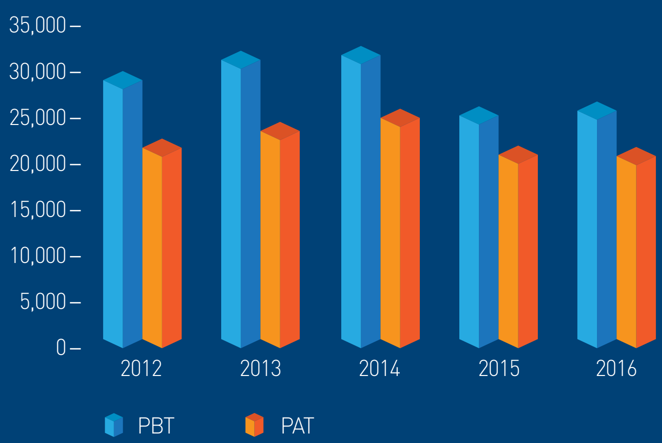
STATEMENTS OF FINANCIAL POSITION (RM'000)	2012	2013	2014	2015	2016
No. of shares in issue ('000)	162,286	167,786	170,762	173,000	177,618
Paid-up Share Capital	81,143	83,893	85,381	86,500	88,809
Reserve	46,405	64,885	82,954	120,953	135,849
Net Assets per Share (RM)	0.79	0.89	0.99	1.20	1.26

FINANCIAL HIGHLIGHTS

SHAREHOLDERS' FUNDS (RM'000)



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

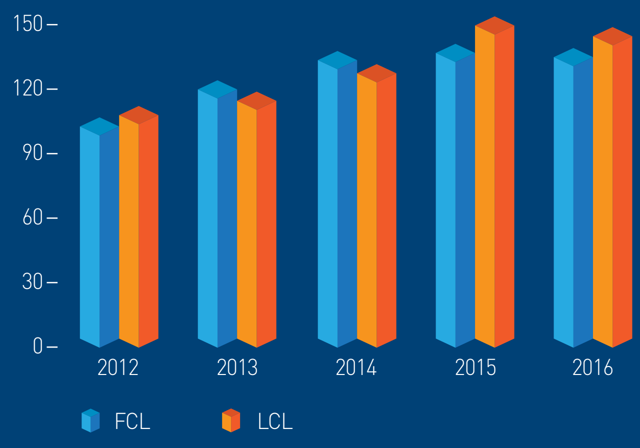


Financial Highlights

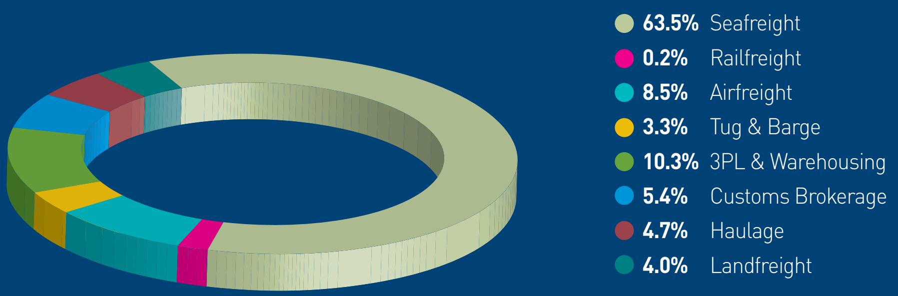
REVENUE ANALYSIS (RM MILLION)	2012	2013	2014	2015	2016
Contribution by Service Type					
Seafreight	185.0	201.6	224.8	259.8	262.9
Railfreight	3.2	3.2	1.5	1.0	0.7
Airfreight	30.8	31.6	28.7	33.9	35.1
Tug & barge	19.4	18.9	17.2	19.6	13.8
3PL & Warehousing	29.3	39.6	48.4	39.6	42.7
Customs brokerage	33.2	34.4	34.8	28.4	22.5
Haulage	13.4	14.8	21.5	20.9	19.6
Landfreight	12.8	20.7	26.4	17.1	16.5
TOTAL	327.1	364.8	403.3	420.3	413.8

REVENUE ANALYSIS BY SERVICE TYPE (RM'Million)

REVENUE ANALYSIS BY CONTAINER MODE (RM'Million)



REVENUE CONTRIBUTION BY SERVICES



CORPORATE STRUCTURE

FREIGHT MANAGEMENT HOLDINGS BHD

380410-P

INVESTMENT HOLDING & OTHER SERVICES

100%
FMG Capital & Management Sdn Bhd

100%
Icon Freight International Inc

100%
Freight Management MSC Sdn Bhd

PROVISION OF MARINE SERVICES

50%
Transenergy Shipping Pte Ltd, Labuan

50%
Transenergy Shipping Management Sdn Bhd

SHIPYARD AND DOCK MANAGEMENT

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

PROVISION OF TUG AND BARGE SERVICES

51%
TCH Marine Pte Ltd, Singapore

E.COMMERCE LOGISTICS

65%
FM Hubwire Sdn Bhd

* Dormant Companies

PROVISION OF FREIGHT SERVICES

- 100% FM Global Logistics (M) Sdn Bhd
  - 100% FM Contract Logistics Sdn Bhd*
  - 100% Advance Cargo Logistics Sdn Bhd*
  - 49% FM Distribution Sdn Bhd
- 100% FM Global Logistics (Ipoh) Sdn Bhd*
- 100% FM Global Logistics (Melaka) Sdn Bhd*
- 100% FM Global Logistics (Penang) Sdn Bhd*
- 100% FM Multimodal Services Sdn Bhd
  - 51% Dependable Global Express Malaysia Sdn Bhd
- 100% Advance International Freight Sdn Bhd*
- 100% FM Global Logistics (KUL) Sdn Bhd
- 100% Exterian Enterprise Sdn Bhd*
- 100% FM Worldwide Logistics (Penang) Sdn Bhd*
- 80% Symphony Express Sdn Bhd
- 100% FM Global Logistics Ventures Sdn Bhd
  - 75% FM Global Logistics Pty Ltd, Australia
  - 100% FM Global Logistics Co., Ltd, Thailand
  - 49% PT FM Global Logistics, Indonesia
  - 51% FM Global Logistics Company Limited, Vietnam
  - 100% FM Global Logistics (HK) Limited, Hong Kong*
  - 51% FM Global Logistics (India) Private Limited, India
  - 50% FM Global Logistics (Phil.), Inc. Philippine
  - 40% FM Global Logistics Lanka (Private) Limited, Sri Lanka
  - 50% Amass Freight Middle East FZCO, United Arab Emirates
  - 100% FM Global Korea Corporation, South Korea
  - 20% Hubwire Sdn Bhd
- 100% FM Global Logistics (S'pore) Pte Ltd, Singapore

Annual Report 2016

CONTENTS

FREIGHT MANAGEMENT HOLDINGS BHD 380410-P

SERVICES OFFERED BY THE GROUP

Your Connection To The World

FMHB is one of the leading international freight forwarders in Malaysia, operating as an intermediate agent between importers/ exporters and carriers.

INTERNATIONAL AND DOMESTIC SEA FREIGHT SERVICES LCL/FCL

FM Group's extensive experience in export/import sea freight services ensures efficient handling of customers' cargo movement internationally and between Peninsular Malaysia and Sabah/ Sarawak.

LAND TRANSPORTATION

FM's fleet of 55 trucks, 70 prime movers and 420 trailers offer door to door delivery and pick-up services throughout the Peninsular and between Malaysia, Singapore and Thailand. We accept Full Truck Load, LTL Load and Container Haulage.

3PL AND WAREHOUSING

FM Group operates a total of about 665,000 sq. ft. of bonded and non-bonded warehouse the maritime and air gateways of Malaysia. We offer a one-stop centre for storage value-adding and distribution and e-commerce fulfillment services.

BULK SERVICES

Freight Management through its subsidiary TCH Marine Pte Ltd, with a fleet of 7 Barges and 8 Tugboats is a leading tug and barge operator; servicing the Straits of Malacca.

CUSTOMS CLEARANCE

FM Group, with a team of > 100 personnel nationwide, is able to offer professional and efficient customs clearance for both sea and air services.

INTERNATIONAL AND DOMESTICS AIR FREIGHT SERVICES

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

RAIL FREIGHT SERVICES

FM Group is one of the pioneers in the containerized rail freight services; providing dedicated containerized LCL and FCL transport between Port Klang, Penang and Bangkok in Thailand.

PROJECT MANAGEMENT

FM's Project Management Department is equipped to handle the organisation and shipping of all oversized cargo.

CORPORATE INFORMATION

DIRECTORS

Datuk Dr. Hj. Noordin bin Hj. Abd. Razak
Chairman/ Senior Independent Non-Executive Director

Chew Chong Keat
Group Managing Director

Yang Heng Lam
Executive Director

Gan Siew Yong
Executive Director

Ong Looi Chai
Executive Director

Aaron Sim Kwee Lein
Independent Non-Executive Director

Chua Tiong Hock
Non-Independent Non-Executive Director

Khua Kian Keong
(Alternate Director to Chua Tiong Hock)

AUDIT COMMITTEE

Chairman
Datuk Dr. Hj. Noordin bin Hj. Abd. Razak
Senior Independent Non-Executive Director

Member
Chua Tiong Hock
Non-Independent Non-Executive Director

Aaron Sim Kwee Lein
Independent Non-Executive Director

REMUNERATION COMMITTEE

Chairman
Datuk Dr. Hj. Noordin bin Hj. Abd. Razak
Senior Independent Non-Executive Director

Member
Chew Chong Keat
Group Managing Director

Aaron Sim Kwee Lein
Independent Non-Executive Director

NOMINATION COMMITTEE

Chairman
Datuk Dr. Hj. Noordin bin Hj. Abd. Razak
Senior Independent Non-Executive Director

Member
Aaron Sim Kwee Lein
Independent Non-Executive Director

COMPANY SECRETARIES

Lim Hooi Mooi (f)
(MAICSA 0799764)

Wong Wai Foong (f)
(MAICSA 7001358)

REGISTERED OFFICE

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

HEAD / MANAGEMENT OFFICE

Wisma Freight Management
Lot 37, Lebuh Sultan Mohamad 1
Kawasan Perindustrian Bandar
Sultan Suleiman, 42000 Port Klang
Selangor Darul Ehsan, Malaysia
Tel : +603 3176 1111
Fax : +603 3176 2188
Website : www.fmmalaysia.com.my

PRINCIPAL BANKERS

Hong Leong Bank Berhad
HSBC Bank Malaysia Bhd
OCBC Bank (Malaysia) Bhd
RHB Islamic Bank Berhad

AUDITORS

BDO
(Firm No.: AF 0206)
Chartered Accountants

SOLICITORS

Wong Lu Peen & Tunku Alina
Advocate & Solicitor

REGISTRAR

Symphony Share Registrars Sdn Bhd
Level 6, Symphony House
Block D, Pusat Dagangan Dana 1
Jalan PJU 1A/46, 47301 Petaling Jaya
Selangor Darul Ehsan
Tel : +603 7841 8000
Fax : +603 7841 8151

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad
Stock Code : FREIGHT
Stock No. : 7210
(Listed on 2nd Board on 3 February 2005)

BOARD OF DIRECTORS

Datuk Dr. Hj. Noordin bin Hj. Abd. Razak

Aged 71, Malaysian • Male • Senior Independent Non-Executive Chairman

Appointed on 22 July 2004, he is also the Chairman of the Audit Committee, Remuneration Committee and Nomination Committee.

He obtained his degree in Bachelor of Arts in Sociology and Master of Arts in Sociology from the University of Malay in 1971 and 1989 respectively. He later obtained his Doctor of Philosophy ("PhD") from the Pacific Western University of USA in 1991. He is a fellow member of the British Institute of Management and a member of the Institute Management Consultant Malaysia.

He commenced his career as an Education Officer with the Ministry of Education in 1965. In 1972, he left the Ministry of Education to join the City Hall of Kuala Lumpur as Assistant Secretary. He was promoted to the position of Director General of City Hall of Kuala Lumpur in 1989 and assumed the post until his retirement in 2000. Besides contributing to more than 27 years in the socio-economic development, strategic planning and development of Kuala Lumpur, he also served in the Board of Directors of Urban Development Agency, PGK Sdn Bhd, Stadium Negara and Badan Seni Lukis Negara between 1988 and 2000.

He is presently involved primarily in non-governmental organisations, where he is the Chairman of various organisations such as University Malaya Alumni Association, and Institute Pemikiran Kreatif Malaysia (INSPEK). He is the National Vice Chairman of the Malaysian Red Crescent, member of Trustee of Institute of Sultan Iskandar University Teknologi Malaysia and member of the Institute of Islamic Understanding Malaysia (IKIM).

Chew Chong Keat

Aged 55, Malaysian • Male • Group Managing Director

Mr. Chew joined the Board on 20 March 1996 and is the Managing Director of the Group. He is one of the co-founders of the Group and serves on the board of all subsidiaries and associated companies of the Group. He is principally responsible for managing the Group's business and corporate affairs. With more than 30 years of experience in the provision of freight and logistics services, he is also the key person in setting directions for the Group's business strategies.

In 1984, he graduated from the University of Manchester, United Kingdom with a Bachelor degree in Economics. He also holds a Diploma from the Business Education Council National, United Kingdom and a Diploma of Competence in Freight Forwarding from the International Federation of Freight Forwarders (FIATA).

He is also a member of the Remuneration Committee of FMHB.

Yang Heng Lam

Aged 53, Malaysian • Male • Executive Director

Mr. Yang joined the Board on 20 March 1996 and also serves on the board of all subsidiaries and associated companies of the Group. He is principally responsible for the business development and operations of the Group, which includes exploring overseas market and overseeing the development of marketing and Group strategies.

He has more than 30 years experience in freight and logistics industry and has been instrumental in securing and maintaining major customers for the Group.

Gan Siew Yong

Aged 54, Malaysian • Female • Executive Director

Ms. Gan joined the Board on 20 March 1996 as Executive Director. She also serves on the board of several subsidiary companies of the Group. She is principally responsible for the export related services of the Group and is actively involved in rates negotiation and securing container space with the shipping lines. Equipped with more than 30 years experience, and together with the strong support from her team, she has been instrumental in the establishment of the Group's LCL consolidation business to all the major ports of the world.

Board of Directors

Ong Looi Chai

Aged 48, Malaysian • Male • Executive Director

Mr. Ong was appointed on 1 June 2006. He is currently responsible for the overall business and development of the northern region of West Malaysia and also East Malaysia.

Mr. Ong joined the Group in 1989 where he was attached to the Port Klang headquarter. In 1995, he took up the position of Branch Manager in Penang and has been instrumental in the growth and development of the Penang branch.

In 2008, he was also assigned to lead the business development of the Group's overseas offices in Thailand, Indonesia and subsequent new offices in other countries.

Aaron Sim Kwee Lein

Aged 50, Malaysian • Male • Independent Non-Executive Director

Mr. Sim was appointed to the Board on 3 December 2004. He is a Fellow member of the Chartered Association of Certified Accountants (UK), a Chartered Accountant of the Malaysian Institute of Accountant, a member of CPA Australia and a Chartered Member of the Institute of Internal Auditors Malaysia. He is a member of FMHB's Audit Committee, Remuneration Committee and Nomination Committee.

He commenced his career with an international accounting firm and gained professional exposure in stock-broking, trading, manufacturing and construction concerns. Thereafter, he joined a listed company on the Main Board of Bursa Securities, as an Internal Auditor where he was engaged in audit work of stock-broking, manufacturing, retail and distribution concerns. In addition, he was also involved in due diligence, operational rationalisation and strategic planning work of corporate acquisitions. Subsequently, he was the Finance & Administrative Manager in food retail franchise chain companies before heading the Corporate Strategies and Financial Affairs department of a glove manufacturing group. Thereafter, he has been involved in providing business and financial advisory services. Mr. Sim also serve on the board of Excel Force MSC Berhad and Frontken Corporation Berhad.

Chua Tiong Hock

Aged 63, Singaporean • Male • Non Independent, Non-Executive Director

Mr. Chua was appointed to the Board as a Director on 30 July 2007. He is a member of FMHB's Audit Committee.

Mr. Chua is also an Executive Director of Vibrant Group Limited, Singapore, a substantial shareholder of Freight Management Holdings Bhd.

He is also a director of Sabana Shari'ah Compliant REIT, as well as a number of other subsidiaries in the Freight Links Group.

He has wide-ranging experience in logistics, operations management and corporate development with various MNCs and local companies.

Mr. Chua obtained his Bachelor of Arts degree from the University of Singapore. He also holds a Graduate Diploma in Business Administration from the National University of Singapore and a Graduate Diploma in Personnel Management from the Singapore Institute of Personnel Management.

Khua Kian Keong

Aged 48, Singaporean • Male • Non Independent, Non-Executive Director (Alternate Director to Chua Tiong Hock)

Mr. Khua was appointed as Alternate Director to Mr. Chua Tiong Hock on 30 July 2007.

He is the Chief Executive Officer of Vibrant Group Limited, Singapore, a substantial shareholder of Freight Management Holdings Bhd.

He obtained his Bachelor of Science in Electrical Engineering and graduated cum laude from University of the Pacific, USA in 1987.

He is the currently the president of Singapore Metal and Machinery Association, a council member of the Singapore Chinese Chamber of Commerce & Industry, a council member and vice-chairman of Trade & Industry Committee at Singapore-China Business Association, a board member and head of External Affairs at Singapore Thong Chai Medical Institute. He also serves as a vice-president at Pei Tong Primary School advisory committee, an executive committee member at Singapore Ann Kway Association, and a vice-president at Nanyang Kuah Si Association. He is also a patron at Telok Blangah Citizens' Consultative Committee.

Mr. Khua is board chairman of Fujian Anxi No.8 Middle School, vice-president of Anxi Charity Federation and Anxi Fenglai Guitou Charity Federation. He was awarded "Outstanding Charitable Works Contribution" by Fujian Provincial Government, PRC.

Additional Information

FAMILY RELATIONSHIPS

Gan Siew Yong is the spouse of Chew Chong Keat.

DIRECTORSHIP OF PUBLIC COMPANIES

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

CONVICTIONS

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

Dear Valued Shareholders,

On behalf of the Board of Directors of Freight Management Holdings Bhd ("FMHB"), it gives me great pleasure once again to present to you our Annual Report and the Audited Financial Statements of the FMHB Group for the financial year ended 30 June 2016 ("FY2016").

CHAIRMAN'S STATEMENT

OVERVIEW

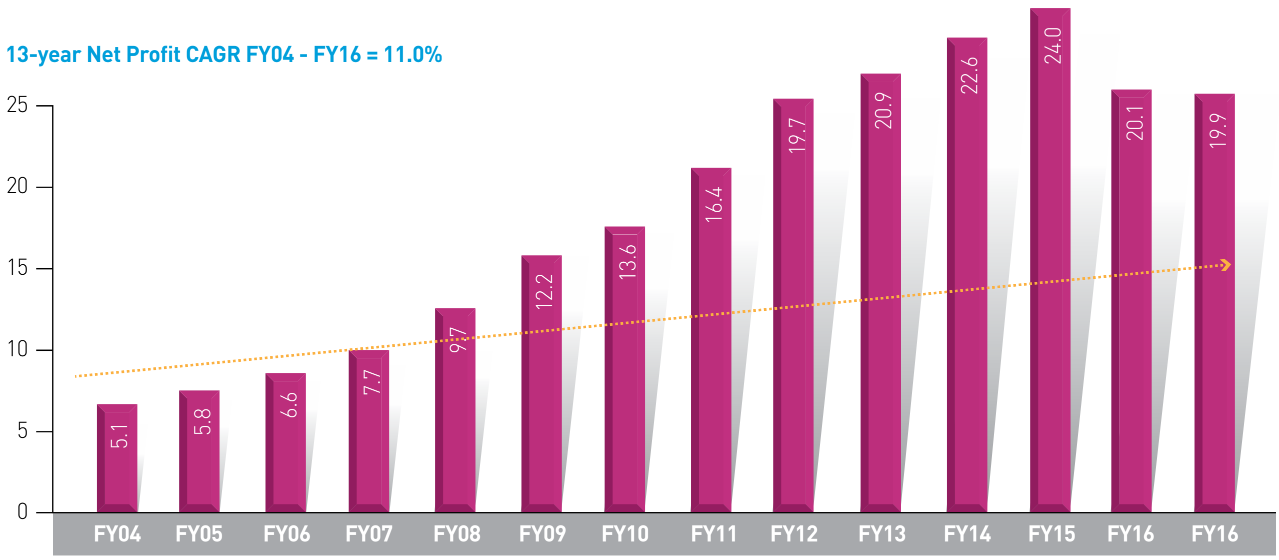
The weak economic landscape of the past few years had persisted throughout FY2016. During this period, the global economy was affected by a myriad of factors, including softer demand, financial instability, weak commodity prices and a continued decline in confidence, which was further exacerbated by unsettling events such as "Brexit" and ongoing geo-political issues. As a logistics service provider, we are inevitably exposed to this difficult economic environment, which has led to a slowdown in global trading activities. Nonetheless, I am pleased to report that FMHB has responded admirably to this challenge and once again turned in a positive and generally satisfactory financial performance in FY2016.

FINANCIAL PERFORMANCE

In view of the difficult market conditions, it comes as no surprise that we reported a slight 1.5% year-on-year ("y-o-y") decline in revenue to RM413.7 million in FY2016. This was mainly due to generally lower freight rates and flattish volume handled by the Group. Furthermore, lower activities reported by our Tug & Barge and Customs Brokerage divisions also contributed to the fall in revenue.

Despite the overall lower revenue, we were able to achieve a higher Gross Profit Margin of 28.4% in the financial year under review (FY2015: 25.9%), as we rigorously employed cost efficiency and improvement processes. This has lifted our profit performance and resulted in a 2.1% increase in our Group Profit before Tax, which rose to RM24.8 million from RM24.2 million previously. Profit after Tax and Non-controlling Interests, however, fell marginally to RM19.9 million, compared to the previous year's RM20.1 million.

The financial position of the FMHB Group remains robust with shareholders' funds of RM224.7 million (FY 2015: RM207.4 million) and net assets per share of 126 sen (FY2015: 120 sen) as at 30 June 2016. Whilst our borrowing level has increased due to the acquisition of an industrial property in Shah Alam worth RM50.0 million, we are currently generating an encouraging yield from this investment. We intend to re-develop this strategically located asset into a logistics facility in the future as part of our long-term growth plan.



SEGMENT PERFORMANCE

Sea freight remained as the largest revenue contributor to FMHB Group's total revenue, as it recorded revenue of RM262.9 million in FY2016, up a modest 1.2% from RM259.8 million in FY2015. Notably, thanks to better cost management and the excellent sales efforts of our team, we have lifted the Gross Profit for this segment by a commendable 15.5% y-o-y. Not to be left behind, our Land freight and Air freight segments also recorded significant growth in Gross Profit of 12.2% and 14.0% respectively.

As a leading integrated logistics solutions provider in the Southeast Asia Region, we are constantly improving and expanding on our suite of services and assets in order to serve our customers better and provide them with more value-added solutions. To this end, we have been investing significantly to enhance our Third-party Logistics ("3PL") operations. This includes the completion of our advanced 140,000 square feet new warehouse facility ("Lot 37B"), the refurbishment of warehouse Lot 24 to incorporate temperature control storage, and the conversion of our Butterworth warehouse to a bonded facility. With these initiatives, FMHB Group is well-positioned to provide various types of value-added cargo storage and management solutions for a variety of customers. Reflecting these measures, our Third-party Logistics & Warehousing services ("3PL") segment managed to record a 7.8% y-o-y growth in revenue in FY2016 to RM42.7 million. This segment is now the second largest revenue contributor to the FMHB Group.

Whilst our core freight businesses performed well, our supporting divisions such as Customs Brokerage and Haulage were affected by the softer volume. Our marine business, as represented by our Tug & Barge operations, also underperformed in FY2016, as it was significantly affected by lower demand and intense competition, which led to a 29.6% y-o-y fall in revenue. Unscheduled maintenance and repair expenses further impacted its performance, resulting in this division reporting losses for the year. Going forward, we will continue to monitor this division closely and exercise stringent cost controls, whilst raising the utilisation rate of our fleet of vessels, in order to return this division to profitability soonest possible.

Chairman's Statement

REGIONAL CONTRIBUTION

Our regional operations generally performed well, with the exception of our Tug & Barge business, which is based in Singapore. Regional operations contributed a total of RM106.6 million in revenue in FY2016 (FY2015 : RM104.9 million). This represents approximately 25.8% of total FMHB Group revenue (FY2015 : 24.9%).

Encouragingly, our overseas operations involved in freight services bucked the overall global downtrend and managed to grow their combined revenue by 8.8% y-o-y to RM92.8 million in FY2016. In particular, our operations in Indonesia and Vietnam have performed strongly. The main regional contributors in terms revenue were Australia (7.0% of FMHB Group revenue), Indonesia (6.2%) and Vietnam (3.4%). The smaller and up-and-coming contributors were India (2.3%), Thailand (2.1%) and Sri Lanka (1.4%). Another positive development is our Joint Venture in the Philippines, which turned in a good profit and declared its maiden dividend, after having commenced operations for only two years.

BUSINESS EXPANSION

Whilst we have an operating history of nearly three decades and have established ourselves as a major player in the regional logistics markets, we are acutely aware of the need to constantly invest in our businesses and expand our range of products and services. To this end, I am happy to announce that on 28 March 2016, we incorporated a new subsidiary, FM Hubwire Sdn Bhd ("FM Hub"). FM Hub is a joint venture with our associate company, Hubwire Sdn Bhd, and will spearhead our strategy of expanding into e-commerce logistics and fulfilment activities. FM Hub has commenced operations and offers services such as the provision of an e-commerce distribution platform for online merchants, inventory management, content management, customer service management, marketing support, warehousing and logistics services. FM Hub is beginning to make its mark in the e-commerce industry in Malaysia, and is seeing a progressive increase in the number of merchants that have signed up for its unique end-to-end services.

REWARDING SHAREHOLDERS

For FY2016, we have declared two interim single-tier dividends totaling 5 sen per share, which represents a payout ratio of approximately 43% of our net profit. The first interim single-tier dividend of 1.5 sen per ordinary share was paid on 28 July 2016, while the second interim single-tier dividend of 3.5 sen per ordinary share will be paid on 22 November 2016 to holders of ordinary shares whose names appear in the Record of Depositors at the close of business on 1 November 2016.

OUTLOOK AND FUTURE PROSPECTS

The global economy continues to be beset with uncertainty, exacerbated recently by "Brexit" and weaker consumer and investor confidence. Furthermore, dampened by uneven global growth and weak commodity prices, the global economy will continue to face headwinds. According to the International Monetary Fund ("IMF"), it had in July 2016 revised downward its 2016 projected world growth from 3.2% to 3.1%. Positively, however, the IMF expects an uptick in growth in 2017 to 3.4%. As for the emerging and developing Asia region, 2016 and 2017 growth is forecast at 6.4% and 6.3% respectively, noticeably lower compared to recent years. Back in Malaysia, our central bank expects full year 2016 GDP growth of 4.0% to 4.5%.

In term of global trade, the World Trade Organisation ('WTO") has significantly reduced its 2016 projected world trade growth to only 1.7%, composed to 2.8% in 2015. Ominously, in the first quarter of 2016, world trade had declined 1.1% quarter-on-quarter and 1.0% y-o-y. As for 2017, the situation is slightly better with a projected world trade growth of 1.8% and 3.1%, although this is still below the long-term average of 5% p.a. since 1990.

Notwithstanding the ongoing uncertainties in the global economy, FMHB expects its core freight operations to continue to contribute positively in

FY 2017, particularly our Sea freight, Air freight and Land freight divisions. Over the years, we have cemented our reputation as a valuable logistics partner to our customers, which has enabled us to handle a sizeable 100,000 twenty-foot equivalent units ("TEU") of cargo annually. Despite this large volume already handled by FMHB, we are confident that there is ample room for growth, as we believe we have less than 1% share of the regional freight market.

We continue to commit to long-term strategic investments and form new ventures both locally and in the region, in order for us to serve our customers better and to enhance our future growth. I am proud to say that, from being just a Malaysia-centric business when we first started, we now have a presence in 12 countries, many of which are emerging markets with excellent growth potential.

In conclusion, I am confident that FMHB will remain profitable in FY 2017, as we leverage on our strengths and take full advantage of an anticipated growth in the level of activities in the markets that we are in. Underpinned by the capable and proven stewardship of our management team, I strongly believe that the objectives set out by the Board of Directors can be successfully achieved and we will have a satisfactory performance in FY 2017.

APPRECIATION AND ACKNOWLEDGEMENT

On behalf of the Board, I would like to thank my esteemed colleagues, our management team and all our staff for their continuous commitment, loyalty and dedication to the Company. Our growth and future success will always be due to the combined efforts and team work from all of us.

Finally, I would like to express our sincere appreciation to all our business partners, financiers, vendors, customers and shareholders for your unwavering support over the years and I look forward to meeting our valued shareholders at the forthcoming Annual General Meeting on 29 November 2016.

STATEMENT ON CORPORATE SOCIAL RESPONSIBILITY

FM Group is firmly committed in becoming a truly responsible corporate citizen, and aims to achieve our goals in a fair, ethical and responsible manner, whilst making every effort to positively impact the communities and environment in which we operate. To achieve this, we strive to focus and give a positive impact to the following key areas:

MARKETPLACE

FM Group believes in providing high quality service where we treat clients as mutual partners and working with suppliers fairly and ethically. We operate a quality management system that is fully compliant with ISO 9001:2008.

HUMAN CAPITAL

In the current competitive environment, we believe our people are our greatest assets as they play a vital role in ensuring success of our business and plays the most important contribution to the FM Group's growth. We provided our people a fair and equitable remuneration and also carried out various activities to enhance knowledge, promote growth and to foster a sense of belonging. The Company has a policy of providing training for all level of staff. FM Group contributes to Human Resource Development Fund and is committed to the development and training of the employees to enhance their respective skills and competencies.

Statement on Corporate Social Responsibility

Among the various activities carried out during the year are:

- Conduct on the job training, in-house training and external training courses to improve practical skills and knowledge of our employees. Leadership and managerial trainings were also conducted to build up the teamwork.
- Employees were encouraged to pursue work-related courses to promote professional development.
- Staff gathering events during festive periods and special events such as Malaysia Day Celebration were conducted during the year to encourage networking and socialising among the colleagues and peers.

We have an in-house Health, Safety, Security and Environment ("HSSE") Committee which meets frequently to discuss on the safety and health related issues concerning the working environment and employees. The Committee from time to time provide safety and health awareness and programs for our employees in relation to a safe workplace.

COMMUNITY

FM Group continue to discharge our social responsibilities as a responsible corporate citizen. FM Group's continuous efforts in giving back to the community saw some initiatives where we offered assistance and contributions to the charitable organisations and welfare homes. We continue to donate to The Sherpherd's Centre Foundation which is a foster home for orphaned and underprivileged children. Besides that we have participated together with Assumption Orang Asli Ministry to assist the poorest of the poor Orang Asli community where we donated cash and daily essential needs.

We also contributed and donated cash to Dignity of Children Foundation.

ENVIRONMENT & WORKPLACE

In FM Group, we understand the importance of responsible HSSE management to the growth, profitability and long term success of the Company.

To promote our HSSE Policy, we have invested significant resources to ensuring a safe and healthy work environment for our employees and all those who are affected by our business operations.

This year, we organised a Malaysia-wide "Safety Day" together with our customers, partners, regulators and port authorities to spread the importance of "Safety". All our Malaysian Branches were involved and participated in it.

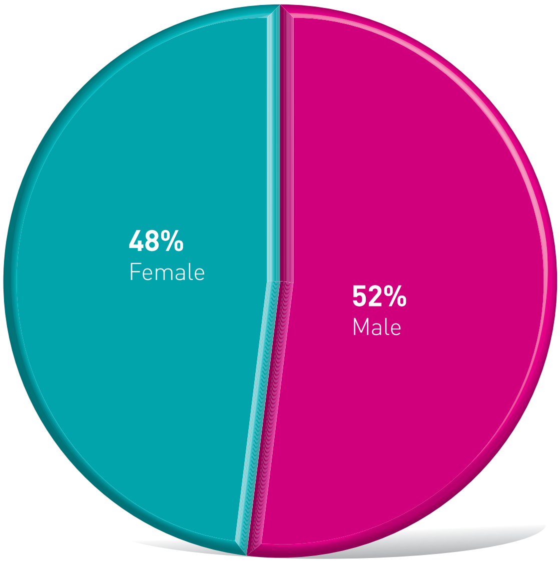
Continuous varied of company-wide processes such as awareness, communication, monthly safety tips and accident investigation programs were carried out during the year to improve our safety performance.

Consistently, regular health and safety training were conducted to instill HSSE awareness to the employees. Fire and emergency drills were carried out periodically to ensure continuous improvement to the safety practices.

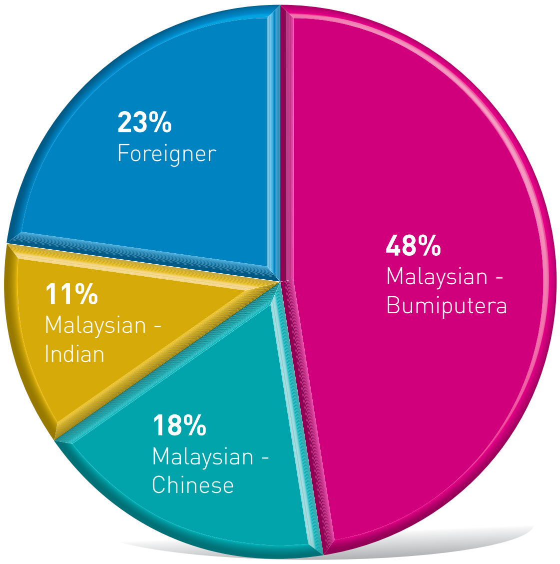
DIVERSITY POLICY

In FM Group, all appointments and employments are based on merits and not determined by gender, ethnicity and age bias. The current structure of gender, ethnicity and age of the employees of the Group are as follow:

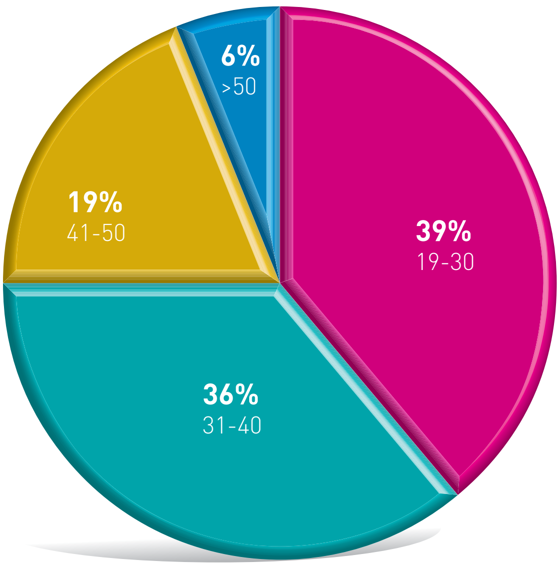
GENDER



ETHNICITY



AGE



AUDIT COMMITTEE REPORT

FORMATION

The Audit Committee was formed by the Board of Directors on 3 December 2004.

MEMBERS

The Audit Committee consists of the following members during the financial year:-

Chairman: Datuk Dr Hj Noordin Bin Hj Abd Razak
(Senior Independent Non-Executive Director)

Members: Aaron Sim Kwee Lein
(Independent Non-Executive Director)

Chua Tiong Hock
(Non-Independent Non-Executive Director)

MEETINGS AND ATTENDANCE

The Audit Committee held five meetings during the financial year. The attendance of the Committee members is as follows: -

Name of Audit Committee Member	Total meetings attended	Percentage of attendance (%)
Datuk Dr Hj Noordin Bin Hj Abd Razak	5/5	100%
Aaron Sim Kwee Lein	5/5	100%
Chua Tiong Hock	5/5	100%

The Audit Committee meetings were attended by the Committee members and Senior Management. The Managing Director and Executive Directors were also present at certain meetings as invitees. Other senior management may be invited as and when required. The Company Secretary acted as Secretary at the meetings to record and to maintain minutes of the proceedings of the meetings.

TERMS OF REFERENCE

1.0 Composition of the Audit Committee

1.1 The Audit Committee shall comprise at least 3 directors.

1.2 Alternate director shall not be appointed as members of the Audit Committee.

1.3 Majority of the Audit Committee shall be independent directors.

1.4 All members of the Audit Committee must be non-executive directors.

TERMS OF REFERENCE (CONT'D)

1.0 Composition of the Audit Committee (Cont'd)

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

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

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

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

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

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

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

2.0 Duties of the Audit Committee

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

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

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

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

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

2.4 To discuss problems and reservations arising from the interim and final audits, and any matter the auditor may wish to discuss (in the absence of management where necessary);

2.5 To review the external auditor's management letter and management's responses;

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

2.7 To consider any related-party transactions that may arise within the company or group;

2.8 To consider the major findings of internal investigations and management's response;

2.9 To consider other topics as defined by the Board;

2.10 Report promptly to Bursa Malaysia Securities Berhad on any matter the Audit Committee had reported to the Board of Directors, which was not satisfactorily resolved and/or resulted in a breach of the Listing Requirement of Bursa Malaysia Securities Berhad.

TERMS OF REFERENCE (CONT'D)

3.0 Rights of the Audit Committee

For the performance of its duties, the Audit Committee shall:-

(a) have authority to investigate any matter within its terms of reference;

(b) have the resources which are required to perform its duties and full access to information;

(c) have direct communication channels with the external auditors and the persons carrying out the internal audit function;

(d) be able to obtain external/independent professional or other advice at a cost to be approved by the Board of Directors and to invite outsiders with relevant experience to attend, if necessary; and

(e) be able to convene meetings with the external auditors, the internal auditors or both, excluding the attendance of other directors and employees of the listed issuer whenever deemed necessary.

4.0 Procedure of the Audit Committee

The Audit Committee shall regulate its own procedures as follows:-

4.1 The Audit Committee shall hold at least 4 meetings each financial year with due notice of issues to be discussed, and should record its conclusions in discharging its duties and responsibilities;

4.2 The head of finance, representative of internal audit and a representative of the external auditors should normally attend meetings. Other board members may attend meetings upon the invitation of the audit committee. However, the committee should meet with the external auditors without executive board members present at least twice a year.

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

4.4 The Chairman of the Audit Committee should engage on a continuous basis with senior management, such as the chairman, the chief executive officer, the head of finance, internal auditors and the external auditors in order to be kept informed of matters affecting the Company;

4.5 The quorum necessary for the transaction of business at an Audit Committee's meeting shall be two, the majority of members present must be independent directors;

4.6 Questions arising at any Audit Committee's meeting shall be decided by the majority votes of its members present. In case of an equality of votes, the chairman of the meeting shall have a second or casting vote;

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

4.8 The Company Secretary shall be the Secretary of the Audit Committee and the Secretary's duties amongst others shall include:-

(a) the custody, production and availability of inspection of such minutes; and

(b) the maintenance of particulars required for the preparation of the Audit Committee Report.

5.0 Internal Audit

- The internal audit function which is established should be independent of the activities it audits.
- Must reports directly to the audit committee.

SUMMARY OF ACTIVITIES

During the financial year, the activities of the Audit Committee include the following:-

- Reviewed and endorsed its Terms of Reference;
- Reviewed the quarterly unaudited financial results before recommending them for the Board's approval;
- Reviewed all recurrent related party transactions entered into by the Group and to ascertain that the transactions are conducted at arm's length and on normal commercial terms which are not more favourable to the related parties than those generally available to the public and not to the detriment of the minority shareholders;
- Reviewed the audit reports prepared by the Internal Auditors, considered their material findings and assess the Management's responses and actions thereto; and raised the necessary questions to the respective person in-charge to take the necessary improvement action to rectify the findings.
- Reviewed and discussed with the External Auditors the nature and scope of their audit plan to ensure that the audit plan is comprehensive before the commencement of audit especially on areas such External Auditors Audit Approach, Areas of Audit Emphasis, new MFRS standards briefing;
- Reviewed and discussed on the status of the audit with the External Auditors and their Audit Findings before recommending the audited financial statements for the Board of Directors' approval; and
- Reviewed the Company's compliance in the particular year's financial statement with the listing requirements of Bursa Securities, MFRS and other relevant legal regulatory requirements and discussed with the External Auditors on briefing of new MFRS/other standards and also new listing requirements that may have a significant impact on the financial statements, if any.

INTERNAL AUDIT FUNCTION AND SUMMARY OF ACTIVITIES

The internal audit function for the Group has been outsourced to an external consultant who has performed an independent review of the Group's various departments during the financial year.

The Internal Auditors (IA) of the Group reports directly to the Audit Committee and assists the Board in monitoring and managing risks and internal control system. The Audit Committee approves the internal audit plan and the scope of Internal Audit covering the relevant departments within the Group from time to time.

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

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

- Haulage and Workshop Management
- Warehouse Management
- Transport Management
- Workshop Management

Cost incurred for the internal audit function of the Group in respect of the financial year ended 30 June 2016 amounting to approximately RM48,000. (2015 : RM48,000)

STATEMENT ON CORPORATE GOVERNANCE

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

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

PRINCIPLE 1 - ESTABLISH CLEAR ROLES AND RESPONSIBILITIES

Clear Functions of the Board and Management

Board of Directors

The Board is responsible for the oversight and overall management of the Company. The Group acknowledges the important role played by the Board in the stewardship of its direction and operations, and ultimately enhancement of long-term shareholder value. The Board is also responsible for the overall corporate governance of the Group, including its strategic direction and overall well-being. In addition to matters required by law to be approved by the Board, the schedule of matters reserved for the Board's ultimate decision include, amongst others, the strategic plans/initiatives, annual business plan, dividend policy, expenditure of significant amounts, leadership selection, succession and remuneration planning, Board performance and composition, financial performance and reporting, investment/acquisition/disposal of company/assets and corporate responsibility of the Company. The Board may alter the matters reserved for its decision, subject to the limitations imposed by the Company's Articles of Association and law.

The key objectives of the Board are to:

- Oversee the conduct of the Company's businesses including the formulation of strategy and performance objectives, control and accountability systems, corporate governance framework, risk management practices and human capital management;
- Approve and monitor the progress of major capital expenditure, fund-raising, acquisitions and divestitures;
- Fulfill statutory and fiduciary responsibilities by monitoring the operational, financial and risk management processes of the Group;
- Ensure compliance with environment, safety and health legislation by understanding the operations being carried out by the employees as well as the hazards and risks associated with the Group's operations;
- Review the efficiency and quality of the Group's financial reporting process and systems of accounting and internal controls;
- Ascertain the independence of the external auditor;
- Monitor compliance with established policies and procedures; and
- Evaluate the performance of the various Board Committees.

To ensure the effective discharge of its fiduciary duties, the Board has delegated specific responsibilities to the respective Committees of the Board but retains full responsibility for the direction and control of the Group. The functions and terms of reference of Board Committees, as well as the levels of authority delegated by the Board to these Committees, are clearly set out by the Board.

The Board supports the principle that separate individuals for the Chairman and Group Managing Director ("GMD") positions is beneficial to the effective functioning of the Board and facilitates a powerful check and balance mechanism.

The roles and responsibilities of the Chairman and the Group Managing Director ("GMD") are separated and clearly defined. The Chairman leads the Board in setting the Group's key policies and direction, ensures effective operation of the Board and is the spokesperson for the Board. The GMD ensures effective implementation of the Board's policies, achieves strategic vision and performance targets, exercises high level of business judgement and manages the relationship with stakeholders and the interface with the public.

PRINCIPLE 1 - ESTABLISH CLEAR ROLES AND RESPONSIBILITIES (CONT'D)

Chairman

The Chairman of the Board's primary role is to preside over meetings of Directors and ensure the smooth functioning of the Board in the interest of good corporate governance. The Chairman is responsible for:

- leading the Board in its responsibilities for the business and affairs of the Company and its oversight of Management;
- overseeing the Board in the effective discharge of its supervisory role;
- the efficient organisation and conduct of the Board's function and meetings;
- facilitating the effective contribution of all Directors;
- briefing of all Directors in relation to issues arising at meetings;
- the promotion of constructive and respectful relations between Board members and between the Board and the Management;
- committing the time necessary to discharge effectively his/her role as Chairman; and
- ensuring that there is regular and effective evaluation of the Board's performance.

Group Managing Director

The Group Managing Director ("GMD") assumes overall responsibility for the execution of the Group's strategies in line with the Board's direction and drives the Group's businesses and performances towards achieving its vision and goals. The key roles of the GMD include, among others:

- developing the strategic direction of the Group;
- ensuring that the Group's strategies and policies are effectively implemented;
- ensuring that Board decisions are implemented and Board directions are adhered to;
- providing directions in the implementation of short and long term business plans;
- providing strong leadership by effectively communicating a vision, management philosophy and business strategy to the employees;
- keeping the Board fully informed of all important aspects of the Group's operations and ensuring information is distributed to the board members;
- ensuring high performance and productivity of top management staff by creating conditions for top management motivation, performance management and professional development;
- ensuring compliance with all relevant legislation and regulations by reviewing policies and monitoring compliance;
- developing and maintaining effective relations with significant external agencies such as regulatory bodies, government agencies, investing public and other trade associations and institutions; and
- Ensuring the day-to-day business affairs of the Group are effectively managed.

Clear Roles and Responsibilities

The Board is responsible for setting the strategic direction of the Group and monitoring the implementation of that strategy by the Management team, including:

a) Reviewing and adopting a strategic plan for the Company

The Board plays a pivotal role in reviewing and approving Management strategies and plans designed to pursue business objectives and ensuring that they continue to remain prudent in the context of the objectives of the business, the economic environment, available resources and reasonable achievability of results. The Board reviews and constructively challenges the management's views/assumptions in ensuring the best decisions are made after having considered all relevant aspects.

The Board via the Executive Directors ("EDs") deliberates annually the strategic plan proposed by the Management including the annual capital and revenue and profit budget for the ensuing year. This will ensure that the plans correspond with the overall business objectives established and continue to be appropriate in the context of the business opportunities being pursued. To ensure the achievement of the Group's overall strategic direction, these targets are cascaded down to the respective division team members.

PRINCIPLE 1 - ESTABLISH CLEAR ROLES AND RESPONSIBILITIES (CONT'D)

Clear Roles and Responsibilities (Cont'd)

a) Reviewing and adopting a strategic plan for the Company (Cont'd)

Furthermore, monthly review of the financial performance and quarterly review of the business plan as well as of the budget was conducted by EDs whereby comparison of approved targets against the Company's actual performance was made. This ensures that the financial performance and the business of the Company are properly managed and the shareholders' values are safeguarded.

The Board via the EDs who review the sustainability of the strategic direction of respective divisions to ensure the Group achieves the targets in line with the business landscape. The Board reviews the Company's funding requirements and finance matters on a continuing basis including reviewing the capital and solvency positions of the Group, approving major financing arrangements as well as approving dividend policy and dividend payments.

Based on the annual evaluation for the financial year under review, the Board concurs that it has reviewed the Company's strategic and financial plan as well as monitored its implementation procedures in achieving the Company's objectives.

b) Overseeing the conduct of the Company's business

The Board provides entrepreneurial leadership and specifies the parameters within which Management decisions are to be made. High integrity practice is adopted by all the Board members to avoid improper use of information, conflict of interest, secret profit, contract with the Company and any other corrupt activities. The Company has also adopted a Whistleblowing Policy and also Anti-Bribery Policy.

c) Identifying principal risks and ensuring the implementation of appropriate internal controls and mitigation measures

The Board through the Audit Committee ("AC") is responsible for reviewing principal risks as well as establishing appropriate controls and action items to ensure that obligations to shareholders and other stakeholders are met. The AC assists the Board in overseeing the establishment, implementation and effectiveness of the Group's risk management system by undertaking the following functions:

- Review major risks the Group is likely to be exposed to;
- Review risk management resources, structures and processes and consider and approve changes;
- Monitor compliance with all legal, tax and regulatory obligations;
- Review and ratify systems of risk management and internal compliance and controls, codes of conduct, continuous disclosure, legal compliance and other significant corporate policies annually; and
- Review the effectiveness of the Group's implementation of its risk management processes.

Details of the risk management framework are set out in the Statement on Risk Management and Internal Control on pages 37 to 40 of this Annual Report. Based on the assessment for the current financial year, the Board agrees that it has discharged its roles in identifying principal risks and in ensuring that an adequate risk management framework is in place within the Group to effectively monitor and manage the risks of the Group's businesses.

d) Succession planning

The Board via Nomination Committee ("NC") has been entrusted with the responsibility to review candidates for appointment to the Board. The NC formulates the nomination, selection and succession policies for the Group and has been tasked to review and make recommendations to the Board on the following:

- Board competencies, composition and profile of board members;
- Appointment, re-election and retirement of board members;
- Induction program for new board members and ongoing training programs; and
- Performance evaluation of the board as a whole and of the individual members.

PRINCIPLE 1 - ESTABLISH CLEAR ROLES AND RESPONSIBILITIES (CONT'D)

Clear Roles and Responsibilities (Cont'd)

d) Succession planning (Cont'd)

The progress related to succession planning and development programs of the Group are closely monitored by the EDs and reported periodically to NC. Based on the annual evaluation for the financial year under review, the Board concurs that the succession planning has been appropriately developed for the GMD and top Management as well as for the Company's future leaders.

The NC also on an annual basis evaluates the performance of the GMD and the top Management, whose remuneration is directly linked to their respective performances. The GMD's remuneration package is reviewed by the RC to reflect the contributions made towards the Group's achievements for the year and it subsequently submits views and recommendations to the Board for its decision and approval. The remuneration of the key management personnel is directly linked to performance and hence, the performance bonus for the year would be determined by the EDs based on their performance ratings and achievements.

The Board is satisfied that the NC and RC has efficiently discharged its duty pertaining to the nomination, remuneration and succession management functions.

e) Development and implementation of a shareholder communications policy for the company

FMHB continuously maintains its commitment to pursuing the highest standards of corporate disclosure through the dissemination of accurate, consistent, transparent and timely information to its stakeholders. FMHB maintains a website at www.fmgloballogistics.com ("the website of the Company") which can be conveniently accessed by the shareholders and the general public. The Group's website is updated from time to time to provide the latest information about the Group, including press releases, corporate announcements and quarterly announcements of the Group's results. Currently, the Company has also put in place the Internal Corporate Disclosure Procedures which provides guidance to the Board, Management and employees of the Company's disclosure requirements and practices on the preparation and submission of timely, true and fair financial disclosures and material announcements to Bursa Malaysia. This would enhance the Company's compliance, accountability and timely disclosures to all the shareholders and stakeholders.

Based on the annual evaluation for the financial year under review, the Board agrees that the investor relations efforts have been executed successfully by the Management.

f) Reviewing the adequacy and the integrity of the management information and internal controls system of the Company

The Board delegated to the GMD and other EDs on the responsibility of ensuring that a sound reporting framework of internal controls and regulatory compliance is in place throughout the Company. Based on the annual evaluation for the financial year under review, the Board collectively concurs that it has discharged its roles through the AC, whereby regular meetings were held in reviewing the effectiveness of the Company's internal control system. The review covers the Group's financial, accounting and reporting policies and practices, reports of the internal and external auditors and the adequacy of the system of internal controls to safeguard the shareholders' interests and Group's assets.

The Group's Statement on Risk Management and Internal Control, which provides an overview of the state of internal controls within the Group, is set out on pages 37 to 40 of this Annual Report.

Formalised Ethical Standards through Code of Ethics

The Company has put in place a Corporate Code of Business Conduct & Work Ethics Policy ("Code of Ethics") formalising the standard and behaviour expected of officers and employees of the Group. The areas covered in the Code of Ethics include conflicts of interest, bribery and corruption, gifts, entertainment and travel and dealing with counterparts and business partners. The Code of Ethics also covers areas on guidance resource and on raising concerns or reporting a violation.

PRINCIPLE 1 - ESTABLISH CLEAR ROLES AND RESPONSIBILITIES (CONT'D)

Formalised Ethical Standards through Code of Ethics (Cont'd)

FMHB's Code of Ethics defines how FMHB relates to its shareholders, employees, customers, suppliers and the communities in which it operates. Compliance with the provisions in the Code of Ethics is mandatory for all Directors and employees of the Group and where applicable, counterparts and business partners. Violations of the Code of Ethics may result in disciplinary action and dismissal. Violations of the Code of Ethics that are related to criminal acts may result in prosecution after referral to the appropriate authorities.

The Group is committed in conducting its business with honesty and integrity and as a check and balance mechanism, the Group has implemented a Whistleblowing Policy ("WP"). The WP enables employees and other stakeholders to raise concerns in a responsible manner regarding any wrongdoings or malpractices without being victimised or discriminated, and to have such concerns properly investigated. The WP is to be reviewed and revised by the Chairman of the AC every two years to ensure continued efficacy and provides guidance on, amongst others, the Management oversight and reporting responsibility, no retaliation principle and protection afforded to whistleblowers for reports that are made in good faith. The Group is committed to preserving the confidentiality of the whistleblower to the fullest extent possible, unless disclosure is required by law.

The WP prescribes in detail the various reporting channels that are available to employees internally. These include the normal escalation process through normal reporting lines to relevant Division Heads ,the GMD and also Chairman of AC.

Access to Information and Advice

The Board meets at least five (5) times a year and additional meetings are held as and when necessary. Meeting agendas are arranged in such a way taking into consideration the complexity of the proposals and whether they are items for approval or noting by the Board in order for Board meetings to be more effective and to enable in-depth deliberation of matters.

The management must supply the Board and Committees with information in a form, timeframe and quality that enables them to effectively discharge their duties. Board materials and information (i.e. agenda, Board papers, minutes, etc.) are provided to the Board members at least five (5) working days in advance prior to a Board meeting to enable the Directors to review and consider the agenda items to be discussed at the Board meeting.

Papers deemed urgent may still be submitted to the Company Secretaries for tabling at Board meetings, subject to the approval of both the Chairman and the GMD. Board materials are also disseminated electronically which provides Directors with access to meeting papers globally. This allows Directors to access board materials before receiving the hardcopies, while travelling. In addition to financial information, other information deemed suitable such as new statutory and regulatory requirements concerning their duties and responsibilities, risk management updates and other operational related issues are also provided. The Board papers, among others, include the following:

- Minutes of meetings of all Committees of the Board;
- Quarterly performance report of the Group;
- Updates from authorities such as Bursa Malaysia Securities Berhad, Securities Commission, Companies Commission of Malaysia on statutory regulations and requirements affecting the Group; and
- Relevant market information for decision making.

Senior Management staff or professional advisers appointed by the Company to advise the Company on its corporate proposals may be invited if necessary to attend the Board meetings and to provide the Board with explanation and clarifications to facilitate informed decision making on any matters. These matters include the approval of the annual company plans, major acquisitions or disposal of a business or assets and changes to management and control structure of the Group, namely, key policies and authority limits. In addition, schedule of matters reserved will be formalised specifically for the Board's future decision making.

Directors are entitled to request and receive such additional information as they consider necessary to support informed decision-making. Any Director has the authority to seek any information he or she requires from any employee of the Group and all employees must comply with such requests. It is expected that any significant issues are communicated to the Chairman, GMD, Group Financial Controller or Company Secretaries. Any Director may take such independent legal, financial or other advice as they consider necessary at FMHB's cost. Any Director seeking independent advice must first discuss the request with the Chairman who will facilitate obtaining such advice and, where appropriate, dissemination of the advice to all Directors.

PRINCIPLE 1 - ESTABLISH CLEAR ROLES AND RESPONSIBILITIES (CONT'D)

Qualified and Competent Company Secretaries

Both Company Secretaries of the Company are qualified to act as company secretary under Section 139A of the Companies Act, 1965. They are members of the Malaysian Institute of Chartered Secretaries and Administrators ("MAICSA").

The Company Secretaries are responsible for advising the Board and providing good information flow and comprehensive practical support to Directors, both as individuals and collectively. All Directors have access to the advice and services of the Company Secretaries, whom have the relevant working experience and whose appointment and removal is a matter for the Board as a whole.

The Company Secretaries attend all Board and Board Committee meetings and ensures that there is a quorum for all the meetings and are also responsible for ensuring that all the meetings are convened in accordance with the Board procedures and relevant terms of references. Besides that, the Company Secretaries have also the following key responsibilities:

- Draft the schedule of Board activities for the financial year;
- Assist the Chairman in planning the Board's activities;
- Draw up meeting agendas in consultation with the Board Chairman and maintain the minutes;
- Ensure structured communication channels between the Board and Board Committees;
- Ensure proceedings of meetings are recorded and the minutes circulated in a timely manner; and
- Brief and update the Board on changes in regulatory requirements on the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad on and when changes occur.

Board Charter

To fulfil its role, the Board has adopted a Board Charter which defines the role, responsibilities, functions and authority of the Board and Management of the Group. The Board Charter was revisited and reviewed by the Board in August 2016 and amendments made to it to align with the amendments to the Listing Requirements ("Listing Requirements") and in response to new regulations that may have an impact on the discharge of the Board's responsibilities. The Board Charter is to be reviewed periodically to ensure its relevance. The Board Charter can be found in the Company's website (www.fmgloballogistics.com).

Board Composition

The Board currently consists of seven (7) Directors as listed below:-

- One (1) Chairman/Independent Non-Executive Director;
- One (1) Independent Non-Executive Director;
- Four (4) Executive Directors; and
- One (1) Non-Independent Non-Executive Director.

The profiles of the members of the Board are set out on pages 6 to 9 in this Annual Report.

Board Committees

The Board has established and delegated certain responsibilities to the Board Committees, namely AC, NC and RC, which operates within defined TOR and operating procedures, details of which are set out in this Statement. From time to time the Board reviews the functions and terms of reference of Board Committees to ensure that they are relevant and updated in line with the latest provision of the MCCG 2012 and other related policies or regulatory requirements.

PRINCIPLE 2 - STRENGTHEN COMPOSITION

Nomination Committee

Composition of the Committee

The NC was established on 24 February 2005 and comprises the following members who are exclusively independent directors:

- Datuk Dr Hj Noordin Bin Hj Abd Razak (Chairman of the Committee); and
- Aaron Sim Kwee Lein (Member of the Committee)

The MCCG 2012 recommends that the Chair of the NC should be the Senior Independent Director identified by the Board. Datuk Dr Hj Noordin Bin Hj Abd Razak has been identified as the Senior Independent Director for which any concerns of the Group may be conveyed to him. The main duties and responsibilities of the Senior Independent Director of the Company are to serve as the point of contact between the Independent Directors and GMD on sensitive issues and to act as a designated contact to whom shareholders' concerns or queries may be raised, as an alternative to the formal channel of communication with shareholders. For any concerns or queries regarding the Group, the shareholders may convey to the Senior Independent Director of the Company via the following channels:

Mail	:	FREIGHT MANAGEMENT HOLDINGS BHD Lot 37, Lebuh Sultan Mohamad 1, Kawasan Perindustrian Bandar Sultan Suleiman, 42000 Port Klang.
Attention	:	Datuk Dr Hj Noordin Bin Hj Abd Razak
Tel	:	603 3176 1111
Fax	:	603 3176 2188
Email	:	gen@fmgloballogistics.com

Roles of the Committee

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

The duties and functions of the NC encompass the following:

- Recommend to the Board, candidates nominated by shareholders or the Board for directorships to be filled;
- Recommend to the Board, directors to fill seats on board committees;
- Review periodically the required skills and experience and other qualities and core competencies non-executive directors should bring to the Board; and
- Assess periodically the effectiveness of the Board as a whole and the contribution of each individual director.

Nomination and Recruitment Process

The NC shall nominate or consider candidates nominated for appointment to the Board and Board Committees. Prior to the submission of its recommendations to the Board on the selection and appointment of Directors, the NC shall consider the following criteria in search of the suitable candidates:

- Personal integrity/reputation;
- Relevant educational background;
- Skills, knowledge, experience, expertise in line with the Company's strategy/business operation/industry;
- Diversity in terms of age, gender and background;
- Current directorships of companies held;
- Director's independence;
- Existing commitments; and
- Potential conflict of interest/risk.

PRINCIPLE 2 - STRENGTHEN COMPOSITION (CONT'D)

Nomination and Recruitment Process (Cont'd)

The NC also makes necessary checks prior to the appointment of a Director, which includes checks as to the individual's character and bankruptcy history. Having considered all aspects, the NC shall then submit its recommendations to the Board for its approval. The decision on new appointment of directors rests with the Board after considering the recommendation of the NC.

The NC would meet with the shortlisted candidate(s) as part of the selection process to consider other factors, which include the candidate's ability to commit sufficient time and energy to FMHB's matters, and ability to satisfy the test of independence taking into account the candidate's character, integrity and professionalism. The proposed candidate will be required to confirm that he or she meets the criteria for an independent director as prescribed in the Listing Requirements and its Practice Note 13 prior to recommending to the Board for approval of his or her proposed appointment as a member of the Board.

Whenever there is an appointment of a Director, a letter of appointment is issued and the Company Secretaries shall do the necessary as authorised by the Board to ensure that the appointment is in accordance with the statutory requirements and as prescribed by the Listing Requirements. All necessary information will be obtained from the newly appointed Director for the Company's records and for meeting the statutory requirements and other applicable rules and regulations. The recruitment process concludes with an induction program to equip the Director with the required knowledge and understanding of the Group's businesses and operations.

Re-appointment or Re-election of Directors

The NC ensures that the Directors retire and are re-appointed/re-elected in accordance with the relevant laws and regulations and the Articles of Association of the Company. Based on FMHB's Article 109 of the Articles of Association provides that one-third (1/3) of the Directors shall retire from office at each Annual General Meeting ("AGM") and all Directors shall retire from office at least once in every three (3) years but may offer themselves for re-election. This will provide an opportunity for shareholders to renew their mandates. To assist shareholders in their decision, sufficient information such as the personal profile and the meetings attendance of each Director are furnished in the Annual Report. A retiring Director is eligible for re-election.

The Directors' performance is used as a main basis for recommending their re-election and re-appointment to shareholders. This, in turn, is determined by their annual evaluation and independence assessment, which is assessed by the NC before a recommendation is submitted to the Board for deliberation and approval.

Through its annual evaluation and considering criteria which include professionalism, breadth of experience/expertise, material relationship, competency and time commitment to perform their duties, , the Board and NC are satisfied that the Directors who are standing for their re-election, re-appointment and continuation in office at AGM 2016 have met the Board's expectations by continuously performing their duties diligently as Directors of the Company. The Directors seeking re-election at the AGM are listed in the Notice of AGM and are recommended by the NC and the Board.

Board Composition and Diversity

The Board recognises that gender diversity is of importance to the boardroom diversity and will continue to encourage and support for more women participation on the Board. Currently, the Board has one (1) female director. The Board through the NC will review the proportion of the female to male board members during the annual assessment of the Directors' performance taking into consideration the appropriate skills, experience and characteristics required of the Board members, in the context of the needs of the Group. The Board also embraces age diversity to encourage diversity in perspectives and balance the Board's insight, experience and approach to decision making.

PRINCIPLE 2 - STRENGTHEN COMPOSITION (CONT'D)

Board Performance Evaluation

The Board, through its delegation to the NC, had implemented the process for an annual effectiveness assessment of the Board, Board Committees and the contribution of each Director to the effectiveness of the Board. The objective is to improve the Board's effectiveness by identifying gaps, maximising strengths and addressing weaknesses.

The process is internally facilitated and conducted by way of questionnaires circulated to the Board covering a variety of aspects associated with board effectiveness, such as board structure, board operations and interaction, board roles and responsibilities, understanding the committees' roles, mix of skills and knowledge and commitment of Members. These questionnaires are designed to recognise the Board's strengths and to identify gaps or areas for improvement for the Board and its Committees. The effectiveness of the Board is assessed in the areas of the Board's responsibilities and composition, meeting process, administration and conduct, interaction and communication with Management and stakeholders and Board engagement, as well as the effectiveness of the Chairman and the GMD. The effectiveness of the Board Committees is assessed in terms of structure and processes, accountabilities and responsibilities, as well as the effectiveness of the Chairman of the respective Board Committees.

The NC also approved the performance criteria for the peer assessment of individual Directors under board dynamics and participation, competency and capability, exercise of independent judgement and objectivity with integrity, as well as contribution and performance. The questionnaire is intended to assess their contribution, performance, calibre and personality in relation to the skills, experience and other qualities they bring to the Board and/or Board Committees. This process also examines the ability of each Board or Committee member to give input at meetings and to demonstrate a high level of professionalism and integrity in the decision-making process. It also takes into account the ability of each individual Director and Board Committee member to exercise independent judgement.

Completed questionnaires and the responses of each Director as well as the findings of the evaluation are collated into a report. The report on the Board's performance is provided to the NC and all Directors individually while report on the Committee's performance is provided to the NC. These findings are deliberated by the NC and subsequently by the Board and the key issues arising from the evaluation are identified for further discussion or action. This annual evaluation has produced significant improvements in the Board's processes and overall efficiency.

Based on the recent annual assessment, the Directors were satisfied that they have fulfilled their responsibilities as members of the Board and Board Committees as well as their contribution towards the Group's direction, strategy and planning.

During the financial year, the NC met one (1) time to conduct the annual review on the Directors' core competencies, contribution and effectiveness.

Remuneration Committee

Composition of the Committee

The RC was established on 24 February 2005 to assist the Board in determining and developing a remuneration policy for Directors. The members of the RC are:

- Datuk Dr Hj Noordin Bin Hj Abd Razak (Chairman of the Committee);
- Aaron Sim Kwee Lein (Member of the Committee); and
- Chew Chong Keat (Member of the Committee).

PRINCIPLE 2 - STRENGTHEN COMPOSITION (CONT'D)

Roles of the Committee

The roles of the RC, in accordance with its TOR, include:

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

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

Director Remuneration Framework

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 that of the EDs.

In the case of the ED, 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.

Details of the remuneration packages for the Directors of the Group for the financial year ended 30 June 2016 are as follows:

	Executive Directors (RM)	Non-Executive Directors (RM)
Directors' fees*	216,000	201,600
Meeting allowance	18,250	28,000

* Subject to the approval of shareholders.

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

Range of Remuneration (RM)	Number of Directors	
	Executive	Non-Executive
50,001 to 100,000		3
850,001 to 900,000	1	
1,350,001 to 1,400,000	1	
1,750,001 to 1,800,000	2	

PRINCIPLE 3 - REINFORCE INDEPENDENCE

FMHB's Board currently consists of two (2) Independent Non-Executive Directors. The Independent Directors fulfill the criteria of independence as prescribed under Paragraph 1.01 of the Listing Requirements. The independent directors are individuals of calibre, credibility and have the necessary skills and experiences to provide independent and unbiased view and advice on the strategy, performance, resources and standards of conduct of the Group. In addition, due to active participation of all the Directors, no individual or small group of individuals dominate the Board's decision making process.

Independence Assessment of Independent Directors

The Board has considered the independence of each Independent Non-Executive Director in office as at the date of the Annual Report and has concluded that the independence criteria as set out in the Listing Requirements have been met by each Independent Non-Executive Director. The Board is generally satisfied that each Independent Non-Executive Director remains independent in character and judgement and is free from relationships or circumstances which are likely to affect or could appear to affect the Director's judgement.

One of the recommendation of the MCCG 2012 states that the tenure of an independent director should not exceed a cumulative term of nine (9) years. The Board of Directors have determined, after the board assessment carried out that Datuk Dr Hj Noordin Bin Hj Ab Razak and Mr Aaron Sim Kwee Lein, who have served the Board for more than nine (9) years, have remained objective and independent in expressing their views in deliberations and decision making on the Board and Board Committees. The length of their service does not in any way interfere with their exercise of independent judgement and ability to act in the best interest of the Company.

All the abovenamed two (2) Independent Non-Executive Directors have provided confirmations of their independence to the NC. The NC and the Board are confident that all the abovenamed two (2) Independent Directors will continue to discharge their duties diligently, independently and objectively notwithstanding their tenure on the Board based on the following reasons:

- They fulfill the criteria as Independent Directors as defined in the Listing Requirements of Bursa Malaysia and therefore are able to bring independent and objective judgement to the Board;
- Their mix of skills and vast experiences in the various industries of the Company and finance related field enable them to provide the Board with a diverse set of experience, expertise, skills and competence;
- They understand the Company's business operations which allow them to participate actively and contribute positively during deliberations or discussions at both the Committees and Board meetings;
- They devote sufficient time and effort and attend all the Committees and Board meetings for informed and balanced decision making; and
- They exercise due care as Independent Directors of the Company and carry out their professional and fiduciary duties in the interest of the Company, shareholders as well as stakeholders.

PRINCIPLE 4 - FOSTER COMMITMENT

Time Commitment

Each Director has devoted his or her time sufficiently in carrying out his or her responsibilities. The Board Charter states that a Director, upon acceptance of his appointment, must commit sufficient time to carry out his or her duties and declare to the Board details of all other significant business and interests, indicating broadly the time spent on such commitments. In their acceptance letters as a Director on the Board, the Directors undertake to devote sufficient time to carry out their responsibilities as a Director of the Company. Details of attendance of the Directors at Board Meetings held during the financial year are as follows:-

Name of Directors	Attendance
Datuk Dr Hj Noordin Bin Hj Ab Razak	5/5
Chew Chong Keat	5/5
Yang Heng Lam	4/5
Gan Siew Yong	5/5
Aaron Sim Kwee Lein	5/5
Ong Looi Chai	4/5
Chua Tiong Hock	5/5
Khua Kian Keong (Alternate Director to Chua Tiong Hock)	N/A

All Directors have complied with the minimum requirement on attendance at Board meetings as stipulated in the Listing Requirements ("minimum 50% attendance").

Directors have the duty to:

- notify the Chairman on the new directorship before accepting any other new directorship in public and private companies.
- must inform the Company Secretaries of any subsequent changes to his or her commitments and the Company Secretaries is to monitor the number of directorships and the changes, if any, of each Director on the Board.
- declare their directorships and/or interests in other public and private companies upon appointment and on an annual basis.
- notify the Company of any subsequent change in their directorships and/or interests in public and private companies upon appointment and on an annual basis. The Company will subsequently notify the other Directors upon receiving notice of such changes.

To date, the Directors of FMHB have complied with the Listing Requirements of holding not more than five (5) directorships in listed companies. The Board is satisfied that the current number of directorships held by the Board Members do not impair their ability or judgement in discharging their roles and responsibilities.

Professional Development

All Directors had attended the Mandatory Accreditation Programme prescribed by Bursa Malaysia Securities Berhad. The Board acknowledged the importance of continuing professional development for its Directors to ensure they are equipped with the relevant and necessary skills and knowledge and ensuring they remain up to date with development of the business and industry that the Company operates for them to discharge their roles and responsibilities. The Directors are empowered by the Board to evaluate and assess his own individual training needs and are encouraged to attend seminars to further enhance their business acumen and professionalism in discharging their duties effectively.

PRINCIPLE 4 - FOSTER COMMITMENT (CONT'D)

Professional Development (Cont'd)

The Board attends internal briefing conducted by the Company Secretaries on amendments to Listing Requirements, updates on rules and regulations of other statutory authorities as well as on the Financial Reporting Standards by the External Auditors. A brief description of some of the external training that Directors attended during the financial year is set out below:

Name of Directors	Conference/Training Programme Attended
Datuk Dr Hj Noordin Bin Hj Abd Razak	• Cargo World Network Seminar & Conference
Chew Chong Keat	• Cargo World Network Seminar & Conference
Yang Heng Lam	• Halal – Internal Audit Workshop • International Maritime Dangerous Code – Functions Specific • Cargo World Network Seminar & Conference • Cargo Partners Network International Seminar & Conference
Gan Siew Yong	• International Maritime Dangerous Code – Functions Specific • Cargo Partners Network International Seminar & Conference
Aaron Sim Kwee Lein	• GST Conference 2015
Ong Looi Chai	• Halal – Internal Audit Workshop • International Maritime Dangerous Code – Functions Specific Dangerous Goods Awareness • Cargo Partners Network International Seminar & Conference
Chua Tiong Hock	• Cyber Security Series – Real World Cyber Issues and Combating the Threats in Real-Time • Cyber Security Series – understanding the Cyber Threat Landscape – Developing Risk Sensing in the Organisation
Khua Kian Keong (Alternate Director to Chua Tiong Hock)	NIL

PRINCIPLE 5 - UPHOLD INTEGRITY IN FINANCIAL REPORTING

Audit Committee

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

Financial Reporting

In presenting the annual financial statements and the quarterly announcements to shareholders, the Board has taken reasonable steps to ensure the financial statements give a true and fair reflection of the Group's position and prospects. Before the financial statements were drawn up, the Directors have taken the necessary steps to ensure all the applicable accounting policies are applied consistently and that policies are supported by reasonable and prudent judgement and estimates. This also applies to circulars to shareholders and other documents that are submitted to the authorities and regulators. The role of the AC in relation to financial reporting is disclosed in the Audit Committee Report as set out on pages 17 to 20 of this Annual Report.

The Board is assisted by the AC in scrutinising the financial statements and information for disclosure to ensure accuracy, adequacy and completeness. Accurate and reliable financial statements are a key outcome of a sound system of internal control and towards this end, the AC considered the following on a regular basis:

- Changes in accounting policies and practices and implementation thereof;
- Significant adjustments arising from the external audit process;
- Going concern assumption;
- Adequacy and appropriateness of disclosure.

PRINCIPLE 5 - UPHOLD INTEGRITY IN FINANCIAL REPORTING (CONT'D)

Financial Reporting (Cont'd)

The AC also met with the external auditors without the presence of Management except for the Company Secretaries. This is the forum at which the external auditors highlight, among other matters, any concern they may have on the compliance aspect of the financial statements.

The Directors' responsibility statement in respect of the preparation of the annual audited financial statements is set out on page 42 of this Annual Report.

Internal Control

Information on the Group's system of internal control is presented in the Statement on Risk Management and Internal Control as set out on pages 37 to 40 of this Annual Report.

Relationship with External Auditors

The role of the AC in relation to the external auditors is disclosed in the Audit Committee Report as set out on pages 17 to 20 of this Annual Report. The Company maintains a close and transparent relationship with its auditors in seeking professional advice and ensuring compliance with the approved accounting standards in Malaysia.

The AC meets with the external auditors at least twice a year to discuss any issues arising from their audits without the presence of the Management. For the financial year 2016, two (2) sessions between the AC and the external auditors were held for greater exchange of views and opinions between both parties in relation to financial reporting. AC also reviewed the external auditor's Audit Plan which summarises the responsibilities and the scope of work for the financial year ended 30 June 2016 and discuss the audit approach for 2016, focusing on the areas of emphasis, reporting and audit timetable.

The AC considered the suitability and independence of the external auditor during the discussion of the Group Audit Plan for the financial year ended 30 June 2016. The AC considered several factors including the adequacy of experience and resources of the firm and professional staff assigned to the audit and the level of non-audit services to be rendered by the external auditors to the Group for the financial year under review. Open communication and interaction are engaged by both AC together with the lead audit engagement partner and engagement team through discussions at private meetings, which demonstrated their independence, objectivity and professionalism. In the course of the audit,the external auditors will also highlight to the AC and the Board on matters that require the AC's or the Board's attention together with the recommended corrective actions thereof. The Management is responsible for ensuring that all these corrective actions are undertaken within an appropriate time frame. At the same time, the AC further undertook an annual assessment of the quality of audit which encompassed the performance of the external auditors, and the quality of their communications with the AC and FMHB, based on feedback obtained from FMHB personnel who had substantial contact with the external audit team throughout the year.

The Board is aware of the potential conflict of interest situation that may arise if the Company's external auditors are engaged to provide non-audit services to the Group. In order to mitigate this risk, proper consultation with the External Auditor and AC will be made to ensure there is no conflict of interest situation prior to the appointment.

The AC procures a written confirmation from the external auditors via the Audit Plan that they are and have been, independent throughout the conduct of the audit engagement in accordance with relevant professional and regulatory requirements and in accordance with the external auditor's internal policy. The external auditors also provide a confirmation that they have reviewed the non-audit services provided to the Group during the year and that to the best of their knowledge, the non-audit services did not impair their independence. As a group the fees paid for audit service and non-audit services amounted to RM281,000 and RM92,500 respectively.

AC noted that the external auditor has demonstrated and maintained their independence in accordance with their firm's requirements and with the terms of relevant professional and regulatory requirements and thus satisfied with the suitability of the external auditor based on the quality of services and sufficiency of resources they provided to the Group. AC have also reviewed the non-audit services provided by the external auditor to the Company for the financial year 2016 and satisfied that the provision of such services did not in any way impair their objectivity and independence as external auditors of Bursa Malaysia.

PRINCIPLE 5 - UPHOLD INTEGRITY IN FINANCIAL REPORTING (CONT'D)

Relationship with External Auditors (Cont'd)

Based on the AC's recommendation, the Board recommend for the shareholders' approval on the appointment of BDO as external auditors of the Company for the financial year 2017 during this 20th AGM.

Relationship with Internal Auditors

The Group has an outsourced internal audit function which undertakes systematic quarterly reviews of the internal control systems so as to provide reasonable assurance that such systems continue to operate satisfactorily and effectively in the Company and the Group.

The AC reviewed and approved the outsourced internal auditor's Internal Audit Plan and ensured principal risks and key entities and functions were adequately identified and covered in the plan. The specific areas of focus for the financial year under review are highlighted in the AC Report page 20 of this Annual Report.

The AC also reviewed the internal audit reports presented by internal auditors at each AC meeting and discussions are made with respect to the following:

- Status of audit activities as compared to the approved Annual Audit Plan;
- Results of scheduled, follow-up, investigative and special audits;
- Adequacy of Management's responsiveness to the audit findings and recommendations; and
- Adequacy of audit resources and experience of the internal auditors.

Total cost incurred on the Company's internal audit functions for the financial year under review amounted RM48,000.

PRINCIPLE 6 - RECOGNISE AND MANAGE RISK

Internal Control

The Board acknowledged the importance of a sound framework to manage the Company's risks as a whole. In view of that, the Board has delegated the oversight of its risk management matters to the Executive Directors, including reviews of the effectiveness of the Company's internal control system and risk management process.

The Management is responsible for promoting and applying the risk management processes which involves identifying and assessing business and operational risks, developing and implementing appropriate risk mitigation strategies, monitoring the effectiveness of risk controls and reporting on risk management capability and performance.

Executive Directors are responsible in identifying principal risks affecting the Group and ensuring that appropriate systems are in place and effective actions are taken to mitigate and eliminate such risks to safeguard the shareholders' investments and the Group assets.

Information on the Group's system of internal control is presented in the Statement on Risk Management and Internal Control as set out on pages 37 to 40 of this Annual Report.

PRINCIPLE 7 - ENSURE TIMELY AND HIGH QUALITY DISCLOSURE

Corporate Disclosure Policy

The Group is fully committed in sharing relevant and material information on the development of the Group. The Company places strong emphasis on the importance of timely and equitable dissemination of information.

PRINCIPLE 7 - ENSURE TIMELY AND HIGH QUALITY DISCLOSURE (CONT'D)

Leveraging on Information Technology for Effective Dissemination of Information

The Company uses a number of formal channels for effective dissemination of information to the shareholders and investors primarily through timely release of financial results on a quarterly basis, press release and announcements which gives the shareholders an overview of the Group's performance and operation.

Technology has also been utilised to increase the effectiveness and timeliness of information dissemination. The Company's website is a key communication channel for the Company to reach its shareholders, the investment community and the general public. The Company's website provides relevant information to shareholders and the broader investment community. There is a dedicated section for investors where quarterly and annual financial statements, announcements, share and financial information, annual reports and circulars/statements to shareholders are made available for review.

PRINCIPLE 8 - STRENGHTHEN RELATIONSHIP BETWEEN COMPANY AND SHAREHOLDERS

Annual General Meeting

The AGM is the principal forum for dialogue with shareholders who are encouraged to enquire about the Group's activities and prospects. The Board will present an overall presentation of the business and financial performance of the Group for the financial year as contained in the Annual Report and provides opportunities for shareholders to raise questions pertaining to the business activities of the Group. The Board is available to provide responses to questions raised and give clarifications to the shareholders during these meetings.

The Company recognises the importance of shareholders' participation in general meetings and encourages such participation. Pursuant to Paragraph 7.21A(2) of the Listing Requirements, in order to promote participation by members or proxies at the AGM of the Company, the Chairman will brief the members, corporate representatives and proxies who attended the AGM of their rights to speak and vote on the resolutions set out in the Notice of AGM. Some of the other measures taken to encourage greater shareholder attendance and participation include the following:

- Shareholders who are unable to attend are allowed to appoint a proxy/ies to attend and vote on their behalf. The proxy need not be a shareholder;
- The venue of the AGM is at a central and easily accessible location providing ample parking space for shareholders;
- The Company's website (www.fmgloballogistics.com) contains a number of references to and notices about the AGM; and
- Members of the Board, Senior Management, as well as the external auditors of the Company are present at the AGM to address any question or concern that shareholders may have.

Investor Relations

The Board recognises the importance of an effective communication channel between the Company, its shareholders and the general public and is fully committed in maintaining transparency and accountability to all its shareholders through consistent disclosures of relevant and comprehensive information in timely manner to all investors including the minority shareholders.

The Company communicates with its shareholders and stakeholders on regular basis through timely releases of financial results on a quarterly basis, press releases and announcements to Bursa Malaysia which provide an overview of the Group's performance and operations for investment decision making, through accessible channels. The Group also maintains frequent dialogues with financial analysts and fund managers as a means of maintaining and improving investors' relation.

Shareholders and members of the public can obtain information on the Company through the Company's website at www.fmgloballogistics.com or through the Bursa Securities website at www.bursamalaysia.com. Shareholders are welcome to raise queries by contacting the Company at any time throughout the year.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Statement on Risk Management and Internal Control by the Board of Directors ("Board") of the Company is made pursuant to Paragraph 15.26(b) of the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad in accordance with the Principles and Recommendations relating to risk management and internal controls provided in the Malaysian Code on Corporate Governance 2012.

BOARD RESPONSIBILITY

The Board of the Company acknowledges its responsibility for maintaining sound internal control and risk management systems that would provide reasonable assurance in the reliability of financial reporting and compliance with applicable laws and regulations, to safeguard shareholders' interests. The system of internal control is designed to manage the Company's risk within acceptable risk profile, rather than eliminate the risk of failure to achieve Company's policies and business objectives, and provides reasonable assurance against material errors, misstatement or irregularities.

In view of the limitation inherent in any system of internal control, such a system is designed to mitigate rather than eliminate risks of failure to achieve corporate objectives. Accordingly, the system provides reasonable and not absolute assurance against material error, misstatement or loss. The system of internal control covers, inter alia, risks management, financial and compliance controls. The Board confirms that the system of internal control of the Company was in place during the financial year and the system is subject to regular review by the Board.

RISK MANAGEMENT OBJECTIVES

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 established the 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 31000:2009 – 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.

Furthermore, the Board has established an organisation structure with clearly defined lines of responsibility and accountability which are aligned to its business and operations requirements which support the maintenance of a strong control environment. It has extended the responsibilities of the Audit Committee ("AC") to include the assessment of internal controls through the Internal Audit function.

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 also internal audit. 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 of the effectiveness of the risk management approach. These risk management processes is 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.

RISK MANAGEMENT OBJECTIVES (CONT'D)

In addition to the above, the ERM Manual which outlines the Risk Policy, Risk Governance Structure, and the Risk Management Processes in line with the ISO 31000:2009 – Risk Management Principles and Guidelines had also been established. The 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 where necessary developing further actions for continuous improvement.

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. The key risks of the Group and the corresponding initiatives taken to mitigate these risks are set out below:-

Risk	Description and Impact	Mitigation Measures
Slowdown in economy affecting the business and industry	Market stagnation and shrinkage, reduction in growth and lower returns.	Executive Directors monitor closely on the general business and economy environment together with respective divisions heads via meetings and discussions. Close engagements are done on ad hoc basis with Customers and also Business Partners on the respective business environment.
Inadequate insurance management / Inadequate insurance coverage for customers' cargo	Insufficient insurance coverage for assets/ employees / inventory and/or products.	Yearly review and assessment on the insurance management and coverage are done to ensure sufficient coverage.
Credit risk	Credit risks - Defaults from Customers, Agents, and Business Partners.	Centralised Credit Team had been set up to monitor weekly on the Credit exposure of the Group.
Ineffective profitability management / budgetary and expenses control	Lack of focus on profit margins and costs/ Ineffective profitability management (management expenses)/ Ineffective budgetary control system to manage performance/ Non-alignment of budgets to corporate objectives/ Sustain losses due to over exposure of investment in certain capex or fixed assets.	Monthly review on the financial performance of each division is done by Executive Directors.
Occupational Health and Safety Assessment Series (OHSAS 18001) concerns - Health and Safety of employees	Employees' Health and Safety issues in all areas.	HSSE Committee monitors and reviews all the health and safety issues in all operational areas. The Group has been accredited BS OHSAS 18001:2007 for its freight forwarding services.
Lack of Human Capital Strategy and implementation / Ineffective human capital management	Lack of formalised and structured Strategy and Implementation for succession planning, staff retention, staff development and training.	HR Manager, head of divisions and Executive Directors to identify potential candidate for successor during staff performance appraisal. Training organised by HR manager to ensure proper human capital management.

INTERNAL CONTROL MECHANISM

The responsibility to review the adequacy and integrity of the internal control system has been delegated by the Board to the Audit Committee ("AC"). The AC, in turn, asses the adequacy and integrity of the internal control system through independent reviews conducted on reports it receives from outsourced internal audit and the management. In addition, the AC also consider findings from the external auditors in the form of management letters, which highlight certain internal control areas for improvement identified during the course of the external audit. Any areas of improvement identified by the external auditors and internal auditors are being brought to the attention of the AC.

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 9001:2008 certification on quality management system. Documented internal procedures and standard operating procedures have been put in place and surveillance audits are conducted by assessors of the ISO certification bodies on a yearly and biannual basis to ensure that the system is adequately implemented;
- Documented guidelines on operating procedures have been put in place for relevant departments;
- Quarterly information is provided by the management to the Board on financial performance and key business indicators;
- Monthly monitoring of results by the management through financial reports;
- Quarterly internal audit visits and other specific assignments, if the need arises, assigned by the AC and/or the Board who monitors compliance with procedures and assesses the integrity of financial information provided; and
- AC 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 outsourced Internal Auditor had reviewed the Group's system of internal controls and had reported the yearly internal audit activities to the AC on a quarterly basis. The Internal Auditor 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 auditor 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 auditor to develop comprehensive audit programs 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 internal audits and enhance the integrity of the Group's system of internal controls ultimately. This was carried out via necessary consultation with the internal auditor and senior management.

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

Statement on Risk Management and Internal Control

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 are responsible for the maintenance and continuous improvements and development of the risk management and internal control system; and
- Internal audit reports and review work by the internal audit function which reports to the AC together with the assessment of the internal controls systems relating to key risks and recommendations for improvement.

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

The Board are in the opinion that that the system of internal controls 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 controls of the Group.

REVIEW OF STATEMENT BY EXTERNAL AUDITORS

As required by Paragraph 15.23 of the Bursa Malaysia Securities Berhad Main Market Listing Requirements, the external auditors have reviewed this Statement on Risk Management and Internal Control, and reported to the Board that nothing has come to their attention that cause them to believe that the Statement on Risk Management and Internal Control, 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 Recommended Practice Guide ("RPG") 5 (Revised 2015) issued by the Malaysian Institute of Accountants. RPG 5 (Revised 2015) does not require the external auditors to form an opinion on the adequacy and effectiveness of the risk management and internal control systems of the Group.

ASSURANCE FROM MANAGEMENT

The Statement on Risk Management and Internal Control has been prepared in compliance with the Listing Requirements and the Statement on Risk Management and Internal Control – Guidance for Directors of Listed Issuer. In making the above assurance, the Group Managing Director and the Group Financial Controller acknowledged that the risk management and internal control systems are operating adequately and effectively in all material aspects based on the risk management and internal control systems of the Group.

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 5 October 2016.

ADDITIONAL COMPLIANCE INFORMATION

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

2. **Share Buyback**
   The Company did not enter into any share buyback transactions during the financial year ended 30 June 2016.

3. **Options, Warrants or Convertible Securities**
   The Company has not issued any options, Warrants or Convertible Securities during the financial year except for the issuance of 4,618,618 new shares of RM0.50 each pursuant to the exercise of warrants at RM0.97 per warrant. The total cash proceeds arising from the exercise of warrants during the current financial year to date amounted to RM4,480,059.

4. **Depository Receipt Programme ("DRP")**
   The Company did not sponsor any DRP programme during the financial year.

5. **Sanctions and / or Penalties**
   There were no sanctions and / or penalties imposed on the Company and its subsidiaries, Directors or management by the regulatory bodies during the financial year.

6. **Non-Audit Fees**
   The amount of non-audit fees paid and payable to the external auditors by the Group for the financial year ended 30 June 2016 amounted to RM92,500.

7. **Variation in Results**
   The Group's audited results for the financial year ended 30 June 2016 did not vary by 10% or more from the unaudited results which were announced to Bursa Malaysia Securities Berhad on 24 August 2016.

8. **Profit Guarantee**
   There were no profit guarantees given by the Group during the financial year ended 30 June 2016.

9. **Material Contracts**
   There were no material contracts entered into by the Company and its subsidiaries which involve Directors' or Substantial Shareholders' interests either still subsisting at the end of the financial year ended 30 June 2016.

10. **Recurrent Related Party Transactions**
    All recurrent related party transactions entered into by the Group during the financial year are disclosed in Note 37 of the financial statement in pages 132 and 133 of this Annual Report.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for ensuring that the financial statements of the Company and Group are drawn up in accordance with the requirements of the applicable approved accounting standards in Malaysia, the provisions of the Companies Act, 1965 and the Listing Requirements for the Main Market of Bursa Malaysia Securities Berhad.

In preparing the financial statements for the year ended 30 June 2016, the Directors have:-

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

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

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

This statement is made in accordance with a resolution by the Board of Directors dated 5 October 2016.

Annual Report 2016

FINANCIAL STATEMENTS

FREIGHT MANAGEMENT HOLDINGS BHD 380410-P

DIRECTORS' REPORT

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 30 June 2016.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are set out in Note 9 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	18,632	8,207
Attributable to:		
Owners of the parent	19,874	8,207
Non-controlling interests	(1,242)	-
	18,632	8,207

DIVIDENDS

Dividends paid, declared or proposed since the end of the previous financial year were as follows:

	Company RM'000
In respect of the financial year ended 30 June 2015:	
Final single tier dividend of 3.5 sen per ordinary share, paid on 22 December 2015	6,060
In respect of the financial year ended 30 June 2016:	
First interim single tier dividend of 1.5 sen per ordinary share, paid on 28 July 2016	2,664
	8,724

A second interim single tier dividend in respect of the financial year ended 30 June 2016 of 3.5 sen per ordinary share had been declared by the Directors on 24 August 2016.

The Directors do not recommend the payment of any final dividend in respect of the financial year ended 30 June 2016.

RESERVES AND PROVISIONS

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

ISSUE OF SHARES AND DEBENTURES

During the current financial year, the Company increased its issued and paid-up share capital by the issuance of 4,618,618 new ordinary shares of RM0.50 each for cash via the exercise of 4,618,618 warrants at an exercise price of RM0.97 per warrant on the basis of one (1) new ordinary share for every one (1) warrant exercised pursuant to the Deed Poll dated 6 January 2012.

The newly issued shares rank pari passu in all respects with the existing shares of the Company. There were no other issues of shares during the financial year.

The Company did not issue any new debentures during the financial year.

OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued ordinary shares of the Company during the financial year.

DIRECTORS

The Directors who have held for office since the date of the last report are:

Datuk Dr Hj Noordin bin Hj Ab Razak
Chew Chong Keat
Yang Heng Lam
Gan Siew Yong
Aaron Sim Kwee Lein
Ong Looi Chai
Chua Tiong Hock
Khua Kian Keong *(Alternate Director to Chua Tiong Hock)*

DIRECTORS' INTERESTS

The Directors holding office at the end of the financial year and their beneficial interests in the ordinary shares and warrants of the Company during the financial year ended 30 June 2016 as recorded in the Register of Directors' Shareholdings kept by the Company under Section 134 of the Companies Act, 1965 in Malaysia, were as follows:

	Number of ordinary shares of RM0.50 each			
	Balance as at 1.7.2015	**Bought**	**Sold**	**Balance as at 30.6.2016**
Shares in the Company				
Direct interests				
Chew Chong Keat	44,011,110	780,663	-	44,791,773
Gan Siew Yong	8,098,536	-	-	8,098,536
Yang Heng Lam	29,701,374	1,364,400	-	31,065,774
Ong Looi Chai	1,995,870	-	-	1,995,870

DIRECTORS' INTERESTS (CONT'D)

	Number of ordinary shares of RM0.50 each			
	Balance as at 1.7.2015	Bought	Sold	Balance as at 30.6.2016
Shares in the Company				
Indirect interests				
Khua Kian Keong (Alternate Director to Chua Tiong Hock)	37,325,800	-	-	37,325,800
Chua Tiong Hock	37,325,800	-	-	37,325,800
Yang Heng Lam	423,199	65,100	-	488,299*#
Chew Chong Keat	183,333	-	-	183,333#
Gan Siew Yong	183,333	-	-	183,333#

	Number of warrants^ of RM0.50 each				
	Balance as at 1.7.2015	Bought	Sold	Exercised	Balance as at 30.6.2016
Warrants in the Company					
Direct interests					
Chew Chong Keat	2,780,633	-	(2,000,000)	(780,633)	-
Yang Heng Lam	4,512,185	-	-	(1,364,400)	3,147,785
Ong Looi Chai	285,990	-	-	-	285,990
Indirect interests					
Yang Heng Lam	35,000	50,000	-	(60,000)	25,000*#

* *Interest of spouse by virtue of Section 134(12)(c) of the Companies Act, 1965 in Malaysia.*
# *Interest of children by virtue of Section 134(12)(c) of the Companies Act, 1965 in Malaysia.*
^ *Issuance of 24,342,857 free warrants on 13 January 2012 on the basis of one (1) warrant for every five (5) existing ordinary shares held.*

By virtue of Section 6A of the Companies Act, 1965 in Malaysia, Chew Chong Keat, Yang Heng Lam, Khua Kian Keong and Chua Tiong Hock are also deemed to be interested in the ordinary shares of all the subsidiaries to the extent that the Company has an interest.

None of the other Directors holding office at the end of the financial year held any interest in the ordinary shares and warrants of the Company and of its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the Directors have received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the Directors as shown in the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest other than the following:

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

(ii) deemed benefits arising from related party transactions as disclosed in Note 37 to the financial statements.

There were no arrangements during and at the end of the financial year, to which the Company is a party, which had the object of enabling the Directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate except for the warrants issued as disclosed in Note 21 to the financial statements.

OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY

(I) AS AT THE END OF THE FINANCIAL YEAR

(a) Before the statements of profit or loss and other comprehensive income and statements of financial position of the Group and of the Company were made out, the Directors took reasonable steps:

(i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and

(ii) to ensure that any current assets other than debts, which were unlikely to realise their book values in the ordinary course of business had been written down to their estimated realisable values.

(b) In the opinion of the Directors, the results of the operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

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

(c) The Directors are not aware of any circumstances:

(i) which would render the amounts written off for bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any material extent;

(ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; and

(iii) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

(d) In the opinion of the Directors:

(i) there has not arisen any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made; and

(ii) no contingent or other liability has become enforceable, or is likely to become enforceable, within the period of twelve (12) months after the end of the financial year which would or may affect the ability of the Group or of the Company to meet their obligations as and when they fall due.

OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY (CONT'D)

(III) AS AT THE DATE OF THIS REPORT

(e) There are no charges on the assets of the Group and of the Company which have arisen since the end of the financial year to secure the liabilities of any other person.

(f) There are no contingent liabilities of the Group and of the Company which have arisen since the end of the financial year.

(g) The Directors are not aware of any circumstances not otherwise dealt with in the report or financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

Significant events during the financial year are disclosed in Note 43 to the financial statements.

SIGNIFICANT EVENTS SUBSEQUENT TO THE END OF THE REPORTING PERIOD

Significant events subsequent to the end of the reporting period is disclosed in Note 44 to the financial statements.

AUDITORS

The auditors, BDO, have expressed their willingness to continue in office.

Signed on behalf of the Board in accordance with a resolution of the Directors.

Chew Chong Keat
Director

Yang Heng Lam
Director

Port Klang
5 October 2016

STATEMENT BY DIRECTORS

In the opinion of the Directors, the financial statements set out on pages 52 to 154 have been drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards, and the provisions of the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2016 and of the financial performance and cash flows of the Group and of the Company for the financial year then ended.

In the opinion of the Directors, the information set out in Note 45 to the financial statements on page 155 has been compiled in accordance with the Guidance on Special Matter No.1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, issued by the Malaysian Institute of Accountants, and presented based on the format prescribed by Bursa Malaysia Securities Berhad.

On behalf of the Board,

Chew Chong Keat
Director

Yang Heng Lam
Director

Port Klang
5 October 2016

STATUTORY DECLARATION

I, Chew Chong Keat, being the Director primarily responsible for the financial management of Freight Management Holdings Bhd, do solemnly and sincerely declare that the financial statements set out on pages 52 to 155 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly)
declared by the above named at)
Kuala Lumpur this)
5 October 2016)

Chew Chong Keat

Before me:

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

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Freight Management Holdings Bhd, which comprise statements of financial position as at 30 June 2016 of the Group and of the Company, and statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 52 to 154.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards, and the requirements of the Companies Act, 1965 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as of 30 June 2016 and of their financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:

(a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

(b) We have considered the accounts and the auditors' reports of all the subsidiaries of which we have not acted as auditors, which are indicated in Note 9 to the financial statements.

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

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

OTHER REPORTING RESPONSIBILITIES

The supplementary information set out in Note 45 to the financial statements is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The Directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ('MIA Guidance') and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

OTHER MATTERS

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

BDO
AF : 0206
Chartered Accountants

Tang Seng Choon
2011/12/17 (J)
Chartered Accountant

Kuala Lumpur
5 October 2016

STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2016

	Note	Group 2016 RM'000	Group 2015 RM'000	Company 2016 RM'000	Company 2015 RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	7	**235,358**	187,509	**-**	-
Intangible assets	8	**2,671**	1,659	**-**	-
Investments in subsidiaries	9	**-**	-	**71,737**	71,087
Investments in associates	10	**4,801**	3,314	**3,028**	3,028
Interests in joint ventures	11	**2,978**	2,386	**997**	997
Other investments	12	**3**	235	**-**	-
Deferred tax assets	13	**730**	565	**-**	-
		246,541	195,668	**75,762**	75,112
Current assets					
Other investments	12	**6,824**	2,828	**-**	-
Trade receivables	14	**91,864**	99,356	**-**	-
Other receivables, deposits and prepayments	15	**11,761**	10,341	**111**	110
Amounts owing by subsidiaries	16	**-**	-	**26,978**	23,474
Amounts owing by associates	17	**626**	257	**287**	257
Amounts owing by related parties	18	**1,204**	717	**-**	-
Amounts owing by joint ventures	19	**3,875**	3,096	**3,657**	2,967
Current tax assets		**1,575**	727	**-**	-
Cash and bank balances	20	**39,115**	39,436	**10,977**	11,350
		156,844	156,758	**42,010**	38,158
TOTAL ASSETS		**403,385**	352,426	**117,772**	113,270
EQUITY AND LIABILITIES					
Equity attributable to owners of the parent					
Share capital	21	**88,809**	86,500	**88,809**	86,500
Reserves	22	**135,849**	120,953	**22,355**	20,701
		224,658	207,453	**111,164**	107,201
Non-controlling interests		**16,314**	16,343	**-**	-
TOTAL EQUITY		**240,972**	223,796	**111,164**	107,201

	Note	Group 2016 RM'000	Group 2015 RM'000	Company 2016 RM'000	Company 2015 RM'000
LIABILITIES					
Non-current liabilities					
Hire purchase and lease liabilities	23	**3,722**	3,369	**-**	-
Term loans	24	**67,775**	43,382	**-**	-
Deferred tax liabilities	13	**18,529**	17,162	**-**	-
Post-employment benefits obligation	25	**817**	734	**-**	-
		90,843	64,647	**-**	-
Current liabilities					
Trade payables	26	**31,735**	32,065	**-**	-
Other payables and accruals	27	**17,654**	15,531	**588**	482
Amounts owing to subsidiaries	16	**-**	-	**3,356**	2,992
Amounts owing to related parties	18	**153**	131	**-**	-
Amount owing to a joint venture	19	**121**	66	**-**	-
Hire purchase and lease liabilities	23	**2,004**	1,602	**-**	-
Term loans	24	**13,298**	9,442	**-**	-
Bank overdrafts - secured	28	**883**	1,226	**-**	-
Dividend payable		**2,664**	2,595	**2,664**	2,595
Current tax liabilities		**3,058**	1,325	**-**	-
		71,570	63,983	**6,608**	6,069
TOTAL LIABILITIES		**162,413**	128,630	**6,608**	6,069
TOTAL EQUITY AND LIABILITIES		**403,385**	352,426	**117,772**	113,270

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

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

		Group		Company	
		2016	2015	2016	2015
	Note	RM'000	RM'000	RM'000	RM'000
Revenue	30	**413,771**	420,271	**13,499**	13,513
Cost of services		**(296,165)**	(311,481)	**-**	-
Gross profit		**117,606**	108,790	**13,499**	13,513
Other income		**8,573**	5,337	**281**	618
Administrative expenses		**(96,294)**	(86,190)	**(5,573)**	(3,960)
Finance costs	31	**(4,190)**	(2,987)	**-**	-
Share of (loss)/profit of associates	10(e)	**(113)**	15	**-**	-
Share of loss of joint ventures	11(d)	**(821)**	(721)	**-**	-
Profit before tax	32	**24,761**	24,244	**8,207**	10,171
Tax expense	33	**(6,129)**	(4,255)	**-**	(19)
Profit for the financial year		**18,632**	19,989	**8,207**	10,152
Other comprehensive income					
Items that may be reclassified subsequently to profit or loss					
Foreign currency translations	33(e)	**2,490**	4,069	**-**	-
Reclassification adjustment on disposal of available-for-sale financial asset	33(e)	**-**	(297)	**-**	-
		2,490	3,772	**-**	-
Items that will not be reclassified subsequently to profit or loss					
Actuarial loss on defined benefits plan	33(e)	**(67)**	(51)	**-**	-
Revaluation surplus on land and buildings	33(e)	**-**	23,633	**-**	-
		(67)	23,582	**-**	-
Total other comprehensive income, net of tax		**2,423**	27,354	**-**	-
Total comprehensive income		**21,055**	47,343	**8,207**	10,152
Profit attributable to:					
Owners of the parent		**19,874**	20,105	**8,207**	10,152
Non-controlling interests	9(d)	**(1,242)**	(116)	**-**	-
		18,632	19,989	**8,207**	10,152
Total comprehensive income attributable to:					
Owners of the parent		**21,449**	46,340	**8,207**	10,152
Non-controlling interests		**(394)**	1,003	**-**	-
		21,055	47,343	**8,207**	10,152
Earnings per ordinary share attributable to equity holders of the Company (sen):					
Basic earnings per ordinary share	36	11.45	11.75		
Diluted earnings per ordinary share	36	11.29	11.38		

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

GROUP	Note	← Non-distributable				→	Distributable			
		Share capital RM'000	Share premium RM'000	Exchange translation reserve RM'000	Revaluation reserve RM'000	Available-for-sale reserve RM'000	Retained earnings RM'000	Total attributable to owners of the parent RM'000	Non-controlling interests RM'000	Total equity RM'000
Balance as at 1 July 2014		85,381	3,984	935	-	297	77,738	168,335	14,967	183,302
Profit for the financial year		-	-	-	-	-	20,105	20,105	(116)	19,989
Actuarial loss on defined benefits plan, net of tax		-	-	-	-	-	(25)	(25)	(26)	(51)
Foreign currency translations		-	-	2,924	-	-	-	2,924	1,145	4,069
Reclassification adjustment on disposal of available-for-sale financial asset		-	-	-	-	(297)	-	(297)	-	(297)
Revaluation surplus on land and buildings, net of tax	7(a)	-	-	-	23,633	-	-	23,633	-	23,633
Total comprehensive income		-	-	2,924	23,633	(297)	20,080	46,340	1,003	47,343
Transactions with owners										
Acquisition of additional interests from non-controlling interests	29	-	-	-	-	-	(820)	(820)	554	(266)
Dividends paid	34	-	-	-	-	-	(8,573)	(8,573)	-	(8,573)
Dividend paid to a non-controlling interest of a subsidiary		-	-	-	-	-	-	-	(200)	(200)
Ordinary shares contributed by a non-controlling interest of a subsidiary		-	-	-	-	-	-	-	19	19
Ordinary shares issued pursuant to exercise of warrants	21	1,119	1,052	-	-	-	-	2,171	-	2,171
Total transactions with owners		1,119	1,052	-	-	-	(9,393)	(7,222)	373	(6,849)
Balance as at 30 June 2015		86,500	5,036	3,859	23,633	-	88,425	207,453	16,343	223,796

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

Consolidated Statement of Changes in Equity

For the financial year ended 30 June 2016

GROUP	Note	← Non-distributable			→	Distributable			
		Share capital RM'000	Share premium RM'000	Exchange translation reserve RM'000	Revaluation reserve RM'000	Retained earnings RM'000	Total attributable to owners of the parent RM'000	Non-controlling interests RM'000	Total equity RM'000
Balance as at 1 July 2015		86,500	5,036	3,859	23,633	88,425	207,453	16,343	223,796
Profit for the financial year		-	-	-	-	19,874	19,874	(1,242)	18,632
Actuarial loss on defined benefits plan, net of tax		-	-	-	-	(33)	(33)	(34)	(67)
Foreign currency translations		-	-	1,608	-	-	1,608	882	2,490
Total comprehensive income		-	-	1,608	-	19,841	21,449	(394)	21,055
Transactions with owners									
Dividends paid	34	-	-	-	-	(8,724)	(8,724)	-	(8,724)
Dividend paid to a non-controlling interest of a subsidiary		-	-	-	-	-	-	(200)	(200)
Ordinary shares contributed by non-controlling interests of subsidiaries		-	-	-	-	-	-	565	565
Ordinary shares issued pursuant to exercise of warrants	21	2,309	2,171	-	-	-	4,480	-	4,480
Total transactions with owners		2,309	2,171	-	-	(8,724)	(4,244)	365	(3,879)
Transfer due to crystallisation of revaluation reserve		-	-	-	(480)	480	-	-	-
Balance as at 30 June 2016		**88,809**	**7,207**	**5,467**	**23,153**	**100,022**	**224,658**	**16,314**	**240,972**

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

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

COMPANY	Note	← Non-distributable → Share capital RM'000	Share premium RM'000	Distributable Retained earnings RM'000	Total equity RM'000
Balance as at 1 July 2014		85,381	3,984	14,086	103,451
Profit for the financial year		-	-	10,152	10,152
Other comprehensive income, net of tax		-	-	-	-
Total comprehensive income		-	-	10,152	10,152
Transactions with owners					
Dividends paid	34	-	-	(8,573)	(8,573)
Ordinary shares issued pursuant to exercise of warrants	21	1,119	1,052	-	2,171
Total transactions with owners		1,119	1,052	(8,573)	(6,402)
Balance as at 30 June 2015		86,500	5,036	15,665	107,201
Balance as at 1 July 2015		**86,500**	**5,036**	**15,665**	**107,201**
Profit for the financial year		**-**	**-**	**8,207**	**8,207**
Other comprehensive income, net of tax		**-**	**-**	**-**	**-**
Total comprehensive income		**-**	**-**	**8,207**	**8,207**
Transactions with owners					
Dividends paid	34	**-**	**-**	**(8,724)**	**(8,724)**
Ordinary shares issued pursuant to exercise of warrants	21	**2,309**	**2,171**	**-**	**4,480**
Total transactions with owners		**2,309**	**2,171**	**(8,724)**	**(4,244)**
Balance as at 30 June 2016		**88,809**	**7,207**	**15,148**	**111,164**

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

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

	Note	Group 2016 RM'000	Group 2015 RM'000	Company 2016 RM'000	Company 2015 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before tax		**24,761**	24,244	**8,207**	10,171
Adjustments for:					
Amortisation of intangible assets	8	**26**	-	**-**	-
Bad debts recovered		**(1)**	(2)	**-**	-
Bad debts written off		**96**	319	**-**	-
Depreciation of property, plant and equipment	7	**15,045**	13,543	**-**	-
Dividend income		**(17)**	(6)	**(10,323)**	(10,217)
Fair value (loss)/gain on other investment	12	**22**	(349)	**-**	-
Gain on disposal of:					
- property, plant and equipment		**(265)**	(134)	**-**	-
- other investment	12	**-**	(389)	**-**	-
Impairment losses on:					
- interest in a joint venture	11	**-**	-	**1,413**	-
- property, plant and equipment	7	**-**	69	**-**	-
- trade receivables	14	**1,332**	1,277	**-**	-
Interest expense	31	**4,190**	2,987	**-**	-
Interest income		**(421)**	(367)	**(111)**	(215)
Property, plant and equipment written off	7	**6**	42	**-**	-
Provision for post-employment benefits obligation	25	**-**	660	**-**	-
Reversal of:					
- impairment losses on trade receivables	14	**(995)**	(661)	**-**	-
- provision for post-employment benefits obligation	25	**(266)**	-	**-**	-
Share of loss/(profit) of associates		**113**	(15)	**-**	-
Share of loss of joint ventures		**821**	721	**-**	-
Unrealised loss/(gain) on foreign currency transactions		**723**	593	**(170)**	(403)
Operating profit/(loss) before changes in working capital		**45,170**	42,532	**(984)**	(664)
Decrease/(Increase) in trade receivables		**7,895**	(22,334)	**-**	-
Increase in other receivables, deposits and prepayments		**(927)**	(205)	**(1)**	(7)
(Increase)/Decrease in amounts owing by related parties		**(476)**	361	**-**	-
Increase in amounts owing by joint ventures		**(90)**	(74)	**-**	-
(Decrease)/Increase in amounts owing to related parties		**22**	97	**-**	-
Increase in amount owing to a joint venture		**55**	35	**-**	-
(Decrease)/Increase in trade payables		**(531)**	3,662	**-**	-
Increase/(Decrease) in other payables and accruals		**666**	1,495	**106**	(19)
Cash generated from/(used in) operations		**51,784**	25,569	**(879)**	(690)

	Note	Group 2016 RM'000	Group 2015 RM'000	Company 2016 RM'000	Company 2015 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES (CONT'D)					
Cash generated from/(used in) operations		**51,784**	25,569	**(879)**	(690)
Contributions refunded/(paid) for post-employment benefits obligation	25	**208**	(6)	**-**	-
Interest paid		**(18)**	(2)	**-**	-
Tax paid		**(4,041)**	(4,914)	**-**	(19)
Net cash from/(used in) operating activities		**47,933**	20,647	**(879)**	(709)
CASH FLOWS FROM INVESTING ACTIVITIES					
Acquisitions of:					
- additional interest in an associate	10	**-**	(74)	**-**	-
- interests in joint ventures		**-**	(518)	**-**	-
- additional interests in a subsidiary	29	**-**	(266)	**-**	-
- a subsidiary	9	**-**	-	**(650)**	-
- an associate	10	**(1,600)**	-	**-**	-
Advances from/(Repayments to) subsidiaries		**-**	-	**364**	(3,778)
Advances to subsidiaries		**-**	-	**(3,504)**	(6,047)
Advances to a joint venture		**(1,963)**	-	**(1,963)**	-
Advances to associates		**(339)**	-	**-**	-
Dividends received		**17**	6	**10,323**	10,217
Interest received		**421**	367	**111**	215
Placements of:					
- fixed deposits pledged to licensed banks		**(149)**	-	**-**	-
- fixed deposits placed with a licensed bank with original maturity of more than three (3) months		**(16)**	(15)	**-**	-
Proceeds from disposals of:					
- property, plant and equipment		**1,008**	689	**-**	-
- other investments		**246**	3,946	**-**	-
Purchase of:					
- intangible assets	8(c)	**(788)**	-	**-**	-
- property, plant and equipment	7(c)	**(18,966)**	(8,000)	**-**	-
- other investments		**-**	(476)	**-**	-
Withdrawals of fixed deposits pledged with licensed banks		**-**	1,403	**-**	-
Net cash (used in)/from investing activities		**(22,129)**	(2,938)	**4,681**	607

Statements of Cash Flows
For the financial year ended 30 June 2016

		Group		Company	
	Note	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES					
Dividends paid		**(8,655)**	(8,540)	**(8,655)**	(8,540)
Dividends paid to a non-controlling interest of a subsidiary		**(200)**	(200)	**-**	-
Interest paid		**(4,172)**	(2,985)	**-**	-
Ordinary share capital contributed by non-controlling interests of subsidiaries		**315**	19	**-**	-
Proceeds from exercise of warrants	21	**4,480**	2,171	**4,480**	2,171
Repayments of:					
- hire purchase and lease liabilities		**(1,958)**	(1,487)	**-**	-
- term loans		**(12,301)**	(10,386)	**-**	-
Net cash used in financing activities		**(22,491)**	(21,408)	**(4,175)**	(6,369)
Net increase/(decrease) in cash and cash equivalents		**3,313**	(3,699)	**(373)**	(6,471)
Effects of exchange rate changes on cash and cash equivalents		**562**	856	**-**	-
Cash and cash equivalents at beginning of financial year		**36,630**	39,473	**11,350**	17,821
Cash and cash equivalents at end of financial year	20	**40,505**	36,630	**10,977**	11,350

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

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, Lebuh Sultan Mohamed 1, Kawasan Perindustrian Bandar Sultan Suleiman, 42000 Port Klang, Selangor Darul Ehsan.

The consolidated financial statements for the financial year ended 30 June 2016 comprise the Company and its subsidiaries and the interests of the Group in associates and joint ventures. These financial statements are presented in Ringgit Malaysia ('RM'), which is also the functional currency of the Company. All financial information presented in RM has been rounded to the nearest thousand, unless otherwise stated.

The financial statements were authorised for issue in accordance with a resolution by the Board of Directors on 5 October 2016.

2. PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principle activities of the subsidiaries are set out in Note 9 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

3. BASIS OF PREPARATION

The financial statements of the Group and of the Company set out on pages 52 to 154 have been prepared in accordance with Malaysian Financial Reporting Standards ('MFRSs'), International Financial Reporting Standards ('IFRSs') and the provisions of the Companies Act, 1965 in Malaysia. However, Note 45 to the financial statements set out on page 155 has been prepared in accordance with Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ('MIA Guidance') and the directive of Bursa Malaysia Securities Berhad.

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 Basis of accounting

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

The preparation of financial statements in conformity with MFRSs requires the Directors to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses and disclosure of contingent assets and contingent liabilities. In addition, the Directors are also required to exercise their judgement in the process of applying the accounting policies. The areas involving such judgements, estimates and assumptions are disclosed in Note 6 to the financial statements. Although these estimates and assumptions are based on the Directors' best knowledge of events and actions, actual results could differ from those estimates.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.2 Basis of consolidation

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

(a) Power over the investee;

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

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

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

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

(b) Rights arising from other contractual agreements; and

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

Intragroup balances, transactions, income and expenses are eliminated on consolidation. Unrealised gains arising from transactions with associates and joint ventures are eliminated against the investment to the extent of the interest of the Group in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no impairment.

The financial statements of the subsidiaries are prepared for the same reporting period as that of the Company, using consistent accounting policies. Where necessary, the accounting policies of the subsidiaries are changed to ensure consistency with the policies adopted by the other entities in the Group.

Non-controlling interests represent equity in subsidiaries that are not attributable, directly or indirectly, to owners of the parent, and is presented separately in the consolidated statement of profit or loss and other comprehensive income and within equity in the consolidated statement of financial position, separately from equity attributable to owners of the Company. Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

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

Changes in the Company owners' ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of consideration paid or received is recognised directly in equity and attributed to owners of the parent.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.2 Basis of consolidation (Cont'd)

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

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

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

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

4.3 Business combinations

Business combinations are accounted for by applying the acquisition method of accounting.

Identifiable assets acquired, liabilities and contingent liabilities assumed in a business combination are measured at their fair value at the acquisition date, except that:

(a) Deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with MFRS 112 *Income Taxes* and MFRS 119 *Employee Benefits* respectively;

(b) Liabilities or equity instruments related to share-based payment transactions of the acquiree or the replacement by the Group of an acquiree's share-based payment transactions are measured in accordance with MFRS 2 *Share-based Payment* at the acquisition date; and

(c) Assets (or disposal groups) that are classified as held for sale in accordance with MFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that Standard.

Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

Any contingent consideration payable is recognised at fair value at the acquisition date. Measurement period adjustments to contingent consideration are dealt with as follows:

(a) If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity.

(b) Subsequent changes to contingent consideration classified as an asset or liability that is a financial instrument within the scope of MFRS 139 are recognised either in profit or loss or in other comprehensive income in accordance with MFRS 139. All other subsequent changes are recognised in profit or loss.

In a business combination achieved in stages, previously held equity interests in the acquiree are re-measured to fair value at the acquisition date and any corresponding gain or loss is recognised in profits or loss.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.3 Business combinations (Cont'd)

Components of non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation are initially measured at the present ownership instruments' proportionate share in the recognised amounts of the acquiree's identifiable net assets. All other components of non-controlling interests shall be measured at their acquisition-date fair values, unless another measurement basis is required by MFRSs. The choice of measurement basis is made on a combination-by-combination basis. Subsequent to initial recognition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the previously held equity interest of the Group in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill in the statement of financial position. The accounting policy for goodwill is set out in Note 4.7(a) to the financial statements. In instances where the latter amount exceeds the former, the excess is recognised as a gain on bargain purchase in profit or loss on the acquisition date.

4.4 Property, plant and equipment and depreciation

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

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that future economic benefits associated with the asset would flow to the Group and the cost of the asset could be measured reliably. The carrying amount of parts that are replaced is derecognised. The costs of the day- to-day servicing of property, plant and equipment are recognised in profit or loss as incurred. Cost also comprises the initial estimate of dismantling and removing the asset and restoring the site on which it is located for which the Group is obligated to incur when the asset is acquired, if applicable.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the asset and which has a different useful life, is depreciated separately.

After initial recognition, property, plant and equipment except for land and buildings are stated at cost less any 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 each reporting period. The surplus arising from such revaluations is credited to shareholders' equity as a revaluation reserve, net of deferred tax, if any, and any subsequent deficit is offset against such surplus to the extent of a previous increase for the same property. In all other cases, the deficit would be charged to profit or loss. For a revaluation increase subsequent to a revaluation deficit of the same asset, the surplus is recognised as income to the extent that it reverses the deficit previously recognised as an expense with the balance of increase credited to revaluation reserve.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

Depreciation is calculated to write off the cost or valuation of the assets to their residual values on a straight line basis over their estimated useful lives. The principal depreciation periods and rates are as follows:

Long-term leasehold land	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%
Tug boats and barges	5%
Prime movers and trailers	10%

Freehold land has unlimited useful life and is not depreciated. Construction-in-progress represents warehouse renovation-in-progress and is stated at cost. Construction-in-progress is not depreciated until such time when the asset is available for use.

At the end of each reporting period, the carrying amount of an item of property, plant and equipment is assessed for impairment when events or changes in circumstances indicate that its carrying amount may not be recoverable. A write down is made if the carrying amount exceeds the recoverable amount (see Note 4.8 to the financial statements on impairment of non-financial assets).

The residual values, useful lives and depreciation method are reviewed at the end of each reporting period to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment. If expectations differ from previous estimates, the changes are accounted for as a change in an accounting estimate.

The carrying amount of an item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any, and the carrying amount is included in profit or loss and the revaluation surplus related to those assets, if any, is transferred directly to retained earnings.

4.5 Leases and hire purchase

(a) Finance leases and hire purchase

Assets acquired under finance leases and hire purchase which transfer substantially all the risks and rewards of ownership to the Group are recognised initially at amounts equal to the fair value of the leased assets or, if lower, the present value of minimum lease payments, each determined at the inception of the lease. The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the leases, if this is practicable to determine; if not, the incremental borrowing rate of the Group is used. Any initial direct costs incurred by the Group are added to the amount recognised as an asset. The assets are capitalised as property, plant and equipment and the corresponding obligations are treated as liabilities. The property, plant and equipment capitalised are depreciated on the same basis as owned assets.

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

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.5 Leases and hire purchase (Cont'd)

(b) Operating leases

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

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

(c) Leases of land and buildings

For leases of land and buildings, the land and buildings elements are considered separately for the purpose of lease classification and these leases are classified as operating or finance leases in the same way as leases of other assets.

The minimum lease payments including any lump-sum upfront payments made to acquire the interest in the land and buildings are allocated between the land and the buildings elements in proportion to the relative fair values of the leasehold interest in the land element and the buildings element of the lease at the inception of the lease.

For a lease of land and buildings in which the amount that would initially be recognised for the land element is immaterial, the land and buildings are treated as a single unit for the purpose of lease classification and is accordingly classified as a finance or operating lease. In such a case, the economic life of the buildings is regarded as the economic life of the entire leased asset.

4.6 Investments

(a) Subsidiaries

A subsidiary is an entity in which the Group and the Company are exposed, or have rights, to variable returns from its involvement with the subsidiary and have the ability to affect those returns through its power over the subsidiary.

An investment in subsidiary, which is eliminated on consolidation, is stated in the separate financial statements of the Company at cost less impairment losses. Put options written over non-controlling interests on the acquisition of subsidiary shall be included as part of the cost of investment in the separate financial statements of the Company. Subsequent changes in the fair value of the written put options over non-controlling interests shall be recognised in profit or loss. Investments accounted for at cost shall be accounted for in accordance with MFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* when they are classified as held for sale (or included in a disposal group that is classified as held for sale) in accordance with MFRS 5.

When control of a subsidiary is lost as a result of a transaction, event or other circumstance, the Group would derecognise all assets, liabilities and non-controlling interests at their carrying amount and to recognise the fair value of the consideration received. Any retained interest in the former subsidiary is recognised at its fair value at the date control is lost. The resulting difference is recognised as a gain or loss in profit or loss.

Equity loan

Equity loan represents non-trade loan granted by the Company to a subsidiary for which settlement is neither planned nor likely to occur in the foreseeable future and is intended to provide the subsidiary with a long-term source of additional capital. It is, in substance, an addition to the investment in the subsidiary of the Company and accordingly, is accounted for in accordance with MFRS 127 *Separate Financial Statements* as part of the investment in the subsidiary and measured at cost.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.6 Investments (Cont'd)

(b) Associates

An associate is an entity over which the Group and the Company have significant influence and that is neither a subsidiary nor an interest in a joint arrangement. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is neither control nor joint control over those policies.

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

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

The interest in an associate is the carrying amount of the investment in the associate under the equity method together with any long term interest that, in substance, form part of the net investment in the associate of the Group.

The share of profit or loss of the associate by the Group during the financial year is included in the consolidated financial statements, after adjustments to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases. Distributions received from the associate reduce the carrying amount of the investment. Adjustments to the carrying amount could also be necessary for changes in the proportionate interest of the Group in the associate arising from changes in the associate's equity that have not been recognised in the associate's profit or loss. Such changes include those arising from the revaluation of property, plant and equipment and from foreign exchange translation differences. The share of those changes by the Group is recognised in other comprehensive income of the Group.

Unrealised gains and losses on transactions between the Group and the associate are eliminated to the extent of the interest of the Group in the associate to the extent that there is no impairment.

When the share of losses of the Group in the associate equals to or exceeds its interest in the associate, the carrying amount of that interest is reduced to nil and the Group does not recognise further losses unless it has incurred legal or constructive obligations or made payments on its behalf.

The most recent available financial statements of the associate are used by the Group in applying the equity method. When the end of the reporting periods of the financial statements are not coterminous, the share of results is arrived at using the latest audited financial statements for which the difference in end of the reporting periods is no more than three (3) months. Adjustments are made for the effects of any significant transactions or events that occur between the intervening periods.

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

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

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.6 Investments (Cont'd)

(c) Joint arrangements

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

A joint arrangement is either a joint operation or a joint venture. The Group has determined that all its joint arrangements are joint ventures (Note 6.2(d)).

Joint venture

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

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

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

The Group recognises its interest in a joint venture as an investment and accounts for that investment using the equity method in accordance with MFRS 128 *Investments in Associates and Joint Ventures*. The interest in joint ventures is the carrying amount of investment under the equity method together with any long term interest that, in substance, form part of the Group's net interest in the joint ventures.

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

(a) The structure of the joint arrangement;
(b) The legal form of joint arrangements structured through a separate vehicle;
(c) The contractual terms of the joint arrangement agreement; and
(d) Any other facts and circumstances.

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

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.7 Intangible assets

(a) Goodwill

Goodwill recognised in a business combination is an asset at the acquisition date and is initially measured at cost being the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest (if any) in the entity over net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

If, after reassessment, the interest of the Group in the fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

After initial recognition, goodwill is measured at cost less accumulated impairment losses, if any. Goodwill is not amortised but instead tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying amount could be impaired. Objective events that would trigger a more frequent impairment review include adverse industry or economic trends, significant restructuring actions, significantly lowered projections of profitability, or a sustained decline in the acquiree's market capitalisation. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill arising on acquisition of an associate is the excess of cost of investment over the share of the net fair value of net assets of the associate's identifiable assets and liabilities by the Group at the date of acquisition.

Goodwill relating to the associate is included in the carrying amount of the investment and is not amortised. The excess of the share of the net fair value of the associate's identifiable assets and liabilities by the Group over the cost of investment is included as income in the determination of the share of the associate's profit or loss by the Group in the period in which the investment is acquired.

(b) Other intangible assets

Other intangible assets are recognised only when the identifiability, control and future economic benefit probability criteria are met.

The Group recognises at the acquisition date separately from goodwill, an intangible asset of the acquiree, irrespective of whether the asset had been recognised by the acquiree before the business combination. In-process research and development projects acquired in such combinations are recognised as an asset even if subsequent expenditure is written off because the criteria specified in the policy for research and development is not met.

Intangible assets are initially measured at cost. The cost of intangible assets recognised in a business combination is their fair values as at the date of acquisition.

After initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised on a straight line basis over the estimated economic useful lives and are assessed for any indication that the asset could be impaired. If any such indication exists, the entity shall estimate the recoverable amount of the asset. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. The amortisation expense on intangible assets with finite lives is recognised in profit or loss and is included within the administrative expenses line item. Intangible asset with finite useful life of the Group is computer software and amortised over its estimated useful lives of five (5) years.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.7 Intangible assets (Cont'd)

(b) Other intangible assets (Cont'd)

An intangible asset has an indefinite useful life when based on the analysis of all the relevant factors; there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows to the Group. Intangible assets with indefinite useful lives are tested for impairment annually and wherever there is an indication that the carrying amount may be impaired. Such intangible assets are not amortised. Their useful lives are reviewed at the end of each reporting period to determine whether events and circumstances continue to support the indefinite useful life assessment for the asset. If they do not, the change in the useful life assessment from indefinite to finite is accounted for as a change in accounting estimate in accordance with MFRS 108 *Accounting Policies, Changes in Accounting Estimates and Errors*. Intangible asset with indefinite useful life of the Group is rights to participate in hub business.

Expenditure on an intangible item that is initially recognised as an expense is not recognised as part of the cost of an intangible asset at a later date.

An intangible asset is derecognised on disposal or when no future economic benefits are expected from its use. The gain or loss arising from derecognition, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the asset is recognised in profit or loss when the asset is derecognised.

4.8 Impairment of non-financial assets

The carrying amount of assets, except for financial assets (excluding investments in subsidiaries, associates and joint ventures) and deferred tax assets are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

Goodwill and intangible assets that have an indefinite useful life are tested annually for impairment or more frequently if events or changes in circumstances indicate that the goodwill or intangible asset might be impaired.

The recoverable amount of an asset is estimated for an individual asset. Where it is not possible to estimate the recoverable amount of the individual asset, the impairment test is carried out on the cash generating unit ('CGU') to which the asset belongs. Goodwill acquired in a business combination is from the acquisition date, allocated to each of the CGU or groups of CGU of the Group that are expected to benefit from the synergies of the combination giving rise to the goodwill irrespective of whether other assets or liabilities of the acquiree are assigned to those units or groups of units.

Goodwill acquired in a business combination shall be tested for impairment as part of the impairment testing of CGU to which it relates. The CGU to which goodwill is allocated shall represent the lowest level within the Group at which the goodwill is monitored for internal management purposes and not larger than an operating segment determined in accordance with MFRS 8 *Operating Segments*.

The recoverable amount of an asset or CGU is the higher of its fair value less cost to sell and its value in use.

In estimating the value in use, the estimated future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the future cash flow estimates have not been adjusted. An impairment loss is recognised in profit or loss when the carrying amount of the asset or the CGU, including the goodwill or intangible asset, exceeds the recoverable amount of the asset or the CGU. The total impairment loss is allocated, first, to reduce the carrying amount of any goodwill allocated to the CGU and then to the other assets of the CGU on a pro-rata basis of the carrying amount of each asset in the CGU.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.8 Impairment of non-financial assets (Cont'd)

The impairment loss is recognised in profit or loss immediately except for the impairment on a revalued asset where the impairment loss is recognised directly against the revaluation reserve to the extent of the surplus credited from the previous revaluation for the same asset with the excess of the impairment loss charged to profit or loss.

An impairment loss on goodwill is not reversed in subsequent periods. An impairment loss for other assets is reversed if, and only if, there has been a change in the estimates used to determine the assets' recoverable amount since the last impairment loss was recognised.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Such reversals are recognised as income immediately in profit or loss except for the reversal of an impairment loss on a revalued asset where the reversal of the impairment loss is treated as a revaluation increase and credited to the revaluation reserve account of the same asset. However, to the extent that an impairment loss in the same revalued asset was previously recognised in profit or loss, a reversal of that impairment loss is also recognised in profit or loss.

4.9 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one enterprise and a financial liability or equity instrument of another enterprise.

A financial asset is any asset that is cash, an equity instrument of another enterprise, a contractual right to receive cash or another financial asset from another enterprise, or a contractual right to exchange financial assets or financial liabilities with another enterprise under conditions that are potentially favourable to the Group.

A financial liability is any liability that is a contractual obligation to deliver cash or another financial asset to another enterprise, or a contractual obligation to exchange financial assets or financial liabilities with another enterprise under conditions that are potentially unfavourable to the Group.

Financial instruments are recognised on the statement of financial position when the Group has become a party to the contractual provisions of the instrument. At initial recognition, a financial instrument is recognised at fair value plus, in the case of a financial instrument not at fair value through profit or loss, transactions costs are directly attributable to the acquisition or issuance of the financial instrument.

An embedded derivative is separated from the host contract and accounted for as a derivative if, and only if the economic characteristics and risks of the embedded derivative is not closely related to the economic characteristics and risks of the host contract, a separate instrument with the same terms as the embedded derivative meets the definition of a derivative, and the hybrid instrument is not measured at fair value through profit or loss.

(a) Financial assets

A financial asset is classified into the following four (4) categories after initial recognition for the purpose of subsequent measurement:

(i) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss comprise financial assets that are held for trading (i.e. financial assets acquired principally for the purpose of resale in the near term), derivatives (both, freestanding and embedded) and financial assets that were specifically designated into this classification upon initial recognition.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.9 Financial instruments (Cont'd)

(a) Financial assets (Cont'd)

(i) Financial assets at fair value through profit or loss (Cont'd)

Subsequent to initial recognition, financial assets classified as at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in the fair value of financial assets classified as at fair value through profit or loss are recognised in profit or loss.

However, derivatives that is linked to and must be settled by delivery of unquoted equity instruments that do not have a quoted market price in an active market are recognised at cost.

(ii) Held-to-maturity investments

Financial assets classified as held-to-maturity comprise non-derivative financial assets with fixed or determinable payments and fixed maturity that the Group has the positive intention and ability to hold to maturity.

Subsequent to initial recognition, financial assets classified as held-to-maturity are measured at amortised cost using the effective interest method. Gains or losses on financial assets classified as held-to-maturity are recognised in profit or loss when the financial assets are derecognised or impaired, and through the amortisation process.

(iii) Loans and receivables

Financial assets classified as loans and receivables comprise non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

Subsequent to initial recognition, financial assets classified as loans and receivables are measured at amortised cost using the effective interest method. Gains or losses on financial assets classified as loans and receivables are recognised in profit or loss when the financial assets are derecognised or impaired, and through the amortisation process.

(iv) Available-for-sale financial assets

Financial assets classified as available-for-sale comprise non-derivative financial assets that are designated as available-for-sale or are not classified as loans and receivables, held-to-maturity investments or financial assets at fair value through profit or loss.

Subsequent to initial recognition, financial assets classified as available-for-sale are measured at fair value. Any gains or losses arising from changes in the fair value of financial assets classified as available-for-sale are recognised directly in other comprehensive income, except for impairment losses and foreign exchange gains and losses, until the financial asset is derecognised, at which time the cumulative gains or losses previously recognised in other comprehensive income are recognised in profit or loss. However, interest calculated using the effective interest method is recognised in profit or loss whilst dividends on available-for-sale equity instruments are recognised in profit or loss when the right of the Group to receive payment is established.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.9 Financial instruments (Cont'd)

(a) Financial assets (Cont'd)

Cash and cash equivalents consist of cash on hand, balances and deposits with banks and highly liquid investments which have an insignificant risk of changes in fair value with original maturities of three (3) months or less, and are used by the Group and the Company in the management of their short term commitments. For the purpose of the statements of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

A financial asset is derecognised when the contractual right to receive cash flows from the financial asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised directly in other comprehensive income shall be recognised in profit or loss.

A regular way purchase or sale is a purchase or sale of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or marketplace convention.

A regular way purchase or sale of financial assets shall be recognised and derecognised, as applicable, using trade date accounting.

(b) Financial liabilities

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. A financial liability is classified into the following two (2) categories after initial recognition for the purpose of subsequent measurement:

(i) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss comprise financial liabilities that are held for trading, derivatives (both, freestanding and embedded) and financial liabilities that were specifically designated into this classification upon initial recognition.

Subsequent to initial recognition, financial liabilities classified as at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in the fair value of financial liabilities classified as at fair value through profit or loss are recognised in profit or loss.

(ii) Other financial liabilities

Financial liabilities classified as other financial liabilities comprise non-derivative financial liabilities that are neither held for trading nor initially designated as at fair value through profit or loss.

Subsequent to initial recognition, other financial liabilities are measured at amortised cost using the effective interest method. Gains or losses on other financial liabilities are recognised in profit or loss when the financial liabilities are derecognised and through the amortisation process.

A financial liability is derecognised when, and only when, it is extinguished, i.e. when the obligation specified in the contract is discharged or cancelled or expires. An exchange between an existing borrower and lender of debt instruments with substantially different terms are accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.9 Financial instruments (Cont'd)

(b) Financial liabilities (Cont'd)

Any difference between the carrying amount of a financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

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

The Group designates corporate guarantees given to banks for credit facilities granted to subsidiaries as insurance contracts as defined in MFRS 4 *Insurance Contracts*. The Group recognises these insurance contracts as recognised insurance liabilities when there is a present obligation, legal or constructive, as a result of a past event, when it is probable that an outflow of resources embodying economic benefits would be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

At the end of each reporting period, the Group assess whether its recognised insurance liabilities are adequate, using current estimates of future cash flows under its insurance contracts. If this assessment shows that the carrying amount of the insurance liabilities is inadequate, the entire deficiency shall be recognised in profit or loss.

Recognised insurance liabilities are only removed from the statement of financial position when, and only when, it is extinguished via a discharge, cancellation or expiration.

(c) Equity

An equity instrument is any contract that evidences a residual interest in the assets of the Group and of the Company after deducting all of its liabilities. Ordinary shares are classified as equity instruments.

Ordinary shares are recorded at the nominal value and proceeds in excess of the nominal value of shares issued, if any, are accounted for as share premium. Both ordinary shares and share premium are classified as equity. Transaction costs of an equity transaction are accounted for as a deduction from equity, net of any related income tax benefit. Otherwise, they are charged to profit or loss.

Interim dividends to shareholders are recognised in equity in the period in which they are declared. Final dividends are recognised upon the approval of shareholders in a general meeting.

The Group measures a liability to distribute non-cash assets as a dividend to the owners of the Company at the fair value of the assets to be distributed. The carrying amount of the dividend is remeasured at the end of each reporting period and at the settlement date, with any changes recognised directly in equity as adjustments to the amount of the distribution. On settlement of the transaction, the Group recognises the difference, if any, between the carrying amounts of the assets distributed and the carrying amount of the liability in profit or loss.

When the Group repurchases its own shares, the shares repurchased would be accounted for using the treasury stock method.

Where the treasury stock method is applied, the shares repurchased and held as treasury shares shall be measured and carried at the cost of repurchase on initial recognition and subsequently. It shall not be revalued for subsequent changes in the fair value or market price of the shares.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.9 Financial instruments (Cont'd)

(c) Equity (Cont'd)

The carrying amount of the treasury shares shall be offset against equity in the statement of financial position. To the extent that the carrying amount of the treasury shares exceeds the share premium account, it shall be considered as a reduction of any other reserves as may be permitted by the Companies Act, 1965 in Malaysia.

No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the own equity instruments of the Company. If such shares are issued by resale, any difference between the sales consideration and the carrying amount is shown as a movement in equity.

4.10 Impairment of financial assets

The Group assesses whether there is any objective evidence that a financial asset is impaired at the end of each reporting period.

(a) Loans and receivables

The Group collectively considers factors such as the probability of bankruptcy or significant financial difficulties of the receivable, and default or significant delay in payments by the receivable, to determine whether there is objective evidence that an impairment loss on loans and receivables has occurred. Other objective evidence of impairment include historical collection rates determined on an individual basis and observable changes in national or local economic conditions that are directly correlated with the historical default rates of receivables.

If any such objective evidence exists, the amount of impairment loss is measured as the difference between the financial asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The impairment loss is recognised in profit or loss.

The carrying amount of loans and receivables are reduced through the use of an allowance account.

If in a subsequent period, the amount of the impairment loss decreases and it objectively relates to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of impairment reversed is recognised in profit or loss.

(b) Available-for-sale financial assets

The Group collectively considers factors such as significant or prolonged decline in fair value below cost, significant financial difficulties of the issuer or obligor, and the disappearance of an active trading market as objective evidence that available-for-sale financial assets are impaired.

If any such objective evidence exists, an amount comprising the difference between the financial asset's cost (net of any principal payment and amortisation) and current fair value, less any impairment loss previously recognised in profit or loss, is transferred from equity to profit or loss.

Impairment losses in respect of unquoted equity instrument that is carried at cost is recognised in profit or loss and is measured as the difference between the financial asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset.

Impairment losses on available-for-sale equity investments are not reversed in profit or loss in the subsequent periods. Instead, any increase in the fair value subsequent to the impairment loss is recognised in other comprehensive income.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.11 Borrowing costs

Borrowing costs that are directly attributable to the acquisition or production of a qualified asset is capitalised as part of the cost of the asset until when substantially all the activities necessary to prepare the asset for its intended use or sale are complete, after which such expense is charged to profit or loss. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. Capitalisation of borrowing costs is suspended during extended periods in which active development is interrupted.

The amount of borrowing costs eligible for capitalisation is the actual borrowing costs incurred on the borrowing during the period less any investment income on the temporary investment of the borrowing.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

4.12 Income taxes

Income taxes include all domestic and foreign taxes on taxable profit. Income taxes also include other taxes, such as withholding taxes, which are payable by foreign subsidiaries, associate or joint ventures on distributions to the Group and the Company, and real property gains taxes payable on disposal of properties.

Taxes in the statements of profit or loss and other comprehensive income comprise current tax and deferred tax.

(a) Current tax

Current tax expenses are determined according to the tax laws of each jurisdiction in which the Group operates and include all taxes based upon the taxable profits (including withholding taxes payable by foreign subsidiaries on distribution of retained earnings to companies in the Group), and real property gains taxes payable on disposal of properties, if any.

(b) Deferred tax

Deferred tax is recognised in full using the liability method on temporary differences arising between the carrying amount of an asset or liability in the statements of financial position and its tax base.

Deferred tax is recognised for all temporary differences, unless the deferred tax arises from goodwill or the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of transaction, affects neither accounting profit nor taxable profit.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits would be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amount of a deferred tax asset is reviewed at the end of each reporting period. If it is no longer probable that sufficient taxable profits would be available to allow the benefit of part or all of that deferred tax asset to be utilised, the carrying amount of the deferred tax asset would be reduced accordingly. When it becomes probable that sufficient taxable profits would be available, such reductions would be reversed to the extent of the taxable profits.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same taxation authority on either:

(i) The same taxable entity; or

(ii) Different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.12 Income taxes (Cont'd)

(b) Deferred tax (Cont'd)

Deferred tax would be recognised as income or expense and included in profit or loss for the period unless the tax relates to items that are credited or charged, in the same or a different period, directly to equity, in which case the deferred tax would be charged or credited directly to equity.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on the announcement of tax rates and tax laws by the Government in the annual budgets which have the substantive effect of actual enactment by the end of each reporting period.

4.13 Provisions

Provisions are recognised when there is a present obligation, legal or constructive, as a result of a past event, when it is probable that an outflow of resources embodying economic benefits would be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, the amount of a provision would be discounted to its present value at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits would be required to settle the obligation, the provision would be reversed.

Provisions for restructuring are recognised when the Group has approved a detailed formal restructuring plan, and the restructuring either has commenced or has been announced publicly.

Provisions are not recognised for future operating losses. If the Group has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision.

4.14 Contingent liabilities and contingent assets

A contingent liability is a possible obligation that arises from past events whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources would be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Group does not recognise a contingent liability but discloses its existence in the financial statements.

A contingent asset is a possible asset that arises from past events whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group. The Group does not recognise contingent assets but disclose its existence where inflows of economic benefits are probable, but not virtually certain.

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

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.15 Employee benefits

(a) Short term employee benefits

Wages, salaries, social security contributions, paid annual leave, paid sick leave, bonuses and non-monetary benefits are measured on an undiscounted basis and are expensed when employees rendered their services to the Group.

Short term accumulating compensated absences such as paid annual leave are recognised as an expense when employees render services that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur and they lapse if the current period's entitlement is not used in full and do not entitle employees to a cash payment for unused entitlement on leaving the Group.

Bonuses are recognised as an expense when there is a present, legal or constructive obligation to make such payments, as a result of past events and when a reliable estimate can be made of the amount of the obligation.

(b) Defined contribution plans

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

(c) Defined benefits plan

The Group operates a defined benefits plan for eligible employees of a subsidiary in Indonesia.

The recognition and measurement of the defined benefits plan involve:

(i) Determining the deficit or surplus by:

(a) Using an actuarial technique, the projected unit credit method, to make a reliable estimate of the ultimate cost to the Group of the benefits that employees have earned in return for their service in the current and prior periods;

(b) Discounting that benefits in order to determine the present value of the defined benefits obligation and the current service cost; and

(c) Deducting the fair value of any plan asset from the present value of the defined benefits obligation;

(ii) Determining the amount of the net defined benefits liability as the amount of the deficit or surplus as determined above, adjusted for any effect of limiting a net defined benefits asset to the asset ceiling; and

(iii) Determining amounts to be recognised in profit or loss, i.e. current service cost, any past service cost and gain or loss on settlement and net interest on the net defined benefits liability.

The Group determines the net defined benefits liability annually so that the amounts recognised in the financial statements do not differ materially from the amounts that would be determined at the end of the reporting period.

The Group recognises the net defined benefits liability in the statements of financial position.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.15 Employee benefits (Cont'd)

(c) Defined benefits plan (Cont'd)

The cost of providing benefits under the defined benefits plan is determined using the projected unit credit method.

The Group uses the yield rate of high quality government or corporate bonds to discount the post-employment benefits obligation. The currency and term of the government bonds (corporate bonds) are consistent with the currency and estimated term of the post- employment benefits obligation of the Group.

The re-measurement of the net defined obligation is recognised directly in other comprehensive income. The re-measurement includes:

(i) Actuarial gains and losses;
(ii) Return on plan asset, excluding interest; and
(iii) Any asset ceiling effects, excluding interest.

Services costs are recognised in profit or loss, and include current and past service costs as well as gains and losses on curtailments.

Net interest expense is recognised in profit or loss, and is calculated by applying the discount rate used to measure the defined benefits obligation at the beginning of the annual period to the balance of the net defined benefits obligation, considering the effects of contributions and benefits payments during the reporting period. Gains or losses arising from changes to scheme benefits or scheme curtailment are recognised immediately in profit or loss.

Settlement of defined benefits schemes are recognised in the period when the settlement occurs.

If the Group has an unconditional right to a refund during the life of the plan, it would recognise an asset measured as the amount of the surplus at the end of the reporting period that it has a right to receive a refund which would be the fair value of the plan asset less the present value of the defined benefits obligation, less any associated costs, such as taxes. If the amount of a refund is determined as the full amount or a proportion of the surplus, rather than a fixed amount, the Group would make no adjustment for the time value of money, even if the refund is realisable only at a future date.

If there is no minimum funding requirement for contributions relating to future service, the economic benefit available as a reduction in future contributions is the present value of future service cost to the entity at the end of each reporting period over the shorter of the expected life of the plan and the expected life of the entity. The Group would assume no change to the benefits provided by a plan in the future until the plan is amended and shall assume a stable workforce in the future unless it is demonstrably committed at the end of the reporting period to make a reduction in the number of employees covered by the plan.

4.16 Foreign currencies

(a) Functional and presentation currency

Items included in the financial statements of each of the entities of the Group are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Ringgit Malaysia, which is the functional and presentation currency of the Company.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.16 Foreign currencies (Cont'd)

(b) Foreign currency translations and balances

Transactions in foreign currencies are converted into functional currency at rates of exchange ruling at the transaction dates. Monetary assets and liabilities in foreign currencies at the end of each reporting period are translated into functional currency at rates of exchange ruling at that date. All exchange differences arising from the settlement of foreign currency transactions and from the translation of foreign currency monetary assets and liabilities are included in profit or loss in the period in which they arise. Non- monetary items initially denominated in foreign currencies, which are carried at historical cost are translated using the historical rate as of the date of acquisition, and non-monetary items, which are carried at fair value are translated using the exchange rate that existed when the values were determined.

(c) Foreign operations

Financial statements of foreign operations are translated at end of the reporting period exchange rates with respect to their assets and liabilities, and at exchange rates at the dates of the transactions with respect to the statements of profit or loss and other comprehensive income. All resulting translation differences are recognised as a separate component of equity.

In the consolidated financial statements, exchange differences arising from the translation of net investment in foreign operations are taken to equity. When a foreign operation is partially disposed of or sold, exchange differences that were recorded in equity are recognised in profit or loss as part of the gain or loss on disposal.

Exchange differences arising on a monetary item that forms part of the net investment of the Company in a foreign operation shall be recognised in profit or loss in the separate financial statements of the Company or the foreign operation, as appropriate. In the consolidated financial statements, such exchange differences shall be recognised initially as a separate component of equity and recognised in profit or loss upon disposal of the net investment.

Goodwill and fair value adjustments to the assets and liabilities arising from the acquisition of foreign operations are treated as assets and liabilities of the acquired entity and translated at the exchange rate ruling at the end of each reporting period.

4.17 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, net of discounts and rebates.

Revenue is recognised to the extent that it is probable that the economic benefits associated with the transaction would flow to the Group, and the amount of revenue and the cost incurred or to be incurred in respect of the transaction can be reliably measured and specific recognition criteria have been met for each of the activities of the Group as follows:

(a) Services

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

(b) Management fees

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

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.17 Revenue recognition (Cont'd)

(c) Dividend income

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

(d) Interest income

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

(e) Rental income

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

4.18 Operating segments

Operating segments are defined as components of the Group that:

(a) Engages in business activities from which it could earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Group);

(b) Whose operating results are regularly reviewed by the chief operating decision maker of the Group in making decisions about resources to be allocated to the segment and assessing its performance; and

(c) For which discrete financial information is available.

An operating segment may engage in business activities for which it has yet to earn revenues.

The Group reports separately information about each operating segment that meets any of the following quantitative thresholds:

(a) Its reported revenue, including both sales to external customers and intersegment sales or transfers, is ten percent (10%) or more of the combined revenue, internal and external, of all operating segments.

(b) The absolute amount of its reported profit or loss is ten percent (10%) or more of the greater, in absolute amount of:

(i) The combined reported profit of all operating segments that did not report a loss; and

(ii) The combined reported loss of all operating segments that reported a loss.

(c) Its assets are ten percent (10%) or more of the combined assets of all operating segments.

Operating segments that do not meet any of the quantitative thresholds may be considered reportable, and separately disclosed, if the management believes that information about the segment would be useful to users of the financial statements.

Total external revenue reported by operating segments shall constitute at least seventy-five percent (75%) of the revenue of the Group. Operating segments identified as reportable segments in the current financial year in accordance with the quantitative thresholds would result in a restatement of prior period segment data for comparative purposes.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.19 Earnings per share

(a) Basic

Basic earnings per ordinary share for the financial year is calculated by dividing the profit for the financial year attributable to equity holders of the parent by the weighted average number of ordinary shares outstanding during the financial year.

(b) Diluted

Diluted earnings per ordinary share for the financial year is calculated by dividing the profit for the financial year attributable to equity holders of the parent by the weighted average number of ordinary shares outstanding during the financial year adjusted for the effects of dilutive potential ordinary shares.

4.20 Fair value measurement

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

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

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

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

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

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

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

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

5. ADOPTION OF NEW MFRSs AND AMENDMENT TO MFRSs

5.1 New MFRSs that have been issued, but only effective for annual periods beginning on or after 1 January 2016

The following are Standards of the MFRS Framework that have been issued by the Malaysian Accounting Standards Board ('MASB') but have not been early adopted by the Group and the Company.

Title	Effective Date
MFRS 14 *Regulatory Deferral Accounts*	1 January 2016
Amendments to MFRS 10, MFRS 12 and MFRS 128 *Investment Entities: Applying the Consolidation Exception*	1 January 2016
Amendments to MFRS 101 *Disclosure Initiative*	1 January 2016
Amendments to MFRS 116 and MFRS 138 *Clarification of Acceptable Methods of Depreciation and Amortisation*	1 January 2016
Amendments to MFRS 11 *Accounting for Acquisitions of Interests in Joint Operations*	1 January 2016
Amendments to MFRS 116 and MFRS 141 *Agriculture: Bearer Plants*	1 January 2016
Amendments to MFRS 127 *Equity Method in Separate Financial Statements*	1 January 2016
Amendments to MFRSs *Annual Improvements to 2012 - 2014 Cycle*	1 January 2016
Amendments to MFRS 112 *Recognition of Deferred Tax Assets for Unrealised Losses*	1 January 2017
Amendments to MFRS 107 *Disclosure Initiative*	1 January 2017
MFRS 15 *Revenue from Contracts with Customers*	1 January 2018
Clarification to MFRS 15	1 January 2018
MFRS 9 *Financial Instruments (IFRS as issued by IASB in July 2014)*	1 January 2018
Amendments to MFRS 2 *Classification and Measurement of Share-based Payment Transactions*	1 January 2018
MFRS 16 *Leases*	1 January 2019
Amendments to MFRS 10 and MFRS 128 *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	Deferred

The Group is in the process of assessing the impact of implementing these Standards, since the effects would only be observable for the future financial years.

6. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

6.1 Changes in estimates

Estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Directors are of the opinion that there are no significant changes in estimates as at the end of the reporting period.

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

6.2 Critical judgements made in applying accounting policies

The following are judgements made by management in the process of applying the accounting policies of the Group that have the most significant effect on the amounts recognised in the financial statements.

(a) Classification of leasehold land

The Group has assessed and classified land use rights of the Group as finance leases based on the extent to which risks and rewards incidental to ownership of the land resides with the Group arising from the lease term. Consequently, the Group has classified the unamortised upfront payment for land use rights as finance leases in accordance with MFRS 117 *Leases*.

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

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

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

(c) Significant influence

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

In the previous financial year, the Group held a twenty percent (20%) interest in YKP Ocean Services Co., Ltd. ('YKP Ocean') for which the Group had determined that it did not hold significant influence over YKP Ocean as:

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

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

During the financial year, the Group had disposed its investment in YKP Ocean as disclosed in Note 12(a) to the financial statements.

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

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

(d) Classification of joint arrangements

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

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

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

(e) Impairment of equity investments categorised as available-for-sale financial assets

The Group believes that a significant or prolonged decline in fair value of an investment in equity instrument is a decline in fair value of more than twenty percent (20%) of the cost, or the decline in fair value below its original cost has persisted for more than nine (9) to twelve (12) months.

(f) Classification of non-current bank borrowings

Term loan agreements entered into by the Group include repayment on demand clauses at the discretion of financial institutions. The Group believes that in the absence of a default being committed by the Group, these financial institutions are not entitled to exercise their right to demand for repayment. Accordingly, the carrying amount of the term loans have been classified between current and non-current liabilities based on their repayment period.

(g) Post-employment benefits obligation

The Group determines the present value of the defined benefits obligation and the fair value of any plan asset based on calculations provided by an independent actuary using the relevant assumptions as disclosed in Note 25 to the financial statements. Where expectations differ from the original estimate, the differences would impact the carrying amount of the post-employment benefits obligation.

(h) Contingent liabilities

The determination of treatment of contingent liabilities is based on management's view of the expected outcome of the contingencies for matters in the ordinary course of the business.

(i) Contingent liabilities on corporate guarantees

The Directors are of the view that the chances of the financial institutions to call upon the corporate guarantees are remote.

(j) Operating lease commitments - the Group as lessor

The Group has entered into commercial property leases on its buildings. The Group has determined that it retains all the significant risks and rewards of ownership of these properties, which are leased out as operating leases due to the lease period of one (1) to three (3) years out of the properties' economic life of fifty (50) years.

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

6.3 Key sources of estimation uncertainty

The following are key assumptions concerning the future and other key sources of estimation uncertainty at the end of each reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

(a) Depreciation of property, plant and equipment

The Group estimates the useful lives of property, plant and equipment based on the period over which the assets are expected to be available for use. The estimated useful lives of property, plant and equipment are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the relevant assets. It is possible that future results of operations could be materially affected by changes in the estimates brought about by changes in factors mentioned above. The amount and timing of recorded expenses for any period would be affected by changes in these factors and circumstances. A reduction in the estimated useful lives of the property, plant and equipment would increase the recorded expenses and decrease the non-current assets.

(b) Amortisation of intangible assets

The cost of intangible assets is depreciated on a straight line basis over the assets' useful lives. Management estimates that the useful lives of these assets to be five (5) years, which are common life expectancies applied in this industry. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these intangible assets, and therefore future amortisation charges could be revised.

(c) Impairment of investments in subsidiaries

Management reviews the material investments in subsidiaries for impairment when there is an indication of impairment.

The recoverable amounts of the investments in subsidiaries are assessed by reference to the higher of its fair value less cost to sell and its value in use of the respective subsidiaries.

Estimating a value in use requires management to make an estimate of the expected future cash flows to be derived from continuing use of the asset and from its ultimate disposal, expectations about possible variations in the amount, timing of those cash flows, the time value of money, price for inherent uncertainty risk and other relevant factors.

(d) Impairment of goodwill on consolidation

The Group determines whether goodwill on consolidation is impaired at least on an annual basis. This requires an estimation of the value-in-use of the subsidiaries to which goodwill is allocated. Estimating a value-in-use amount requires management to make an estimate of the expected future cash flows from the subsidiaries and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The assumptions used are disclosed in Note 8(a) to the financial statements.

(e) Deferred tax assets

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

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

6.3 Key sources of estimation uncertainty (Cont'd)

(f) Impairment of receivables

The Group makes impairment of receivables based on an assessment of the recoverability of receivables. Impairment is applied to receivables where events or changes in circumstances indicate that the carrying amounts may not be recoverable. Management specifically analyses historical bad debts, customer concentration, customer creditworthiness, current economic trends and changes in customer payment terms when making a judgement to evaluate the adequacy of impairment of receivables. Where expectations differ from the original estimates, the differences would impact the carrying amount of receivables.

(g) Income taxes

Significant judgement is required in determining the capital allowances, deductibility of certain expenses and taxability of certain income during the estimation of the provision for income taxes. There are transactions during the ordinary course of business for which the ultimate tax determination is uncertain. The Group recognises tax liabilities based on estimates of whether additional taxes would be due. Where the final tax outcome is different from the amounts that were initially recorded, such differences would impact the income tax and deferred tax provisions in the period in which such determination is made.

(h) Fair values of borrowings

The fair values of borrowings are estimated by discounting future contractual cash flows at the current market interest rates available to the Group for similar financial instruments. Sensitivity analysis of the effects of interest rate risk has been disclosed in Note 42 to the financial statements.

(i) Fair value measurement

The financial and non-financial assets and liabilities that are measured subsequent to initial recognition at fair value are grouped into Level 1 to Level 3 based on the degree to which the fair value inputs are observable.

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

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

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

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

The Group engaged a professional valuer to perform valuations on the land and buildings in the previous financial year as disclosed separately in Note 7 to the financial statements.

The Group measures these elements in the financial statements at fair value:

(i) Property, plant and equipment (land and buildings), Note 7 to the financial statements;
(ii) Other investments, Note 12 to the financial statements; and
(iii) Financial instruments, Note 41 to the financial statements.

7. PROPERTY, PLANT AND EQUIPMENT

Group	Balance as at 1.7.2015 RM'000	Additions RM'000	Disposals RM'000	Written off RM'000	Depreciation charge for the financial year RM'000	Translations adjustments RM'000	Balance as at 30.6.2016 RM'000
Carrying amount							
Freehold land							
- at valuation	250	-	-	-	-	-	250
- at cost	-	41,981	-	-	-	-	41,981
Long-term leasehold land							
- at valuation	41,200	-	-	-	(552)	-	40,648
Buildings							
- at valuation	73,545	1,249	(400)	-	(1,707)	-	72,687
- at cost	-	9,673	-	-	(484)	-	9,189
Machinery, furniture and fittings	9,420	2,839	(94)	-	(1,747)	6	10,424
Office equipment	4,059	949	-	(6)	(1,558)	20	3,464
Renovations	1,195	218	-	-	(218)	9	1,204
Motor vehicles	8,097	1,672	(53)	-	(2,065)	72	7,723
Forklifts	1,186	63	-	-	(555)	-	694
Storage containers	1,036	-	(1)	-	(156)	-	879
Tug boats and barges	31,908	1,263	-	-	(2,804)	1,905	32,272
Prime movers and trailers	15,613	1,475	(195)	-	(3,199)	-	13,694
Construction-in-progress	-	249	-	-	-	-	249
	187,509	61,631	(743)	(6)	(15,045)	2,012	235,358

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

Group	At 30.6.2016			
	Cost/ Valuation RM'000	Accumulated depreciation RM'000	Accumulated impairment losses RM'000	Carrying amount RM'000
Freehold land				
- at valuation	250	-	-	250
- at cost	41,981	-	-	41,981
Long-term leasehold land				
- at valuation	41,200	(552)	-	40,648
Buildings				
- at valuation	74,453	(1,697)	(69)	72,687
- at cost	9,673	(484)	-	9,189
Machinery, furniture and fittings	17,720	(7,296)	-	10,424
Office equipment	15,679	(12,215)	-	3,464
Renovations	1,960	(756)	-	1,204
Motor vehicles	17,171	(9,448)	-	7,723
Forklifts	5,365	(4,671)	-	694
Storage containers	2,602	(1,723)	-	879
Tug boats and barges	46,389	(14,117)	-	32,272
Prime movers and trailers	31,582	(17,888)	-	13,694
Construction-in-progress	249	-	-	249
	306,274	(70,847)	(69)	235,358

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

Group	Balance as at 1.7.2014 RM'000	Additions RM'000	Reclassifi-cations RM'000	Disposals RM'000	Written off RM'000	Depreciation charge for the financial year RM'000	Impairment losses RM'000	Revaluation surplus RM'000	Translations adjustments RM'000	Balance as at 30.6.2015 RM'000
Carrying amount										
Freehold land										
- at valuation	236	-	-	-	-	-	-	14	-	250
Long-term leasehold land										
- at valuation	19,089	-	-	-	-	(257)	-	22,368	-	41,200
Buildings										
- at valuation	34,946	15,757	15,664	-	-	(1,463)	(69)	8,710	-	73,545
Machinery, furniture and fittings	5,914	4,979	-	-	(13)	(1,468)	-	-	8	9,420
Office equipment	3,764	1,955	-	(1)	(15)	(1,648)	-	-	4	4,059
Renovations	479	916	-	-	(14)	(196)	-	-	10	1,195
Motor vehicles	8,034	2,300	-	(338)	-	(1,955)	-	-	56	8,097
Forklifts	1,345	642	-	-	-	(801)	-	-	-	1,186
Storage containers	1,012	-	163	-	-	(139)	-	-	-	1,036
Tug boats and barges	29,045	2,895	-	-	-	(2,488)	-	-	2,456	31,908
Prime movers and trailers	18,265	692	-	(216)	-	(3,128)	-	-	-	15,613
Construction-in-progress	15,827	-	(15,827)	-	-	-	-	-	-	-
	137,956	30,136	-	(555)	(42)	(13,543)	(69)	31,092	2,534	187,509

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

Group	At 30.6.2015			
	Cost/ Valuation RM'000	Accumulated depreciation RM'000	Accumulated impairment losses RM'000	Carrying amount RM'000
Freehold land				
- at valuation	**250**	**-**	**-**	**250**
Long-term leasehold land				
- at valuation	**41,200**	**-**	**-**	**41,200**
Buildings				
- at valuation	**73,614**	**-**	**(69)**	**73,545**
Machinery, furniture and fittings	**15,021**	**(5,601)**	**-**	**9,420**
Office equipment	**14,705**	**(10,646)**	**-**	**4,059**
Renovations	**1,730**	**(535)**	**-**	**1,195**
Motor vehicles	**16,040**	**(7,943)**	**-**	**8,097**
Forklifts	**5,302**	**(4,116)**	**-**	**1,186**
Storage containers	**2,616**	**(1,580)**	**-**	**1,036**
Tug boats and barges	**43,571**	**(11,663)**	**-**	**31,908**
Prime movers and trailers	**30,727**	**(15,114)**	**-**	**15,613**
Construction-in-progress	**-**	**-**	**-**	**-**
	244,776	**(57,198)**	**(69)**	**187,509**

(a) Freehold land, long-term leasehold land and buildings (collectively known as land and buildings) classified under property, plant and equipment were measured at valuation with effect from 30 June 2015. The valuation exercise on the land and buildings was performed by an independent professional valuer using the open market value method.

The amounts recognised in the financial statements arising from the revaluation were as follows:

	Group	
	2016 RM'000	2015 RM'000
Revaluation reserve (Note 22(c))	**-**	23,633
Deferred tax liabilities (Note 13(a))	**-**	7,459
	-	31,092

Had the revalued assets been carried out at cost less accumulated depreciation, the carrying amount would have been:

	Group	
	2016 RM'000	2015 RM'000
Freehold land	**236**	236
Long-term leasehold land	**18,574**	18,832
Buildings	**64,381**	64,835
	83,191	83,903

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

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

2016	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Freehold land	**-**	**250**	**-**	**250**
Long-term leasehold land	**-**	**40,648**	**-**	**40,648**
Buildings	**-**	**72,687**	**-**	**72,687**
	-	**113,585**	**-**	**113,585**
2015				
Freehold land	-	250	-	250
Long-term leasehold land	-	41,200	-	41,200
Buildings	-	73,545	-	73,545
	-	114,995	-	114,995

(i) There were no transfers between Level 1, Level 2 and Level 3 fair value measurements during the financial year ended 30 June 2016.

(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.

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

	Group 2016 RM'000	2015 RM'000
Purchase of property, plant and equipment	**61,631**	30,136
Financed by hire purchase and lease arrangements	**(2,665)**	(1,950)
Financed by term loans	**(40,000)**	(20,186)
Cash payments on purchase of property, plant and equipment	**18,966**	8,000

(d) The net carrying amount of the property, plant and equipment of the Group under hire purchase and lease arrangements at the end of the reporting period are as follows:

	Group 2016 RM'000	2015 RM'000
Motor vehicles	**4,186**	4,078
Prime movers and trailers	**2,986**	1,913
	7,172	5,991

Details of the terms of the hire purchase and lease arrangements are disclosed in Notes 23 and 42 to the financial statements respectively.

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

(e) Property, plant and equipment pledged as securities for banking facilities granted to the Group as disclosed in Notes 24 and 28 to the financial statements are as follows:

	Group 2016 RM'000	2015 RM'000
Carrying amount		
Freehold land	**41,981**	-
Long-term leasehold land	**40,648**	41,200
Buildings	**81,066**	72,300
Tug boats and barges	**15,384**	15,235
	179,079	128,735

(f) In the previous financial year, there were impairment losses of RM69,279 recognised in profit or loss due to the recoverable amounts of the buildings were less than their carrying amounts.

8. INTANGIBLE ASSETS

Group	Balance as at 1.7.2015 RM'000	Additions RM'000	Amortisation charge for the financial year RM'000	Impairment loss for the financial year RM'000	Balance as at 30.6.2016 RM'000
Goodwill on consolidation	1,659	-	-	-	1,659
Computer software	-	788	(26)	-	762
Rights to participate in hub business	-	250	-	-	250
	1,659	1,038	(26)	-	2,671

	As at 30.6.2016 Cost RM'000	Accumulated amortisation and impairment RM'000	Carrying amount RM'000
Goodwill on consolidation	**1,876**	**(217)**	**1,659**
Computer software	**788**	**(26)**	**762**
Rights to participate in hub business	**250**	**-**	**250**
	2,914	**(243)**	**2,671**

	Balance as at 1.7.2014 RM'000	Impairment loss for the financial year RM'000	Balance as at 30.6.2015 RM'000
Goodwill on consolidation	1,659	-	1,659

8. INTANGIBLE ASSETS (CONT'D)

	As at 30.6.2015		
	Cost RM'000	Accumulated impairment RM'000	Carrying amount RM'000
Goodwill on consolidation	1,876	(217)	1,659

(a) 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	
	2016 RM'000	2015 RM'000
Logistics:		
- Malaysia	**179**	179
- Thailand	**23**	23
- Australia	**4**	4
Marine	**1,659**	1,659
Others	**11**	11
	1,876	1,876
Less: Impairment losses:		
- Malaysia	**(179)**	(179)
- Thailand	**(23)**	(23)
- Australia	**(4)**	(4)
Others	**(11)**	(11)
	1,659	1,659

As at 30 June 2016, management assessed that the recoverable amount of goodwill of the marine unit, based on value-in-use calculations, exceeded its carrying amount and hence, no impairment is required.

Value-in-use was determined by discounting the future cash flows generated from the continuing use of the cash generating unit ('CGU') and was based on the following assumptions:

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

(ii) Pre-tax discount rate of 6.00% (2015: 7.58%) was applied in determining the recoverable amount of the CGU. The discount rate was estimated based on the weighted average cost of capital of the Group and taken into consideration of the current market assessment of the risks specific to the CGU.

(iii) The anticipated annual revenue growth rate used in the cash flow budgets and plans is 3% (2015: 5%).

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

8. INTANGIBLE ASSETS (CONT'D)

(b) 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..

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

	Group 2016 RM'000	Group 2015 RM'000
Purchase of intangible assets	**1,038**	-
Payment by way of subscription of ordinary share capital by non-controlling interest of a subsidiary	**(250)**	-
Cash payments on purchase of intangible assets	**788**	-

9. INVESTMENTS IN SUBSIDIARIES

	Company 2016 RM'000	Company 2015 RM'000
Unquoted equity shares, at cost	**46,226**	45,576
Equity loan to a subsidiary	**26,161**	26,161
	72,387	71,737
Less: Impairment losses	**(650)**	(650)
	71,737	71,087

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

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

Name of company	Country of incorporation	Interest in equity held by Company 2016	Interest in equity held by Company 2015	Principal activities
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 (Penang) Sdn. Bhd.	Malaysia	**100%**	100%	Dormant
FM Global Logistics (Ipoh) Sdn. Bhd.	Malaysia	**100%**	100%	Dormant
FM Global Logistics (M) Sdn. Bhd.	Malaysia	**100%**	100%	Provision of freight services
FM Global Logistics (Melaka) Sdn. Bhd.	Malaysia	**100%**	100%	Dormant
FM Global Logistics (Penang) Sdn. Bhd.	Malaysia	**100%**	100%	Dormant

9. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(b) The details of the subsidiaries are as follows (Cont'd):

Name of company	Country of incorporation	Interest in equity held by Company 2016	2015	Principal activities
Advance International Freight Sdn. Bhd.	Malaysia	**100%**	100%	Dormant
FMG Capital & Management Sdn. Bhd.	Malaysia	**100%**	100%	Investment holding
Freight Management MSC Sdn. Bhd.	Malaysia	**100%**	100%	Developing, providing and maintaining IT software application solutions
Symphony Express Sdn. Bhd.	Malaysia	**80%**	80%	Provision of freight services
Exterian Enterprise Sdn. Bhd.	Malaysia	**100%**	100%	Dormant
#TCH Marine Pte. Ltd.	Singapore	**51%**	51%	Charterers of barges and tugboats
#FM Global Logistics (S'pore) Pte. Ltd.	Singapore	**100%**	100%	Provision of freight services
FM Global Logistics Ventures Sdn. Bhd.	Malaysia	**100%**	100%	Investment holding
+Icon Freight International Inc.	British Virgin Islands	**100%**	100%	Provision of management services
FM Hubwire Sdn. Bhd.	Malaysia	**65%**	-	Provision of e-commerce logistics services
Subsidiaries of FM Global Logistics Ventures Sdn. Bhd.				
*^PT. FM Global Logistics ('PTFM')	Indonesia	**49%**	49%	Provision of freight services
+FM Global Logistics Pty. Ltd.	Australia	**75%**	75%	Provision of integrated freight and logistic services
#FM Global Logistics Co., Ltd.	Thailand	**100%**	100%	Provision of freight services
+FM Global Korea Corporation	South Korea	**100%**	100%	Provision of trading services
*FM Global Logistics Company Limited	Vietnam	**51%**	51%	Provision of freight services
+FM Global Logistics (HK) Limited	Hong Kong	**100%**	100%	Provision of freight services

9. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(b) The details of the subsidiaries are as follows (Cont'd):

Name of company	Country of incorporation	Interest in equity held by Company 2016	2015	Principal activities
Subsidiaries of FM Global Logistics Ventures Sdn. Bhd. (Cont'd)				
#@FM Global Logistics (India) Private Limited	India	**51%**	51%	Provision of integrated freight and logistic services
#^@FM Global Logistics Lanka (Private) Limited ('FMGLL')	Sri Lanka	**40%**	40%	Provision of integrated freight and logistic services
Subsidiary of FM Multimodal Services Sdn. Bhd.				
Dependable Global Express Malaysia Sdn. Bhd.	Malaysia	**51%**	51%	Provision of freight services
Subsidiaries of FM Global Logistics (M) Sdn. Bhd.				
FM Contract Logistics Sdn. Bhd.	Malaysia	**100%**	100%	Provision of freight services
Advance Cargo Logistics Sdn. Bhd.	Malaysia	**100%**	100%	Provision of freight services

^ *The financial statements of PTFM and FMGLL were consolidated as subsidiaries as the Group has control over the Board and power to govern the relevant activities of these companies (Note 9(c)).*

+ *Subsidiaries are consolidated based on management accounts for the financial year ended 30 June 2016. The financial statements of these subsidiaries are not required to be audited in their country of incorporation.*

* *Subsidiary audited by BDO Member Firm.*

Subsidiaries not audited by BDO Member Firms.

@ *Subsidiaries had financial year ended 31 March 2016 and were consolidated based on management accounts for the financial period ended 30 June 2016.*

Financial year ended 30 June 2016

(i) On 4 November 2015, FM Global Logistics (India) Private Limited ('FMGLI'), a subsidiary of FM Global Logistics Ventures Sdn. Bhd. ('FMGLV') increased its issued and paid-up share capital from INR28,925,530 to INR35,510,230 by an allotment of 658,470 ordinary shares of INR10.00 each. FMGLV subscribed for 337,875 ordinary shares of INR10.00 each in FMGLI for a total consideration of INR3,378,750 (RM226,376) ('Subscription of Shares'). The remaining 320,595 ordinary shares of INR10.00 each were subscribed by the a non-controlling interest for a cash consideration of INR3,205,950 (RM214,850). Following the Subscription of Shares, the equity interest of the Group via FMGLV in FMGLI remained at 51%. The Subscription of Shares did not have any material financial effect to the Group.

9. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(b) The details of the subsidiaries are as follows (Cont'd):

Financial year ended 30 June 2016 (Cont'd)

(ii) On 28 March 2016, the Company announced that it had acquired 2 ordinary shares of RM1.00 each of the issued and paid-up share capital of FM Hubwire Sdn. Bhd. ('FMHSB'). Subsequently on 15 April 2016, the Company had further subscribed for an additional 649,998 ordinary shares of RM1.00 each, representing 65% of the issued and paid-up share capital of FMHSB. The remaining 350,000 ordinary shares of RM1.00 each were subscribed by the non-controlling interests for cash considerations of RM350,000.

The principal activity of FMHSB is provision of e-commerce logistics services. The above incorporation and subscription of ordinary shares of FMHSB did not have any material financial effect to the Group.

Financial year ended 30 June 2015

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

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

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

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

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

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

2016	TCH Marine Pte. Ltd.	PT. FM Global Logistics	FM Global Logistics Pty. Ltd.	Other individual immaterial subsidiaries	Total
NCI percentage of ownership and voting interests	49%	51%	25%		
Carrying amount of NCI (RM'000)	11,569	2,066	1,157	1,522	16,314
(Loss)/Profit allocated to NCI (RM'000)	(1,679)	218	98	121	(1,242)
Dividend paid to NCI (RM'000)	-	-	-	200	200

9. INVESTMENTS IN SUBSIDIARIES (CONT'D)

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

2015	TCH Marine Pte. Ltd.	PT. FM Global Logistics	FM Global Logistics Pty. Ltd.	Other individual immaterial subsidiaries	Total
NCI percentage of ownership and voting interests	49%	51%	25%		
Carrying amount of NCI (RM'000)	12,508	1,750	1,026	1,059	16,343
Profit/(Loss) allocated to NCI (RM'000)	34	(60)	383	(473)	(116)
Dividend paid to NCI (RM'000)	-	-	-	200	200

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

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

2016	TCH Marine Pte. Ltd. RM'000	PT. FM Global Logistics RM'000	FM Global Logistics Pty. Ltd. RM'000
Assets and liabilities			
Non-current assets	**32,837**	**1,284**	**376**
Current assets	**2,995**	**10,424**	**7,798**
Non-current liabilities	**(1,930)**	**(70)**	**(281)**
Current liabilities	**(10,292)**	**(7,587)**	**(3,267)**
Net assets	**23,610**	**4,051**	**4,626**
Results			
Revenue	**13,849**	**27,591**	**29,572**
(Loss)/Profit for the financial year	**(3,426)**	**427**	**393**
Total comprehensive (loss)/income	**(3,426)**	**360**	**393**
Cash flows from operating activities	**3,139**	**1,560**	**834**
Cash flows used in investing activities	**(1,042)**	**(362)**	**(85)**
Cash flows used in financing activities	**(4,356)**	**(97)**	**(88)**
Net (decrease)/increase in cash and cash equivalents	**(2,259)**	**1,101**	**661**

9. INVESTMENTS IN SUBSIDIARIES (CONT'D)

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

2015	TCH Marine Pte. Ltd. RM'000	PT. FM Global Logistics RM'000	FM Global Logistics Pty. Ltd. RM'000
Assets and liabilities			
Non-current assets	32,777	1,088	428
Current assets	5,308	6,863	7,181
Non-current liabilities	(5,595)	(123)	(337)
Current liabilities	(6,963)	(4,396)	(3,167)
Net assets	25,527	3,432	4,105
Results			
Revenue	19,636	21,794	33,368
Profit/(Loss) for the financial year	69	(117)	1,532
Total comprehensive income/(loss)	69	(168)	1,427
Cash flows from/(used in) operating activities	4,174	(165)	346
Cash flows (used in)/from investing activities	(288)	(59)	86
Cash flows used in financing activities	(5,190)	(243)	(144)
Net (decrease)/increase in cash and cash equivalents	(1,304)	(467)	288

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

(i) Restriction imposed by bank covenants

The covenants of borrowings taken by Advance International Freight Sdn. Bhd., FM Multimodal Services Sdn. Bhd., FM Global Logistics (KUL) Sdn. Bhd. and FM Global Logistics (M) Sdn. Bhd., direct subsidiaries of the Company, restrict the ability of these subsidiaries to declare dividends to their shareholders in excess of their profit after tax for each of the financial year.

(ii) Restriction imposed by shareholders' agreements

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

10. INVESTMENTS IN ASSOCIATES

	Group 2016 RM'000	Group 2015 RM'000	Company 2016 RM'000	Company 2015 RM'000
Unquoted equity shares, at cost	**4,751**	3,151	**3,028**	3,028
Share of post-acquisition reserves	**50**	163	**-**	-
	4,801	3,314	**3,028**	3,028

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

Name of company	Country of incorporation	Interest in equity held by Group 2016	Group 2015	Company 2016	Company 2015	Principal activities
*^YKP-FM Global Shipyard Co., Ltd.	Thailand	**25%**	25%	**25%**	25%	Development and operation of shipyard
Associate of FM Global Logistics (M) Sdn. Bhd.						
FM Distribution Sdn. Bhd.	Malaysia	**49%**	49%	**-**	-	Provision of warehouse services
Associate of FM Global Logistics Ventures Sdn. Bhd.						
*^Hubwire Sdn. Bhd.	Malaysia	**20%**	-	**-**	-	Provision of e-commerce business

* *Associates not audited by BDO Member Firms.*

^ *Associates had financial year ended 31 December 2015 and were equity accounted based on management accounts for the financial period ended 30 June 2016.*

(b) On 6 July 2015, the Company announced that its wholly-owned subsidiary, FM Global Logistics Ventures Sdn. Bhd. ('FMGLV'), had entered into a Subscription and Shareholders' Agreement ('Subscription of Shares') with the six (6) other parties for the subscription of 258,352 new ordinary shares of RM1.00 each in Hubwire Sdn. Bhd. (Company No. 1070185-P) ('HSB'), a company incorporated under the Companies Act, 1965 in Malaysia, for a total cash consideration of RM1,600,000. The Subscription of Shares did not have any material financial effect to the Group.

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

10. INVESTMENTS IN ASSOCIATES (CONT'D)

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

	FM Distribution Sdn. Bhd. RM'000	YKP-FM Global Shipyard Co., Ltd. RM'000	Hubwire Sdn. Bhd. RM'000
2016			
Assets and liabilities			
Non-current assets	-	21,313	1,760
Current assets	770	2,888	418
Non-current liabilities	-	(11,883)	-
Current liabilities	(22)	(1,254)	(467)
Net assets	748	11,064	1,711
Results			
Revenue	374	-	593
Profit/(Loss) for the financial year	34	(519)	4
Total comprehensive income/(loss)	34	(519)	4
Cash flows from/(used in) operating activities	94	1,037	(926)
Cash flows used in investing activities	-	(1,621)	(494)
Cash flows from financing activities	-	799	1,600
Net increase in cash and cash equivalents	94	215	180

	FM Distribution Sdn. Bhd. RM'000	YKP-FM Global Shipyard Co., Ltd. RM'000
2015		
Assets and liabilities		
Non-current assets	-	20,371
Current assets	721	2,742
Non-current liabilities	-	-
Current liabilities	(7)	(11,530)
Net assets	714	11,583

10. INVESTMENTS IN ASSOCIATES (CONT'D)

(d) The summarised financial information of the associates is as follows (Cont'd):

	FM Distribution Sdn. Bhd. RM'000	YKP-FM Global Shipyard Co., Ltd. RM'000
2015		
Results		
Revenue	349	-
Profit/(Loss) for the financial year	33	(3)
Total comprehensive income/(loss)	33	(3)
Cash flows from/(used in) operating activities	131	(2,258)
Cash flows used in investing activities	-	(4,672)
Cash flows from financing activities	150	5,977
Net increase/(decrease) in cash and cash equivalents	281	(953)

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

	FM Distribution Sdn. Bhd. RM'000	YKP-FM Global Shipyard Co., Ltd. RM'000	Hubwire Sdn. Bhd. RM'000	Total RM'000
As at 30 June 2016				
Share of net assets of the Group	**367**	**2,766**	**342**	**3,475**
Goodwill	**68**	**-**	**1,258**	**1,326**
Carrying amount in the statements of financial position	**435**	**2,766**	**1,600**	**4,801**
Share of results of the Group for the financial year ended 30 June 2016				
Share of profit/(loss)/other comprehensive income/(loss) of the Group	**17**	**(130)**	*****	**(113)**

** Less than RM1,000.*

10. INVESTMENTS IN ASSOCIATES (CONT'D)

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

	FM Distribution Sdn. Bhd. RM'000	YKP-FM Global Shipyard Co., Ltd. RM'000	Total RM'000
As at 30 June 2015			
Share of net assets of the Group	350	2,896	3,246
Goodwill	68	-	68
Carrying amount in the statements of financial position	418	2,896	3,314
Share of results of the Group for the financial year ended 30 June 2015			
Share of profit/(loss)/other comprehensive income/(loss) of the Group	16	(1)	15

11. INTERESTS IN JOINT VENTURES

	Group		Company	
	2016 RM'000	**2015 RM'000**	**2016 RM'000**	**2015 RM'000**
Unquoted equity shares, at cost	**3,169**	3,169	**997**	997
Long term advances to a joint venture	**1,413**	-	**1,413**	-
Share of post-acquisition losses	**(1,604)**	(783)	**-**	-
	2,978	2,386	**2,410**	997
Less: Impairment losses	**-**	-	**(1,413)**	-
	2,978	2,386	**997**	997

(a) Long term advances to a joint venture are unsecured, settlement is neither planned nor likely to occur in the foreseeable future and interest-free.

11. INTERESTS IN JOINT VENTURES (CONT'D)

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

Name of company	Country of incorporation	Interest in equity held by Group 2016	Group 2015	Company 2016	Company 2015	Principal activities
*#Transenergy Shipping Pte. Ltd.	Malaysia	**50%**	50%	**50%**	50%	Provision of marine services
*#Transenergy Shipping Management Sdn. Bhd.	Malaysia	**50%**	50%	**50%**	50%	Provision of marine services
Joint ventures of FM Global Logistics Ventures Sdn. Bhd.						
*FM Global Logistics (Phil.), Inc.	Philippines	**50%**	50%	**-**	-	Provision of integrated freight and logistics services
*^Amass Freight Middle East FZCO	United Arab Emirates	**50%**	50%	**-**	-	Investment holding

* *Joint ventures not audited by BDO Member Firms.*

Joint ventures had financial year ended 31 March 2016 and were equity accounted based on management accounts for the financial period ended 30 June 2016.

^ *Joint venture had financial year ended 31 December 2015 and was equity accounted based on management accounts for the financial period ended 30 June 2016.*

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

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

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

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

11. INTERESTS IN JOINT VENTURES (CONT'D)

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

	Transenergy Group of Companies* RM'000	FM Global Logistics (Phil.), Inc. RM'000	Amass Freight Middle East FZCO RM'000	Total RM'000
2016				
Assets and liabilities				
Non-current assets	**13,041**	**142**	**171**	**13,354**
Current assets	**6,727**	**5,606**	**1,611**	**13,944**
Current liabilities	**(19,676)**	**(2,972)**	**(1,019)**	**(23,667)**
Net assets	**92**	**2,776**	**763**	**3,631**
Proportion of the ownership of the Group	**50%**	**50%**	**50%**	
Share of net assets	**46**	**1,389**	**381**	**1,816**
Goodwill at acquisition	**-**	**1,162**	**-**	**1,162**
Carrying amount of the interests in joint ventures	**46**	**2,551**	**381**	**2,978**
Results				
Revenue	3,503	3,054	-	6,557
Administrative expenses	(6,110)	(1,815)	(273)	(8,198)
(Loss)/ Profit for the financial year	(2,607)	1,239	(273)	(1,641)
Share of (loss)/profit by the Group for the financial year	(1,304)	620	(137)	(821)

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

11. INTERESTS IN JOINT VENTURES (CONT'D)

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

	Transenergy Group of Companies* RM'000	FM Global Logistics (Phil.), Inc. RM'000	Amass Freight Middle East FZCO RM'000	Total RM'000
2015				
Assets and liabilities				
Non-current assets	13,900	329	-	14,229
Current assets	598	2,750	1,035	4,383
Current liabilities	(14,624)	(1,541)	-	(16,165)
Net (liabilities)/assets	(126)	1,538	1,035	2,447
Proportion of the ownership of the Group	50%	50%	50%	
Share of net (liabilities)/assets	(63)	769	518	1,224
Goodwill at acquisition	-	1,162	-	1,162
Carrying amount of the interests in joint ventures	(63)	1,931	518	2,386
Results				
Revenue	-	13,285	-	13,285
Administrative expenses	(1,995)	(12,731)	-	(14,726)
(Loss)/Profit for the financial year	(1,995)	554	-	(1,441)
Share of (loss)/profit by the Group for the financial year	(998)	277	-	(721)

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

12. OTHER INVESTMENTS

	Group 2016 RM'000	2015 RM'000
Non-current		
Available-for-sale financial assets		
- Unquoted shares in Malaysia	**3**	3
- Unquoted shares outside Malaysia	**-**	232
Total non-current other investments	**3**	235
Current		
Financial assets at fair value through profit or loss		
- Unit trust quoted in Malaysia	**6,020**	2,002
- Quoted shares outside Malaysia	**804**	826
Total current other investments	**6,824**	2,828
Total other investments	**6,827**	3,063

(a) During the current financial year, TCH Marine Pte. Ltd., a 51% owned subsidiary of the Company disposed its investment in YKP Ocean Services Co., Ltd., a company limited by shares, organised and existing under the laws of the Kingdom of Thailand for a total cash consideration of Thai Baht equivalent to SGD83,940 (RM245,944). There is no gain or loss resulted from the disposal.

(b) FM Global Logistics (M) Sdn. Bhd. ('FMGLM'), a wholly-owned subsidiary of the Company, invested in a unit trust quoted in Malaysia for a total cash consideration of RM6,000,000 (2015: RM2,000,000).

FMGLM recognised a fair value gain of RM20,059 (2015: RM2,396) in the financial statements.

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

(c) In the previous financial year, FMG Capital & Management Sdn. Bhd. ('FMG'), a wholly-owned subsidiary of the Company, invested in a company listed on the Tokyo Stock Exchange for a total consideration of RM476,599.

During the current financial year, FMG recognised a fair value loss of RM22,293 (2015: fair value gain of RM349,369) in the financial statements.

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

(e) Information on financial risks of other investments is disclosed in Note 42(e) to the financial statements.

(f) Information on the fair value hierarchy is disclosed in Note 41(d) to the financial statements.

13. DEFERRED TAX

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

	Group	
	2016 RM'000	2015 RM'000
Balance as at 1 July 2015/2014	**16,597**	9,111
Recognised in profit or loss (Note 33)		
- Originating and reversal of temporary differences	**259**	(67)
- Under provision in prior years	**971**	145
Recognised in other comprehensive income		
- Actuarial loss on defined benefits plan	**(22)**	(17)
- Arising from revaluation of land and buildings (Note 7(a))	**-**	7,459
Exchange differences	**(6)**	(34)
Balance as at 30 June 2016/2015	**17,799**	16,597
Presented after appropriate offsetting		
Deferred tax assets, net	**(730)**	(565)
Deferred tax liabilities, net	**18,529**	17,162
	17,799	16,597

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

	Group	
	2016 RM'000	2015 RM'000
Deferred tax assets		
Balance as at 1 July 2015/2014	**(565)**	-
Recognised in profit or loss		
- Property, plant and equipment	**(60)**	(9)
- Provision for post-employment benefits obligation	**(2)**	(168)
- Unused tax losses	**(81)**	(371)
Recognised in other comprehensive income		
- Actuarial loss on defined benefits plan	**(22)**	(17)
Balance as at 30 June 2016/2015	**(730)**	(565)

13. DEFERRED TAX (CONT'D)

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

	Group	
	2016 RM'000	**2015 RM'000**
Deferred tax liabilities		
Balance as at 1 July 2015/2014	**17,162**	9,111
Recognised in profit or loss		
- Property, plant and equipment	**1,512**	598
- Unrealised loss on foreign currency transactions	**6**	(168)
- Crystallisation of deferred tax on revaluation reserve	**(151)**	-
- Others	**-**	162
Recognised in other comprehensive income		
- Arising from revaluation of land and buildings (Note 7(a))	**-**	7,459
Balance as at 30 June 2016/2015	**18,529**	17,162

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

	Group	
	2016 RM'000	**2015 RM'000**
Deferred tax assets		
Property, plant and equipment	**(69)**	(9)
Provision for post-employment benefits obligation	**(170)**	(168)
Unused tax losses	**(452)**	(371)
Actuarial loss on defined benefits plan	**(39)**	(17)
	(730)	(565)
Deferred tax liabilities		
Property, plant and equipment	**11,427**	9,915
Unrealised loss on foreign currency transactions	**(206)**	(212)
Revaluation of land and buildings	**7,308**	7,459
	18,529	17,162

13. DEFERRED TAX (CONT'D)

(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	
	2016	**2015**	**2016**	**2015**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Unused tax losses	**2,480**	2,223	**886**	652
Unabsorbed capital allowances	**4**	4	**-**	-
	2,484	2,227	**886**	652

Deferred tax assets of the Company and its subsidiaries have not been recognised in respect of these items as it is not probable that taxable profits of the Company and its subsidiaries would be available against which the deductible temporary differences could be utilised.

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

14. TRADE RECEIVABLES

	Group	
	2016	**2015**
	RM'000	**RM'000**
Third parties	**93,620**	101,070
Less: Impairment losses	**(1,756)**	(1,714)
	91,864	99,356

(a) Trade receivables are non-interest bearing and the normal credit terms granted by the Group ranges from 7 to 60 days (2015: 7 to 60 days) from date of invoices. They are recognised at their original invoice amounts, which represent their fair values on initial recognition.

(b) The currency exposure profiles of trade receivables are as follows:

	Group	
	2016	**2015**
	RM'000	**RM'000**
Ringgit Malaysia	**74,313**	83,000
US Dollar	**4,755**	6,020
Singapore Dollar	**321**	286
Australian Dollar	**3,164**	4,435
Thai Baht	**1,069**	1,404
Indonesian Rupiah	**5,571**	2,231
Vietnamese Dong	**1,090**	355
Indian Rupee	**1,314**	1,403
Others	**267**	222
	91,864	99,356

14. TRADE RECEIVABLES (CONT'D)

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

	Group 2016 RM'000	Group 2015 RM'000
Neither past due nor impaired	**70,120**	73,097
Past due, not impaired		
1 to 30 days past due	**11,243**	14,241
31 to 60 days past due	**5,165**	5,441
61 to 90 days past due	**3,158**	1,907
91 to 120 days past due	**1,679**	707
More than 120 days	**499**	3,963
	21,744	26,259
Past due and impaired	**1,756**	1,714
	93,620	101,070

Receivables that are neither past due nor impaired

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

Receivables that are past due but not impaired

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

Receivables that are past due and impaired

Trade receivables of the Group that are past due and impaired at the end of each reporting period are as follows:

	Group Individually impaired 2016 RM'000	Group Individually impaired 2015 RM'000
Trade receivables, gross	**1,756**	1,714
Less: Impairment losses	**(1,756)**	(1,714)
	-	-

14. TRADE RECEIVABLES (CONT'D)

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

	Group 2016 RM'000	2015 RM'000
At 1 July 2015/2014	**1,714**	1,215
Charge for the financial year (Note 32)	**1,332**	1,277
Written off	**(307)**	(114)
Reversal of impairment losses (Note 32)	**(995)**	(661)
Exchange differences	**12**	(3)
At 30 June 2016/2015	**1,756**	1,714

Trade receivables that are individually determined to be impaired at the end of each reporting period relate to those debtors that exhibit significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

(e) Information on financial risks of trade receivables is disclosed in Note 42 to the financial statements.

15. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Group 2016 RM'000	Group 2015 RM'000	Company 2016 RM'000	Company 2015 RM'000
Other receivables and deposits				
Other receivables	**3,930**	2,522	**-**	9
Deposits	**4,227**	3,704	**1**	1
	8,157	6,226	**1**	10
Prepayments				
Prepayments	**3,604**	4,115	**110**	100
	11,761	10,341	**111**	110

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

	Group 2016 RM'000	Group 2015 RM'000	Company 2016 RM'000	Company 2015 RM'000
Ringgit Malaysia	**6,264**	4,385	**1**	10
Indonesian Rupiah	**711**	641	**-**	-
Australian Dollar	**63**	47	**-**	-
Thai Baht	**84**	146	**-**	-
Singapore Dollar	**32**	270	**-**	-
Vietnamese Dong	**149**	414	**-**	-
US Dollar	**1**	1	**-**	-
Indian Rupee	**853**	322	**-**	-
	8,157	6,226	**1**	10

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

16. AMOUNTS OWING BY/(TO) SUBSIDIARIES

Company

(a) The amounts owing by/(to) subsidiaries represent advances and payments made on behalf, which are unsecured, interest-free and payable upon demand in cash and cash equivalents.

(b) Amounts owing by/(to) subsidiaries are denominated in RM.

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

17. AMOUNTS OWING BY ASSOCIATES

Group and Company

(a) The amounts owing by associates represent mainly advances and payments made on behalf, which are unsecured, interest-free and payable upon demand in cash and cash equivalents.

(b) Information on financial risks of amounts owing by associates is disclosed in Note 42 to the financial statements.

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

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Ringgit Malaysia	**339**	-	**-**	-
Thai Baht	**287**	257	**287**	257
	626	257	**287**	257

18. AMOUNTS OWING BY/(TO) RELATED PARTIES

Group

(a) The amounts owing by/(to) related parties represent trade transactions that have a credit term of 30 to 60 days (2015: 30 to 60 days) from date of invoices.

(b) Information on financial risks of amounts owing by/(to) related parties is disclosed in Note 42 to the financial statements.

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

	Group	
	2016 RM'000	2015 RM'000
Ringgit Malaysia	**1,075**	640
Singapore Dollar	**129**	77
	1,204	717

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

19. AMOUNTS OWING BY/(TO) JOINT VENTURES

Group and Company

(a) The amounts owing by/(to) joint ventures represent trade transactions and payments made on behalf, which are unsecured, interest-free and payable upon demand in cash and cash equivalents, except for trade transactions that have a credit term of 30 to 60 days (2015: 30 to 60 days) from date of invoices.

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

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Singapore Dollar	**103**	97	**103**	97
US Dollar	**3,772**	2,999	**3,554**	2,870
	3,875	3,096	**3,657**	2,967

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

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

20. CASH AND BANK BALANCES

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Cash in hand	**354**	558	**-**	-
Cash at bank	**34,577**	35,296	**10,977**	11,350
Fixed deposits with licensed banks	**4,184**	3,582	**-**	-
	39,115	39,436	**10,977**	11,350

(a) The fixed deposits of the Group as at 30 June 2016 have a maturity period of 6 days to 12 months (2015: 12 months).

(b) Included in the fixed deposits with licensed banks of the Group is an amount of RM3,303,000 (2015: RM3,154,000), which has been pledged to licensed banks as securities for banking facilities granted to the Group as disclosed in Note 28 to the financial statements.

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

20. CASH AND BANK BALANCES (CONT'D)

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

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Ringgit Malaysia	**28,026**	21,843	**10,977**	11,350
Singapore Dollar	**798**	7,472	**-**	-
US Dollar	**5,910**	6,931	**-**	-
Indonesian Rupiah	**1,797**	495	**-**	-
Thai Baht	**217**	105	**-**	-
Australian Dollar	**1,316**	1,554	**-**	-
Vietnamese Dong	**895**	507	**-**	-
Indian Rupee	**55**	325	**-**	-
Sri Lankan Rupee	**93**	104	**-**	-
Euro	**8**	100	**-**	-
	39,115	39,436	**10,977**	11,350

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

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Cash and bank balances	**34,931**	35,854	**10,977**	11,350
Fixed deposits with licensed banks	**4,184**	3,582	**-**	-
	39,115	39,436	**10,977**	11,350
Less:				
Bank overdrafts - secured (Note 28)	**(883)**	(1,226)	**-**	-
Fixed deposits placed with a licensed bank with original maturity of more than three (3) months	**(444)**	(428)	**-**	-
Fixed deposits pledged to licensed banks	**(3,303)**	(3,154)	**-**	-
Add:				
Short term fund (Note 12(b))	**6,020**	2,002	**-**	-
	40,505	36,630	**10,977**	11,350

21. SHARE CAPITAL

	Group and Company			
	2016		2015	
	Number of shares '000	RM'000	Number of shares '000	RM'000
Ordinary shares of RM0.50 each:				
Authorised	**250,000**	**125,000**	250,000	125,000
Issued and fully paid:				
Balance as at 1 July 2015/2014	**173,000**	**86,500**	170,762	85,381
Issued pursuant to exercise of warrants	**4,618**	**2,309**	2,238	1,119
Balance as at 30 June 2016/2015	**177,618**	**88,809**	173,000	86,500

(a) During the financial year, the Company increased its issued and paid-up share capital by the issuance of 4,618,618 (2015: 2,238,164) new ordinary shares of RM0.50 each for cash via the exercise of 4,618,618 (2015: 2,238,164) warrants at an exercise price of RM0.97 per warrant on the basis of one (1) new ordinary share for every one (1) warrant exercised pursuant to the Deed Poll dated 6 January 2012.

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

21.1 Warrants

On 13 January 2012, the Company issued 24,342,857 free Warrants pursuant to the Deed Poll dated 6 January 2012 ("Deed Poll") on the basis of one (1) warrant for every five (5) existing ordinary shares held. The main features of the Warrants are as follows:

(i) Each Warrant will entitle its registered holder during the exercise period to subscribe for one (1) new ordinary share at the exercise price.

(ii) The exercise price of each Warrant has been fixed at RM0.97.

(iii) The expiry date of Warrants shall be on 8 January 2017, whereupon any warrant, which has not been exercised will lapse and cease thereafter to be valid for any purpose.

(iv) The ordinary shares of RM0.50 each to be issued pursuant to the exercise of the Warrants will rank pari passu in all respect with the existing issued ordinary share of the Company.

During the current financial year, 4,618,618 (2015: 2,238,164) warrants had been exercised and the balances of warrants that remain unexercised are 9,010,533 (2015: 13,629,151) warrants.

22. RESERVES

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Non-distributable:				
Share premium	**7,207**	5,036	**7,207**	5,036
Exchange translation reserve	**5,467**	3,859	**-**	-
Revaluation reserve	**23,153**	23,633	**-**	-
	35,827	32,528	**7,207**	5,036
Distributable:				
Retained earnings	**100,022**	88,425	**15,148**	15,665
	135,849	120,953	**22,355**	20,701

(a) Share premium

The share premium arose from the exercise of warrants.

(b) Exchange translation reserve

The exchange translation reserve is used to record foreign currency exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the presentation currency of the Group. It is also used to record the exchange differences arising from monetary items which form part of the net investment of the Group in foreign operations, where the monetary item is denominated in either the functional currency of the reporting entity or the foreign operation.

(c) Revaluation reserve

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

23. HIRE PURCHASE AND LEASE LIABILITIES

	Group	
	2016 RM'000	2015 RM'000
Minimum hire purchase and lease payments:		
- not later than one (1) year	**2,264**	1,840
- later than one (1) year but not later than five (5) years	**3,986**	3,616
Total minimum hire purchase and lease payments	**6,250**	5,456
Less: Future interest charges	**(524)**	(485)
Present value of hire purchase and lease payments	**5,726**	4,971

23. HIRE PURCHASE AND LEASE LIABILITIES (CONT'D)

	Group	
	2016 RM'000	2015 RM'000
Repayable as follows:		
Current liabilities:		
- not later than one (1) year	**2,004**	1,602
Non-current liabilities:		
- later than one (1) year but not later than five (5) years	**3,722**	3,369
	5,726	4,971

(a) The hire purchase and lease liabilities are guaranteed by the Company.

(b) Information of financial risks of hire purchase and lease liabilities is disclosed in Note 42 to the financial statements.

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

	Group	
	2016 RM'000	2015 RM'000
Australian Dollar	**348**	398
Indonesian Dollar	**260**	333
Ringgit Malaysia	**5,013**	4,011
Thai Baht	**2**	29
Singapore Dollar	**103**	200
	5,726	4,971

24. TERM LOANS

	Group 2016 RM'000	Group 2015 RM'000
Secured		
Term loan I	**8,480**	9,260
Term loan II	**1,405**	1,615
Term loan III	**2,494**	2,904
Term loan IV	**1,885**	2,175
Term loan V	**703**	1,292
Term loan VI	**1,047**	1,778
Term loan VII	**1,849**	2,452
Term loan VIII	**1,055**	1,604
Term loan IX	**3,304**	3,868
Term loan X	**16,580**	18,740
Term loan XV	**3,686**	4,267
Term loan XVI	**1,582**	2,101
Term loan XVII	**37,003**	-
	81,073	52,056
Unsecured		
Term loan XI	**-**	150
Term loan XII	**-**	520
Term loan XIII	**-**	49
Term loan XIV	**-**	49
	-	768
Total term loans	**81,073**	52,824

	Group 2016 RM'000	Group 2015 RM'000
Term loans are repayable as follows:		
Current liabilities:		
- not later than one (1) year	**13,298**	9,442
Non-current liabilities:		
- later than one (1) year but not later than two (2) years	**10,804**	8,722
- later than two (2) years but not later than five (5) years	**27,094**	16,810
- later than five (5) years	**29,877**	17,850
	67,775	43,382
	81,073	52,824

24. TERM LOANS (CONT'D)

(a) Term loan I is repayable by 178 monthly instalments of RM65,000 plus one final instalment of RM30,000 and bears interest at 1.00% (2015: 1.00%) per annum above the effective cost of fund of the bank.

Term loan II is repayable by 113 monthly instalments of RM17,500 plus one final instalment of RM22,500 and bears interest at 1.00% (2015: 1.00%) per annum above the effective cost of fund of the bank.

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

(b) Term loan III is repayable by 119 monthly instalments of RM34,167 plus one final instalment of RM34,127 and bears interest at 1.50% (2015: 1.50%) per annum above the effective cost of fund of the bank.

Term loan IV is repayable by 119 monthly instalments of RM24,167 plus one final instalment of RM24,127 and bears interest at 1.50% (2015: 1.50%) per annum above the effective cost of fund of the bank.

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

(c) Term loan V is repayable by 48 monthly instalments of SGD22,436, which is equivalent to RM65,737 and bears interest at 5.75% (2015: 5.75%) per annum.

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

(d) Term loan VI is repayable by 48 monthly instalments of SGD28,419, which is equivalent to RM83,265 and bears interest at 5.75% (2015: 5.75%) per annum.

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

(e) Term loans VII and VIII are repayable by 48 monthly instalments of SGD25,333 and SGD20,000 respectively, which are equivalent to RM74,226 and RM58,600 respectively and bear interest at 1.50% (2015: 1.50%) per annum above the effective cost of fund of the bank.

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

(f) Term loan IX is repayable by 96 monthly instalments of RM47,100 plus one final instalment of RM53,500 and bears interest at 1.00% (2015: 1.00%) per annum above the effective cost of fund of the bank.

Term loan X is repayable by 111 monthly instalments of RM180,000 plus one final instalment of RM20,000 and bears interest at 1.00% (2015: 1.00%) per annum above the effective cost of fund of the bank.

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

(g) Term loan XV is repayable by 89 monthly instalments of RM48,400 plus one final instalment of RM56,280 and bears interest at 1.00% (2015: 1.00%) per annum above the effective cost of fund of the bank.

The term loan XV is secured by way of a charge over long term leasehold land and building of a subsidiary as disclosed in Note 7 to the financial statements and is guaranteed by the Company.

24. TERM LOANS (CONT'D)

(h) Term loan XVI is repayable by 48 monthly instalments of SGD20,000, which is equivalent to RM58,600 and bears interest at 1.50% (2015: 1.50%) per annum above the effective cost of fund of the bank.

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

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

The term loan XVII is secured by way of a charge over freehold land and building of a subsidiary as disclosed in Note 7 to the financial statements and is guaranteed by the Company.

(j) Term loans XI, XII, XIII and XIV were fully settled during the current financial year.

The term loans XI, XII, XIII and XIV were guaranteed by the Company.

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

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

	Group	
	2016 RM'000	2015 RM'000
Ringgit Malaysia	**74,837**	43,597
Singapore Dollar	**6,236**	9,227
	81,073	52,824

25. POST-EMPLOYMENT BENEFITS OBLIGATION

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

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

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

	Group	
	2016 RM'000	2015 RM'000
Present value of defined benefits obligation	**817**	956
Fair value of plan asset	**-**	(222)
	817	734

25. POST-EMPLOYMENT BENEFITS OBLIGATION (CONT'D)

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

	Group 2016 RM'000	2015 RM'000
Balance as at 1 July 2015/2014	**734**	-
Current service cost	**139**	577
Net interest cost	**48**	83
Plan asset termination	**(453)**	-
Included in profit or loss (Note 35)	**(266)**	660
Re-measurements		
Actuarial losses from:		
- Effect on changes in actuarial assumptions	**62**	(42)
- Experience adjustments	**27**	110
Included in other comprehensive income	**89**	68
Exchange differences	**52**	12
Benefits refunded/(paid)	**208**	(6)
Balance as at 30 June 2016/2015	**817**	734

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

	Group 2016 RM'000	2015 RM'000
Opening defined benefits obligation	**956**	-
Current service cost	**(97)**	802
Net interest cost	**48**	83
Plan asset termination	**(453)**	-
Re-measurement gains/(losses):		
- Actuarial gains and losses on obligation	**-**	129
- Actuarial gains and losses on benefits payments	**27**	(19)
- Actuarial gains and losses on changes in actuarial assumptions	**62**	(49)
Benefits refunded/(paid)	**208**	(6)
Foreign currencies translation	**66**	16
Closing defined benefits obligation	**817**	956

25. POST-EMPLOYMENT BENEFITS OBLIGATION (CONT'D)

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

	Group	
	2016 RM'000	2015 RM'000
Opening fair value of plan asset	**222**	-
Expected return on plan asset	**(236)**	35
Contributions by the employer	**-**	190
Re-measurement (losses)/gains:		
- Return on plan asset	**-**	(7)
- Foreign currencies translation	**14**	4
Closing fair value of plan asset	**-**	222

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

	2016 %	2015 %
Discount rate	**8.1**	8.5
Expected return on plan asset	**8.1**	8.5
Expected rate of wage increase	**10.0**	10.0

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

26. TRADE PAYABLES

(a) Trade payables are non-interest bearing and the normal trade credit terms granted to the Group range from 7 to 90 days (2015: 7 to 90 days) from date of invoices.

(b) Information on financial risks of trade payables is disclosed in Note 42 to the financial statements.

26. TRADE PAYABLES (CONT'D)

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

	Group	
	2016 RM'000	2015 RM'000
Ringgit Malaysia	**19,649**	21,381
US Dollar	**7,101**	5,921
Australian Dollar	**1,362**	1,793
Singapore Dollar	**741**	983
Thai Baht	**771**	538
Indonesian Rupiah	**1,009**	592
Euro	**450**	220
British Pound	**45**	181
Hong Kong Dollar	**19**	24
Vietnamese Dong	**236**	430
Sri Lankan Rupee	**27**	-
Indian Rupee	**251**	-
Others	**74**	2
	31,735	32,065

27. OTHER PAYABLES AND ACCRUALS

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Other payables	**5,344**	4,879	**-**	-
Accruals	**12,310**	10,652	**588**	482
	17,654	15,531	**588**	482

(a) Information on financial risks of other payables and accruals is disclosed in Note 42 to the financial statements.

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

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Ringgit Malaysia	**13,589**	12,020	**588**	482
Australian Dollar	**1,491**	1,166	**-**	-
Singapore Dollar	**322**	353	**-**	-
Indonesian Rupiah	**1,056**	996	**-**	-
Thai Baht	**164**	318	**-**	-
Vietnamese Dong	**85**	219	**-**	-
Indian Rupee	**831**	420	**-**	-
Sri Lankan Rupee	**116**	39	**-**	-
	17,654	15,531	**588**	482

28. BANK OVERDRAFTS - SECURED

(a) The bank overdrafts of the Group are secured by way of:

(i) fixed deposits with licensed banks of the Group (Note 20);
(ii) long term leasehold land and buildings of the Group (Note 7); and
(iii) fixed and floating charge over the assets of subsidiaries.

(b) The bank overdrafts are guaranteed by the Company.

(c) Information on financial risks of bank overdrafts - secured is disclosed in Note 42 to the financial statements.

(d) All bank overdrafts are denominated in RM.

29. ACQUISITION OF ADDITIONAL INTERESTS IN A SUBSIDIARY

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

Details of net liabilities acquired were as follows:

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

30. REVENUE

	Group		Company	
	2016 RM'000	**2015 RM'000**	**2016 RM'000**	**2015 RM'000**
Services rendered	**413,771**	420,271	**-**	-
Dividend income	**-**	-	**10,323**	10,217
Management fees	**-**	-	**3,176**	3,296
	413,771	420,271	**13,499**	13,513

31. FINANCE COSTS

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Interest expense on:				
- bank overdrafts	**18**	2	**-**	-
- hire purchase and lease liabilities	**340**	290	**-**	-
- term loans	**3,832**	2,695	**-**	-
	4,190	2,987	**-**	-

32. PROFIT BEFORE TAX

		Group		Company	
	Note	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Profit before tax is arrived at after charging:					
Amortisation of intangible assets	8	**26**	-	**-**	-
Auditors' remuneration:					
- statutory audit:					
- current year		**281**	257	**55**	52
- over provision in prior year		**-**	(1)	**-**	-
- non-statutory:					
- current year		**93**	28	**78**	28
- under provision in prior year		**-**	1	**-**	1
Bad debts written off		**96**	319	**-**	-
Depreciation of property, plant and equipment	7	**15,045**	13,543	**-**	-
Directors' remunerations:					
- Fees:					
- payable by the Company		**535**	418	**535**	418
- payable by the subsidiaries		**248**	224	**-**	-
- Other emoluments:					
- paid by the Company	35	**34**	37	**34**	37
- paid by the subsidiaries	35	**6,991**	6,773	**-**	-

32. PROFIT BEFORE TAX (CONT'D)

	Note	Group 2016 RM'000	Group 2015 RM'000	Company 2016 RM'000	Company 2015 RM'000
Profit before tax is arrived at after charging (Cont'd):					
Fair value loss on other investment	12	**22**	-	**-**	-
Impairment losses on:					
- interest in a joint venture	11	**-**	-	**1,413**	-
- property, plant and equipment	7	**-**	69	**-**	-
- trade receivables	14	**1,332**	1,277	**-**	-
Interest expense	31	**4,190**	2,987	**-**	-
Property, plant and equipment written off	7	**6**	42	**-**	-
Rental of hostel		**43**	40	**-**	-
Rental of office equipment		**29**	25	**-**	-
Rental of premises		**2,261**	1,659	**-**	-
Rental of warehouses		**5,199**	6,166	**-**	-
Rental of forklift		**25**	-	**-**	-
Unrealised loss on foreign currency transactions		**723**	593	**-**	-
And crediting:					
Bad debts recovered		**1**	2	**-**	-
Fair value gain on:					
- other investment	12	**-**	349	**-**	-
- short term fund	12	**20**	2	**-**	-
Gain on disposal of:					
- property, plant and equipment		**265**	134	**-**	-
- other investment	12	**-**	389	**-**	-
- short term fund		**39**	-	**-**	-
Gain on foreign currency transactions:					
- realised		**1,335**	1,208	**-**	-
- unrealised		**-**	-	**170**	403
Gross dividends from:					
- subsidiaries		**-**	-	**10,323**	10,217
- other investments		**17**	6	**-**	-
Interest income received from:					
- fixed deposits and repo		**119**	336	**-**	211
- current and savings accounts		**156**	27	**111**	4
- a trade receivable		**146**	4	**-**	-
Management fees received from subsidiaries		**-**	-	**3,176**	3,296
Rental income from:					
- third parties		**3,951**	888	**-**	-
- an associate		**178**	154	**-**	-
Reversal of impairment losses on trade receivables	14	**995**	661	**-**	-

33. TAX EXPENSE

	Group 2016 RM'000	Group 2015 RM'000	Company 2016 RM'000	Company 2015 RM'000
Current tax expense based on profit for the financial year	**5,229**	4,150	**-**	-
Deferred tax (Note 13)	**259**	(67)	**-**	-
	5,488	4,083	**-**	-
(Over)/Under provision in prior years:				
- income tax	**(330)**	27	**-**	19
- deferred tax (Note 13)	**971**	145	**-**	-
	641	172	**-**	19
	6,129	4,255	**-**	19

(a) The Malaysian income tax is calculated at the statutory tax rate of twenty-four percent (24%) (2015: twenty-five percent (25%)) of the estimated taxable profit for the fiscal year.

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

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

	Group 2016 %	Group 2015 %	Company 2016 %	Company 2015 %
Tax at Malaysian statutory tax rate	**24.00**	25.00	**24.00**	25.00
Tax effects in respect of:				
Non-allowable expenses	**8.95**	4.90	**5.50**	1.05
Non-taxable income	**(1.01)**	(0.60)	**(30.18)**	(25.11)
Crystallisation of deferred tax on revaluation reserve	**(0.61)**	-	**-**	-
Movements in deferred tax assets not recognised	**0.25**	(0.25)	**0.68**	(0.94)
Utilisation of previously unrecognised tax losses	**-**	(0.03)	**-**	-
Reduction in deferred taxes as a result of reduction in statutory tax rate	**-**	(1.61)	**-**	-
Lower tax rate in foreign jurisdiction	**(2.22)**	(3.32)	**-**	-
Investment tax incentive	**(7.12)**	(7.06)	**-**	-
Tax exempt income	**(0.09)**	(0.19)	**-**	-
	22.15	16.84	**-**	-
(Over)/Under provision in prior years:				
- income tax	**(1.32)**	0.11	**-**	0.19
- deferred tax	**3.92**	0.60	**-**	-
Effective tax rate	**24.75**	17.55	**-**	0.19

33. TAX EXPENSE (CONT'D)

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

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Arising from utilisation of previously unrecognised tax losses	**-**	7	**-**	-

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

	Group					
	2016			2015		
	Before tax RM'000	Tax effect RM'000	After tax RM'000	Before tax RM'000	Tax effect RM'000	After tax RM'000
Items that may be reclassified subsequently to profit or loss						
Foreign currency translations	**2,490**	**-**	**2,490**	4,069	-	4,069
Reclassification adjustment on disposal of available-for-sale financial asset	**-**	**-**	**-**	(297)	-	(297)
	2,490	**-**	**2,490**	3,772	-	3,772
Items that will not be reclassified subsequently to profit or loss						
Actuarial loss on defined benefits plan (Note 25)	**(89)**	**22**	**(67)**	(68)	17	(51)
Revaluation surplus on land and buildings	**-**	**-**	**-**	31,092	(7,459)	23,633
	(89)	**22**	**(67)**	31,024	(7,442)	23,582

34. DIVIDENDS

	Group and Company			
	2016		2015	
	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 2015/2014				
- Final single tier dividend	**3.5**	**6,060**	3.5	5,978
In respect of the financial year ended 30 June 2016/2015				
- First interim single tier dividend	**1.5**	**2,664**	1.5	2,595
	5.0	**8,724**	5.0	8,573

34. DIVIDENDS (CONT'D)

A second interim single tier dividend in respect of the financial year ended 30 June 2016 of 3.5 sen per ordinary share had been declared by the Directors on 24 August 2016. 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 2017.

The Directors do not recommend the payment of any final dividend in respect of the financial year ended 30 June 2016.

35. EMPLOYEE BENEFITS

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Salaries, wages and bonuses	**50,583**	44,430	**34**	37
Contributions to defined contribution plans	**4,992**	4,549	**-**	-
Social security contributions	**511**	430	**-**	-
Defined benefits plan (Note 25)	**(266)**	660	**-**	-
Other benefits	**2,856**	2,193	**-**	-
	58,676	52,262	**34**	37

Included in the employee benefits of the Group and of the Company is Directors' remunerations amounting to RM7,025,000 (2015: RM6,810,000) and RM34,000 (2015: RM37,000) respectively.

36. EARNINGS PER SHARE

(a) Basic

Basic earnings per ordinary share for the financial year is calculated by dividing the profit for the financial year attributable to equity holders of the parent by the weighted average number of ordinary shares outstanding during the financial year.

	Group	
	2016 '000	2015 '000
Profit attributable to equity holders of the parent (RM)	**19,874**	20,105
Weighted average number of ordinary shares in issue (unit)	**173,000**	170,762
Effect of exercise of warrants	**493**	377
Adjusted weighted average number of ordinary shares applicable to basic earnings per ordinary share	**173,493**	171,139
Basic earnings per ordinary share (sen)	**11.45**	11.75

36. EARNINGS PER SHARE (CONT'D)

(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	
	2016 '000	**2015 '000**
Profit attributable to equity holders of the parent (RM)	**19,874**	20,105
Weighted average number of ordinary shares in issue applicable to basic earnings per ordinary share (unit)	**173,493**	171,139
Effect of dilution in exercise of warrants	**2,576**	5,506
Adjusted weighted average number of ordinary shares applicable to diluted earnings per ordinary share	**176,069**	176,645
Diluted earnings per ordinary share (sen)	**11.29**	11.38

37. RELATED PARTY DISCLOSURES

(a) Identities of related parties

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

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

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

Related parties	Relationships
FM Forwarding Sdn. Bhd.	Related by a common director, namely Chew Chong Keat
Advance Logistics Sdn. Bhd.	Related by control of key management personnel
1st Cornerstone Investment Pte. Ltd.	Related by a common director of a subsidiary, namely Tay Nguang Yeow Andrew
FM Distribution Sdn. Bhd.	An associate of a subsidiary, namely FM Global Logistics (M) Sdn. Bhd.
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.

37. RELATED PARTY DISCLOSURES (CONT'D)

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

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Freight charges received/receivable from:				
- FM Global Logistics (Phil.), Inc.	**792**	444	**-**	-
- 1st Cornerstone Investment Pte. Ltd.	**1,281**	1,889	**-**	-
Freight charges paid/payable to:				
- FM Forwarding Sdn. Bhd.	**1,975**	3,336	**-**	-
- Advance Logistics Sdn. Bhd.	**575**	2,683	**-**	-
- FM Global Logistics (Phil.), Inc.	**644**	223	**-**	-
Rental income received/receivable from:				
- FM Distribution Sdn. Bhd.	**178**	154	**-**	-
Warehouse services received/receivable from:				
- FM Distribution Sdn. Bhd.	**9**	9	**-**	-
Rights to participate in hub business acquired from:				
- Hubwire Sdn. Bhd.	**250**	-	**-**	-
Dividend paid/payable to a Director of a subsidiary	**200**	200	**-**	-
Administrative expenses paid/payable to a subsidiary	**-**	-	**2,400**	2,400
Gross dividends received from subsidiaries	**-**	-	**10,323**	10,217
Management fees received from subsidiaries	**-**	-	**3,176**	3,296

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

(c) Compensation of key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity, directly and indirectly, including any Director (whether executive or otherwise) of the Group and the Company.

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

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Short term employee benefits	**6,391**	6,092	**34**	37
Contributions to defined contribution plans	**634**	718	**-**	-
	7,025	6,810	**34**	37

38. COMMITMENTS

(a) Operating lease commitments

(i) The Group as lessee

The Group had entered into non-cancellable lease agreements resulting in future rental commitments which can, subject to certain terms in the agreements, be revised annually based on prevailing market rates.

The lease terms do not contain restrictions on the activities of the Group concerning dividends or additional debt. The Group has aggregate future minimum lease commitment as at the end of each reporting period as follows:

	Group	
	2016 RM'000	**2015 RM'000**
Not later than one (1) year	**4,303**	4,999
Later than one (1) year but not later than five (5) years	**3,421**	1,423
	7,724	6,422

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

	Group	
	2016 RM'000	**2015 RM'000**
Ringgit Malaysia	**5,928**	5,689
Singapore Dollar	**48**	117
Thai Baht	**172**	319
Vietnamese Dong	**395**	94
Indonesian Rupiah	**42**	203
Australian Dollar	**1,139**	-
	7,724	6,422

(ii) The Group as lessor

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

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

	Group	
	2016 RM'000	**2015 RM'000**
Not later than one (1) year	**4,873**	1,066
Later than one (1) year but not later than five (5) years	**5,428**	367
	10,301	1,433

38. COMMITMENTS (CONT'D)

(b) Capital commitments

	Group	
	2016 RM'000	2015 RM'000
Capital expenditure in respect of purchase of property, plant and equipment:		
- contracted but not provided for	**322**	6,899

39. CONTINGENT LIABILITIES - UNSECURED

	Company	
	2016 RM'000	2015 RM'000
Corporate guarantee given to financial institutions for credit facilities granted to subsidiaries, limit up to RM149,464,000 (2015: RM106,147,000)	**81,403**	53,160

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

40. OPERATING SEGMENTS

The Company and its subsidiaries are principally engaged in the freight and forwarding industry. The Group has arrived at eight (8) (2015: eight (8)) reportable segments that are organised and managed separately according to the nature of services that is either logistics or marine, which requires different business and marketing strategies.

The reportable segments are Malaysia, Australia, Indonesia, Thailand, Vietnam, India, Sri Lanka and Singapore, which involved in two separate natures of services summarised as below:

(a) Logistics

There are seven (7) (2015: seven (7)) reportable segments involved in provision of integrated freight and logistics services such as sea freight, air freight, rail freight, land freight, warehouse and distribution, haulage and other freight services, which are operated by companies in Malaysia, Australia, Indonesia, Thailand, Vietnam, India and Sri Lanka.

(b) Marine

There is one (1) (2015: one (1)) reportable segment engaged as charterers and operators of barges and tugboats, which is operated by a company in Singapore.

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

The accounting policies of operating segments are the same as those described in the summary of significant accounting policies.

The Group evaluates operating segments' performance on the basis of profit or loss from operations before tax not including non-recurring losses such as goodwill impairment.

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

Segment assets exclude current tax assets and deferred tax assets.

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

40. OPERATING SEGMENTS (CONT'D)

	Logistics							Marine	Other operating segments		
	Malaysia RM'000	Australia RM'000	Indonesia RM'000	Thailand RM'000	Vietnam RM'000	India RM'000	Sri Lanka RM'000	Singapore RM'000	RM'000	Eliminations RM'000	Total RM'000
2016											
Revenue											
Total revenue	309,363	29,572	27,591	10,101	14,651	9,734	5,823	13,850	12,693	(19,607)	413,771
Inter-segment revenue	(2,839)	(579)	(1,986)	(1,263)	(459)	(355)	(22)	-	(12,104)	19,607	-
Revenue from external customers	306,524	28,993	25,605	8,838	14,192	9,379	5,801	13,850	589	-	413,771
Finance costs	(3,714)	(26)	(40)	(2)	-	(2)	-	(426)	-	20	4,190
Share of loss of associates	(113)	-	-	-	-	-	-	-	-	-	(113)
Share of loss of joint ventures	-	-	-	-	-	-	-	-	(821)	-	(821)
Segment profit/(loss) before income tax	25,287	642	845	(72)	400	(572)	(48)	(3,426)	10,949	(9,244)	24,761
Investments in associates	435	-	-	-	-	-	-	-	4,366	-	4,801
Interests in joint ventures	-	-	-	-	-	-	-	-	2,978	-	2,978
Other investments	6,023	-	-	-	-	-	-	-	804	-	6,827
Additions to non-current assets other than financial instruments	59,792	36	358	10	304	44	34	1,288	803	-	62,669
Segment assets	356,810	7,530	11,500	1,591	3,718	2,518	768	35,831	66,510	(85,696)	401,080
Segment liabilities	201,904	3,548	7,527	3,097	2,780	2,374	737	12,222	19,543	(112,906)	140,826

40. OPERATING SEGMENTS (CONT'D)

	Logistics							Marine	Other operating segments	Eliminations	Total
	Malaysia RM'000	Australia RM'000	Indonesia RM'000	Thailand RM'000	Vietnam RM'000	India RM'000	Sri Lanka RM'000	Singapore RM'000	RM'000	RM'000	RM'000
2016 (Cont'd)											
Other material non-cash items											
Depreciation of property, plant and equipment	11,425	101	249	67	99	59	15	2,906	124	-	15,045
Impairment losses on:											
- trade receivables	951	62	10	28	22	204	-	55	-	-	1,332
- interest in a joint venture	-	-	-	-	-	-	-	-	1,413	(1,413)	-
Reversal of:											
- impairment losses on receivables	(861)	(83)	-	-	(51)	-	-	-	-	-	(995)
- provision for post-employment benefits obligation	-	-	(266)	-	-	-	-	-	-	-	(266)

40. OPERATING SEGMENTS (CONT'D)

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

40. OPERATING SEGMENTS (CONT'D)

	Logistics							Marine	Other operating		
	Malaysia RM'000	Australia RM'000	Indonesia RM'000	Thailand RM'000	Vietnam RM'000	India RM'000	Sri Lanka RM'000	Singapore RM'000	segments RM'000	Eliminations RM'000	Total RM'000
2015 (Cont'd)											
Other material non-cash items											
Depreciation of property, plant and equipment	10,318	74	209	76	58	23	13	2,619	153	-	13,543
Impairment losses on trade receivables	994	131	-	16	84	52	-	-	-	-	1,277
Provision for post-employment benefits obligations	-	-	660	-	-	-	-	-	-	-	660
Reversal of impairment losses on trade receivables	(507)	(99)	(52)	-	(3)	-	-	-	-	-	(661)

40. OPERATING SEGMENTS (CONT'D)

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

	2016 RM'000	2015 RM'000
Profit for the financial year		
Total profit or loss for reportable segments	**24,761**	24,244
Tax expense	**(6,129)**	(4,255)
Profit for the financial year of the Group per consolidated statement of profit or loss and other comprehensive income	**18,632**	19,989
Assets		
Total assets for reportable segments	**401,080**	351,134
Deferred tax assets	**730**	565
Current tax assets	**1,575**	727
Assets of the Group per consolidated statement of financial position	**403,385**	352,426
Liabilities		
Total liabilities for reportable segments	**140,826**	110,143
Deferred tax liabilities	**18,529**	17,162
Current tax liabilities	**3,058**	1,325
Liabilities of the Group per consolidated statement of financial position	**162,413**	128,630

Major customers

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

41. FINANCIAL INSTRUMENTS

(a) Capital management

The primary objective of the capital management of the Group is to ensure that the Group would be able to continue as going concern whilst maximising return to shareholders through the optimisation of the debt and equity ratios. The overall strategy of the Group remains unchanged from that in the previous financial year.

The Group manages its capital structure and makes adjustments to it in response to changes in economic conditions. In order to maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the financial years ended 30 June 2016 and 30 June 2015.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group includes within net debt, loans and borrowings, trade and other payables and post-employment benefits obligation, less cash and bank balances. Capital represents equity attributable to the owners of the parent.

41. FINANCIAL INSTRUMENTS (CONT'D)

(a) Capital management (Cont'd)

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Trade payables	**31,735**	32,065	**-**	-
Other payables and accruals	**17,654**	15,531	**588**	482
Amounts owing to subsidiaries	**-**	-	**3,356**	2,992
Amounts owing to related parties	**153**	131	**-**	-
Amount owing to a joint venture	**121**	66	**-**	-
Hire purchase and lease liabilities	**5,726**	4,971	**-**	-
Term loans	**81,073**	52,824	**-**	-
Bank overdrafts - secured	**883**	1,226	**-**	-
Dividend payable	**2,664**	2,595	**2,664**	2,595
Post-employment benefits obligation	**817**	734	**-**	-
Total liabilities	**140,826**	110,143	**6,608**	6,069
Less: Cash and bank balances	**(39,115)**	(39,436)	**(10,977)**	(11,350)
Net debt/(cash)	**101,711**	70,707	**(4,369)**	(5,281)
Total capital	**224,658**	207,453	**111,164**	107,201
Net debt/(cash)	**101,711**	70,707	**(4,369)**	(5,281)
Total	**326,369**	278,160	**106,795**	101,920
Gearing ratio	**31%**	25%	**-**	-

Pursuant to the requirements of Practice Note No. 17/2005 of the Bursa Malaysia Securities Berhad, the Group is required to maintain a consolidated shareholders' equity of not less than or equals to twenty-five percent (25%) of the issued and paid-up capital and such shareholders' equity is not less than RM40.0 million. The Group has complied with this requirement for the financial year ended 30 June 2016.

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

41. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial instruments

Group	Loans and receivables RM'000	Available-for-sale RM'000	Fair value through profit or loss RM'000	Total RM'000
30 June 2016				
Financial assets				
Other investments	**-**	**3**	**6,824**	**6,827**
Trade receivables	**91,864**	**-**	**-**	**91,864**
Other receivables and deposits	**8,157**	**-**	**-**	**8,157**
Amounts owing by associates	**626**	**-**	**-**	**626**
Amounts owing by related parties	**1,204**	**-**	**-**	**1,204**
Amounts owing by joint ventures	**3,875**	**-**	**-**	**3,875**
Cash and bank balances	**39,115**	**-**	**-**	**39,115**
	144,841	**3**	**6,824**	**151,668**

	Other financial liabilities RM'000	Total RM'000
Financial liabilities		
Trade payables	31,735	31,735
Other payables and accruals	17,654	17,654
Amounts owing to related parties	153	153
Amount owing to a joint venture	121	121
Hire purchase and lease liabilities	5,726	5,726
Term loans	81,073	81,073
Bank overdrafts - secured	883	883
Dividend payable	2,664	2,664
	140,009	140,009

Company	Loans and receivables RM'000	Total RM'000
30 June 2016		
Financial assets		
Other receivables and deposits	**1**	**1**
Amounts owing by subsidiaries	**26,978**	**26,978**
Amount owing by an associate	**287**	**287**
Amounts owing by joint ventures	**3,657**	**3,657**
Cash and bank balances	**10,977**	**10,977**
	41,900	**41,900**

41. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial instruments (Cont'd)

Company	Other financial liabilities RM'000	Total RM'000
30 June 2016		
Financial liabilities		
Other payables and accruals	**588**	**588**
Amounts owing to subsidiaries	**3,356**	**3,356**
Dividend payable	**2,664**	**2,664**
	6,608	**6,608**

Group	Loans and receivables RM'000	Available-for-sale RM'000	Fair value through profit or loss RM'000	Total RM'000
30 June 2015				
Financial assets				
Other investments	-	235	2,828	3,063
Trade receivables	99,356	-	-	99,356
Other receivables and deposits	6,226	-	-	6,226
Amount owing by an associate	257	-	-	257
Amounts owing by related parties	717	-	-	717
Amounts owing by joint ventures	3,096	-	-	3,096
Cash and bank balances	39,436	-	-	39,436
	149,088	235	2,828	152,151

	Other financial liabilities RM'000	Total RM'000
Financial liabilities		
Trade payables	32,065	32,065
Other payables and accruals	15,531	15,531
Amounts owing to related parties	131	131
Amount owing to a joint venture	66	66
Hire purchase and lease liabilities	4,971	4,971
Term loans	52,824	52,824
Bank overdrafts - secured	1,226	1,226
Dividend payable	2,595	2,595
	109,409	109,409

41. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial instruments (Cont'd)

Company	Loans and receivables RM'000	Total RM'000
30 June 2015		
Financial assets		
Other receivables and deposits	10	10
Amounts owing by subsidiaries	23,474	23,474
Amount owing by an associate	257	257
Amounts owing by joint ventures	2,967	2,967
Cash and bank balances	11,350	11,350
	38,058	38,058

	Other financial liabilities RM'000	Total RM'000
Financial liabilities		
Other payables and accruals	482	482
Amounts owing to subsidiaries	2,992	2,992
Dividend payable	2,595	2,595
	6,069	6,069

(c) Methods and assumptions used to estimate fair values

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

(i) Financial instruments that are not carried at fair values and whose carrying amounts are reasonable approximation of fair values

The carrying amounts of financial assets and financial liabilities, such as trade and other receivables, trade and other payables and borrowings are reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the end of each reporting period.

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

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

(iii) Other investments - Unquoted investments

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

41. FINANCIAL INSTRUMENTS (CONT'D)

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

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

(iv) Other investments - Quoted investments

The fair values of quoted investments are determined by reference to the exchange quoted market bid prices at the close of the business at the end of each reporting period.

(d) Fair value hierarchy

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

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

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

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

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

Financial instruments	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair values
Financial assets		
Unquoted investments	Discounted industry price-earnings ratio Nil (2015: 4.47)	The higher the price-earnings ratio, the higher the fair values of the unquoted investments would be.

41. FINANCIAL INSTRUMENTS (CONT'D)

(d) Fair value hierarchy (Cont'd)

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

	Fair values of financial instruments carried at fair value				Fair values of financial instruments not carried at fair value					
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	Total fair values RM'000	Carrying amounts RM'000
Group										
2016										
Financial assets										
Fair value through profit or loss										
- Quoted investments	6,824	-	-	6,824	-	-	-	-	6,824	6,824
Available-for-sale financial assets										
- Unquoted investments	-	-	3	3	-	-	-	-	3	3
	6,824	-	3	6,827	-	-	-	-	6,827	6,827
Financial liabilities										
Other financial liabilities										
- Hire purchase and lease liabilities	-	-	-	-	-	5,579	-	5,579	5,579	5,726
- Term loans	-	-	-	-	-	1,708	-	1,708	1,708	1,750
	-	-	-	-	-	7,287	-	7,287	7,287	7,476

41. FINANCIAL INSTRUMENTS (CONT'D)

(d) Fair value hierarchy (Cont'd)

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

	Fair values of financial instruments carried at fair value				Fair values of financial instruments not carried at fair value					
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	Total fair values RM'000	Carrying amounts RM'000
Group										
2015										
Financial assets										
Fair value through profit or loss										
- Quoted investments	2,828	-	-	2,828	-	-	-	-	2,828	2,828
Available-for-sale financial assets										
- Unquoted investments	-	-	235	235	-	-	-	-	235	235
	2,828	-	235	3,063	-	-	-	-	3,063	3,063
Financial liabilities										
Other financial liabilities										
- Hire purchase and lease liabilities	-	-	-	-	-	4,831	-	4,831	4,831	4,971
- Term loans	-	-	-	-	-	3,652	-	3,652	3,593	3,687
	-	-	-	-	-	8,483	-	8,483	8,424	8,658

41. FINANCIAL INSTRUMENTS (CONT'D)

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

Group	2016 RM'000	2015 RM'000
Financial assets		
Balance as at 1 July 2015/2014	**235**	4,070
Additions	**-**	-
Disposals	**(246)**	(3,854)
Exchange differences	**14**	19
Balance as at 30 June 2016/2015	**3**	235

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

Group	2016 RM'000	2015 RM'000
Profit after tax		
Price-earnings ratio		
- Increase by 0.5	**-**	7
- Decrease by 0.5	**-**	(7)

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

42. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The financial risk management objective of the Group is to optimise value creation for shareholders whilst minimising the potential adverse impact arising from fluctuations in foreign currency exchange and interest rates and the unpredictability of the financial markets.

The Group operates within an established risk management framework and clearly defined guidelines that are regularly reviewed by the Board of Directors and does not trade in derivative financial instruments. Financial risk management is carried out through risk review programmes, internal control systems, insurance programmes and adherence to the Group financial risk management policies. The Group is exposed mainly to credit risk, liquidity and cash flow risk, interest rate risk, foreign currency risk and market risk. Information on the management of the related exposures is detailed below.

(a) Credit risk

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

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.

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

(a) Credit risk (Cont'd)

Exposure to credit risk

At the end of each reporting period, the maximum exposure of the Group to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

Information regarding credit enhancements for trade receivables is disclosed in Note 14 to the financial statements.

Credit risk concentration profile

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

	2016 RM'000	% of total	2015 RM'000	% of total
By country				
Domestic	**74,313**	**81**	83,000	84
Foreign	**17,551**	**19**	16,356	16
	91,864	**100**	99,356	100

The Company does not have any significant concentration of credit risk other than the amounts owing by subsidiaries, which constitutes 86.93% (2015: 87.56%) of total receivables of the Company as at the end of each reporting period.

Financial assets that are neither past due nor impaired

Information regarding trade receivables that are neither past due nor impaired is disclosed in Note 14 to the financial statements. Deposits with licensed banks that are neither past due nor impaired are placed with or entered into with reputable financial institutions.

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 14 to the financial statements.

(b) Liquidity and cash flow risk

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

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

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

The table below summarises the maturity profile of the liabilities of the Group and of the Company at the end of each reporting period based on contractual undiscounted repayment obligations.

	On demand or within one year RM'000	One to five years RM'000	Over five years RM'000	Total RM'000
As at 30 June 2016				
Group				
Financial liabilities				
Trade payables	**31,375**	**-**	**-**	**31,375**
Other payables and accruals	**17,654**	**-**	**-**	**17,654**
Amounts owing to related parties	**153**	**-**	**-**	**153**
Amount owing to a joint venture	**121**	**-**	**-**	**121**
Hire purchase and lease liabilities	**2,264**	**3,986**	**-**	**6,250**
Term loans	**16,972**	**47,388**	**32,808**	**97,168**
Bank overdrafts - secured	**883**	**-**	**-**	**883**
Dividend payable	**2,664**	**-**	**-**	**2,664**
Total undiscounted financial liabilities	**72,086**	**51,374**	**32,808**	**156,268**
Company				
Financial liabilities				
Other payables and accruals	**588**	**-**	**-**	**588**
Amounts owing to subsidiaries	**3,356**	**-**	**-**	**3,356**
Dividend payable	**2,664**	**-**	**-**	**2,664**
Total undiscounted financial liabilities	**6,608**	**-**	**-**	**6,608**
As at 30 June 2015				
Group				
Financial liabilities				
Trade payables	32,065	-	-	32,065
Other payables and accruals	15,531	-	-	15,531
Amounts owing to related parties	131	-	-	131
Amount owing to a joint venture	66	-	-	66
Hire purchase and lease liabilities	1,840	3,616	-	5,456
Term loans	11,670	30,853	19,607	62,130
Bank overdrafts - secured	1,226	-	-	1,226
Dividend payable	2,595	-	-	2,595
Total undiscounted financial liabilities	65,124	34,469	19,607	119,200

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

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

	On demand or within one year RM'000	One to five years RM'000	Over five years RM'000	Total RM'000
As at 30 June 2015 (Cont'd)				
Company				
Financial liabilities				
Other payables and accruals	482	-	-	482
Amounts owing to subsidiaries	2,992	-	-	2,992
Dividend payable	2,595	-	-	2,595
Total undiscounted financial liabilities	6,069	-	-	6,069

(c) Interest rate risk

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

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

Sensitivity analysis for interest rate risk

Group

As at 30 June 2016, if interest rates at the date had been 100 basis points lower with all other variables held constant, the profit after tax of the Group for the year would have been RM947,000 (2015: RM692,000) higher, arising mainly as a result of lower interest expense on borrowings. If interest rates had been 100 basis points higher, with all other variables held constant, the profit after tax of the Group for the year would have been RM947,000 (2015: RM692,000) lower, arising mainly as a result of higher interest expense on borrowings. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

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

(c) Interest rate risk (Cont'd)

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

	Note	Weighted average effective interest rate %	Within 1 year RM'000	1 - 2 years RM'000	2 - 3 years RM'000	3 - 4 years RM'000	4 - 5 years RM'000	More than 5 years RM'000	Total RM'000
At 30 June 2016									
Group									
Fixed rates									
Fixed deposits with licensed banks	20	**2.98**	**4,184**	**-**	**-**	**-**	**-**	**-**	**4,184**
Hire purchase and lease liabilities	23	**5.57**	**2,004**	**1,782**	**1,078**	**674**	**188**	**-**	**5,726**
Term loans	24	**5.75**	**1,750**	**-**	**-**	**-**	**-**	**-**	**1,750**
Floating rates									
Bank overdrafts - secured	28	**5.75**	**883**	**-**	**-**	**-**	**-**	**-**	**883**
Term loans	24	**4.89**	**11,548**	**10,804**	**9,110**	**8,992**	**8,992**	**29,877**	**79,323**
At 30 June 2015									
Group									
Fixed rates									
Fixed deposits with licensed banks	20	3.20	3,582	-	-	-	-	-	3,582
Hire purchase and lease liabilities	23	5.78	1,602	1,441	1,219	445	264	-	4,971
Term loans	24	5.81	2,128	1,559	-	-	-	-	3,687
Floating rates									
Bank overdrafts - secured	28	7.60	1,226	-	-	-	-	-	1,226
Term loans	24	4.89	7,314	7,163	6,707	5,107	4,996	17,850	49,137

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

(d) Foreign currency risk

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

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

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

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

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the profit net of tax of the Group to a reasonably possible change in the foreign currency exchange rates against the respective functional currencies of the Group entities, with all other variables held constant.

		Group	
		2016 Profit net of tax RM'000	**2015 Profit net of tax RM'000**
USD/RM	- Strengthened 5% (2015: 5%)	**+322**	+365
	- Weakened 5% (2015: 5%)	**-322**	-365
SGD/RM	- Strengthened 5% (2015: 5%)	**+29**	+246
	- Weakened 5% (2015: 5%)	**-29**	-246

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

(e) Market risk

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

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

At the end of each reporting period, the maximum exposure of the Group to market risk is represented by the total carrying amount of these financial assets recognised in the statements of financial position, which amounted to RM6,823,734 (2015: RM2,828,364). There has been no change to the exposure of the Group to market risk or the manner in which the risk is managed and measured.

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

43. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

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

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

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

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

The Proposed Acquisition was completed on 25 September 2015.

(c) On 28 March 2016, the Company announced that it had acquired 2 ordinary shares of RM1.00 each of the issued and paid-up share capital of FM Hubwire Sdn. Bhd. ('FMHSB'). Subsequently on 15 April 2016, the Company had further subscribed for an additional 649,998 ordinary shares of RM1.00 each, representing 65% of the issued and paid-up share capital of FMHSB.

The principal activity of FMHSB is provision of e-commerce logistics services. The above incorporation and subscription of ordinary shares of FMHSB did not have any material financial effect to the Group.

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

(a) On 26 August 2016, the Company announced that it had subscribed for 500,000 Redeemable Convertible Preference Shares of RM1.00 each in FM Hubwire Sdn. Bhd. for a total consideration of RM500,000, pursuant to the terms and conditions as stipulated in the Shareholders' Agreement dated 31 March 2016.

(b) On 25 July 2016, FM Global Logistics Ventures Sdn. Bhd. ('FMGLV'), a wholly-owned subsidiary of the Company increased its shareholding in FM Global Logistics Company Limited, from 51.0% to 95.1% for a cash consideration of VND5,400,000,000 (RM956,108).

45. SUPPLEMENTARY INFORMATION ON REALISED AND UNREALISED PROFITS OR LOSSES

The retained earnings as at the end of each reporting period may be analysed as follows:

	2016		2015	
	Group RM'000	**Company RM'000**	**Group RM'000**	**Company RM'000**
Total retained earnings of the Company and its subsidiaries:				
- Realised	**151,388**	14,978	**138,779**	15,262
- Unrealised	**(18,524)**	170	**(16,839)**	403
	132,864	15,148	**121,940**	15,665
Total share of retained earnings from associates:				
- Realised	**50**	-	**163**	-
Total share of accumulated losses from joint ventures:				
- Realised	**(1,604)**	-	**(783)**	-
Less: Consolidation adjustments	**(31,288)**	-	**(32,895)**	-
Total retained earnings	**100,022**	15,148	**88,425**	15,665

ANALYSIS OF SHAREHOLDINGS

AS AT 26 SEPTEMBER 2016

LIST OF DIRECTORS

No.	Name of Directors	No. of Shares Held Through Own Name	No. of Shares Held Through Nominess	Total Shareholdings	Percentage (%)
1.	DATUK DR. HAJI NORDIN BIN HAJI ABD RAZAK	-	-	-	-
2.	CHEW CHONG KEAT	44,791,743	-	44,791,743	25.02
3.	YANG HENG LAM	19,675,280		31,975,374	17.86
	- CIMSEC NOMINESS (TEMPATAN) SDN BHD	26,094	12,024,000		
	- CIMSEC NOMINESS (TEMPATAN) SDN BHD		250,000		
4.	GAN SIEW YONG	8,098,536	-	8,098,536	4.52
5.	ONG LOOI CHAI	1,982,728 13,142	-	1,995,870	1.11
6.	AARON SIM KWEE LEIN	-	-	-	-
7.	KHUA KIAN KEONG	-	-	-	-
8.	CHUA TIONG HOCK	-	-	-	-
	TOTAL	**74,587,523**	**12,274,000**	**86,861,523**	**48.52**

HOLDERS WITH HOLDINGS OF 5% AND ABOVE

No.	Name	Holdings	(%)
1.	CHEW CHONG KEAT	44,791,743	25.02
2.	SINGAPORE ENTERPRISES PRIVATE LIMITED	37,325,800	20.85
3.	YANG HENG LAM	19,675,280	10.99
4.	- CIMSEC NOMINESS (TEMPATAN) SDN BHD CIMB FOR YANG HENG LAM (PB)	12,024,000	6.72

ANALYSIS OF HOLDINGS

Size of Holdings	No. of Holders	%	No. of Holdings	(%)
1 - 99	200	15.52	7,435	-
100 - 1,000	368	28.55	117,516	0.07
1,001 - 10,000	442	34.29	2,009,074	1.12
10,001 - 100,000	226	17.53	6,801,904	3.80
100,001 - 8,951,167 (*)	49	3.80	56,270,615	31.43
8,951,168 AND ABOVE (**)	4	0.31	113,816,823	63.58
TOTAL	**1,289**	**100.00**	**179,023,367**	**100.00**

* - Less than 5% of issued holdings

** - 5% and above of issued holdings

DISTRIBUTION TABLE ACCORDING TO CATEGORY OF HOLDERS

No.	Category of Shareholders	No. of Holders			No. of Shares			%		
		Malaysian		Foreign	Malaysian		Foreign	Malaysian		Foreign
		Bumiputra	Non-Bumiputra		Bumiputra	Non-Bumiputra		Bumiputra	Non-Bumiputra	
1.	INDIVIDUAL	132	938	14	290,019	92,376,615	1,115,599	0.16	51.60	0.84
2.	BODY CORPORATE									
	A) BANKS/FINANCE COMPANIES	1	-	-	12,000	-	-	0.01	-	-
	B) INVESTMENTS TRUST/ FOUNDATION/CHARITIES	-	-	-	-	-	-	-	-	-
	C) OTHER TYPES OF COMPANIES	1	9	1	133	161,170	37,325,800	-	0.09	20.85
3.	GOVERNMENT AGENCIES/ INSTITUTIONS	-	-	-	-	-	-	-	-	-
4.	NOMINESS	93	90	10	21,875,370	9,755,395	15,715,266	12.22	5.45	8.78
5.	OTHERS	-	-	-	-	-	-	-	-	-
	TOTAL	**227**	**1,037**	**25**	**22,177,522**	**102,293,180**	**54,552,665**	**12.39**	**57.14**	**30.47**

Analysis of Shareholdings

As at 26 September 2016

TOP 30 SHAREHOLDERS

No.	Name	No. of Shares Held	%
1.	CHEW CHONG KEAT	44,791,743	25.02
2.	SINGAPORE ENTERPRISES PRIVATE LIMITED	37,325,800	20.85
3.	YANG HENG LAM	19,675,280	10.99
4.	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR YANG HENG LAM (PB)	12,024,000	6.72
5.	GAN SIEW YONG	8,098,536	4.52
6.	CITIGROUP NOMINEES (ASING) SDN BHD JP MORGAN CLR CORP FOR FPA HAWKEYE FUND, LLC (FPA GLB OPP FD)	7,349,700	4.11
7.	RHB NOMINEES (TEMPATAN) SDN BHD OSK TECHNOLOGY VENTURES SDN. BHD.	5,800,000	3.24
8.	CARTABAN NOMINEES (ASING) SDN BHD SSBT FUND F9EX FOR FIDELITY NORTHSTAR FUND	5,500,000	3.07
9.	SEE KOK HING	3,387,080	1.89
10.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR WONG YEE HUI (8095789)	2,711,866	1.51
11.	MALACCA EQUITY NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR PHILLIP CAPITAL MANAGEMENT SDN BHD (EPF)	2,609,000	1.46
12.	HSBC NOMINEES (ASING) SDN BHD EXEMPT AN FOR JPMORGAN CHASE BANK, NATIONAL ASSOCIATION (JPMTSTCOJER AIF)	2,117,500	1.18
13.	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR YOONG FUI KIEN	2,033,655	1.14
14.	ONG LOOI CHAI	1,982,728	1.11
15.	FOO SOOK WAN	1,668,104	0.93
16.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR WONG TET FUI (8054679)	1,314,000	0.73
17.	TANG GEONG KOANG	1,158,233	0.65
18.	JF APEX NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TEO SIEW LAI (MARGIN)	830,000	0.46
19.	CHEW PHEK YING	698,333	0.39
20.	LIN, KUANG	666,666	0.37

TOP 30 SHAREHOLDERS (CONT'D)

No.	Name	No. of Shares Held	%
21.	MALAYSIA NOMINEES (TEMPATAN) SENDIRIAN BERHAD GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (NULF 1)	553,033	0.31
22.	TODA TORU	547,617	0.31
23.	TEO KWEE HOCK	545,500	0.30
24.	YVONNE KALATHINI A/P M.VIJAYARAJ	533,333	0.30
25.	YEOW SOON GUAT	458,199	0.26
26.	GOH CHONG WENG	450,000	0.25
27.	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR MARCIA LOH YUNN PING	392,700	0.22
28.	NIOW SOO SEE	376,137	0.21
29.	HSBC NOMINEES (ASING) SDN BHD EXEMPT AN FOR CREDIT SUISSE (SG BR-TST-ASING)	288,100	0.16
30.	LOW AH LIN	280,000	0.16

ANALYSIS OF WARRANT HOLDINGS
AS AT 26 SEPTEMBER 2016

LIST OF DIRECTORS

No.	Name of Directors	No. of Shares Held Through Own Name	No. of Shares Held Through Nominess	Total Shareholdings	Percentage (%)
1.	DATUK DR. HAJI NORDIN BIN HAJI ABD RAZAK	-	-	-	-
2.	CHEW CHONG KEAT	-	-	-	-
3.	YANG HENG LAM	3,914			29.43
	- CIMSEC NOMINESS (TEMPATAN) SDN BHD		2,234,271	2,238,185	
4.	GAN SIEW YONG	-	-	-	-
5.	ONG LOOI CHAI	284,019 1,971	-	285,990	3.76
6.	AARON SIM KWEE LEIN	-	-	-	-
7.	KHUA KIAN KEONG	-	-	-	-
8.	CHUA TIONG HOCK	-	-	-	-
	TOTAL	**289,904**	**2,234,271**	**2,524,175**	**33.19**

HOLDERS WITH HOLDINGS OF 5% AND ABOVE

No.	Name	Holdings	(%)
1.	CIMSEC NOMINESS (TEMPATAN) SDN BHD CIMB FOR YANG HENG LAM (PB)	2,234,271	29.38
2.	HSBC NOMINESS (ASING) SDN BHD EXEMPT AN FOR JPMORGAN CHASE BANK, NATIONAL ASSOCIATION (JPMTSTCOJER AIF)	992,760	13.05
3.	NIOW SOO SEE	433,845	5.70

ANALYSIS OF HOLDINGS

Size of Holdings	No. of Holders	%	No. of Holdings	(%)
1 - 99	409	41.40	10,198	0.13
100 - 1,000	320	32.39	153,525	2.02
1,001 - 10,000	203	20.55	664,772	8.74
10,001 - 100,000	45	4.55	1,211,970	15.94
100,001 - 380,259 (*)	8	0.81	1,903,864	25.03
380,260 AND ABOVE (**)	3	0.30	3,660,876	48.14
TOTAL	**988**	**100.00**	**7,605,205**	**100.00**

* - Less than 5% of issued holdings
** - 5% and above of issued holdings

DISTRIBUTION TABLE ACCORDING TO CATEGORY OF HOLDERS

		No. of Holders			No. of Shares			%		
		Malaysian		Foreign	Malaysian		Foreign	Malaysian		Foreign
No.	**Category of Shareholders**	**Bumiputra**	**Non-Bumiputra**		**Bumiputra**	**Non-Bumiputra**		**Bumiputra**	**Non-Bumiputra**	
1.	INDIVIDUAL	123	729	8	38,271	2,655,905	116,086	0.50	34.92	1.53
2.	BODY CORPORATE									
	A) BANKS/FINANCE COMPANIES	1	-	-	1,800	-	-	0.02	-	-
	B) INVESTMENTS TRUST/ FOUNDATION/CHARITIES	-	-	-	-	-	-	-	-	-
	C) OTHER TYPES OF COMPANIES	1	3	-	20	13,717	-	-	0.18	-
3.	GOVERNMENT AGENCIES/ INSTITUTIONS	-	-	-	-	-	-	-	-	-
4.	NOMINESS	66	50	7	2,566,805	723,881	1,488,720	33.75	9.52	19.58
5.	OTHERS	-	-	-	-	-	-	-	-	-
	TOTAL	**191**	**782**	**15**	**2,606,896**	**3,393,503**	**1,604,806**	**34.28**	**44.62**	**21.10**

Analysis of Warrant Holdings

As at 26 September 2016

TOP 30 WARRANTHOLDERS

No.	Name	No. of Warrants Held	%
1.	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR YANG HENG LAM (PB)	2,234,271	29.38
2.	HSBC NOMINEES (ASING) SDN BHD EXEMPT AN FOR JPMORGAN CHASE BANK, NATIONAL ASSOCIATION (JPMTSTCOJER AIF)	992,760	13.05
3.	NIOW SOO SEE	433,845	5.70
4.	FOO SOOK WAN	356,365	4.69
5.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR WONG YEE HUI (8095789)	355,660	4.68
6.	ONG LOOI CHAI	284,019	3.73
7.	CITIGROUP NOMINEES (ASING) SDN BHD JP MORGAN CLR CORP FOR FPA HAWKEYE FUND, LLC (FPA GLB OPP FD)	264,420	3.48
8.	SUSY DING	205,200	2.70
9.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR WONG TET FUI (8054679)	197,100	2.59
10.	LOONG MEI YIN	130,100	1.71
11.	DB (MALAYSIA) NOMINEE (ASING) SDN BHD EXEMPT AN FOR DEUTSCHE BANK AG SINGAPORE (PWM ASING)	111,000	1.46
12.	LIN, KUANG	100,000	1.31
13.	YVONNE KALATHINI A/P M.VIJAYARAJ	80,000	1.05
14.	KENANGA NOMINEES (ASING) SDN BHD MONEX BOOM SECURITIES (HK) LIMITED FOR ENDO KAORU	63,700	0.84
15.	SEOW TUCK MENG @ KELVIN FONG	62,300	0.82
16.	TANG GEONG KOANG	50,000	0.66
17.	TAN LING HUOY	49,900	0.66
18.	MAYBANK SECURITIES NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR AHMAD ZAIDAN BIN HJ KHAIRUDDIN MOHD (REM 646-MARGIN)	47,000	0.62
19.	YEOH TENG WEI	38,600	0.51
20.	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN KENG AIK (CEB)	36,600	0.48

TOP 30 WARRANTHOLDERS (CONT'D)

No.	Name	No. of Warrants Held	%
21.	MAYBANK NOMINEES (TEMPATAN) SDN BHD PHANG KIN HOONG	34,900	0.46
22.	LAW KOK VOON	34,600	0.45
23.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ONG HOCK SOON (474237)	31,700	0.42
24.	CH'NG KEAN BENG	27,000	0.36
25.	WONG LU PEEN	26,082	0.34
26.	MAYBANK NOMINEES (TEMPATAN) SDN BHD TEO KOK WAH	25,500	0.34
27.	CIMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHIN YEW SOON	25,251	0.33
28.	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TEO KOK WAH	24,800	0.33
29.	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR SEE KOK WAH	24,765	0.33
30.	AFFIN HWANG NOMINEES (ASING) SDN. BHD. DBS VICKERS SECS (S) PTE LTD FOR PUNIT KHANNA	24,040	0.32

LIST OF PROPERTIES
AS AT 30 JUNE 2016

Postal address/Location	Description	Existing use	Land Area (square feet)	Tenure of land (years)	Approximate age of building	Date Acquisition	30.06.16 RM'000
Geran No. 2893, Lot 1841 seksyen 4, Bandar Butterworth, Daerah Seberang Perai Utara, Negeri Pulau Pinang. Postal Address: No 4453, Jalan Bagan Luar, 12000 Butterworth, Penang.	Three (3) storey terrace shophouse	Office	1,019	Freehold	41 years	22 October 1994	511
Geran No 2892, Lot 1840, Seksyen 4, Bandar Butterworth, Daerah Seberang Perai Utara, Negeri Pulau Pinang. Postal Address: No 4454, Jalan Bagan Luar, 12000 Butterworth, Penang	Three (3) storey terrace shophouse	Office	1,021	Freehold	41 years	25 June 2002	506
Master Title: H.S (D) 49488 and 49489, PT 49974 and 49975, Mukim Klang, Daerah Klang, Negeri Selangor. Postal Address: No 78-2A, 2nd Floor, Jalan Sg. Chandong 15, Pulau Indah, 42100 Port Klang, Selangor Darul Ehsan.	Office Unit	Vacant	Nil	99 years ending on 11 March 2095	16 years	23 Septmeber 1998	23
Master Title: H.S (D) 49488 and 49489, PT 49974 and 49975, Mukim Klang, Daerah Klang, Negeri Selangor. Postal Address: No. 78-2B, 2nd Floor, Jalan Sg. Chandong 15, Pulau Indah, 42100 Port Klang, Selangor Darul Ehsan.	Office Unit	Vacant	Nil	99 years ending on 11 March 2095	16 years	23 September 1998	21

Postal address/Location	Description	Existing use	Land Area (square feet)	Tenure of land (years)	Approximate age of building	Date Acquisition	30.06.16 RM'000
HS (D) 116412, PT 239, Mukim Bandar Sultan Sulaiman, Daerah Klang, Negeri Selangor.	Industrial land	Warehouse and Office	653,400	99 years ending on 30 June 2105	10 years	16 September 2005	27,149 (Land)
Postal Address: Lot 37, Jalan Lebuh Sultan, Mohamed 1, Kawasan Perindustrian Bandar, Sultan Suleiman, 42000 Port Klang, Selangor Darul Ehsan.	Warehouse cum 2-storey office building						52,284 (Building)
HS (D) 116367, PT 183 Mukim Bandar Sultan Sulaiman, Daerah Klang, Negeri Selangor.	Industrial land	Warehouse and Office	148,815	99 years ending on 30 June 2105	23 years	17 January 2011	10,383 (Land)
Postal Address: Lot 24, Jalan Lebuh Sultan Mohamed 1, Kawasan Perindustrian Bandar Sultan Suleiman, 42000 Port Klang, Selangor Darul Ehsan.	Warehouse cum 2-storey office building						13,458 (Building)
HS (D) 37855, PT 478 Mukim 6, Daerah Seberang Perai Tengah, Negeri Pulau Pinang.	Industrial land	Warehouse and Office	92,424	60 years ending on 30 October 2052	21 years	11 April 2012	3,116 (Land)
Postal Address: No 1077, Lorong Perusahaan Maju 1 Kaw Perusahaan F4, 13600 Perai, Pulau Pinang.	Warehouse cum 2-storey office building						6,134 (Building)
HS (D) 261818, Lot No. PT598 Pekan Hicom, Daerah Petaling, Negeri Selangor.	Industrial land	Warehouse and Office	372,000	Freehold	27 years	27 August 2015	41,981 (Land)
Postal Address: Lot 5, Persiaran Sabak Bernam, Section 26 (Hicom), 40000 Shah Alam, Selangor Darul Ehsan.	Warehouse cum 2-storey office building						9,189 (Building)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Twentieth Annual General Meeting of the Company will be held at **Topas Room, The Saujana Hotel Kuala Lumpur, Saujana Resort, Jalan Lapangan Terbang SAAS, 40150 Shah Alam, Selangor Darul Ehsan** on **Tuesday, 29 November 2016** at **9:00 a.m.** for the following purposes:

1. To receive the Audited Financial Statements for the financial year ended 30 June 2016 together with the Reports of the Directors and Auditors thereon. (Please refer to Note No. 2)

2. To approve the payment of Directors' Fee amounting to RM417,600.00 in respect of the financial year ended 30 June 2016. **(ORDINARY RESOLUTION 1)**

3. To re-elect the following Directors retiring in accordance with Article 109 of the Articles of Association of the Company:

   (a) Mr Chew Chong Keat **(ORDINARY RESOLUTION 2)**

   (b) Mr Chua Tiong Hock **(ORDINARY RESOLUTION 3)**

4. To re-appoint Messrs BDO as the Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration. **(ORDINARY RESOLUTION 4)**

AS SPECIAL BUSINESS:

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

5. **Re-Appointment of Datuk Dr Hj Noordin Bin Hj Abd Razak as a Director Pursuant to Section 129 of the Companies Act, 1965**

   "**THAT** Datuk Dr Hj Noordin Bin Hj Abd Razak, being over the age of 70 years and retiring in accordance with Section 129 of the Companies Act, 1965, be and is hereby re-appointed as a Director of the Company to hold office until the conclusion of the next Annual General Meeting of the Company." **(ORDINARY RESOLUTION 5)**

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

   "**THAT**, approval be and is hereby given for the Proposed Renewal of Shareholders' Mandate for the Freight Management Holdings Bhd Group of Companies to enter into the categories of recurrent related party transactions of a revenue or trading nature falling within the nature of transactions set out in Section 2.4 under Part A of the Circular to Shareholders dated 31 October 2016 ("the Circular"), with the related parties falling within the classes of persons set out in Section 2.4 under Part A of the Circular, such transactions are necessary for the Group's day-to-day operations and carried out in the ordinary course of business, on terms which are not more favorable to the related parties than those generally available to the public and are not detriment of the minority shareholders.

AS SPECIAL BUSINESS (CONT'D):

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

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

(b) the expiration of the period within which the next AGM is required to be held pursuant to Section 143(1) of the Companies Act, 1965 ("Act") (but must not extend to such extension as may be allowed pursuant to Section 143(2) of the Act; or

(c) revoked or varied by resolution passed by the shareholders in a general meeting,

whichever is the earlier.

AND THAT the Directors of the Company be hereby authorised to complete and do all such acts and things as they may consider expedient or necessary to give effect to this Ordinary Resolution." **(ORDINARY RESOLUTION 6)**

7. **Proposed Renewal of Authority for Share Buy-Back by the Company**

"**THAT** subject to the Companies Act, 1965, (as may be amended, modified or re-enacted from time to time), the Main Market Listing Requirements of the Bursa Malaysia Securities Berhad and the approvals of all relevant governmental and/or regulatory authorities, the Company be and is hereby authorised to purchase such number of ordinary share of RM0.50 each in the Company ("Proposed Renewal Share Buy-Back Authority") as may be determined by the Board from time to time on the Bursa Malaysia Securities Berhad upon such terms and conditions as the Board may deem fit and expedient in the interest of the Company provided the aggregate number of shares purchased pursuant to this resolution does not exceed ten percent (10%) of the issued and paid up share capital of the Company and an amount not exceeding the total retained profits and share premium of the Company of RM15,149,632 and RM 7,206,192 respectively based on the latest audited financial statements of the Company as at 30 June 2016, be allocated by the Company for the Proposed Renewal Share Buy-Back Authority.

THAT such authority shall commerce upon the passing of this resolution and shall remain in force until the conclusion of the next Annual General Meeting if the Company unless earlier revoked or varied by ordinary resolution of the shareholders of the Company in general meeting.

THAT authority be and is hereby given to the Directors of the Company to decide in their discretion to retain the ordinary shares in the Company so purchased by the Company as treasury shares and/or cancel them and/or resell the treasury shares or distribute them as share dividend and/or subsequently cancel them.

AND THAT authority be and is hereby given to the Directors of the Company to take all such steps as are necessary (including the appointment of stockbroking firm and the opening and maintaining of a Central Depository Account designated as a Share Buy-Back Account) and to enter into any agreements and arrangements with any party or parties to implement, finalise and give full effect to the aforesaid with full powers to assent to any conditions, modifications, variations and/or amendments (if any) as may be imposed by the relevant authorities and to do all such acts and things as the directors may deem fit and expedient in the interest of the Company." **(ORDINARY RESOLUTION 7)**

AS SPECIAL BUSINESS (CONT'D):

8. **Authority to Issue Shares**

"**THAT** subject always to the Companies Act, 1965, Articles of Association of the Company and approvals from Bursa Malaysia Securities Berhad and any other governmental/ regulatory bodies, where such approval is necessary, authority be and is hereby given to the Directors pursuant to Section 132D of the Companies Act, 1965 to issue and allot not more than ten percent (10%) of the issued capital of the Company at any time upon such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit or in pursuance of offers, agreements or options to be made or granted by the Directors while this approval is in force until the conclusion of the next Annual General Meeting of the Company and that the Directors be and are hereby further authorised to make or grant offers, agreements or options which would or might require shares to be issued after the expirations of the approval hereof." **(ORDINARY RESOLUTION 8)**

9. **Retention of Independent Directors in accordance with Recommendation 3.3 of the Malaysian Code on Corporate Governance 2012**

"**THAT** the following Independent Directors who have served in the Company for more than nine years be hereby retained as Independent Directors and to hold office until the next Annual General Meeting:-

(a) Datuk Dr Hj Noordin Bin Hj Abd Razak **(ORDINARY RESOLUTION 9)**

(b) Mr Aaron Sim Kwee Lein **(ORDINARY RESOLUTION 10)**

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

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

Existing Article	**Proposed Amended Article**
Article 68	**Article 68**
At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded by:	Subject to Article 70, at any general meeting a resolution put to the vote of the meeting shall be decided ~~on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded by:~~ in accordance to the provision of the prevailing Companies Act and the Listing Requirements. A resolution to be put before a general meeting may be requisite by:
(a) the Chairman;	(a) the Chairman;
(b) not less than two (2) Members present in person or by proxy and entitled to vote; or	(b) not less than two (2) Members ~~present in person or by proxy and~~ entitled to vote; or
(c) any Members or Members present in person or by proxy and representing not less than one-tenth of the total voting rights of all the Members having the right to vote at the meeting; or	(c) any Members or Members ~~present in person or by proxy and~~ representing not less than one-tenth of the total voting rights of all the Members having the right to vote at ~~the~~ a general meeting; or

AS SPECIAL BUSINESS (CONT'D):

(d) any Member or Members present in person or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.	(d) any Member or Members ~~present in person or by proxy and~~ holding shares in the Company conferring a right to vote at ~~the~~ a general meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.
A demand for a poll may be withdrawn. Unless a poll is demanded (and the demand is not withdrawn) a declaration by the Chairman that a resolution on a show of hands been carried, or carried unanimously, or by a particular majority, or lost and an entry to that effect in the minutes book, shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded for or against such resolution.	~~A demand for a poll may be withdrawn. Unless a poll is demanded (and the demand is not withdrawn) a declaration by the Chairman that a resolution on a show of hands been carried, or carried unanimously, or by a particular majority, or lost and an entry to that effect in the minutes book, shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded for or against such resolution.~~
Article 69	**Article 69**
If a poll were duly demanded in the manner aforesaid it shall be taken at such time and place and in such manner as the Chairman shall direct and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.	~~If a poll were duly demanded in the manner aforesaid it~~ Polling shall be taken at such time and place and in such manner as the Chairman shall direct and the result of the poll shall be deemed to be the resolution of the meeting at which the ~~poll was demanded~~ resolution was in fact passed.
Article 72	**Article 72**
The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business, other than the question of which a poll has been demanded.	~~The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business, other than the question of which a poll has been demanded.~~ On a poll taken at a meeting of members of a company, a member entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way.
Article 81	**Article 81**
The instrument appointing a proxy together with the power of the attorney (if any) shall be left at the Office at least forty-eight (48) hours before the time appointed for holding the meeting or adjourned meeting at which the person named in such instrument proposes to vote; otherwise the person so named shall not be entitled to vote in respect thereof.	The instrument appointing a proxy together with the power of the attorney (if any) shall be left at the Office or at such place as is specified for that purpose in the notice not less than ~~at least~~ forty-eight (48) hours before the time appointed for holding the meeting or adjourned meeting at which the person named in such instrument proposes to vote; otherwise the person so named shall not be entitled to vote in respect thereof.

(SPECIAL RESOLUTION 1)

AS SPECIAL BUSINESS (CONT'D):

11. To transact any other business that may be properly transacted at an annual general meeting of which due notice shall have been given in accordance with the Company's Articles of Association and the Companies Act, 1965.

By Order of the Board

LIM HOOI MOOI (MAICSA 0799764)
WONG WAI FOONG (MAICSA 7001358)
Company Secretaries

Kuala Lumpur
31 October 2016

NOTES

1. Appointment of Proxy

- For the purpose of determining who shall be entitled to attend this meeting pursuant to Article 62 of the Company's Articles of Association and Section 34(1) of the Central Depositories Act, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to issue a General Meeting Record of Depositors as at 21 November 2016 and only Depositors whose names appear on such Record of Depositors shall be entitled to attend the said meeting.

- A member of the Company entitled to attend and vote at the meeting may appoint not more than two (2) proxies to attend and vote in his stead. A member of the Company who is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, may appoint not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account. A member who is an exempt authorised nominee which holds ordinary shares for multiple beneficial owners in one securities account ("omnibus account") may appoint unlimited number of proxies in respect of each omnibus account it holds. Where a member or an authorised nominee appoints two (2) proxies or an exempt authorised nominee appoints two (2) or more proxies, he shall specify the proportion of his shareholdings to be represented by each proxy.

- A proxy need not be a member of the Company and the provision of Section 149(1)(b) of the Act shall not apply to the Company.

- The instrument appointing a proxy shall be in writing under the hands of the appointer or of his attorney duly authorised in writing or, if the appointer is a corporation, either under its common seal or the hand of its attorney duly authorised.

- The instrument of proxy must be deposited at the Registered Office of the Company situated at Unit 30-01, Level 30, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur not later than forty-eight hours before the time appointed for holding the meeting or any adjournment thereof and in default, the instrument of proxy shall not be treated as valid.

2. Agenda No. 1

This item is meant for discussion only. The provisions of Section 169 of the Companies Act, 1965 does not require a formal approval of the shareholders for the Audited Financial Statements. Hence, this item is not put forward for voting.

EXPLANATORY NOTES ON SPECIAL BUSINESS

3. Ordinary Resolution No. 5

Pursuant to Section 129 of the Companies Act, 1965, the proposed Resolution No. 5 is to seek shareholders' approval on the re-appointment of Director who is over the age of 70 years.

4. Ordinary Resolution No. 6

The proposed Ordinary Resolution 6 is to seek renewal of Shareholders' Mandate to allow the Company and its subsidiaries to enter into Recurrent Related Party Transactions of a Revenue or Trading Nature and to enable the Company to comply with Paragraph 10.09, Part E of the Listing Requirement for the Main Market of Bursa Malaysia Securities Berhad. The mandate will take effect from the date of the passing of the Ordinary Resolution until the next Annual General Meeting of the Company.

5. Ordinary Resolution No. 7

The proposed Ordinary Resolution 7, if passed, will empower the Directors of the Company to purchase the Company's shares up to ten percent (10%) of the issued and paid up share capital of the Company ("Proposed Renewal of Share Buy-Back Authority") by utilizing the fund allocated which shall not exceed the total retained profits of the Company. Further information on the Proposed Renewal of Share Buy-Back Authority is set out in the Circular to Shareholders of the Company dated 31 October 2016 which is despatched together with the Company's 2016 Annual Report.

6. Ordinary Resolution No. 8

Proposed Ordinary Resolution 8 is for the purpose of granting a renewal of a general mandate ("General Mandate") and if passed, will empower the Directors of the Company, pursuant to Section 132D of the Companies Act, 1965, to issue and allot new shares in the Company from time to time provided that the aggregate number of share issued pursuant to this General Mandate does not exceed 10% of the issued share capital of the Company for the time being. The General Mandate, unless revoked or varied by the Company in general meeting, will expire at the conclusion of the next Annual General Meeting of the Company.

This is a renewal of the mandate obtained from the members at the last Annual General Meeting held on 25 November 2015. The Company did not utilize the mandate that was approved last year.

The purpose of this general mandate is for possible fund raising exercise including but not limited to further placement of shares for purpose of funding current and/or future investment projects, working capital and/or acquisitions.

7. Ordinary Resolutions No. 9 and 10

The proposed Resolutions No. 9 and No. 10 is to seek shareholders' approval on the retention of Directors who have served as Independent Directors for more than nine years in the Company.

8. Special Resolution No. 1

The Special Resolution, if passed, will allow the Chairman the right to promote orderly conduct of general meetings and render the Articles of Association of the Company to be in line with the Main Market Listing Requirements of Bursa Securities.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

There is no person seeking election as Director of the Company at this Annual General Meeting.

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PROXY FORM

FREIGHT MANAGEMENT HOLDINGS BHD 380410-P
(Incorporated in Malaysia)

I/We, ______________________________ I.C. No./Co. Registration No. ______________________________

of ____

being a member/members of **Freight Management Holdings Bhd**, do hereby appoint ______________________________

______________________________ (I.C. No.) ______________________________

or failing him/her ______________________________ (I.C. No.) ______________________________

or failing him/her the Chairman of the Meeting as my/our proxy to vote for me/us and on our behalf at the Twentieth Annual General Meeting of the Company to be held at **Topas Room, The Saujana Hotel Kuala Lumpur, Saujana Resort, Jalan Lapangan Terbang SAAS, 40150 Shah Alam, Selangor Darul Ehsan** on Tuesday, **29 November 2016 at 9.00 a.m.** and at any adjournment thereof.

AGENDA 1
To receive of the Audited Financial Statements and the Reports of the Directors and Auditors for the year ended 30 June 2016.

My/our proxy is to vote as indicated below:

AGENDA 2-10

Ordinary Resolutions	FOR	AGAINST
Ordinary Resolution 1		
Ordinary Resolution 2		
Ordinary Resolution 3		
Ordinary Resolution 4		
Ordinary Resolution 5		
Ordinary Resolution 6		
Ordinary Resolution 7		
Ordinary Resolution 8		
Ordinary Resolution 9		
Ordinary Resolution 10		
Special Resolution 1		

Please indicate with an "X" in the spaces provided whether you wish your votes to be cast for or against the resolutions. In the absence of specific directions, your proxy will vote or abstain as he thinks fit.

Dated this ______________ day of ____________________ 2016

No. of shares held	CDS Account No.

____
Signature of Shareholder

For appointment of two proxies, percentage of shareholdings to be represented by the proxies			
	No. of Shares	Percentage	
Proxy 1			%
Proxy 2			%
		100	%

Notes:

1. For the purpose of determining who shall be entitled to attend this meeting pursuant to Article 62 of the Company's Articles of Association and Section 34(1) of the Central Depositories Act, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to issue a General Meeting Record of Depositors as at 21 November 2016 and only Depositors whose names appear on such Record of Depositors shall be entitled to attend the said meeting.

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Affix Stamp

The Company Secretary

FREIGHT MANAGEMENT HOLDINGS BHD
(Company No. 380410-P)

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

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CONTACT PARTICULARS OF FREIGHT MANAGEMENT GROUP

Contact Particulars of Freight Management Group

MALAYSIA

NO	AREA	ADDRESS	TEL	FAX
1	PORT KLANG (OCEAN)	**FM GLOBAL LOGISTICS (M) SDN. BHD. (Company No. 85740-U)** Lot 37, Lebuh Sultan Mohamed 1, Kawasan Perindustrian Bandar Sultan Suleiman, 42000 Pelabuthan Klang. General Email address : gen@fmgloballogistics.com Website : www.fmgloballogistics.com	603-3176 1111	603-3176 8634
2	SELANGOR (AIR FREIGHT)	**FM GLOBAL LOGISTICS (KUL) SDN. BHD. (Company No. 199558-U)** (KLIA-Warehouse & Operation office) Lot C3A, Block C, Free Commercial Zone, Malaysia Airlines Freight Forwarders Complex, KLIA Cargo Village, Kuala Lumpur International Airport, 64000 Sepang, Selangor Darul Ehsan.	03-8787 2990	03-8787 2933
		(KELANA JAYA) 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	03-7610 3300	03-7610 3232
3	SELANGOR (EAST MALAYSIA)	**FM MULTIMODAL SERVICES SDN. BHD. (Company No. 251269-V)** Lot 37B, Lebuh Sultan Mohamed 1, Kaw. Perindustrian Bandar Sultan Suleiman, 42000 Port Klang, Selangor. Email : general@fmmultimodal.com	03-3176 6888	03-3176 3993 03-3176 4209
4	PASIR GUDANG, JOHOR (OCEAN)	**FM GLOBAL LOGISTICS (M) SDN. BHD. (Company No. 85740-U)** No. 1-02, Jalan Molek 3/20, Taman Molek, 81100 Johor Bahru General Email address : enquiry-my@fmgloballogistics.com	607-3500959	607-3612621
5	PENANG (OCEAN)	**FM GLOBAL LOGISTICS (M) SDN. BHD. (Company No. 85740-U)** No. 4453 & 4454, Jalan Bagan Luar, 12000 Butterworth, P.W. Penang. Malaysia. Email Address : export_penang@fmgloballogistics.com / Import_penang@fmgloballogistics.com / forwarding_penang@fmgloballogistics.com	604-331 4358	604-331 4368
6	PENANG (AIR FREIGHT)	**FM GLOBAL LOGISTICS (KUL) SDN. BHD. (Company No. 199558-U)** Block A-Unit 8, Cargo Agent Building, MAS Cargo Complex, Penang International Airport, 11900 Bayan Lepas Penang. Email : enquiry-air@fmgloballogistics.com	04-640 4943 04-640 4944	04-640 4948
7	IPOH	**FM GLOBAL LOGISTICS (M) SDN. BHD. (Company No. 85740-U)** 1B (2nd Floor), Persiaran Greentown 9, Greentown Business Centre , 30450 Ipoh , Perak. General Email Address : fmipoh@fmgloballogistics.com Email : enquiry-my@fmgloballogistics.com	605-242 1611 605-242 1600	605-255 1446 605-255 1380

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9	KUANTAN	**FM GLOBAL LOGISTICS (M) SDN. BHD. (Company No. 85740-U)** No. 46, 1st Floor, Jalna Gebeng 1/24, Bandar Industri Gebeng Jaya, 26080 Kuantan, Pahang. General Email Address : azha@fmgloballogistics.com	609-583 3627 609-583 3628	609-583 3631

THAILAND

FM GLOBAL LOGISTICS CO., LTD

NO	AREA	ADDRESS	TEL	FAX
1	BANGKOK	Richmond Building, Richmon Building 11st Floor 75/25 Soi Sukhumvit 26, Klongton, Klongtoey, Bangkok. 10110 Thailand Email : enquiry-th@fmgloballogistics.com	662-661 2400-6	662-6612407-8

INDONESIA

PT. FM GLOBAL LOGISTICS

NO	AREA	ADDRESS	TEL	FAX
1	JAKARTA	Rukan Artha Gading Niaga Blok H No. 11 Jln 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	CIKARANG	Ruko Metro Boulevard Blok B No. 15, Jln. Niaga Raya, Cikarang Baru, Bekasi, Kawasan Industri Jababeka tahap 2.	62-21 3314 9701 62-21 8934 869	62-21 8983 6776
3	BANDUNG	Metro Trade Centre Blok H-58, Jl. Soekarno Hatta No. 590, Bandung 40286.	62-22 753 6478	62-22 756 5687
4	MEDAN (BELAWAN)	Jln. Bambu II Ujung NO. 30-A Medan.	62-61 664 4272	62-61 664 4273
5	SURABAYA	Jl. Kedungdoro no. 50AD, Surabaya 60251	62-31 531 5751	62-31 531 0257
6	SEMARANG	Perkantoran Mutiara Marina Kav 11 Jl. Marina Semarang - Central Java -Indonesia	62-24-7667 1228	62-24-7667 1229

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FM GLOBAL LOGISTICS COMPANY LIMITED

NO	AREA	ADDRESS	TEL	FAX
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2	HAIPHONG	Unit 702B, 7th Floor, TD Business Centre, Lot 20A, Le Hong Phong St., Ngo Quyen Dist, Hai Phong City, Vietnam.	+84 31 3722168	+ 84 31 3722998

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1	SINGAPORE	6001 Beach Road #19 - 11A, Golden Mile Tower, Singapore 199589. Email : tchtay@singnet.com.sg	65-6294 7787	65-6294 8483

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2	CALCULTTA	Ballygunge Park Tower 67B Ballygunge Circular Road "B" Block , 9th Floor, Flat B-25, Kolkata - 700 019 India	033 2290 2968	033-4006 9127
3	MUMBAI	311-312, Sahar Plaza, Midas 3rd Floor Adheri Kurla Road, Adheri East, Mumbai 400059, India	+9198 6769 8310	022-3371 7019
4	DELHI	3rd Floor, Gupta Plza, Plot no. 13 Site nbr : 37/38, Nr. Kalkaji Post Office New Delhi 110019 India	+ 91 9810 773 846	+ 91 22 3371 7019

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2	CEBU	Bldg. B. Unit 215B Oakridge Business Park, 880 A.S. Fortuna St., banilad, Mandaue City 6014 Cebu, Philippines	(63-2) 5270221 (63-2) 5270224	(63-2) 5270209

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1	COLOMBO	No : 02 , Ground Floor, Hunupitiya Cross Road, Colombo 02, Sri Lanka. Email : eshantha@fmgloballogistics.com	0094 114645900	0094 114645903

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