

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

**Notes on the quarterly report – 30 June 2009**

**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 2008.

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 2008.

**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 2008 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.

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#### **A4. Unusual nature and amounts of items affecting assets, liabilities, equity, net income or cash flows**

There were no items of unusual nature and amounts affecting assets, liabilities, equity, net income or cash flows during the period under review other than stated below :

As at 30 June 2008, the Group's land and building at Lot 8, Lingkaran Sultan Mohamed 2, Bandar Sultan Suleiman were presented as non-current asset held for sale in accordance with FRS 5. In view of the soft property market conditions, the management has decided that the property be occupied for own use. However, the management will dispose the property when there is a suitable offer to purchase the property.

Following from the aforementioned, the non-current asset held for sale has now been reclassified as property, plant and equipment, and prepaid lease payments for land in the balance sheet and is stated at its carrying amount before the asset was classified as held for sale. Accordingly, depreciation and amortisation amounted to RM30,000 was provided for current quarter and total of RM240,000 has been reflected in year to date results under review.

#### **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 – 30 June 2009**

#### **A6. Issuance and repayment of 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 gross interim dividend of 2.0 sen per share less tax at 26% amounting to RM1,801,370, in respect of financial year ended 30 June 2008 has been paid on 28 July 2008.
- ii) The final dividend of 2.5 sen per share less tax at 25% amounting to RM2,282,143 in respect of the financial year ended 30 June 2008 has been paid on 19 January 2009.
- iii) The gross interim dividend of 2.0 sen per share less tax at 25% amounting to RM1,825,716, in respect of financial year ended 30 June 2009 has been paid on 15 July 2009.

**FREIGHT MANAGEMENT HOLDINGS BHD****(Company No : 380410-P)****Notes on the quarterly report – 30 June 2009****A8. Segment information**

By geographical location for the current financial year to date :

	<b>Malaysia RM'000</b>	<b>Singapore RM'000</b>	<b>Australia RM'000</b>	<b>Indonesia RM'000</b>	<b>Elimination RM'000</b>	<b>Total RM'000</b>
<b>Revenue</b>						
External sales	183,028	24,981	15,515	5,900	-	229,424
Inter-segment sales	1,574	-	74	248	(1,896)	-
Total revenue	<u>184,602</u>	<u>24,981</u>	<u>15,589</u>	<u>6,148</u>	<u>(1,896)</u>	<u>229,424</u>
<b>Results</b>						
Segment results	17,094	4,039	(248)	24	-	20,909
Finance costs						(1,607)
Share of profit in an associate	31	-	-	-	-	31
Profit before tax						19,333
Tax expense						(4,285)
Profit for the financial year						<u>15,048</u>
<b>Assets</b>						
Segment assets	114,340	29,300	1,577	2,281	-	147,498
Investment in an associate	146	-	-	-	-	146
Unallocated assets						465
Total assets						<u>148,109</u>
<b>Liabilities</b>						
Segment liabilities	40,876	9,344	1,086	487	-	51,793
Unallocated liabilities						4,137
Total liabilities						<u>55,930</u>
<b>Other segment information</b>						
Capital expenditure	8,151	4,339	60	515	-	13,065
Depreciation	3,882	1,272	87	58	-	5,299
Amortisation	148	-	-	-	-	148
Other non-cash income	(695)	(1)	(38)	3	-	(731)
Other non-cash expenses other than depreciation and amortisation	761	5	135	-	-	901

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**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**

On 2 July 2009, a wholly-owned subsidiary, Icon Line (Malaysia) Sdn Bhd has subscribed for 24,500 shares of Thai Baht One Hundred (THB100) each at par for a total cash consideration of THB2,450,000 in Icon Freight Services Company Ltd, representing 49% of the issued and paid-up capital of Icon Freight Services Company Ltd.

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

FMH had on 27 August 2008 incorporated a wholly-owned company limited by shares known as Icon Freight International Inc. in British Virgin Islands. The current paid-up capital is USD100.00.

On 6 November 2008, Icon Line (Malaysia) Sdn Bhd, a wholly owned subsidiary has subscribed 22,050 shares of Rp100,000 each for a total cash consideration of Rp2,205,000,000 in PT. Icon Freight Indonesia, representing 49% of the issued and paid-up capital of PT. Icon Freight Indonesia.

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**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 :

	<b>RM'000</b>
Bank guarantees in favour of third parties*	<u>3,062</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.*

**A13. Capital commitments**

**Contracted but not provided for :**

	<b>RM'000</b>
Prime movers and trailers	<u>977</u>

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

#### **B1. Review of performance**

The Group's revenue for 4QFY09 declined by RM7.2 million to RM53.8 million compared to RM61.0 million in 4QFY08. This is mainly due to decrease in revenue from freight services which dropped by about 21%. Despite challenging economic environment, the domestic and land transportation services (namely warehouse and distribution, custom brokerage and haulage) which were catered mainly to domestic demands registered a positive growth of about 12%.

The performance of each services are as indicated below :-

Service Type	4QFY09 RM mil	4QFY08 RM mil	Increase/-	
			Decrease RM mil	% change
Seafreight	29.6	36.3	-6.7	-18.5%
Railfreight	1.4	2.4	-1	-41.7%
Airfreight	4.2	5.7	-1.5	-26.3%
Tug & Barge	6.5	7.0	-0.5	-7.1%
Warehouse & Distribution	2.6	2.1	0.5	23.8%
Customs Brokerage	6.7	5.4	1.3	24.1%
Haulage	2.0	2.1	-0.1	-4.8%
Others Services	0.8	0	0.8	
<b>TOTAL</b>	<b>53.8</b>	<b>61.0</b>	<b>-7.2</b>	<b>-11.8%</b>

Profit before tax increased by RM1.6 million (from RM4.1 million to RM5.7 million) in 4QFY09 as compared to 4QFY08 due to improved gross profit margin from 23.2% to 25.4% as a result of lower freight and related costs. The Group had benefited from the cost savings exercise introduced in 2QFY09, which resulted in improved gross profit and net profit margin from 5.9% in 4QFY08 to 8.3% in the current reporting quarter.

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### **Notes on the quarterly report – 30 June 2009**

Revenue for the financial year 2009 registered an increase of RM7.4 million or 3.3%, as compared to the previous financial 2008. Seafreight continued to be the main contributor in FY09 representing 56% of the total revenue of the Group. Details as follows:-

Service Type	FY09 RM Mil	FY08 RM Mil	Increase/-	
			Decrease RM Mil	% change
Seafreight	128.9	133.9	-5	-3.7%
Railfreight	6.5	11.3	-4.8	-42.5%
Airfreight	19.2	21.2	-2	-9.4%
Tug & Barge	25.0	22.7	2.3	10.1%
Warehouse & Distribution	10.5	8.5	2	23.5%
Customs Brokerage	28.1	22.3	5.8	26.0%
Haulage	7.0	2.1	4.9	233.3%
Others Services	4.2	0	4.2	
<b>TOTAL</b>	<b>229.4</b>	<b>222.0</b>	<b>7.4</b>	<b>3.3%</b>

Profit before tax for the financial year 2009 registered a growth of 17%, from RM16.5 million in financial year 2008 to RM19.3 million in the current financial year. Net profit after tax attributed to equity holder reported a growth of 11.5% or RM1.4 million (from RM12.1 million to RM13.5 million).

#### **B2. Variation of results against preceding quarter**

Compared to the immediate preceding quarter, revenue increased by RM4.1 million or 8.2% from RM49.7 million to RM53.8 million. Generally, demand for freight and logistics services has increased from 3QFY09, resulting in overall improvement in performance in 4QFY09. Profit before tax grew from RM4.3 million in 3QFY09 to RM5.7 million in 4QFY09, an increase of 32%.



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### B3. Next year prospects

Looking ahead, the Board takes cognizance that there is a general optimism on the global economic outlook and sentiments. This would augur well for the Group generally. Notwithstanding the economic climate, the Group had also put in place cost savings and improved efficiencies measures. The Group also expects contribution from the newly established subsidiaries in Indonesia and Thailand. On the domestic front, the Group is expanding its domestic and cross-border land transportation which would encourage growth in the domestic and land transportation services. Based on the foregoing, the Board is cautiously optimistic of another year of growth for financial year ending 30 June 2010.

### 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	Preceding Year	Current Year	Preceding Year
	Quarter	Corresponding	To Date	Corresponding
	30.6.2009	Quarter	30.6.2009	Quarter
	RM'000	30.6.2008	RM'000	30.6.2008
		RM'000		RM'000
<b>In respect of current period:</b>				
Income tax	888	443	3,690	2,846
Deferred tax	134	22	521	340
	<u>1,022</u>	<u>465</u>	<u>4,211</u>	<u>3,186</u>
<b>Under / (Over) provision in respect of prior year :</b>				
Income tax	188	-	64	134
Deferred tax	10	30	10	(191)
	<u>198</u>	<u>30</u>	<u>74</u>	<u>(57)</u>
Total	<u><u>1,220</u></u>	<u><u>495</u></u>	<u><u>4,285</u></u>	<u><u>3,129</u></u>

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The effective tax rate is lower than the statutory tax rate due to the tax exemption enjoyed by subsidiaries in Singapore.

#### **B6. Unquoted investments and / or properties**

There were no sales of unquoted investments and / or properties during the current quarter and financial year to date.

#### **B7. Quoted and marketable investments**

There were no investments made in quoted and marketable securities as at the date of this report.

#### **B8. Status of corporate proposal announced**

On 31 December 2008, Icon Line (Malaysia) Sdn Bhd, a wholly owned subsidiary entered into a Joint Venture arrangement with Lim Kok Wee & Wimolphun Bunpala (“Lim Group”) and Kittiwat Kitsiritaveewong to set up a joint venture company in Thailand known as Icon Freight Services Company Ltd (“JVCo”). The intended activity of the JVCo is to provide integrated logistics services to and from Thailand.

On 2 July 2009, Icon Line (Malaysia) Sdn Bhd has subscribed for 24,500 shares of Thai Baht One Hundred (THB100) each at par for a total cash consideration of THB2,450,000 in Icon Freight Services Company Ltd, representing 49% of the issued and paid-up capital of Icon Freight Services Company Ltd.

**FREIGHT MANAGEMENT HOLDINGS BHD****(Company No : 380410-P)****Notes on the quarterly report – 30 June 2009****B9. 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	4,160
Hire purchase and leases	3,017
Bank overdrafts	1,025
	<hr/> 8,202 <hr/>
<b>Payable after 12 months (secured)</b>	
Term loans	13,358
Hire purchase and leases	8,347
	<hr/> 21,705 <hr/>
Total borrowings	<hr/> <hr/> 29,907 <hr/> <hr/>

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	41
Hire purchase and lease payable after 12 months	144
Bank overdraft	27
<b>In Singapore Dollar</b>	
Term loans payable within 12 months	3,158
Term loans payable after 12 months	4,821
<b>In Indonesian Rupiah</b>	
Hire purchase and lease payable within 12 months	81
Hire purchase and lease payable after 12 months	75
	<hr/> 8,347 <hr/> <hr/>

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#### **B10. Off balance sheet financial instruments**

There were no financial instruments with off balance sheet risk as at the date of this report.

#### **B11. 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.

#### **B12. Dividend**

The Board of Directors is recommending for the approval of shareholders a final dividend of 2.5 sen per share less tax at 25%, in respect of the financial year ended 30 June 2009.

The Book Closure and Payment Date in respect of the aforesaid dividend will be determined by the Directors at a later date.

The proposed final dividend is subject to shareholders' approval at the forthcoming Annual General Meeting to be held on a date to be announced later.

**FREIGHT MANAGEMENT HOLDINGS BHD****(Company No : 380410-P)****Notes on the quarterly report – 30 June 2009****B13. Earnings per share**

	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>Current Year</b>	<b>Preceding</b>	<b>Current Year</b>	<b>Preceding</b>
	<b>Quarter</b>	<b>Year</b>	<b>To Date</b>	<b>Year</b>
	<b>30.6.2009</b>	<b>Corresponding</b>	<b>30.6.2009</b>	<b>Corresponding</b>
		<b>Quarter</b>		<b>Quarter</b>
		<b>30.6.2008</b>		<b>30.6.2008</b>
Profit attributable to ordinary equity holders of the parent (RM'000)	4,041	3,320	13,564	12,167
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)	3.32	2.73	11.14	10.00