

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

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

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**FREIGHT MANAGEMENT HOLDINGS BHD**

(Company No. 380410-P)  
(Incorporated in Malaysia)

**CIRCULAR TO SHAREHOLDERS**

**IN RELATION TO THE**

**PROPOSED BONUS ISSUE OF 93,074,223 NEW ORDINARY SHARES IN FREIGHT MANAGEMENT HOLDINGS BHD (“FREIGHT MANAGEMENT SHARE(S)” OR “SHARE(S)” (“BONUS SHARE(S)”) ON THE BASIS OF 1 BONUS SHARE FOR EVERY 2 EXISTING FREIGHT MANAGEMENT SHARES HELD ON AN ENTITLEMENT DATE TO BE DETERMINED AND ANNOUNCED LATER**

**AND**

**NOTICE OF EXTRAORDINARY GENERAL MEETING**

*Principal Adviser*



**RHB Investment Bank Berhad**

(Company No. 19663-P)  
(A Participating Organisation of Bursa Malaysia Securities Berhad)

The Notice of the Extraordinary General Meeting (“**EGM**”) of Freight Management Holdings Bhd (“**Company**”) to be held at Topas Room, The Saujana Hotel Kuala Lumpur, Saujana Resort, Jalan Lapangan Terbang SAAS, 40150 Shah Alam, Selangor Darul Ehsan, Malaysia on Wednesday, 28 November 2018, at 11.00 a.m. or immediately following the conclusion of the 22<sup>nd</sup> Annual General Meeting (“**AGM**”) of the Company scheduled to be held at the same venue and on the same day at 10.00 a.m., whichever is later together with the Form of Proxy are enclosed herein.

The Form of Proxy should be completed and lodged at the Share Registrar’s office of the Company at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia, not less than 48 hours before the time appointed for holding the EGM, or at any adjournment thereof. The lodging of the Form of Proxy shall not preclude you from attending, speaking and voting in person at the EGM should you subsequently wish to do so.

Last date and time for lodging the Form of Proxy	:	26 November 2018, 11.00 a.m.
Date and time of the EGM	:	28 November 2018, 11.00 a.m. or immediately following the conclusion of the AGM, whichever is later

This Circular is dated 13 November 2018



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## DEFINITIONS

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

“Act”	: Companies Act 2016
“Board”	: Board of Directors of Freight Management
“Bonus Share”	: 93,074,223 new Shares to be issued pursuant to the Proposed Bonus Issue
“Bursa Securities”	: Bursa Malaysia Securities Berhad
“Circular”	: This circular to shareholders of the Company dated 13 November 2018 in relation to the Proposed Bonus Issue
“Directors”	: The directors of Freight Management and shall have the meaning given in Section 2(1) of the Act and Section 2(1) of the Capital Markets and Services Act 2007
“EGM”	: Extraordinary general meeting
“Entitled Shareholders”	: Shareholders whose names appear on the Record of Depositors of Freight Management at the close business on the Entitlement Date
“Entitlement Date”	: 5.00 p.m. on a date to be determined and announced later by the Board on which names of shareholders of Freight Management must appear in the Record of Depositors of Freight Management in order to be entitled to the Proposed Bonus Issue
“EPS”	: Earnings per Share
“Freight Management” or the “Company”	: Freight Management Holdings Bhd (Company No. 380410-P)
“Freight Management Group” or the “Group”	: Freight Management and its subsidiaries, collectively
“Freight Management Share(s)” or “Share(s)”	: Ordinary shares in Freight Management
“FYE”	: Financial year ended/ ending, as the case may be
“Listing Requirements”	: Main Market Listing Requirements of Bursa Securities
“LPD”	: 15 October 2018, being the latest practicable date prior to the printing of this Circular
“Market Day”	: Any day on which Bursa Securities is open for securities trading
“NA”	: Net assets
“Proposed Bonus Issue”	: Proposed bonus issue of 93,074,223 new Freight Management Shares on the basis of 1 Bonus Share for every 2 existing Freight Management Shares held on the Entitlement Date
“Record of Depositors”	: A record of depositors maintained by Bursa Malaysia Depository Sdn Bhd under the Rules of Bursa Malaysia Depository Sdn Bhd

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**DEFINITIONS (Cont'd)**

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“RHBIB” or “Principal Adviser” : RHB Investment Bank Berhad (Company No. 19663-P)

“RM” and “sen” : Ringgit Malaysia and sen respectively

“VWAMP” : Volume weighted average market price

Words incorporating the singular shall, where applicable, include the plural and vice versa and words incorporating the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Reference to persons shall include a corporation, unless otherwise specified.

Any reference in this Circular to any statute is a reference to that statute as for the time being amended or re-enacted. Any reference to a time of day in this Circular shall be a reference to Malaysian time, unless otherwise specified.

Certain figures included in this Circular have been subject to rounding adjustments.

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## FREIGHT MANAGEMENT HOLDINGS BHD

(Company No. 380410-P)  
(Incorporated in Malaysia)

### Registered Office

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

13 November 2018

### Board of Directors

Datuk Dr Hj. Noordin bin Hj. Ab. Razak (*Chairman / 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 (*Senior Independent Non-Executive Director*)

Lau Swee Chin (*Independent Non-Executive Director*)

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

Khua Kian Keong (*Alternate Director to Chua Tiong Hock*)

### To: The shareholders of Freight Management Holdings Bhd

Dear Sir/Madam,

### PROPOSED BONUS ISSUE

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#### 1. INTRODUCTION

On 24 October 2018, RHBIB had, on behalf of the Board, announced that the Company proposes to undertake the Proposed Bonus Issue.

On 25 October 2018, RHBIB had, on behalf of the Board, announced that the listing application in relation to the Proposed Bonus Issue had been submitted to Bursa Securities.

On 8 November 2018, RHBIB had, on behalf of the Board, announced that Bursa Securities had vide its letter dated 7 November 2018, approved the listing of and quotation for 93,074,223 Bonus Shares to be issued pursuant to the Proposed Bonus Issue on the Main Market of Bursa Securities, subject to the conditions as set out in **Section 6** of this Circular.

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

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

## 2. DETAILS OF THE PROPOSED BONUS ISSUE

### 2.1 Basis and number of Bonus Shares to be issued

The Proposed Bonus Issue entails the issuance of 93,074,223 Bonus Shares on the basis of 1 Bonus Share for every 2 existing Freight Management Shares held by the Entitled Shareholders.

The basis of the Proposed Bonus Issue of 1 Bonus Share for every 2 existing Freight Management Shares was arrived at after taking into consideration the potential adjustments to the share price of Freight Management Shares arising from the Proposed Bonus Issue.

As at the LPD, the issued share capital of Freight Management is RM104,289,707\* comprising 186,148,446 Freight Management Shares and there is no treasury shares held by the Company.

**Note:**

\* *With the introduction of the new Act effective 31 January 2017, the concept of authorised share capital and par value of share capital has been abolished. Consequently, the balance within the share premium account has been transferred to the share capital account pursuant to the transitional provisions set out in Section 618(2) of the Act.*

The actual number of the Bonus Shares to be issued will depend on the number of Freight Management Shares in issue on the Entitlement Date.

Fractional entitlements of the Bonus Shares arising from the Proposed Bonus Issue, if any, shall be disregarded and dealt with in such a manner as the Board shall in its absolute discretion deem fit or expedient, and to be in the best interest of the Company.

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

For illustration purposes, based on the 5-day and 3-month daily VWAMP of Freight Management Shares up to 24 October 2018 (being the date immediately before submission of the application to Bursa Securities on 25 October 2018), the theoretical ex-bonus share price of Freight Management Shares are as follows:

	<u>Before the Proposed Bonus Issue</u>	<u>After the Proposed Bonus Issue</u>
	<u>No. of Shares/ Market price</u>	<u>No. of Shares/ Illustrative theoretical ex-bonus price</u>
No. of Shares	186,148,446	279,222,669
5-day VWAMP up to 24 October 2018	RM1.08	RM0.72
3-month daily VWAMP up to 24 October 2018	RM1.07	RM0.71

The Board confirms that the share price adjusted for the Proposed Bonus Issue is not less than RM0.50 based on the daily VWAMP during the past 3-month period up to 24 October 2018, in accordance with Paragraph 6.30(1A) of the Main Market Listing Requirements.

## 2.2 No capitalisation of reserves

The Bonus Shares in respect of the Proposed Bonus Issue will be issued as fully paid, at nil consideration and without capitalisation of the Company's reserves. Hence, Freight Management will not receive any proceeds from the Proposed Bonus Issue.

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

## 2.3 Ranking of the Bonus Shares

The Bonus Shares will, upon allotment and issuance, rank equally in all respects with the existing Freight Management Shares at the date of allotment of the Bonus Shares.

## 2.4 Listing of and quotation for the Bonus Shares

Bursa Securities had vide its letter dated 7 November 2018, approved the listing of and quotation for the Bonus Shares on the Main Market of Bursa Securities, subject to the conditions as set out **Section 6** of this circular.

## 3. RATIONALE AND JUSTIFICATION FOR THE PROPOSED BONUS ISSUE

The Proposed Bonus Issue would enable the Company to achieve the following:

- (i) To provide the shareholders of Freight Management with greater participation in the equity of the Company in terms of number of Shares held and maintaining their percentage equity interests;
- (ii) To increase the Company's issued share capital to a level which would be more reflective of its current scale of operations and assets employed by the Group;
- (iii) To enhance the marketability and trading liquidity of Freight Management Shares on Bursa Securities by way of a larger capital base; and
- (iv) To attract participation by investors given the potential broadening of the shareholder base of the Company.



#### 4. EFFECTS OF THE PROPOSED BONUS ISSUE

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

##### 4.1 Issued share capital

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

	<b>No. of Shares</b>	<b>RM</b>
Issued share capital as at the LPD	186,148,446	104,289,707*
To be issued pursuant to the Proposed Bonus Issue	93,074,223	-
<b>Enlarged issued share capital</b>	<b>279,222,669</b>	<b>104,289,707</b>

**Note:**

\* With the introduction of the new Act effective 31 January 2017, the concept of authorised share capital and par value of share capital has been abolished. Consequently, the balance within the share premium account has been transferred to the share capital account pursuant to the transitional provisions set out in Section 618(2) of the Act.

##### 4.2 NA per Share and gearing

For illustration purposes, based on the latest audited consolidated statement of financial statements of Freight Management as at 30 June 2018, the proforma effects of the Proposed Bonus Issue on the NA per Share and gearing of the Group are as follows:

	<b>Audited as at 30 June 2018</b>	<b>After the Proposed Bonus Issue</b>
	RM'000	RM'000
Issued Share capital	104,290 <sup>(2)</sup>	104,290 <sup>(2)</sup>
Exchange translation reserve	1,417	1,417
Revaluation reserve	59,320	59,320
Retained earnings	123,517	123,417 <sup>(1)</sup>
<b>Shareholders' funds/ NA</b>	<b>288,544</b>	<b>288,444</b>
No. of Shares ('000)	186,148	279,222
NA per Share (RM)	1.55	1.03
Total borrowings (RM'000)	71,939	71,939
Gearing ratio (times)	0.25	0.25

**Notes:**

- (1) After deducting the estimated expenses in relation to the Proposed Bonus Issue of approximately RM100,000.  
(2) With the introduction of the new Act effective 31 January 2017, the concept of authorised share capital and par value of share capital has been abolished. Consequently, the balance within the share premium account has been transferred to the share capital account pursuant to the transitional provisions set out in Section 618(2) of the Act.

##### 4.3 EPS

The Proposed Bonus Issue is not expected to have any material effect on the earnings of the Group for the FYE 30 June 2019, save for the dilution in the EPS of the Group as a result of the increase in the number of Freight Management Shares in issue pursuant to the Proposed Bonus Issue.

#### 4.4 Substantial shareholders' shareholdings

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

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

Substantial shareholders	Shareholdings as at the LPD						After the Proposed Bonus Issue					
	Direct			Indirect			Direct			Indirect		
	No of Shares	%	No of Shares	%	No of Shares	%	No of Shares	%	No of Shares	%	No of Shares	%
Chew Chong Keat	44,791,743	24.06	183,333	0.10 <sup>(1)</sup>	67,187,615	24.06	275,000	0.10 <sup>(1)</sup>				
Singapore Enterprises Private Limited	37,325,800	20.05	-	-	55,988,700	20.05	-	-				
Yang Heng Lam	34,137,559	18.34	613,299	0.33 <sup>(2)</sup>	51,206,339	18.34	919,949	0.33 <sup>(2)</sup>				
Chua Tiong Hock	-	-	37,325,800	20.05 <sup>(3)</sup>	-	-	55,988,700	20.05 <sup>(3)</sup>				
Khua Kian Keong	-	-	37,325,800	20.05 <sup>(3)</sup>	-	-	55,988,700	20.05 <sup>(3)</sup>				

**Notes:**

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

#### 4.5 Convertible securities

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

#### 5. HISTORICAL SHARE PRICES

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

	High RM	Low RM
<b><u>2017</u></b>		
November	1.27	1.20
December	1.30	1.19
<b><u>2018</u></b>		
January	1.31	1.25
February	1.28	1.15
March	1.22	1.10
April	1.15	1.05
May	1.21	1.08
June	1.13	1.05
July	1.20	1.03
August	1.14	1.06
September	1.09	1.03
October	1.10	0.93
The last transacted price on 23 October 2018 (being the last trading day prior to the announcement of the Proposed Bonus Issue)	1.08	
The last transacted price on 9 November 2018 (being the last practicable date prior to printing of the circular)	0.96	

(Source: Bloomberg)

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## 6. APPROVALS REQUIRED

The Proposed Bonus Issue is subject to the following approvals being obtained:

- (i) Bursa Securities for the listing of and quotation for the Bonus Shares on the Main Market of Bursa Securities, which was obtained vide its letter dated 7 November 2018, subject to the following conditions:

<u>Conditions</u>	<u>Status of compliance</u>
(i) Freight Management and RHBIB must fully comply with the relevant provision under the Listing Requirements pertaining to the implementation of the Proposed Bonus Issue;	To be met
(ii) Freight Management and RHBIB to inform Bursa Securities upon the completion of the Proposed Bonus Issue;	To be met
(iii) Freight Management to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Proposed Bonus Issue is completed; and	To be met
(iv) Freight Management and RHBIB are required to make the relevant announcements pursuant to Paragraphs 6.35(2)(a) & (b) and 6.35(4) of the Listing Requirements.	To be met

- (ii) the shareholders at the forthcoming EGM.

The Proposed Bonus Issue is not conditional upon any other corporate exercise undertaken or to be undertaken by the Company.

## 7. OTHER CORPORATE EXERCISES ANNOUNCED BUT PENDING COMPLETION

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

## 8. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED TO THEM

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

## 9. DIRECTORS' STATEMENT AND RECOMMENDATION

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

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

## 10. ESTIMATED TIMEFRAME FOR COMPLETION

Barring any unforeseen circumstances and subject to all requisite approvals being obtained, the Proposed Bonus Issue is expected to be completed in the fourth quarter of calendar year 2018.

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

<u>Tentative timing</u>	<u>Events</u>
28 November 2018	<ul style="list-style-type: none"><li>• EGM</li><li>• Announcement of Entitlement Date</li></ul>
Mid-December 2018	<ul style="list-style-type: none"><li>• Entitlement Date</li><li>• Listing of and quotation for the Bonus Shares</li></ul>

## 11. EGM

An EGM, the notice of which is set out in this Circular, will be held at Topas Room, The Saujana Hotel Kuala Lumpur, Saujana Resort, Jalan Lapangan Terbang SAAS, 40150 Shah Alam, Selangor Darul Ehsan, Malaysia on Wednesday, 28 November 2018, at 11.00 a.m. or immediately following the conclusion of the 22<sup>nd</sup> Annual General Meeting of the Company scheduled to be held at the same venue and on the same day at 10.00 a.m., whichever is later for the purpose of considering and, if thought fit, passing the ordinary resolution to give effect to the Proposed Bonus Issue.

If you are unable to attend and vote in person at the EGM, you may complete, sign and return the enclosed Form of Proxy in accordance with the instructions provided thereon as soon as possible, to the Share Registrar's office of the Company at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia, not less than 48 hours before the time fixed for holding the EGM. The lodging of the Form of Proxy will not preclude you from attending, speaking and voting in person at the EGM, should you subsequently wish to do so.

## 12. FURTHER INFORMATION

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

Yours faithfully,  
For and on behalf of the Board of  
**FREIGHT MANAGEMENT HOLDINGS BHD**

**CHEW CHONG KEAT**  
Group Managing Director

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**FURTHER INFORMATION**

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**1. DIRECTORS' RESPONSIBILITY STATEMENT**

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

**2. CONSENT AND CONFLICT OF INTEREST****2.1 Consent**

The written consent of RHB Investment Bank for the inclusion of its name in the form and context in which it appears in this Circular has been given and has not been subsequently withdrawn before the issuance of this Circular.

**2.2 Declaration of Conflict of Interest**

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

In addition, in the ordinary course of business, any member of RHB Group may at any time offer or provide its services to or engage in any transaction (on its own account or otherwise) with any member of the Company and/or its affiliates and/or any other entity or person, hold long or short positions in securities issued by the Company and/or its affiliates, make investment recommendations and/or publish or express independent research views on such securities and may trade or otherwise effect transactions for its own account or the account of its other customers in debt or equity securities or senior loans of the Company and/or its affiliates.

This is a result of the businesses of RHB Group generally acting independently of each other, and accordingly, there may be situations where parts of RHB Group and/or its customers now have or in the future, may have interest or take actions that may conflict with the said interest. Nonetheless, RHB Group is required to comply with applicable laws and regulations issued by the relevant authorities governing its advisory business, which require, amongst others, segregation between dealing and advisory activities and Chinese wall between different business divisions.

As at the LPD, RHB has extended credit facilities amounting to RM35.00 million (of which RM31.00 million remains outstanding) to Freight Management Group ("**Credit Facilities**"). The total amount outstanding represents approximately 0.022% of RHB's (the holding company of RHBIB) audited consolidated loans, advances and financing of RM158.00 billion as at 31 December 2017.

RHBIB is of the opinion that such concern of any possible conflict of interests that exists or is likely to exist in relation to its capacity as the Principal Adviser to the Company for the Proposed Bonus Issue is mitigated by the following:

- (i) the Credit Facilities were approved by RHB's relevant credit committee and granted on arm's length basis and is further not material when compared to RHB's audited consolidated loans, advances, and financing as at 31 December 2017;

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**FURTHER INFORMATION (Cont'd)**

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- (ii) the credit facilities have been provided by RHB (as part of RHB Banking Group) in the ordinary course of business and are not conditional upon RHBIB being appointed as the principal adviser for the Proposed Bonus Issue or upon any other proposal(s) being undertaken by any entity(ies) within the RHB Banking Group. Further, the appointment of RHBIB as the principal adviser for the Proposed Bonus Issue is in the ordinary course of business as a licensed investment bank and RHBIB does not receive or derive any financial interest or benefit save for the professional fees received in relation to its appointment as the principal adviser for the Proposed Bonus Issue;
- (iii) RHBIB is a licensed investment bank which is governed by the Financial Services Act, 2013 and the Capital Markets and Services Act 2007 and the RHB Banking Group's own internal control and checks;
- (iv) the Company has no representative on the board of RHB Group;
- (v) the corporate finance division of RHBIB is required under its investment banking license to comply with strict policies and guidelines issued by the Securities Commission Malaysia, Bursa Securities and Bank Negara Malaysia governing its advisory operations. These guidelines require, amongst others, Chinese wall policies, clear segregation between dealing and advisory activities and the formation of an independent committee to review its business operations; and
- (vi) RHB has its own distinct management teams and employees from that of RHBIB's corporate finance division. In addition, RHB has its own check and balances, including segregation of reporting structures, in that its activities are monitored and reviewed by independent parties and committees. Further, the team in-charge of the Proposed Bonus Issue in RHBIB is independent from the team handling the facilities.

Save for the above, RHBIB has confirmed that it is not aware of any other circumstance that exists or is likely to exist to give rise to a possible conflict of interest situation in its capacity as the principal adviser for the Proposed Bonus Issue.

**3. MATERIAL LITIGATION**

Neither Freight Management nor any of its subsidiaries 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 and the Directors are 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.

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**FURTHER INFORMATION (Cont'd)**


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**4. MATERIAL COMMITMENTS AND CONTINGENT LIABILITIES****4.1 Material commitments**

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

	<u>RM'000</u>
Capital Commitments	6,833
Operating Lease Commitments	16,695
	<u>23,528</u>

**4.2 Contingent liabilities**

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

	<u>RM'000</u>
Corporate guarantee given to financial institutions for credit facilities granted to the subsidiaries namely, FM Global Logistics (M) Sdn Bhd, FM Global Logistics (Kul) Sdn Bhd, FM Multimodal Services Sdn Bhd and FM Global Logistics Pty Ltd.	<u>60,608</u>

**5. DOCUMENTS AVAILABLE FOR INSPECTION**

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

- (i) The Constitution of Freight Management;
- (ii) The audited consolidated financial statements of Freight Management for the past 2 FYE 30 June 2017 and 30 June 2018; and
- (iii) The letter of consent and declaration of conflict of interest referred to in **Section 2** above.

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## **FREIGHT MANAGEMENT HOLDINGS BHD**

(Company No. 380410-P)  
(Incorporated in Malaysia)

### **NOTICE OF EXTRAORDINARY GENERAL MEETING**

**NOTICE IS HEREBY GIVEN** that the Extraordinary General Meeting of Freight Management Holdings Bhd (“**Freight Management**” or 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, Malaysia on Wednesday, 28 November 2018, at 11.00 a.m. or immediately following the conclusion of the 22<sup>nd</sup> Annual General Meeting (“**AGM**”) of the Company scheduled to be held at the same venue and on the same day at 10.00 a.m., whichever is later, for the purpose of considering and if thought fit, passing the following ordinary resolution, with or without modification:

#### **ORDINARY RESOLUTION**

**PROPOSED BONUS ISSUE OF 93,074,223 NEW ORDINARY SHARES IN FREIGHT MANAGEMENT HOLDINGS BHD (“FREIGHT MANAGEMENT SHARE(S)” OR “SHARE(S)” (“BONUS SHARE(S)” ON THE BASIS OF 1 BONUS SHARE FOR EVERY 2 EXISTING FREIGHT MANAGEMENT SHARES HELD ON AN ENTITLEMENT DATE TO BE DETERMINED AND ANNOUNCED LATER**

“**THAT** subject to the approvals of all relevant regulatory authorities for the listing of and quotation of 93,074,223 new ordinary shares in the Company (“**Bonus Shares**”) on the Main Market of Bursa Malaysia Securities Berhad, the Board of Directors (“**Board**”) be and is hereby authorised to issue up to 93,074,223 Bonus Shares on the basis of 1 Bonus Share for every 2 existing Shares held by shareholders of the Company whose names appear on the Record of Depositors of the Company (“**Entitled Shareholders**”) at the close of business on the date to be determined and announced later by the Board (“**Entitlement Date**”) (“**Proposed Bonus Issue**”);

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

**THAT** the Board be and is hereby authorised to deal with fractional entitlements (if any), including disregarding any fractional entitlements, under the Proposed Bonus Issue, in such manner at its absolute discretion as the Board may deem fit and expedient and in the best interest of the Company;

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

#### **BY ORDER OF THE BOARD**

**LIM HOOI MOOI (MAICSA 0799764)**  
**WONG WAI FOONG (MAICSA 7001358)**  
Company Secretaries

Kuala Lumpur  
13 November 2018

**Notes:**

- a. *In respect of deposited securities, only members whose names appear in the Record of Depositors on 19 November 2018 (General Meeting Record of Depositors) shall be eligible to attend the meeting or appoint proxy(ies) to attend and/or vote on his behalf.*
- b. *A member entitled to attend, speak and vote at the meeting may appoint not more than two (2) proxies to attend, speak and vote for him. A proxy need not be a member of the Company. Where a member appoints two (2) or more proxies, the proxies shall not be valid unless the member specifies the proportion of his shareholding to be represented by each proxy.*
- c. *Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it 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.*
- d. *Where a member is an exempt authorised nominee which holds ordinary shares for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which exempt authorised nominee may appoint in respect of each omnibus account it holds.*
- e. *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.*
- f. *The instrument appointing a proxy shall be deposited at the Share Registrar's office of the Company at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia not less than forty-eight (48) hours before the time appointed for holding the Meeting or any adjournment thereof and in default, the instrument appointing a proxy shall not be treated as valid.*



## Form of Proxy

**FREIGHT MANAGEMENT HOLDINGS BHD 380410-P**  
(Incorporated in Malaysia)

CDS A/C. No.	No. of shares held

I/We ..... NRIC No. / Co. Registration No. ....  
(Full Name in Block Letters)

of .....  
(Full Address)

being (a) member(s) of Freight Management Holdings Bhd., hereby appoint:

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

or failing \*him / her, the Chairman of the Meeting as \*my / our \*proxy / proxies to attend and to vote for \*me / us on \*my / our behalf at the Extraordinary 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, Malaysia on Wednesday, 28 November 2018 at 11.00 a.m. or immediately following the conclusion of the 22<sup>nd</sup> Annual General Meeting of the Company scheduled to be held at the same venue and on the same day at 10.00 a.m., whichever is later, and at any adjournment thereof and to vote as indicated below:

Ordinary Resolution	For	Against
Proposed Bonus Issue		

Please indicate with an "X" in the spaces provided whether you wish your votes to be cast for or against the resolution. In the absence of specific direction, your proxy will vote or abstain as he thinks fit.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2018.

Telephone no. during office hours:

\_\_\_\_\_  
Signature / Common Seal of  
shareholder(s)

**Notes:**

- In respect of deposited securities, only members whose names appear in the Record of Depositors on 19 November 2018 (General Meeting Record of Depositors) shall be eligible to attend the meeting or appoint proxy(ies) to attend and/or vote on his behalf.
- A member entitled to attend, speak and vote at the meeting may appoint not more than two (2) proxies to attend, speak and vote for him. A proxy need not be a member of the Company. Where a member appoints two (2) or more proxies, the proxies shall not be valid unless the member specifies the proportion of his shareholding to be represented by each proxy.
- Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it 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.
- Where a member is an exempt authorised nominee which holds ordinary shares for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which exempt authorised nominee may appoint in respect of each omnibus account it holds.
- 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 appointing a proxy shall be deposited at the Share Registrar's office of the Company at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia not less than forty-eight (48) hours before the time appointed for holding the Meeting or any adjournment thereof and in default, the instrument appointing a proxy shall not be treated as valid.



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AFFIX  
STAMP



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

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

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