

**FREIGHT MANAGEMENT HOLDINGS BHD**  
(Company No. 380410-P)

**CONDENSED CONSOLIDATED INCOME STATEMENT**  
**FOR THE SECOND QUARTER ENDED 31 DECEMBER 2011**  
(The figures have not been audited)

|                                       | Individual Quarter   |   | Cumulative Quarter   |  |
|---------------------------------------|--|---|--|--|
|                                       | CURRENT YEAR<br>QUARTER<br>ENDED<br>31 December 2011<br>RM'000 | PRECEDING YEAR<br>CORRESPONDING<br>QUARTER<br>ENDED<br>31 December 2010<br>RM'000 | CURRENT YEAR<br>TO DATE<br>ENDED<br>31 December 2011<br>RM'000 | PRECEDING YEAR<br>TO DATE<br>ENDED<br>31 December 2010<br>RM'000 |
| Revenue                               | 80,726   | 73,473  | 161,737  | 145,576  |
| Operating expenses                    | (74,478)   | (67,806)  | (149,440)  | (134,992)  |
| Other operating income                | 332  | 445   | 1,227  | 1,785  |
| Profit from operations                | <u>6,580</u>   | <u>6,112</u>  | <u>13,524</u>  | <u>12,369</u>  |
| Finance costs                         | (435)  | (496)   | (918)  | (988)  |
| Share of result of associated company | 4  | (20)  | 10   | 10   |
| Profit before tax                     | <u>6,149</u>   | <u>5,596</u>  | <u>12,616</u>  | <u>11,391</u>  |
| Tax expense                           | (1,485)  | (354)   | (2,553)  | (1,438)  |
| Profit for the period                 | <u>4,664</u>   | <u>5,242</u>  | <u>10,063</u>  | <u>9,953</u>   |
| Profit attributable to :              |  |   |  |  |
| Owners of the parent                  | 4,306  | 5,189   | 9,327  | 9,656  |
| Non-controlling interests             | 358  | 53  | 736  | 297  |
|                                       | <u>4,664</u>   | <u>5,242</u>  | <u>10,063</u>  | <u>9,953</u>   |
| Earnings per share (sen)              |  |   |  |  |
| - Basic                               | <u>3.54</u>  | <u>4.26</u>   | <u>7.66</u>  | <u>7.93</u>  |

The Condensed Consolidated Income Statement should be read in conjunction with the accompanying explanatory notes attached and Annual Financial Report for the financial year ended 30 June 2011.

**FREIGHT MANAGEMENT HOLDINGS BHD**  
(Company No. 380410-P)

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE SECOND QUARTER ENDED 31 DECEMBER 2011**  
(The figures have not been audited)

|  | Individual Quarter   |   | Cumulative Quarter   |  |
|--|--|---|--|--|
|  | CURRENT YEAR<br>QUARTER<br>ENDED<br>31 December 2011<br>RM'000 | PRECEDING YEAR<br>CORRESPONDING<br>QUARTER<br>ENDED<br>31 December 2010<br>RM'000 | CURRENT YEAR<br>TO DATE<br>ENDED<br>31 December 2011<br>RM'000 | PRECEDING YEAR<br>TO DATE<br>ENDED<br>31 December 2010<br>RM'000 |
| Profit for the period  | 4,664  | 5,242   | 10,063   | 9,953  |
| Foreign currency translation differences<br>for foreign operations | (178)  | 396   | (107)  | 410  |
| Total comprehensive income for the period                          | <u>4,486</u>   | <u>5,638</u>  | <u>9,956</u>   | <u>10,363</u>  |
| Total comprehensive income attributable to :                       |  |   |  |  |
| Owners of the parent   | 4,202  | 5,445   | 9,277  | 10,151   |
| Non-controlling interests  | 284  | 193   | 679  | 212  |
|  | <u>4,486</u>   | <u>5,638</u>  | <u>9,956</u>   | <u>10,363</u>  |

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying explanatory notes attached and Annual Financial Report for the financial year ended 30 June 2011.

**FREIGHT MANAGEMENT HOLDINGS BHD**  
(Company No. 380410-P)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2011**  
(This figures have not been audited)

|  | As at End of<br>Financial Year End<br>31 December 2011<br>RM'000 | As at Preceding<br>Financial Year End<br>30 June 2011<br>RM'000 |
|--|--|---|
| <b>ASSETS</b>  |  |   |
| <b>Non-current assets</b>  |  |   |
| Property, plant and equipment  | 110,572  | 105,795   |
| Investment in associate  | 200  | 190   |
| Available for sale financial assets                                    | 3  | 3   |
| Deferred tax assets  | 4  | 4   |
| Goodwill on consolidation  | 1,674  | 1,674   |
|  | <u>112,453</u>   | <u>107,666</u>  |
| <b>Current assets</b>  |  |   |
| Receivables  | 66,261   | 64,777  |
| Current tax asset  | 612  | 1,346   |
| Cash and bank balances   | 23,620   | 27,173  |
|  | <u>90,493</u>  | <u>93,296</u>   |
| <b>TOTAL ASSETS</b>  | <u>202,946</u>   | <u>200,962</u>  |
| <b>EQUITY AND LIABILITIES</b>  |  |   |
| <b>Equity attributable to owners of the parent</b>                     |  |   |
| Share capital  | 60,857   | 60,857  |
| Reserves   | 57,292   | 50,297  |
|  | <u>118,149</u>   | <u>111,154</u>  |
| <b>Non-controlling interests</b>                                       | 9,999  | 9,320   |
| <b>Total equity</b>  | <u>128,148</u>   | <u>120,474</u>  |
| <b>Non-current liabilities</b>   |  |   |
| Long term borrowings   | 17,942   | 22,306  |
| Deferred tax liabilities   | 6,173  | 5,628   |
|  | <u>24,115</u>  | <u>27,934</u>   |
| <b>Current liabilities</b>   |  |   |
| Payables   | 34,719   | 35,677  |
| Short term borrowings  | 14,173   | 15,419  |
| Current tax payable  | 1,791  | 1,458   |
|  | <u>50,683</u>  | <u>52,554</u>   |
| <b>Total liabilities</b>   | <u>74,798</u>  | <u>80,488</u>   |
| <b>TOTAL EQUITY AND LIABILITIES</b>                                    | <u>202,946</u>   | <u>200,962</u>  |
| Net assets per share (RM)  | 1.05   | 0.99  |
| Net assets per share attributable to equity holders of the parent (RM) | 0.97   | 0.91  |

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the accompanying explanatory notes attached and Annual Financial Report for the financial year ended 30 June 2011.

**FREIGHT MANAGEMENT HOLDINGS BHD**  
(Company No. 380410-P)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW**  
**FOR THE 6 MONTHS ENDED 31 DECEMBER 2011**  
(The figures have not been audited)

|   | Current Year<br>6 Months ended<br>31 December 2011<br>RM'000 | Preceding Year<br>6 Months ended<br>31 December 2010<br>RM'000 |
|---|--|--|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                                     |  |  |
| Profit before tax   | 12,616   | 11,391   |
| Adjustments for:-   |  |  |
| Depreciation  | 4,284  | 3,719  |
| Other non-cash items  | 1,468  | (843)  |
| Non-operating items   | 799  | 808  |
| Operating profit before working capital changes                                 | <u>19,167</u>  | <u>15,075</u>  |
| (Increase)/Decrease in trade and other receivables                              | (2,946)  | 1,510  |
| Increase/(Decrease) in trade and other payables                                 | 1,259  | (247)  |
| Cash generated from operations  | <u>17,480</u>  | <u>16,338</u>  |
| Interest paid   | (51)   | (42)   |
| Tax paid  | (939)  | (1,345)  |
| Net cash from operating activities  | <u>16,490</u>  | <u>14,951</u>  |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                                     |  |  |
| Acquisition of subsidiaries, net of cash and cash equivalents acquired          | -  | (219)  |
| Placement of short term deposits pledged to licensed banks                      | (54)   | (48)   |
| Proceeds from disposal of property, plant and equipment                         | 82   | 5,720  |
| Purchase of property, plant and equipment                                       | (9,122)  | (2,523)  |
| Interest received   | 119  | 172  |
| Net cash (used in)/from investing activities                                    | <u>(8,975)</u>   | <u>3,102</u>   |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                                     |  |  |
| Ordinary share capital contributed by non-controlling interests of a subsidiary | -  | 50   |
| Drawdown of borrowings  | 1,157  | 9,306  |
| Repayment of borrowings   | (7,248)  | (6,373)  |
| Dividends paid  | (4,564)  | (2,282)  |
| Interest paid   | (866)  | (939)  |
| Net cash used in financing activities   | <u>(11,521)</u>  | <u>(238)</u>   |
| Net (decrease)/increase in cash and cash equivalents                            | (4,006)  | 17,815   |
| Cash and cash equivalents at beginning of financial period                      | 20,699   | 15,295   |
| Cash and cash equivalents at end of financial period                            | <u>16,693</u>  | <u>33,110</u>  |
| <b>CASH AND CASH EQUIVALENTS</b>  |  |  |
| Cash and bank balances  | 16,521   | 17,723   |
| Short term deposits with licensed banks   | 7,099  | 21,598   |
| Bank overdrafts   | (3,400)  | (2,783)  |
|   | <u>20,220</u>  | <u>36,538</u>  |
| Less: Short term deposits pledged to licensed banks                             | (3,527)  | (3,428)  |
|   | <u>16,693</u>  | <u>33,110</u>  |

The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the accompanying explanatory notes attached and Annual Financial Report for the financial year ended 30 June 2011.

**FREIGHT MANAGEMENT HOLDINGS BHD**  
(Company No. 380410-P)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE 6 MONTHS ENDED 31 DECEMBER 2011**

(The figures have not been audited)

|   | Share Capital<br>RM'000 | Exchange translation Reserve<br>RM'000 | Retained earnings<br>RM'000 | Total attributable to owners of the parent<br>RM'000 | Non-controlling interests<br>RM'000 | Total Equity<br>RM'000 |
|---|-------------------------|--|-----------------------------|--|-------------------------------------|------------------------|
| As at 1 July 2011                         | 60,857                  | 747                                    | 49,550                      | 111,154  | 9,320                               | 120,474                |
| Profit for the period                     | -                       | -                                      | 9,327                       | 9,327  | 736                                 | 10,063                 |
| Other comprehensive income                | -                       | (50)                                   | -                           | (50)   | (57)                                | (107)                  |
| Total comprehensive income for the period | -                       | (50)                                   | 9,327                       | 9,277  | 679                                 | 9,956                  |
| Dividend paid                             | -                       | -                                      | (2,282)                     | (2,282)  | -                                   | (2,282)                |
| As at 31 December 2011                    | 60,857                  | 697                                    | 56,595                      | 118,149  | 9,999                               | 128,148                |

|  | Share Capital<br>RM'000 | Exchange translation Reserve<br>RM'000 | Retained earnings<br>RM'000 | Total attributable to owners of the parent<br>RM'000 | Non-controlling interests<br>RM'000 | Total Equity<br>RM'000 |
|--|-------------------------|--|-----------------------------|--|-------------------------------------|------------------------|
| As at 1 July 2010  | 60,857                  | 64                                     | 34,402                      | 95,323   | 8,890                               | 104,213                |
| Profit for the period  | -                       | -                                      | 9,656                       | 9,656  | 297                                 | 9,953                  |
| Other comprehensive income   | -                       | 495                                    | -                           | 495  | (85)                                | 410                    |
| Total comprehensive income for the period                                | -                       | 495                                    | 9,656                       | 10,151   | 212                                 | 10,363                 |
| Ordinary shares contributed by non-controlling interests of a subsidiary | -                       | -                                      | -                           | -  | 50                                  | 50                     |
| As at 31 December 2010   | 60,857                  | 559                                    | 44,058                      | 105,474  | 9,152                               | 114,626                |

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying explanatory notes attached and Annual Financial Report for the financial year ended 30 June 2011.

**FREIGHT MANAGEMENT HOLDINGS BHD**  
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**Notes on the quarterly report – 31 December 2011**

**PART A : EXPLANATORY NOTES AS PER FRS 134**

**A1. Basis of preparation**

The interim financial statements are unaudited and have been prepared in accordance with the requirements of FRS 134: Interim Financial Reporting and paragraph 9.22 and Part A of Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”). The interim financial statements should be read in conjunction with the Group’s financial statements for the year ended 30 June 2011.

The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of Freight Management Holdings Bhd (“FMH” or “Company”) and its subsidiary companies (“Group”).

The accounting principles, method of computation and bases used for this quarterly financial report are consistent with those previously adopted in the preparation of the annual financial statements for the year ended 30 June 2011, except for the new and revised FRSs, IC Interpretations and Amendments to FRSs and IC Interpretation which are applicable to its financial statements and effective from 1 July 2011.

|                      |  |
|----------------------|--|
| Amendments to FRS 1  | Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters           |
| Amendments to FRS1   | Additional Exemptions for First-time Adopters  |
| Amendments to FRS 2  | Group Cash-settled Share Based Payment Transactions                                    |
| Amendments to FRS 7  | Financial Instruments: Disclosures – Improving Disclosures about Financial Instruments |
| IC Interpretation 4  | Determining whether an Arrangement contains a Lease                                    |
| IC Interpretation 18 | Transfers of Assets from Customers   |

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**Notes on the quarterly report – 31 December 2011**

|                      |   |
|----------------------|---|
| IC Interpretation 14 | Prepayments of a Minimum Funding Requirement<br>(Amendment to IC Interpretation 14) |
| IC Interpretation 19 | Extinguish Financial Liabilities with Equity<br>Instruments                         |

The adoption of the above FRSs , Amendments to FRSs and Interpretations do not have any material impact on the interim financial statements of the Group

**A2. Qualification of Annual Financial Statements**

The audit report of the Group's most recent annual audited financial statements for the year ended 30 June 2011 was not qualified.

**A3. Seasonality or cyclical factors**

The Group's business operation results were not materially affected by any major seasonal or cyclical factors.

**A4. Unusual Items**

There are no unusual items affecting assets, liabilities, equity, net income or cash flows in the financial year to date.

**A5. Changes in estimates**

There were no changes in estimates of amounts reported in prior interim period or financial year that have material effect in the current quarter.

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**Notes on the quarterly report – 31 December 2011**

**A6. Changes in debts and equity securities**

There were no issuance, cancellations, repurchases, resale and repayments of debt and equity securities for the current financial year to date.

**A7. Dividend paid**

- i) The interim dividend of 2.5 sen per share less tax at 25% amounting to RM2,282,146 in respect of financial year ended 30 June 2011 has been paid on 15 July 2011.
- ii) The final dividend of 2.5 sen per share less tax at 25% amounting to RM2,282,142 in respect of financial year ended 30 June 2011 has been paid on 15 December 2011.



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Notes on the quarterly report – 31 December 2011

**A8. Segment information**

Operating segments for the current financial year to date:

|                                 | ← Logistics →      |                     |                     |                    | Marine            |                     |                  | Total<br>RM'000 |
|---------------------------------|--------------------|---------------------|---------------------|--------------------|-------------------|---------------------|------------------|-----------------|
|                                 | Malaysia<br>RM'000 | Australia<br>RM'000 | Indonesia<br>RM'000 | Thailand<br>RM'000 | Vietnam<br>RM'000 | Singapore<br>RM'000 | Others<br>RM'000 |                 |
| <b>Revenue</b>                  |                    |                     |                     |                    |                   |                     |                  |                 |
| Total revenue                   | 125,621            | 14,640              | 8,534               | 5,058              | 956               | 9,423               | 1,746            | 165,978         |
| Inter-segment revenue           | (1,660)            | (34)                | (354)               | (391)              | (56)              | -                   | (1,746)          | (4,241)         |
| Revenue from external customers | 123,961            | 14,606              | 8,180               | 4,667              | 900               | 9,423               | -                | 161,737         |
| <b>Results</b>                  |                    |                     |                     |                    |                   |                     |                  |                 |
| Segment results                 | 12,758             | 586                 | 1,331               | 68                 | 185               | 1,042               | (2,446)          | 13,524          |
| Finance costs                   | (812)              | (11)                | (3)                 | -                  | (1)               | (91)                | -                | (918)           |
| Share of profit in an associate | 10                 | -                   | -                   | -                  | -                 | -                   | -                | 10              |
| Profit before tax               | 11,956             | 575                 | 1,328               | 68                 | 185               | 951                 | (2,446)          | 12,616          |
| Tax expense                     | -                  | -                   | -                   | -                  | -                 | -                   | -                | (2,553)         |
| Profit for the period           | -                  | -                   | -                   | -                  | -                 | -                   | -                | 10,063          |
| <b>Assets</b>                   |                    |                     |                     |                    |                   |                     |                  |                 |
| Segment assets                  | 153,957            | 6,566               | 4,028               | 2,050              | 586               | 28,043              | 6,900            | 202,130         |
| Investment in an associate      | 200                | -                   | -                   | -                  | -                 | -                   | -                | 200             |
| Deferred tax assets             | -                  | -                   | -                   | 4                  | -                 | -                   | -                | 4               |
| Current tax assets              | 65                 | -                   | 37                  | 253                | -                 | -                   | 257              | 612             |
| Total assets                    | -                  | -                   | -                   | -                  | -                 | -                   | -                | 200,946         |

**FREIGHT MANAGEMENT HOLDINGS BHD**  
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Notes on the quarterly report – 31 December 2011

|  | Logistics          |                     |                     |                    | Marine            |                     |                  | Total<br>RM'000 |
|--|--------------------|---------------------|---------------------|--------------------|-------------------|---------------------|------------------|-----------------|
|  | Malaysia<br>RM'000 | Australia<br>RM'000 | Indonesia<br>RM'000 | Thailand<br>RM'000 | Vietnam<br>RM'000 | Singapore<br>RM'000 | Others<br>RM'000 |                 |
| <b>Liabilities</b>                                 |                    |                     |                     |                    |                   |                     |                  |                 |
| Segment liabilities                                | 54,230             | 4,663               | 1,003               | 1,344              | 23                | 4,617               | 954              | 66,834          |
| Deferred tax liability                             | 6,173              | -                   | -                   | -                  | -                 | -                   | -                | 6,173           |
| Current tax liability                              | 1,209              | 38                  | -                   | -                  | -                 | -                   | 544              | 1,791           |
| <b>Total liabilities</b>                           |                    |                     |                     |                    |                   |                     |                  | <u>74,798</u>   |
| <b>Other segment information</b>                   |                    |                     |                     |                    |                   |                     |                  |                 |
| Capital expenditure                                | 9,087              | 16                  | 58                  | 4                  | 3                 | -                   | 62               | 9,230           |
| Depreciation                                       | 3,296              | 36                  | 62                  | 23                 | 8                 | 760                 | 99               | 4,284           |
| Other non-cash income                              | (412)              | -                   | (26)                | (5)                | -                 | (8)                 | -                | (451)           |
| Other non-cash expenses<br>other than depreciation | 1,328              | 520                 | 9                   | 44                 | 26                | 2                   | -                | 1,929           |

**FREIGHT MANAGEMENT HOLDINGS BHD**  
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**Notes on the quarterly report – 31 December 2011**

**A9. Valuation of property, plant and equipment**

There has been no valuation on any of the Group's property, plant and equipment during the current financial year to date.

**A10. Material events subsequent to the end of the interim period**

There were no material events subsequent to the end of the current quarter, except as disclosed in page 11, Note B6 of the Status of Corporate Proposals.

**A11. Changes in the composition of the Group**

On 20 December 2011, a wholly-owned subsidiary, Icon Line (Malaysia) Sdn Bhd had subscribed for additional 120,000 ordinary shares of AUD 1 each at par for a total consideration AUD 120,000 in Icon Freight Services Pty Ltd. Upon completion of the subscription, Icon Line (Malaysia) Sdn Bhd's investment in Icon Freight Services Pty Ltd had increased from 55% to 75%.

**A12. Contingent liabilities**

As at the date of this announcement, the Directors of FMH are not aware of any contingent liability of the Group save as disclosed below:-

|   |                               |
|---|-------------------------------|
| Bank guarantees in favour of third parties* | <b>RM'000</b><br><u>2,100</u> |
|---|-------------------------------|

*\*Note : These are bank guarantees made in the ordinary course of business mainly in favour of vendors and the Pengarah Kastam of Malaysia in the relevant states in Malaysia.*

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**Notes on the quarterly report – 31 December 2011**

**A13. Capital commitments**

**Contracted but not provided for :**

|                                 | <b>As at<br/>31.12.11<br/>RM'000</b> |
|---------------------------------|--------------------------------------|
| Warehouse renovation            | 1,424                                |
| Prime Mover, Trucks & Equipment | 2,109                                |
| Forklifts                       | <u>469</u>                           |
|                                 | <u>4,002</u>                         |

## FREIGHT MANAGEMENT HOLDINGS BHD

(Company No: 380410-P)

Notes on the quarterly report – 31 December 2011

### PART B: ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF BURSA SECURITIES

#### B1. Review of performance

The Group registered a revenue growth of RM7.3 million or approximately 10% higher than 2QFY11. Details of changes in each service type are as follows:-

| Service Type      | 2QFY12<br>RM mil | 2QFY11<br>RM mil | Increase/-         |            |
|-------------------|------------------|------------------|--------------------|------------|
|                   |                  |                  | Decrease<br>RM mil | % change   |
| Seafreight        | 46.0             | 45.2             | 0.8                | 2%         |
| Railfreight       | 0.5              | 0.8              | -0.3               | -38%       |
| Airfreight        | 8.2              | 7.1              | 1.1                | 15%        |
| Tug & Barge       | 4.6              | 5.2              | -0.6               | -12%       |
| 3PL & Warehousing | 6.6              | 3.6              | 3.0                | 83%        |
| Customs Brokerage | 9.2              | 7.2              | 2.0                | 28%        |
| Haulage           | 3.5              | 2.6              | 0.9                | 35%        |
| Landfreight       | 2.1              | 1.7              | 0.4                | 24%        |
| <b>TOTAL</b>      | <b>80.7</b>      | <b>73.4</b>      | <b>7.3</b>         | <b>10%</b> |

Compared with 2QFY11 higher revenue was reported in all services except for Railfreight and Tug & Barge Services. Strong growth in 3PL & Warehousing services was due to a full quarter's contribution from Shell Malaysia Trading Sdn Bhd ('Shell') whereas in 2QFY11, Shell's tender has not commenced. The Group's airfreight division had also been actively promoting 'fashion logistics' which had attracted some multinationals companies. Seafreight services remains competitive but the Group was able to maintain growth due to FMH's pricing flexibility arising from its niche in providing one-stop and value-added services to customers.

The Group's profit before tax increased by 10% from RM5.6 million in 2QFY11 compared to RM6.1 million registered in 2QFY12.

## FREIGHT MANAGEMENT HOLDINGS BHD

(Company No: 380410-P)

Notes on the quarterly report – 31 December 2011

### B2. Variation of results against preceding quarter

| Service Type      | 2QFY12      | 1QFY12      | Increase/-         | % change  |
|-------------------|-------------|-------------|--------------------|-----------|
|                   | RM mil      | RM mil      | Decrease<br>RM mil |           |
| Seafreight        | 46.0        | 46.4        | -0.4               | -1%       |
| Railfreight       | 0.5         | 0.8         | -0.3               | -38%      |
| Airfreight        | 8.2         | 7.6         | 0.6                | 8%        |
| Tug & Barge       | 4.6         | 4.8         | -0.2               | -4%       |
| 3PL & Warehousing | 6.6         | 6.8         | -0.2               | -3%       |
| Customs Brokerage | 9.2         | 7.8         | 1.4                | 18%       |
| Haulage           | 3.5         | 3.2         | 0.3                | 9%        |
| Landfreight       | 2.1         | 3.6         | -1.5               | -42%      |
| <b>TOTAL</b>      | <b>80.7</b> | <b>81.0</b> | <b>-0.3</b>        | <b>0%</b> |

The Group's recorded a marginal decrease in revenue by RM0.3 million as compared to 1QFY12 while the Group's profit before tax too decline by RM0.3 million or 5% due to a slower quarter as compared to 1QFY12.

### B3. Current year prospects

The global economy is expected to remain uncertain in the foreseeable term and we are cautious of our near term outlook. Moving forward, our Group will continue to focus on expanding our existing core businesses both in Malaysia and regionally whilst preserving and enhancing our margins with greater efficiency and costs control. We are also optimistic on the prospects of our 3PL business as we foresee an increasing trend for manufacturers to outsource their logistics needs to specialist 3PL service providers like us. Premised on these factors, we are confident that our Group's overall performance for FY2012 will remain positive.

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**Notes on the quarterly report – 31 December 2011**

**B4. Variance of actual and forecast profit**

The Group has not provided any quarterly profit forecast and therefore no variance information is available for the quarter under review.

**B5. Tax expense**

|  | Individual Quarter                              |   | Cumulative Quarter                                 |   |
|--|---|---|--|---|
|  | Current Year<br>Quarter<br>31.12.2011<br>RM'000 | Preceding<br>Year<br>Corresponding<br>Quarter<br>31.12.2010<br>RM'000 | Current<br>Year To<br>Date<br>31.12.2011<br>RM'000 | Preceding<br>Year<br>Corresponding<br>Quarter<br>31.12.2010<br>RM'000 |
| <b>In respect of current period:</b>                       |   |   |  |   |
| Income tax   | 962   | 950   | 1,846  | 1,897   |
| Deferred tax   | 400   | 245   | 584  | 382   |
|  | <u>1,362</u>                                    | <u>1,195</u>  | <u>2,430</u>                                       | <u>2,279</u>  |
| <b>Under / (Over) provision in respect of prior year :</b> |   |   |  |   |
| Income tax   | 163   | 13  | 163  | 13  |
| Deferred tax   | (40)  | (854)   | (40)   | (854)   |
|  | <u>123</u>                                      | <u>(841)</u>  | <u>123</u>   | <u>(841)</u>  |
| <b>Total</b>   | <u>1,485</u>                                    | <u>354</u>  | <u>2,553</u>                                       | <u>1,438</u>  |

The effective tax rate is lower than the statutory tax rate due to the tax exemption enjoyed by subsidiaries in Singapore and utilisation of investment tax allowance.

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**B6. Status of corporate proposal announced**

The following proposals have been approved by the shareholders at the Annual General Meeting and Extraordinary General Meeting on 30 November 2011:

Annual General Meeting

- (i) Proposed Renewal of and Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature; and
- (ii) Proposed Renewal of Share Buy-Back Authority.

Extraordinary General Meeting

- (i) Proposed Issue of 40,571,429 ordinary shares of RM0.50 each in FMHB on the basis of one (1) bonus share for every three (3) existing shares of RM0.50 each held in FMHB;
- (ii) Proposed Issue of 24,342,857 free Warrants in FMHB on the basis of one (1) free warrant for every five (5) existing FMHB shares held on the same entitlement date for the proposed Bonus Issue to be determined later; and
- (iii) Proposed Increase in authorised Share capital of FMHB from the existing RM100,000,000 comprising 200,000,000 FMHB shares to RM125,000,000 comprising 250,000,000 FMHB shares.

Freight Management Holdings Bhd had announced the completion of following proposals in Main Market of Bursa Malaysia Securities Berhad:-

- (i) On 6 January 2012, Proposed Issue of 40,571,429 Bonus Shares.
- (ii) On 13 January 2012, Proposed Issue of 24,342,857 Free Warrants.



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**B7. Group borrowings**

The Group's borrowings as at the end of the reporting quarter are as follows:

|   | <b>RM'000</b>        |
|---|----------------------|
| <b>Payable within 12 months (secured)</b> |                      |
| Term loans                                | 6,177                |
| Hire purchase and leases                  | 3,096                |
| Revolving Credit                          | 1,500                |
| Bank overdrafts                           | 3,400                |
|   | <u>14,173</u>        |
| <b>Payable after 12 months (secured)</b>  |                      |
| Term loans                                | 15,441               |
| Hire purchase and leases                  | 2,501                |
|   | <u>17,942</u>        |
| <b>Total borrowings</b>                   | <u><u>32,115</u></u> |

All the above borrowings are denominated in Ringgit Malaysia except for the following which is denominated in foreign currency:-

|  | <b>RM'000</b>       |
|--|---------------------|
| <b>In Australian Dollar</b>                      |                     |
| Hire purchase and lease payable within 12 months | 38                  |
| Hire purchase and lease payable after 12 months  | 174                 |
| <b>In Singapore Dollar</b>                       |                     |
| Term loans payable within 12 months              | 1,803               |
| Term loans payable after 12 months               | 960                 |
| <b>In Indonesian Dollar</b>                      |                     |
| Hire purchase and lease payable within 12 months | 30                  |
| Hire purchase and lease payable after 12 months  | 39                  |
| <b>In Vietnam Dollar</b>                         |                     |
| Hire purchase and lease payable within 12 months | 5                   |
| Hire purchase and lease payable after 12 months  | -                   |
|  | <u><u>3,049</u></u> |

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**B8. Change in material litigation**

Neither FMH nor any of its subsidiaries in the Group is engaged in any litigation or arbitration, either as plaintiff or defendant, which has a material effect on the financial position of the Company or any of its subsidiaries in the Group and the Board of Directors of FMH is not aware of any proceedings pending or threatened, or of any fact likely to give rise to any proceedings, which might materially and adversely affect the position or business of the Company or any of its subsidiaries in the Group.

**B9. Dividend**

The board does not recommend any dividend for the current quarter under review.

**B10. Earnings per share**

|   | Individual Quarter      |                          | Cumulative Quarter      |                          |
|---|-------------------------|--------------------------|-------------------------|--------------------------|
|   | Current Year<br>Quarter | Preceding<br>Year        | Current Year<br>To Date | Preceding<br>Year        |
|   |                         | Corresponding<br>Quarter |                         | Corresponding<br>Quarter |
|   | 31.12.2011              | 31.12.2010               | 31.12.2011              | 31.12.2010               |
| Profit attributable to equity holders of the parent (RM'000)              | 4,306                   | 5,189                    | 9,327                   | 9,656                    |
| Weighted average number of ordinary shares of RM0.50 each in issue ('000) | 121,714                 | 121,714                  | 121,714                 | 121,714                  |
| Basic Earnings Per Share (sen)  | 3.54                    | 4.26                     | 7.66                    | 7.93                     |

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**B11. Realised and Unrealised Profits or Losses of the Group**

|   | As at<br>31.12.11<br>RM'000 | As at<br>31.12.10<br>RM'000 |
|---|-----------------------------|-----------------------------|
| Total retained profits of the Group:                              |                             |                             |
| Realised  | 62,580                      | 48,485                      |
| Unrealised *  | (6,137)                     | (4,568)                     |
| Total share of retained profits from associated companies:        |                             |                             |
| Realised  | 152                         | 141                         |
| Unrealised  | -                           | -                           |
| Total share of retained profits from jointly controlled entities: |                             |                             |
| Realised  | -                           | -                           |
| Unrealised  | -                           | -                           |
| Total Group retained profits as per consolidated accounts         | <u>56,595</u>               | <u>44,058</u>               |

\* Unrealised comprise of deferred tax liability and unrealised foreign exchange losses.

The disclosure of realised profits above is solely for complying with the disclosure requirements stipulated in the directive of Bursa Malaysia and should not be applied for any other purposes.

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**B12. Additional Disclosures on Profit for the period**

|   | <b>Current Year<br/>Quarter<br/>31.12.11<br/>RM'000</b> | <b>Current Year<br/>To Date<br/>31.12.11<br/>RM'000</b> |
|---|---|---|
| <b>Profit for the period is arrived at after charging/<br/>(crediting):</b> |   |   |
| Interest income   | (58)  | (119)   |
| (Gain)/loss on disposal of property, plant and equipment                    | 11  | (50)  |
| (Gain)/loss on foreign exchange   | (57)  | (345)   |
| Depreciation of property, plant and equipment                               | 2,181   | 4,284   |
| Impairment loss and write off of trade receivables                          | 754   | 794   |
| Interest expense  | 434   | 917   |

Other than the above, there were no gain or loss on disposal of quoted or unquoted investments, gain or loss on derivatives and exceptional items for the current quarter and financial period ended 31 December 2011.