

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31 MARCH 2013 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)**(k) Impairment (continued)****(ii) Other assets (continued)**

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit exceeds its estimated recoverable amount.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (group of cash-generating units) and then to reduce the carrying amounts of the other assets in the cash-generating unit (groups of cash-generating units) on a pro rata basis.

Impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversals of impairment losses are credited to profit or loss in the financial year in which the reversals are recognised.

(l) Equity instruments

Instruments classified as equity are measured at cost on initial recognition and are not remeasured subsequently.

(i) Issue expenses

Costs directly attributable to issue of instruments classified as equity are recognised as a deduction from equity.

(ii) Repurchase, disposal and reissue of share capital (treasury shares)

When share capital recognised as equity is repurchased, the amount of the consideration paid, including directly attributable costs, net of any tax effects, is recognised as a deduction from equity. Repurchased shares that are not subsequently cancelled are classified as treasury shares in the statement of changes in equity.

Where treasury shares are distributed as share dividends, the cost of the treasury shares is applied in the reduction of the share premium account or distributable reserves, or both.

Where treasury shares are reissued by re-sale in the open market, the difference between the sales consideration net of directly attributable costs and the carrying amount of the treasury shares is recognised in equity, and the resulting surplus or deficit on the transaction is presented in share premium.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31 MARCH 2013 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)**(m) Income tax**

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous financial years.

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the statement of financial position and their tax bases. Deferred tax is not recognised for the following temporary differences arising from the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

Where investment properties are carried at their fair value in accordance with the accounting policy set out in Note 2(f), the amount of deferred tax recognised is measured using the tax rates that would apply on sale of those assets at their carrying value at the reporting date unless the property is depreciable and is held with the objective to consume substantially all of the economic benefits embodied in the property over time, rather than through sale. In all other cases, the amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the reporting date. Deferred tax assets and liabilities are not discounted.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable equity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Unutilised investment tax allowance is treated as tax base of assets and is recognised as a reduction of tax expense as and when they are utilised.

(n) Employee benefits**(i) Short-term employee benefits**

Short-term employee benefit obligations in respect of salaries, annual bonuses, paid annual leave and sick leave are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31 MARCH 2013 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)**(n) Employee benefits (continued)****(ii) State plans**

The Group's contributions to statutory pension funds are charged to profit or loss in the financial year to which they relate. Once the contributions have been paid, the Group has no further payment obligations.

(o) Contingent liabilities

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(p) Revenue and other income**(i) Services rendered**

Revenue is recognised upon completion of rendering the transportation and related services.

(ii) Rental income

Rental income is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease.

(iii) Revenue from property development

Revenue from property development activities is recognised based on the stage of completion measured by reference to surveys of work performed.

Where the financial outcome of a property development activity cannot be reliably estimated, property development revenue is recognised only to the extent of property development costs incurred that is probable will be recoverable, and property development costs on the development units sold are recognised as an expense in the period in which they are incurred.

Any expected loss on a development project, including costs to be incurred over the defects liability period, is recognised immediately in profit or loss.

(iv) Dividend income

Dividend income is recognised in profit or loss on the date that the Group's or the Company's right to receive payment is established, which in the case of quoted securities is the ex-dividend date.

(v) Interest income

Interest income is recognised as it accrues using the effective interest method in profit or loss except for interest income arising from temporary investment of borrowings taken specifically for the purpose of obtaining a qualifying asset which is accounted for in accordance with the accounting policy on borrowing costs.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31 MARCH 2013 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)**(q) Borrowing costs**

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

(r) Earnings per ordinary share

The Group presents basic and diluted earnings per share data for its ordinary shares ("EPS").

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding adjusted for own shares held for the effects of all dilutive potential ordinary shares.

(s) Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the chief operating decision maker, which in this case is the Managing Director of the Group, to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31 MARCH 2013 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

3. Property, plant and equipment

	Land and buildings RM'000	Motor vehicles RM'000	Equipment, furniture and fittings RM'000	Construction -in-progress RM'000	Total RM'000
Group					
At cost/valuation					
At 1 April 2011	202,252	49,925	33,648	--	285,825
Additions	38,874	916	6,677	--	46,467
Disposals	--	(3,175)	(75)	--	(3,250)
Transfer from investment property	1,163	--	--	--	1,163
At 31 March 2012/ 1 April 2012	242,289	47,666	40,250	--	330,205
Additions	78,939	2,266	6,054	1,396	88,655
Disposals	--	(1,911)	(2,173)	--	(4,084)
Transfer to property development projects	(10,800)	--	--	--	(10,800)
At 31 March 2013	310,428	48,021	44,131	1,396	403,976
Representing items at:					
Cost	126,579	48,021	44,131	1,396	220,127
2011 - Valuation adopted by Directors	183,849	--	--	--	183,849
	310,428	48,021	44,131	1,396	403,976
Accumulated depreciation					
At 1 April 2011	2,606	39,450	22,534	--	64,590
Depreciation charge	4,596	2,191	2,248	--	9,035
Disposals	--	(2,652)	(41)	--	(2,693)
At 31 March 2012/ 1 April 2012	7,202	38,989	24,741	--	70,932
Depreciation charge	5,958	2,065	2,352	--	10,375
Disposals	--	(1,409)	--	--	(1,409)
At 31 March 2013	13,160	39,645	27,093	--	79,898
Carrying amounts					
At 31 March 2013	297,268	8,376	17,038	1,396	324,078
At 31 March 2012	235,087	8,677	15,509	--	259,273

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31 MARCH 2013 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

3. Property, plant and equipment (continued)

	Building RM'000
Company	
At cost/valuation	
At 1 April 2011/31 March 2012	<u>1,100</u>
At 1 April 2012/31 March 2013	<u>1,100</u>
Representing items at:	
2011 - Valuation adopted by Directors	<u>1,100</u>
Accumulated depreciation	
At 1 April 2011	--
Depreciation charge	<u>27</u>
At 31 March 2012/1 April 2012	27
Depreciation charge	<u>27</u>
At 31 March 2013	<u>54</u>
Carrying amounts	
At 31 March 2013	<u>1,046</u>
At 31 March 2012	<u>1,073</u>

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Carrying amounts of land and buildings				
At valuation				
Freehold land	31,704	42,590	--	--
Leasehold land	68,281	69,140	--	--
Buildings	<u>78,390</u>	<u>80,176</u>	<u>1,046</u>	<u>1,073</u>
	<u>178,375</u>	<u>191,906</u>	<u>1,046</u>	<u>1,073</u>
At cost				
Freehold land	28,058	8,859	--	--
Leasehold land	13,528	725	--	--
Buildings	<u>77,307</u>	<u>33,597</u>	--	--
	<u>118,893</u>	<u>43,181</u>	--	--
	<u>297,268</u>	<u>235,087</u>	<u>1,046</u>	<u>1,073</u>

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31 MARCH 2013 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

3. Property, plant and equipment (continued)

Revaluation

Had the land and building been carried at cost model, their carrying amounts would have been as follows:

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Freehold land	16,619	20,922	--	--
Leasehold land	25,280	26,183	--	--
Buildings	72,968	75,404	528	555
	<u>114,867</u>	<u>122,509</u>	<u>528</u>	<u>555</u>

The land and buildings are stated at Directors' valuation based on independent professional valuations on the open market value basis using the comparison method and cost method carried out in March 2011 and April 2011.

Leased plant and machinery

The carrying amount of motor vehicles and equipments under finance lease agreements is RM1,864,000 (2012: RM1,737,000). The leased motor vehicles secure lease obligations (see Note 18).

Security

Certain land and buildings of subsidiaries with carrying amount of RM215,675,000 (2012: RM144,579,000) are charged to banks as security for bank facilities granted to certain subsidiaries.

Others

The title deed of a piece of land with carrying amount of RM1,153,098 (2012: RM1,162,866) has yet to be issued by the relevant government authority.

Included in the construction-in-progress of the Group is interest expenses of RM428,461 (2012: NIL).

4. Investment properties

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
At 1 April	69,432	90,304	21,000	21,000
Disposals	(6,726)	--	--	--
Additions	--	9,811	--	--
Transfer to property, plant and equipment	--	(1,163)	--	--
Transfer to property development projects	(3,920)	(33,700)	--	--
Changes in fair value	361	4,180	(1,141)	--
At 31 March	<u>59,147</u>	<u>69,432</u>	<u>19,859</u>	<u>21,000</u>
Included in the above are:				
Freehold land	52,967	63,272	19,859	21,000
Leasehold land with unexpired lease period of more than 50 years	600	580	--	--
Buildings	5,580	5,580	--	--
	<u>59,147</u>	<u>69,432</u>	<u>19,859</u>	<u>21,000</u>

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31 MARCH 2013 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

4. Investment properties (continued)

Investment properties comprise a number of freehold and leasehold vacant land and workshops that are leased to third parties.

All the investment properties were revalued in March 2013 by independent professional valuers based on open market value basis using comparison method and cost method.

Security

Certain land and building of the Company and a subsidiary with carrying amount of RM19,859,000 (2012: NIL) and RM33,718,000 (2012: RM29,766,000) respectively are charged to banks as security for banking facilities granted to the said subsidiary and a third party.

The following are recognised in profit or loss in respect of investment properties:

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Rental income	1,897	1,351	--	--
Direct operating expenses				
- income generating investment properties	64	10	--	--
- non-income generating investment properties	62	110	37	37
	<u>62</u>	<u>110</u>	<u>37</u>	<u>37</u>

5. Prepaid lease payments

	Group RM'000
At cost	
At 1 April 2011	2,819
Exchange differences	83
At 31 March 2012/1 April 2012	<u>2,902</u>
Exchange differences	59
At 31 March 2013	<u>2,961</u>
Accumulated amortisation	
At 1 April 2011	1,105
Amortisation charge	198
Exchange differences	33
At 31 March 2012/1 April 2012	<u>1,336</u>
Amortisation charge	202
Exchange differences	26
At 31 March 2013	<u>1,564</u>
Carrying amounts	
At 31 March 2013	<u>1,397</u>
At 31 March 2012	<u>1,566</u>

The prepaid lease payments is in respect of a leasehold land with unexpired period of less than 50 years.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31 MARCH 2013 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

6. Investments in subsidiaries

	Company	
	2013 RM'000	2012 RM'000
Unquoted shares, at cost	21,707	12,159
Less: Accumulated impairment losses	(160)	(160)
	<u>21,547</u>	<u>11,999</u>

Details of the subsidiaries, which are all incorporated in Malaysia except as otherwise stated, are as follows:

Name of company	Percentage of shareholding		Principal activities
	2013 %	2012 %	
Tiong Nam Logistics Solutions Sdn. Bhd.	100	100	Transportation, warehousing and related services and property investment
Pacific Transport Sdn. Bhd.	100	100	Property letting and trading of diesel and petrol
Semangat Angkut Sdn. Bhd.	100	100	Transportation services
Pengangkutan Enepec Sdn. Bhd.	100	100	Transportation services
Jelas Bagus Sdn. Bhd.	100	100	Transportation and related services
Belaian Pinang Sdn. Bhd.	100	100	Transportation services
Anugerah Sensasi Sdn. Bhd.	100	100	Property development
Front Field Sdn. Bhd.	100	100	Transportation services
Far East West Lands Sdn. Bhd.	100	100	Transportation services
Fair Vista Sdn. Bhd.	90	65	Property letting and property development
Tiong Nam Logistics Sdn. Bhd.	100	100	Transportation, warehousing and related services and property development
Tiong Nam Heavy Transport & Lifting Sdn. Bhd.	100	100	Transportation and related services
Terminal Perintis Sdn. Bhd.	100	100	Property development
Tiong Nam Logistic (S) Pte. Ltd.* (Incorporated in the Republic of Singapore)	100	100	Transportation and warehousing services
TNTT Packages Express Pte. Ltd.* (Incorporated in the Republic of Singapore)	90	90	Provision of courier and related services
Dragon 2012 Sdn. Bhd.	100	--	Property development

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31 MARCH 2013 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

6. Investments in subsidiaries (continued)

Name of company	Percentage of shareholding		Principal activities
	2013 %	2012 %	
<i>Subsidiaries of Tiong Nam Logistics Solutions Sdn. Bhd.</i>			
Japan Original Electric (M) Sdn. Bhd.	51	51	Property development
Tiong Nam Truck Rental Services Sdn. Bhd.	100	100	Letting of forklift and trucks
Tiong Nam Coldroom & Distribution Centre Sdn. Bhd.	100	100	Management of cold room storage and distribution services
Melatrans Sdn. Bhd.	100	100	Dormant
TNTT Packages Express Sdn. Bhd.	60	60	Provision of transport and distribution services
<i>Subsidiary of TNTT Packages Express Sdn. Bhd.</i>			
Tiong Nam Resources Sdn. Bhd.	60	60	General sales agent for air, land and sea logistics activities

* Not audited by member firms of KPMG International.

7. Investments in associates

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Unquoted shares, at cost	4,955	4,955	4,955	4,955
Share of post acquisition reserves	1,123	5	--	--
	<u>6,078</u>	<u>4,960</u>	<u>4,955</u>	<u>4,955</u>

Summarised financial information of the associates not adjusted for the percentage ownership held by the Group:

Name of company	Country of incorporation	Effective ownership interest (%)	Revenue	Profit/	Total	Total
			(100%) RM'000	(Loss) (100%) RM'000	assets (100%) RM'000	liabilities (100%) RM'000
2013						
Bechtrans International (S) Pte. Ltd.	Republic of Singapore	26	11,693	36	3,989	(1,825)
Complete Bayview Sdn. Bhd.	Malaysia	40	16,333	2,762	39,573	(24,928)

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31 MARCH 2013 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

7. Investments in associates (continued)

Name of company	Country of incorporation	Effective ownership interest (%)	Revenue (100%) RM'000	Profit/ (Loss) (100%) RM'000	Total assets (100%) RM'000	Total liabilities (100%) RM'000
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2012

Bechtrans International (S) Pte. Ltd.	Republic of Singapore	26	11,923	163	3,909	(1,834)
Complete Bayview Sdn. Bhd.	Malaysia	40	--	(103)	35,541	(23,658)

The associates have no contingent liabilities as at year end.

8. Investment in a jointly controlled entity

	Group	
	2013 RM'000	2012 RM'000
Unquoted shares, at cost	500	500
Share of post acquisition reserves	778	996
	<u>1,278</u>	<u>1,496</u>

Summary financial information of the jointly controlled entity not adjusted for the percentage ownership held by the Group:

Name of company	Country of incorporation	Percentage of shareholding (%)	Revenue (100%) RM'000	Profit/ (Loss) (100%) RM'000	Total assets (100%) RM'000	Total liabilities (100%) RM'000
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2013

Tiong Nam Allied Container Depot Services Sdn. Bhd.	Malaysia	50	3,370	(436)	9,359	5,812
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2012

Tiong Nam Allied Container Depot Services Sdn. Bhd.	Malaysia	50	3,272	(265)	9,668	5,685
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The results of the jointly controlled entity was equity accounted based on the audited accounts as at 31 December 2012.

The jointly controlled entity has no contingent liabilities as at year end.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31 MARCH 2013 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

9. Other investments

	Group/Company	
	2013	2012
	RM'000	RM'000
Non-current		
Loans and receivables		
Unquoted		
- subordinated bonds	2,360	2,360
- bonds	69,040	64,103
- redeemable convertible unsecured loan stocks ("RCULS")	13,256	13,256
	<u>84,656</u>	<u>79,719</u>
Less: Impairment loss	(2,360)	(2,360)
	<u>82,296</u>	<u>77,359</u>
Current		
Financial assets at fair value through profit or loss held for trading		
- Quoted shares, in Malaysia	11,279	16,489
Loan and receivables		
- Unquoted, redeemable non-convertible unsecured loan stocks ("RULS")	144	--
	<u>11,423</u>	<u>16,489</u>
Representing items:		
At cost/Amortised cost	82,440	77,359
At fair value	11,279	16,489
	<u>93,719</u>	<u>93,848</u>
Market value of quoted shares	11,279	16,489

The investment in unquoted bonds represents RM44.5 million 11% Class D Sukuk bond and interest receivable of RM24,539,000 (2012: RM19,603,000) in accordance with the assets backed securitisation scheme of an investee company.

The salient features of Class D Sukuk bonds are as follows:-

- the coupon interest from Class D Sukuk bonds will only be receivable at end of year 10; and
- in the event of default by the Issuer, Class D Sukuk bonds will rank behind Class A, B and C but before Class E Sukuk bonds in terms of principal repayment.

The investment in unquoted RCULS represents 5% 5-year loan stocks in accordance with the assets disposal scheme of the Group. The RCULS will mature on 29 June 2015.

The salient features of the unquoted RCULS are as follows:

- the issuer shall redeem all outstanding RCULS in cash at 100% of their nominal value on the maturity date of the RCULS.
- the issuer shall at its option be allowed to redeem any outstanding RCULS at the redemption price prior to its stated maturity date.
- RCULS holder shall have the option during the conversion period to convert up to twenty percent (20%) of the RCULS issued at the conversion price of RM1.00 into new ordinary shares of RM1.00 each in the Issuer.

All outstanding RCULS not redeemed on its maturity date will automatically be converted to new shares on the said date at the conversion price.

Quoted shares in Malaysia with carrying amount of RM4.4 million (2012: NIL) are pledged for share margin facility granted to the Company.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31 MARCH 2013 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

10. Deferred tax assets/(liabilities)**Recognised deferred tax assets/(liabilities)**

The amounts determined after appropriate offsetting are as follows:

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Deferred tax assets	-	2,000	--	--
Deferred tax liabilities	(21,775)	(21,039)	(5,474)	(4,291)
	<u>(21,775)</u>	<u>(19,039)</u>	<u>(5,474)</u>	<u>(4,291)</u>

Deferred tax assets and liabilities are attributable to the following:

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Property, plant and equipment				
- capital allowances	(9,650)	(7,351)	--	(1)
- revaluation	(13,009)	(14,132)	(33)	(34)
Trade receivables	1,358	826	--	--
Provisions	107	30	--	--
Unabsorbed capital allowances	2,448	4,223	--	--
Unutilised tax losses	1,293	1,046	--	--
Deferred income	585	575	--	--
Bond interest receivable	(5,441)	(4,256)	(5,441)	(4,256)
Others	534	--	--	--
	<u>(21,775)</u>	<u>(19,039)</u>	<u>(5,474)</u>	<u>(4,291)</u>

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items (stated at gross):

	Group	
	2013 RM'000	2012 RM'000
Taxable temporary differences		
- capital allowances	(341)	(298)
Trade receivables	119	112
Unabsorbed capital allowances	596	2,038
Unutilised tax losses	4,221	4,690
	<u>4,595</u>	<u>6,542</u>

The unabsorbed capital allowances and unutilised tax losses do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the subsidiaries can utilise the benefits there from.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31 MARCH 2013 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

10. Deferred tax assets/(liabilities) (continued)**Movement in temporary differences during the year**

Group	At	Recognised	At	Recognised	At
	1 April 2011 RM'000	in profit or loss (Note 21) RM'000	31 March 2012 RM'000	in profit or loss (Note 21) RM'000	31 March 2013 RM'000
Property, plant and equipment					
- Capital allowances	(6,096)	(1,255)	(7,351)	(2,299)	(9,650)
- Revaluation, net of related depreciation	(14,325)	193	(14,132)	1,123	(13,009)
Trade receivables	1,053	(227)	826	532	1,358
Provisions	30	--	30	77	107
Unabsorbed capital allowances	1,919	2,304	4,223	(1,775)	2,448
Unutilised tax losses	724	322	1,046	247	1,293
Deferred income	690	(115)	575	10	585
Bond interest receivable	(3,499)	(757)	(4,256)	(1,185)	(5,441)
Others	--	--	--	534	534
	<u>(19,504)</u>	<u>465</u>	<u>(19,039)</u>	<u>(2,736)</u>	<u>(21,775)</u>
Company					
Property, plant and equipment					
- Capital allowances	--	(1)	(1)	1	--
- Revaluation, net of related depreciation	(35)	1	(34)	1	(33)
Bond interest receivable	(3,499)	(757)	(4,256)	(1,185)	(5,441)
	<u>(3,534)</u>	<u>(757)</u>	<u>(4,291)</u>	<u>(1,183)</u>	<u>(5,474)</u>

11. Trade and other receivables

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Non-current				
Due from subsidiaries – non-trade	--	--	--	71,909
Current				
Trade receivables	119,564	71,004	--	--
Other receivables, deposits and prepayments	40,682	15,850	500	1,164
	<u>160,246</u>	<u>86,854</u>	<u>500</u>	<u>1,164</u>
	<u>160,246</u>	<u>86,854</u>	<u>500</u>	<u>73,073</u>

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31 MARCH 2013 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

11. Trade and other receivables (continued)

Included in other receivables, deposits and prepayments are as follows:

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Other receivables	570	424	--	--
Due from a jointly controlled entity	2,150	2,150	--	--
Deposits for:				
- purchase of property, plant and equipment	6,001	46	--	--
- purchase of property development land	17,097	3,095	--	--
- rental and utilities	13,344	8,153	3	301
- other deposits	--	366	--	366
Prepayments	1,023	1,119	--	--
RCULS interest receivable	497	497	497	497
	<u>40,682</u>	<u>15,850</u>	<u>500</u>	<u>1,164</u>

Included in trade and other receivables of the Group are amounts due from related parties and key management personnel of the Group as follows:

	Group	
	2013 RM'000	2012 RM'000
Due from related parties		
- Trade	7,932	5,830
- Non-trade	192	45
	<u>8,124</u>	<u>5,875</u>
Key management personnel		
- non-trade	50	30
	<u>8,174</u>	<u>5,905</u>

The amounts due from subsidiaries are unsecured and will not be repayable within a year. Interests are charged at a fixed rate of 5.00% (2012: 5.00%) per annum on monthly outstanding balances.

12. Inventories

	Group	
	2013 RM'000	2012 RM'000
Trading stocks	<u>2,064</u>	<u>459</u>

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31 MARCH 2013 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

13. Property development projects

Property development projects comprise the followings:

	Group	
	2013 RM'000	2012 RM'000
Freehold land	54,668	--
Long term leasehold land	31,965	30,913
Development costs	4,637	744
	<u>91,270</u>	<u>31,657</u>
Add: Costs incurred during the year		
Freehold land	20,192	22,019
Development costs	29,308	3,894
Transfer from investment properties	3,920	33,700
Transfer from property, plant and equipment	10,800	--
	<u>64,220</u>	<u>59,613</u>
Less: Cost recognised as an expense in profit or loss	<u>(15,692)</u>	<u>--</u>
	<u>139,798</u>	<u>91,270</u>

The freehold and leasehold land and development cost with carrying amount of RM129,703,349 (2012: RM66,303,656) are charged to banks for banking facilities granted to the subsidiaries.

Included in the development costs are the following expenses capitalised:

	Group	
	2013 RM'000	2012 RM'000
Key management personnel compensation	72	58
Interest expense	2,748	1,420
	<u>2,820</u>	<u>1,478</u>

14. Cash and cash equivalents

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Cash and bank balances	6,293	4,626	1,170	163
Fixed deposits with licensed banks	12,205	1,402	--	--
Short term deposits with licensed banks	2,121	1,041	--	--
	<u>20,619</u>	<u>7,069</u>	<u>1,170</u>	<u>163</u>

Included in the fixed deposits with licensed banks of the Group is RM928,464 (2012: RM823,631) pledged for bank facilities granted to certain subsidiaries.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31 MARCH 2013 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

15. Capital and reserves

Share capital

	Group/Company		Group/Company Number of ordinary shares	
	2013 RM'000	2012 RM'000	2013 '000	2012 '000
Ordinary shares of RM1.00 each:				
Authorised	200,000	200,000	200,000	200,000
Issued and fully paid	84,103	84,103	84,103	84,103

Reserves

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
<i>Distributable</i>				
Retained earnings	149,883	125,520	34,825	31,954
<i>Non-distributable</i>				
Share premium	5,435	5,435	5,435	5,435
Revaluation reserve				
- property, plant and equipment	51,638	63,071	98	104
Exchange fluctuation reserve	(249)	(255)	--	--
	56,824	68,251	5,533	5,539
	206,707	193,771	40,358	37,493

Treasury shares

At the annual general meeting held on 22 September 2012, the shareholders of the Company approved the Company's plan to repurchase its own shares. The Directors of the Company are committed to enhancing the value of the Company to its shareholders and believe that the repurchase plan can be applied in the best interests of the Company and its shareholders.

During the financial year, the Company did not repurchase any shares.

Treasury shares have no rights to voting, dividends and participation in any other distribution. Treasury shares shall not be taken into account in calculating the number or percentage of shares or of a class of shares in the Company for any purposes including substantial shareholding, take-overs, notices, the requisition of meeting, the quorum for a meeting and the result of a vote on a resolution at a meeting.

Section 108 tax credit and tax exempt account

Subject to agreement by the Inland Revenue Board, the Company has sufficient Section 108 tax credit and tax exempt account to frank payment of dividends out of its entire retained earnings at 31 March 2013.

The Finance Act, 2007 introduced a single tier company income tax system with effect from 1 January 2008. As such, the remaining Section 108 tax credit as at 31 March 2013 will be available to the Company until such time the credit is fully utilised or upon expiry of the six-year transitional period on 31 December 2013, whichever is earlier.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31 MARCH 2013 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

16. Trade and other payables

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Non-current				
Other payables	7,114	--	--	--
Due to a subsidiary – non-trade	--	--	10,379	78,999
	<u>7,114</u>	<u>--</u>	<u>10,379</u>	<u>78,999</u>
Current				
Trade payables	30,880	19,988	--	--
Other payables and accrued expenses	49,408	32,326	393	392
Progress billings	70,402	--	--	--
	<u>150,690</u>	<u>52,314</u>	<u>393</u>	<u>392</u>
	<u>157,804</u>	<u>52,314</u>	<u>10,772</u>	<u>79,391</u>

Included in other payables and accrued expenses are:

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Non-current				
Other payables	894	--	--	--
Property, plant and equipment creditors	6,220	--	--	--
	<u>7,114</u>	<u>--</u>	<u>--</u>	<u>--</u>
Current				
Other payables	16,010	14,836	--	--
Property, plant and equipment creditors	1,075	--	--	--
Deposit received for development projects	12,532	3,245	--	--
Deposits for rental of trucks and properties	9,911	5,533	--	--
Other accrued expenses	9,880	8,712	393	392
	<u>49,408</u>	<u>32,326</u>	<u>393</u>	<u>392</u>
	<u>56,522</u>	<u>32,326</u>	<u>393</u>	<u>392</u>

Included in trade and other payables of the Group are amounts due to related parties as follows:

	Group	
	2013 RM'000	2012 RM'000
Trade	7,057	3,645
Non-trade	254	1,398
Deposits for purchase of properties	46	--
Deposits received for property, plant and equipment	250	--
Progress billings billed to a Director of the Company and key management personnel of subsidiaries	217	--
	<u>7,824</u>	<u>5,043</u>

The amount due to a subsidiary is unsecured and will not be repayable within a year. Interest is charged at a fixed rate of 5.00% (2012: 5.00%) per annum on monthly outstanding balances.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31 MARCH 2013 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

17. Deferred income

	Group	
	2013 RM'000	2012 RM'000
Non-current	5,671	8,178
Current	1,890	2,045
	<u>7,561</u>	<u>10,223</u>

Deferred income represents:

	Group	
	2013 RM'000	2012 RM'000
Gain arising from disposal of properties	21,658	21,658
Less: Amortisation		
At 1 April	(11,435)	(9,390)
Recognised during the year	(2,662)	(2,045)
At 31 March	<u>(14,097)</u>	<u>(11,435)</u>
	<u>7,561</u>	<u>10,223</u>

Pursuant to the assets backed securitisation scheme of the Company, certain properties were sold at the fair market value to a special purpose vehicle. In accordance with FRS 117, Leases, the excess of the fair value over the carrying amount is deferred and amortised over the lease period of the scheme.

18. Loans and borrowings

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Non-current				
Secured				
- Finance lease liabilities	515	627	--	--
- Term loans	188,741	128,625	--	--
	189,256	129,252	--	--
Unsecured				
- Term loans	2,014	4,429	--	--
	<u>191,270</u>	<u>133,681</u>	--	--

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31 MARCH 2013 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

18. Loans and borrowings (continued)

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Current				
<i>Secured</i>				
- Finance lease liabilities	370	467	--	--
- Term loans	25,524	14,881	--	--
- Share margin financing	1,458	--	1,458	--
	27,352	15,348	1,458	--
<i>Unsecured</i>				
- Revolving credits	64,500	64,500	--	--
- Bankers' acceptances	25,000	24,999	--	--
- Islamic trade bills	3,998	4,009	--	--
- Islamic term loans	--	2,954	--	--
- Term loans	2,415	2,415	--	--
- Bank overdrafts	6,439	6,005	--	--
	102,352	104,882	--	--
	129,704	120,230	1,458	--
Total borrowings	320,974	253,911	1,458	--

Security

All the borrowings are guaranteed by the Company except for a term loan of RM5.9 million (2012: RM6.2 million) and certain borrowings are subject to negative pledges that the Group shall not charge, pledge or encumber any of their present and future assets without the prior consent of the lenders.

Certain term loans of the subsidiaries are secured by the subsidiaries' land and buildings and property development projects as disclosed in Note 3, 4 and 13 respectively.

Quoted shares in Malaysia with carrying amount of RM4.4 million (2012: Nil) are pledged for share margin facility granted to the Company.

Covenants

Certain borrowings of the subsidiaries are subject to the following covenants:

- (i) Gearing ratio of the Group shall not exceed 1.2:1; and
- (ii) To maintain Group tangible net worth of not less than RM200 million.

Finance lease liabilities

Finance lease liabilities are payable as follows:

Group	2013			2012		
	Future minimum lease payments RM'000	Interest RM'000	Present value of minimum lease payments RM'000	Future minimum lease payments RM'000	Interest RM'000	Present value of minimum lease payments RM'000
Less than one year	409	39	370	516	49	467
Between one and five years	524	26	498	667	40	627
More than five years	18	1	17	--	--	--
	951	66	885	1,183	89	1,094

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31 MARCH 2013 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

19. Finance costs

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Interest expense of finance liabilities that are not at fair value through profit or loss	14,548	11,219	484	3,609
Less: Amount capitalised in:				
- property development costs	(2,748)	(1,420)	--	--
- property, plant and equipment	(428)	--	--	--
	<u>11,372</u>	<u>9,799</u>	<u>484</u>	<u>3,609</u>
Add: Interest cost charged out to profit or loss from property development costs	496	--	--	--
	<u>11,868</u>	<u>9,799</u>	<u>484</u>	<u>3,609</u>
Finance costs included in:				
Cost of services	--	--	392	3,590
Finance costs	<u>11,868</u>	<u>9,799</u>	<u>92</u>	<u>19</u>
	<u>11,868</u>	<u>9,799</u>	<u>484</u>	<u>3,609</u>

20. Operating profit

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Operating profit is arrived at after charging/(crediting)				
Audit fees:				
- Company auditors				
- Current year	171	156	28	32
- (Over)/Under provided in prior year	9	(17)	(4)	7
- Other auditors	18	16	--	--
- Non-audit fees				
- KPMG Malaysia	6	6	4	4
- Local affiliates of KPMG	56	67	4	3
Amortisation of prepaid leases payments	202	198	--	--
Depreciation	10,375	9,035	27	27
Personnel expenses (including key management personnel):				
- Contributions to state plans	3,234	3,040	--	--
- Wages, salaries and others	39,655	37,869	--	--
Rental of:				
- land and buildings	32,817	28,444	--	(914)
- machineries and equipment	893	1,416	--	--

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31 MARCH 2013 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

20. Operating profit (continued)

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Operating profit is arrived at after charging/(crediting) (continued)				
Loss/(Gain) on disposal of:				
- quoted investments	(25)	190	(25)	190
- property, plant and equipment	(275)	162	--	--
- properties	(2,662)	(2,045)	--	--
- investment properties	(120)	--	--	--
Changes in fair value of investment properties	(361)	(4,180)	1,141	--
Rental income from land and buildings	(1,256)	(4,477)	--	--
Realised gain on foreign exchange	(548)	(917)	--	--
Quoted investments:				
- Fair value loss	350	3,445	350	3,445
- Gross dividends	(350)	(526)	(350)	(526)
Unquoted investments:				
- Gross dividends	--	--	(5,986)	(262)
Impairment loss/ (Reversal of impairment loss):				
- on investments in subsidiaries	--	--	--	(1,160)
- on receivables	1,560	(1,583)	--	(1,181)

Key management personnel compensation

The key management personnel compensation are as follows:

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Directors				
- Fees	362	362	362	362
- Remuneration	840	840	--	--
Total short-term employee benefits	1,202	1,202	362	362
Other key management personnel:				
- Wages, salaries and others	3,027	2,909	--	--
- Contributions to state plans	288	231	--	--
	3,315	3,140	--	--
	4,517	4,342	362	362

Other key management personnel comprises persons other than the Directors of Group entities, having authority and responsibility for planning, directing and controlling the activities of the entity either directly or indirectly.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31 MARCH 2013 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

21. Tax expense

Recognised in profit or loss

Major components of income tax expense include:

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Current tax expense				
- Current year	4,874	1,926	763	439
- Prior year	(22)	80	(35)	132
	4,852	2,006	728	571
Deferred tax expense/(income)				
- Origination and reversal of temporary differences	3,226	(33)	1,184	882
- Prior year	(490)	(432)	(1)	(125)
	2,736	(465)	1,183	757
	7,588	1,541	1,911	1,328
Tax income on share of profit of a jointly controlled entity	(48)	(19)	--	--
Tax expense on share of profit of associates	360	--	--	--
	7,900	1,522	1,911	1,328
	RM'000	RM'000	RM'000	RM'000
Reconciliation of tax expense				
Profit for the year	21,794	1,589	7,280	3,156
Total tax expense	7,900	1,522	1,911	1,328
Profit before tax	29,694	3,111	9,191	4,484
Income tax calculated using Malaysian tax rate of 25%	7,424	778	2,298	1,121
Effect of different tax rates in foreign jurisdictions	69	(113)	--	--
Non-deductible expenses	1,479	2,291	554	1,324
Non-taxable income	(1,087)	(758)	(905)	(1,124)
Unrecognised deferred tax assets	159	(305)	--	--
Utilisation of investment tax allowances	(503)	--	--	--
Real property gain taxes	589	--	--	--
Others	(30)	--	--	--
	8,100	1,893	1,947	1,321
Tax income on share of profit of a jointly controlled entity	(48)	(19)	--	--
Tax expense on share of profit of associates	360	--	--	--
(Over)/Under provided in prior years	(512)	(352)	(36)	7
Tax expense	7,900	1,522	1,911	1,328

Subject to the agreement of the Inland Revenue Board, the Group has unutilised investment tax allowance of RM11.6 million (2012: RM13.6 million) to set off against future taxable income in one of the subsidiary subject to satisfying certain conditions.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31 MARCH 2013 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

22. Earnings per ordinary share**Group****Basic earnings per ordinary share**

The calculation of basic earnings per ordinary share at 31 March 2013 was based on the profit attributable to ordinary shareholders and a weighted average number of ordinary shares calculated as follows:

	2013 RM'000	2012 RM'000
Profit for the year attributable to shareholders	<u>17,345</u>	<u>1,071</u>

Weighted average number of ordinary shares are determined as follows:

	2013 '000	2012 '000
Issued ordinary shares at 1 April/ Weighted average number of ordinary shares at 31 March	<u>84,103</u>	<u>84,103</u>
Basic earnings per ordinary share (sen)	<u>20.62</u>	<u>1.27</u>

Diluted earnings per ordinary share

There are no dilutive potential ordinary shares.

23. Dividends

Dividends recognised by the Company are:

	Sen per share	Total amount RM'000	Date of payment
2013			
2012 - Final, net of tax	5.25	<u>4,415</u>	24 October 2012
2012			
2011 - Final, net of tax	5.25	<u>4,415</u>	24 October 2011

After the reporting date, the following dividend was proposed by the Directors. This dividend will be recognised in the subsequent financial reports upon approval by the owners of the Company at the forthcoming Annual General Meeting.

	Sen per share	Total amount RM'000
2013 - Final, net of tax	<u>9</u>	<u>7,569</u>

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31 MARCH 2013 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

24. Acquisition of property, plant and equipment

	Group	
	2013	2012
	RM'000	RM'000
Current year's additions	88,655	46,467
Less: Plant and equipment acquired under finance lease liabilities	(280)	(127)
Finance costs capitalised	(428)	--
	<u>87,947</u>	<u>46,340</u>

25. Operating leases

Non cancellable operating lease rental are as follows:-

Leases as lessee

	Group	
	2013	2012
	RM'000	RM'000
Less than one year	28,207	30,172
Between one and five years	74,663	69,199
More than 5 years	--	1,224
	<u>102,870</u>	<u>100,595</u>

The Group leases a number of land and buildings under operating leases. The leases typically run for an initial period of one to five years, with an option to renew the leases after that date. None of the lease includes contingent rentals.

Pursuant to the assets backed securitization scheme of the investee company, the Group entered into a conditional lease agreement with a special purpose vehicle ("the lessor") for the sale and leaseback of the land and buildings ("leased assets") over a lease term of 10 years. The Group has an option but not obligation from the fifth year onwards up to the end of lease period of ten years to repurchase the leased assets at fair market value to be determined by valuers. In the event that the Group does not exercise the option at year 10 or defaults in the lease payment during the lease term, the lessor may terminate the lease agreement and start proceedings to sell the leased assets to third parties at fair market value.

The lease agreement is subject to the following pertinent covenants:-

- a) the gearing ratio of the Group shall not exceed the ratio of 1.2:1
- b) the group is responsible for all repair and maintenance and payment of utilities and outgoings in respect of the leased assets

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31 MARCH 2013 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

26. Commitments

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
<i>Property, plant and equipment</i>				
Authorised but not contracted for	--	41,961	--	--
Contracted but not provided for	25,185	30,220	--	--
<i>Investments</i>				
Authorised but not contracted for				
- Investment in unquoted bond	--	40,000	--	40,000
- Investment in a subsidiary	--	4,185	--	4,185

27. Contingent liabilities

	Company	
	2013 RM'000	2012 RM'000
Unsecured:		
Corporate guarantees given to financial institutions in respect of outstanding term loans, short term borrowings, lease and hire purchase facilities of subsidiaries	319,353	253,599
Secured:		
Investment properties charged to a bank as security for banking facilities granted to a subsidiary	19,859	--

Secured - Group

Certain land and buildings of a subsidiary with carrying amount of RM33,718,000 (2012: RM29,766,000) are charged to banks as security for banking facilities granted to the said subsidiary and a third party (see Note 4).

28. Operating segments

The Group has four reportable segments, as described below. For each of the business segments, the Group Managing Director reviews internal management reports on monthly basis.

The Group comprises the following main business segments:

- Transportation and related services
- Property letting and warehousing
- Investment
- Property development

Performance is measured based on segment profit before tax interest, depreciation and amortisation as the management believes that such information is the most relevant in evaluating the results of the operation.

Segment assets

The total of segment assets is measured based on all assets of a segment, as included in the internal management reports that are reviewed by the Group Managing Director. Segment total assets is used to measure the return of assets of each segment.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31 MARCH 2013 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

28. Operating segments (continued)

Segment liabilities

Segment liabilities information is neither included in the internal management reports nor provided regularly to the Group Managing Director. Hence no disclosure is made on segment liability.

Segment capital expenditure

Segment capital expenditure is the total cost incurred during the financial year to acquire property, plant and equipment, investment properties and prepaid lease payments.

Geographical segments

The Group's operations are located mainly in Malaysia.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31 MARCH 2013 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

28. Operating segments (continued)

	Transportation and related services		Property letting and warehousing		Investments		Property development		Total	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Segment profit, profit before tax, interest, depreciation and amortisation	14,095	6,761	20,471	13,363	5,625	2,138	10,592	--	50,783	22,262
Depreciation and amortisation	--	--	--	--	--	--	--	--	(10,577)	(9,233)
Interest income	--	--	--	--	--	--	--	--	148	32
Finance costs	--	--	--	--	--	--	--	--	(11,868)	(9,799)
Share of loss of a jointly controlled entity	--	--	--	--	(218)	(133)	--	--	(218)	(133)
Share of profit of associates	--	--	--	--	1,114	1	--	--	1,114	1
Profit before tax	14,095	6,761	20,471	13,363	6,521	2,006	10,592	--	29,382	3,130
<i>Included in the measure of segment profit/(loss) are:</i>										
Revenue from external customers	250,808	250,870	57,192	46,020	5,950	5,773	26,066	--	340,016	302,663
Segment assets	163,789	107,093	390,762	320,926	101,075	100,304	154,179	91,270	809,805	619,593
Additions to non-current assets other than financial instruments and deferred tax assets	8,320	7,593	80,335	48,685	--	--	--	--	88,655	56,278

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31 MARCH 2013 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

28. Operating segments (continued)**Major customers**

Revenue from one customer of the Group represents approximately RM33.3 million (2012: RM35.3 million) of the Group's total revenue.

29. Financial instruments**29.1 Categories of financial instruments**

The table below provides an analysis of financial instruments categorised as follows:

- (a) Loans and receivables ("L&R");
- (b) Fair value through profit or loss ("FVTPL");
- Held for trading ("HFT"); and
- (c) Other financial liabilities measured at amortised cost ("FL").

Group	Carrying amount RM'000	L&R RM'000	FVTPL - HFT RM'000
2013			
Financial assets			
Other investments	93,719	69,184	24,535
Trade and other receivables	160,246	160,246	--
Cash and cash equivalents	20,619	20,619	--
	<u>274,584</u>	<u>250,049</u>	<u>24,535</u>
2012			
Financial assets			
Other investments	93,848	64,103	29,745
Trade and other receivables	86,854	86,854	--
Cash and cash equivalents	7,069	7,069	--
	<u>187,771</u>	<u>158,026</u>	<u>29,745</u>
Company			
2013			
Financial assets			
Other investments	93,719	69,184	24,535
Other receivables	500	500	--
Cash and cash equivalents	1,170	1,170	--
	<u>95,389</u>	<u>70,854</u>	<u>24,535</u>
2012			
Financial assets			
Other investments	93,848	64,103	29,745
Other receivables	73,073	73,073	--
Cash and cash equivalents	163	163	--
	<u>167,084</u>	<u>137,339</u>	<u>29,745</u>

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31 MARCH 2013 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

29. Financial instruments (continued)

29.1 Categories of financial instruments (continued)

Group	Carrying amount RM'000	FL RM'000
2013		
Financial liabilities		
Loans and borrowings	320,974	320,974
Trade and other payables	157,804	157,804
	<u>478,778</u>	<u>478,778</u>
2012		
Financial liabilities		
Loans and borrowings	253,911	253,911
Trade and other payables	52,314	52,314
	<u>306,225</u>	<u>306,225</u>
Company		
2013		
Financial liabilities		
Loans and borrowings	1,458	1,458
Trade and other payables	10,772	10,772
	<u>12,230</u>	<u>12,230</u>
2012		
Financial liabilities		
Trade and other payables	79,391	79,391
	<u>79,391</u>	<u>79,391</u>

29.2 Net gains and losses arising from financial instruments

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Net gains/(losses) arising on:				
Fair value through profit or loss:				
- Held for trading	687	(2,446)	687	(2,446)
Loans and receivables	3,925	7,084	4,937	9,215
Financial liabilities measured at amortised cost	(11,868)	(9,799)	(92)	(19)
	<u>(7,256)</u>	<u>(5,161)</u>	<u>5,532</u>	<u>6,750</u>

29.3 Financial risk management

The Group has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31 MARCH 2013 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

29. Financial instruments (continued)

29.4 Credit risk

Credit risk is the risk of a financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from its receivables from customers and investment securities. The Company's exposure to credit risk arises principally from advances to subsidiaries and financial guarantees given to banks for credit facilities granted to subsidiaries.

Receivables

Risk management objectives, policies and processes for managing the risk

The Group's credit control department carried out credit control review with the direct involvement of Executive Directors on an on-going basis.

In respect of trade receivables arising from the sale of development properties, the Group monitors its credit risk by maintaining a register of owners of the development properties with information on the purchaser self-finances portion of the purchase consideration or upon undertaking of end financing by the purchaser's end-financier.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk arising from receivables is represented by the carrying amounts in the statement of financial position.

For transportation, warehousing and related activities, management has taken reasonable steps to ensure that receivables that are neither past due nor impaired are measured at their realisable values. A significant portion of these receivables are regular customers that have been transacting with the Group. The Group uses ageing analysis to monitor the credit quality of the receivables. Any receivables having significant balances past due more than 120 or 180 days, which are deemed to have higher credit risk, are monitored individually.

For property development activities, the progress billings are due within 14 days as stipulated in sale and purchase agreements/billings. The retention sums are due upon the expiry of the defect liability period stated in the respective sale and purchase agreements.

Impairment losses

The Group maintains separate ageing analysis in respect of trade receivables from transportation, warehousing and related services and property development. The ageing of trade receivables as at the end of the reporting period were:

Transportation, warehousing and related services

Group	Gross RM'000	Individual impairment RM'000	Collective impairment RM'000	Net RM'000
2013				
Not past due	33,728	--	--	33,728
Past due 1 - 30 days	27,079	--	--	27,079
Past due 31 - 120 days	16,026	(18)	--	16,008
Past due more than 120 days	10,630	(2,961)	(5,554)	2,115
	<u>87,463</u>	<u>(2,979)</u>	<u>(5,554)</u>	<u>78,930</u>

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31 MARCH 2013 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

29. Financial instruments (continued)**29.4 Credit risk (continued)**

Group	Gross RM'000	Individual impairment RM'000	Collective impairment RM'000	Net RM'000
2012				
Not past due	30,860	--	--	30,860
Past due 1 - 30 days	22,274	--	--	22,274
Past due 31 - 120 days	14,682	(18)	--	14,664
Past due more than 120 days	10,161	(3,317)	(3,638)	3,206
	<u>77,977</u>	<u>(3,335)</u>	<u>(3,638)</u>	<u>71,004</u>
Property development				
2013				
Not past due	6,294	--	--	6,294
Past due 1 - 30 days	14,532	--	--	14,532
Past due 31 - 60 days	16,561	--	--	16,561
Past due 61 - 90 days	1,314	--	--	1,314
Past due more than 90 days	1,933	--	--	1,933
	<u>40,634</u>	<u>--</u>	<u>--</u>	<u>40,634</u>

The movements in the allowance for impairment losses of trade receivables during the year were:

	Group	
	2013 RM'000	2012 RM'000
At 1 April	6,973	8,556
Impairment loss/(reversal of impairment)	<u>1,560</u>	<u>(1,583)</u>
At 31 March	<u>8,533</u>	<u>6,973</u>

The allowance account in respect of receivables is used to record impairment losses. Unless the Group is satisfied that recovery of the amount is possible, the amount considered irrecoverable is written off against the receivable directly.

Investments and other financial assets*Risk management objectives, policies and processes for managing the risk*

Investments are allowed only in liquid securities and only with counterparties that have a credit rating equal to or better than the Group.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the Group has invested in domestic securities, unquoted bonds, RCULS and RULS. The maximum exposure to credit risk is represented by the carrying amounts in the statement of financial position.

In view of the sound credit rating of counterparties, management does not expect any counterparty to fail to meet its obligations except for the impairment loss recognised in respect of unquoted bonds below.

The investments and other financial assets are unsecured.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31 MARCH 2013 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

29. Financial instruments (continued)**29.4 Credit risk (continued)***Impairment losses*

The movements in the allowance for impairment loss during the financial year were:

	Group/Company	
	2013 RM'000	2012 RM'000
Unquoted subordinated bonds		
At 1 April/31 March	2,360	2,360

Financial guarantees*Risk management objectives, policies and processes for managing the risk*

The Company provides unsecured financial guarantees to banks in respect of banking facilities granted to certain subsidiaries. The Company monitors on an ongoing basis the results of the subsidiaries and repayments made by the subsidiaries.

Exposure to credit risk, credit quality and collateral

The maximum exposure to credit risk amounts to RM319.3 million (2012: RM253.6 million) representing the outstanding banking facilities of the subsidiaries as at the end of the reporting period.

As at the end of the reporting period, there was no indication that any subsidiary would default on repayment.

The financial guarantees have not been recognised since the fair value on initial recognition was not material.

Balances due from subsidiaries*Risk management objectives, policies and processes for managing the risk*

The Company provides unsecured loans and advances to subsidiaries. The Company monitors the results of the subsidiaries regularly.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

Impairment losses

The movements in the allowance for impairment loss during the financial year were:

	Company	
	2013 RM'000	2012 RM'000
At 1 April	--	1,181
Impairment loss reversed	--	(1,181)
At 31 March	--	--

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31 MARCH 2013 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

29. Financial instruments (continued)

29.5 Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's exposure to liquidity risk arises principally from its various payables, loans and borrowings.

The Group maintains a level of cash and cash equivalents and bank facilities deemed adequate by the management to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due.

Maturity analysis

The table below summarises the maturity profile of the Group's and the Company's financial liabilities as at the end of the reporting period based on undiscounted contractual payments:

Group	Carrying amount RM'000	Contractual interest rate/ coupon %	Contractual cash flows RM'000	Under 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000	More than 5 years RM'000
2013							
<i>Non-derivative financial liabilities</i>							
Secured finance lease liabilities	885	3.72 – 6.12	951	409	382	142	18
Secured term loans	214,265	4.35 – 5.85	251,746	35,266	38,206	78,675	99,599
Unsecured term loans	4,429	7.35	4,741	2,659	2,082	--	--
Unsecured revolving credits	64,500	4.35 – 5.68	64,569	64,569	--	--	--
Unsecured bankers' acceptances	25,000	4.02 – 4.03	25,000	25,000	--	--	--
Unsecured bank overdrafts	6,439	5.10 – 7.85	6,439	6,439	--	--	--
Unsecured Islamic trade bills	3,998	3.96 – 4.91	4,011	4,011	--	--	--
Share margin financing	1,458	5.50	1,458	1,458	--	--	--
Trade and other payables	60,244	--	60,244	60,244	--	--	--
Other payables	14,626	4.80 – 5.00	15,793	7,848	2,303	4,232	1,410
	395,844		434,952	207,903	42,973	83,049	101,027
2012							
<i>Non-derivative financial liabilities</i>							
Secured finance lease liabilities	1,094	3.72 – 6.12	1,183	516	317	350	--
Secured term loans	143,506	4.35 – 4.80	175,396	21,281	25,898	55,098	73,119
Unsecured term loans	9,798	7.05 - 7.35	10,608	5,867	2,659	2,082	--
Unsecured revolving credits	64,500	4.00 – 5.13	64,665	64,665	--	--	--
Unsecured bankers' acceptances	24,999	3.98 – 4.05	24,999	24,999	--	--	--
Unsecured bank overdrafts	6,005	5.10 – 7.85	6,005	6,005	--	--	--
Unsecured Islamic trade bills	4,009	3.97 – 6.29	4,057	4,057	--	--	--
Trade and other payables	52,314	--	52,314	52,314	--	--	--
	306,225		339,227	179,704	28,874	57,530	73,119
Company							
2013							
<i>Non-derivative financial liabilities</i>							
Other payables	393	--	393	393	--	--	--
Due to a subsidiary	10,379	5.00	10,379	--	--	--	10,379
Share margin financing	1,458	5.50	1,458	1,458	--	--	--
	12,230		12,230	1,851	--	--	10,379

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31 MARCH 2013 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

29. Financial instruments (continued)**29.5 Liquidity risk (continued)**

Company	Carrying amount RM'000	Contractual interest rate/ coupon %	Contractual cash flows RM'000	Under 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000	More than 5 years RM'000
2012							
<i>Non-derivative financial liabilities</i>							
Other payables	392	--	392	392	--	--	--
Due to a subsidiary	78,999	5.00	78,999	--	--	--	78,999
	<u>79,391</u>		<u>79,391</u>	<u>392</u>	<u>--</u>	<u>--</u>	<u>78,999</u>

29.6 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and other prices that will affect the Group's financial position or cash flows.

Currency risk

The Group is exposed to foreign currency risk on services rendered that are denominated in a currency other than the functional currencies of the Group. The currency giving rise to this risk are primarily Singapore Dollar (SGD).

Risk management objectives, policies and processes for managing the risk

In respect of monetary assets and liabilities held in currencies other than Ringgit Malaysia, the Company does not hedge this exposure. However, the Group keeps this policy under review.

Exposure to foreign currency risk

The Group's exposure to foreign currency (a currency which is other than the currency of the Group) risk, based on carrying amounts as at the end of the reporting period was:

	Denominated in SGD RM'000
2013	
Trade and other receivables	10,824
Cash and cash equivalents	1,424
Trade and other payables	<u>(1,114)</u>
Net exposure	<u>11,134</u>
2012	
Trade and other receivables	8,138
Cash and cash equivalents	1,106
Trade and other payables	<u>(1,013)</u>
Net exposure	<u>8,231</u>

Currency risk sensitivity analysis

A 10% (2012: 10%) strengthening of the Ringgit Malaysia against SGD at the end of the reporting period would have decrease post-tax profit or loss by RM835,000 (2012: RM617,000). This analysis is based on foreign currency exchange rate variances that the Group considered to be reasonably possible at the end of the reporting period. This analysis assumes that all other variables, in particular interest rates, remained constant.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31 MARCH 2013 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

29. Financial instruments (continued)**29.6 Market risk (continued)***Currency risk sensitivity analysis (continued)*

A 10% (2012: 10%) weakening of Ringgit Malaysia against the above currencies at the end of the reporting period would have had equal but opposite effect on the above currency to the amounts shown above, on the basis that all other variables remained constant.

Interest rate risk

The Group's investments in fixed rate debt securities and its fixed rate borrowings are exposed to a risk of change in their fair value due to changes in interest rates. The Group's variable rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates. Investments in equity securities and short term receivables and payables are not significantly exposed to interest rate risk.

Risk management objectives, policies and processes for managing the risk

The Group managed interest rate risk through effective use of its floating and fixed rate debts.

Exposure to interest rate risk

The interest rate profile of the Group's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period was:

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Fixed rate instruments				
Financial assets	96,766	79,802	82,440	149,268
Financial liabilities	<u>(110,467)</u>	<u>(97,556)</u>	<u>(11,837)</u>	<u>(78,999)</u>
	<u>(13,701)</u>	<u>(17,754)</u>	<u>70,603</u>	<u>70,269</u>
Floating rate instruments				
Financial liabilities	<u>(225,133)</u>	<u>(156,355)</u>	<u>--</u>	<u>--</u>

*Interest rate risk sensitivity analysis**(a) Fair value sensitivity analysis for fixed rate instruments*

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss, and the Company does not designate derivatives as hedging instruments under a fair value hedged accounting model. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

(b) Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points (bp) in interest rates at the end of the reporting period would have increased (decreased) post-tax profit or loss by RM1,689,000 (2012: RM1,173,000). This analysis assumes that all other variables, in particular foreign currency rates, remained constant.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31 MARCH 2013 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

29. Financial instruments (continued)**29.6 Market risk (continued)****Other price risk**

Equity price risk arises from the Group's investments in equity securities.

Risk management objectives, policies and processes for managing the risk

Management of the Group monitors the equity investments on a portfolio basis. Material investments within the portfolio are managed on an individual basis and all buy and sell decisions are approved by the Managing Director of the Group.

Equity price risk sensitivity analysis

This analysis assumes that all other variables remain constant and the Group's equity investments moved in correlation with FTSE Bursa Malaysia KLCI (FBMKLCI).

A 10% (2012: 10%) strengthening in FBMKLCI at the end of the reporting period would have increased post-tax profit or loss by RM846,000 (2012: RM1,237,000). A 10% (2012: 10%) weakening in FBMKLCI would have had equal but opposite effect on equity and profit or loss respectively.

29.7 Fair value of financial instruments

The carrying amounts of cash and cash equivalents, short term receivables and payables and short term borrowings approximate fair values due to the relatively short term nature of these financial instruments.

It was not practicable to estimate the fair value of the Company's investment in unquoted bonds, RCULS and RULS due to the lack of comparable quoted market prices and the inability to estimate fair value without incurring excessive costs.

The carrying amount of floating rates term loans approximate its fair value as its effective interest rate changes accordingly to movements in the market interest rate.

The fair values of other financial assets and liabilities, together with the carrying amounts shown in the statement of financial position, are as follows:

Group/Company	2013		2012	
	Carrying amount RM'000	Fair value RM'000	Carrying amount RM'000	Fair value RM'000
Other investments				
- Quoted shares	11,279	11,279	16,489	16,489
- Secured finance lease liabilities	885	885	1,094	1,094
- Unsecured Islamic term loans	--	--	2,954	2,954

The following summarises the methods used in determining the fair value of financial instruments reflected in the above table.

Other investment - quoted shares

The fair values of other investments that are quoted in an active market are determined by reference to their quoted closing bid price at the end of the reporting period.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31 MARCH 2013 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

29. Financial instruments (continued)

29.7 Fair value of financial instruments (continued)

Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the end of the reporting period. For finance leases the market rate of interest is determined by reference to similar lease agreements.

Interest rates used to determine fair value

The interest rates used to discount estimated cash flows, when applicable, are as follows:

	2013 %	2012 %
Secured finance lease liabilities	3.72 - 6.12	3.72 - 6.12
Unsecured Islamic term loans	-	7.05

Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Group/Company	Level 1/ Total RM'000
2013	
Financial assets	
Investment in quoted shares	<u>11,279</u>
2012	
Financial assets	
Investment in quoted shares	<u>16,489</u>

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31 MARCH 2013 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

30. Capital management

The Group's objectives when managing capital is to maintain a strong capital base and safeguard the Group's ability to continue as a going concern, so as to maintain investors, creditors and market confidence and to sustain future development of the business. The Directors monitor and determine to maintain an optimal debt-to-equity ratio that complies with debt covenants and regulatory requirements.

The debt-to-equity ratios at 31 March 2013 and at 31 March 2012 were as follows:

	2013 RM'000	2012 RM'000
Total loans and borrowings (Note 18)	320,974	253,911
Less: Cash and cash equivalent (Note 14)	<u>(20,619)</u>	<u>(7,069)</u>
Net debt	<u>300,355</u>	<u>246,842</u>
Total equity	<u>290,810</u>	<u>277,874</u>
Debt-to-equity ratio	<u>1.0</u>	<u>0.9</u>

There were no changes in the Group's approach to capital management during the financial year.

Under the requirement of Bursa Malaysia Practice Note No. 17/2005, the Company is required to maintain a consolidated shareholders' equity equal to or not less than the 25 percent of the issued and paid-up capital (excluding treasury shares) and such shareholders' equity is not less than RM40 million. The Company has complied with this requirement.

The Group is also required to maintain a maximum debt-to-equity ratio of 1.2 to comply with bank covenants, failing which, the bank may call an event of default.

31. Related parties

Identity of related parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Group or the Company has the ability, directly or indirectly, to control or jointly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. Key management personnel includes all the Directors of the Group, and certain members of senior management of the Group.

The Group has related party relationship with its significant investors, subsidiaries, associates, jointly controlled entity and key management personnel.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31 MARCH 2013 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

31. Related parties (continued)**Significant related party transactions**

The significant related party transactions of the Group and the Company are shown below.

	Company	
	2013 RM'000	2012 RM'000
Transactions		
A. Subsidiaries		
Interest income	--	3,451
Interest expense	392	3,590
Dividend income	5,986	262
	<u>5,986</u>	<u>262</u>
B. Companies in which certain Directors' family members have substantial financial interest		
Repair and maintenance	2	--
Printing charges	23	--
	<u>23</u>	<u>--</u>
	Group	
	2013 RM'000	2012 RM'000
A. Companies in which certain Directors' family members have substantial financial interest		
Sales of diesel, NGV gas and canvas	6,835	10,235
Sales of motor vehicles	5	127
Repair and maintenance and IT services	2,633	3,226
Rental expenses on forklift/motor vehicle/equipment	--	5,071
Freight charges expense	10,341	9,476
Freight charges income	14,972	10,761
Purchase of tyres	789	2,019
Purchase of equipment/motor vehicle	--	21
Rental income on buildings	10,091	10,099
Rental income on motor vehicles	751	349
Rental expenses on buildings	10,385	8,377
Handling and custom expense	4,167	3,667
Purchase of packing materials	--	134
Advances received	--	110
Office maintenance income	158	--
Printing charges	83	18
	<u>83</u>	<u>18</u>
B. A company in which a Director has substantial financial interest		
Rental expenses	1,032	959
	<u>1,032</u>	<u>959</u>

32. Subsequent events

- On 6 May 2013, a subsidiary entered into a Shares Agreement with the shareholder of a jointly controlled entity, Tiong Nam Allied Container Depot Services Sdn. Bhd. (TNASB), to acquire the remaining 50% shares of TNASB for RM4,574,083.50. Upon the acquisition, TNASB becomes a wholly-owned subsidiary of the Group.
- On 18 June 2013, the Company acquired 100% share capital of Excellent Castle Sdn. Bhd. representing 2 ordinary shares of RM1.00 each for RM2.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31 MARCH 2013 TOGETHER WITH THE AUDITORS' REPORT THEREON (CONT'D)

Company No. 182485-V

33. Supplementary financial information on the breakdown of realised and unrealised profits or losses

The breakdown of the retained earnings of the Group and of the Company as at 31 March, into realised and unrealised profits, pursuant to Paragraphs 2.06 and 2.23 of Bursa Malaysia Main Market Listing Requirements, are as follows:

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Total retained earnings of the Company and its subsidiaries:				
- realised	189,682	158,553	32,210	26,665
- unrealised	26,051	28,458	2,615	5,289
	<u>215,733</u>	<u>187,011</u>	<u>34,825</u>	<u>31,954</u>
Less: Consolidation adjustments	<u>(65,850)</u>	<u>(61,491)</u>	<u>--</u>	<u>--</u>
Total retained earnings	<u>149,883</u>	<u>125,520</u>	<u>34,825</u>	<u>31,954</u>

The determination of realised and unrealised profits is based on the Guidance of Special Matter No. 1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, issued by the Malaysian Institute of Accountants on 20 December 2010.

UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE SIX (6)-
MONTH FPE 30 SEPTEMBER 2013 INCLUDING THE EXPLANATORY NOTES THEREON

TIONG NAM LOGISTICS HOLDINGS BERHAD
(Company No. 182485V)
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT
30 SEPTEMBER 2013

UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE SIX (6)-
MONTH FPE 30 SEPTEMBER 2013 INCLUDING THE EXPLANATORY NOTES THEREON (CONT'D)

TIONG NAM LOGISTICS HOLDINGS BERHAD

(Company No. 182485V)
(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE PERIOD ENDED 30 SEPTEMBER 2013 - UNAUDITED**

	INDIVIDUAL 3 MONTHS ENDED 30 SEPTEMBER		CUMULATIVE 6 MONTHS ENDED 30 SEPTEMBER	
	2013	2012 (Restated)	2013	2012 (Restated)
	RM ('000)	RM ('000)	RM ('000)	RM ('000)
Revenue	133,323	78,312	257,551	157,950
Direct operating expenses	(100,705)	(61,235)	(191,752)	(125,223)
Depreciation and amortisation	(2,923)	(2,337)	(5,806)	(4,779)
Finance cost	(3,017)	(2,802)	(6,177)	(5,366)
Other overhead expenses	(5,523)	(5,725)	(8,915)	(13,287)
Profit/(Loss) before taxation	21,155	6,213	44,901	9,295
Share of profit/(loss) after tax of jointly controlled entity	-	-	-	(80)
Share of profit/(loss) after tax in associates	946	-	1,596	-
Profit/(Loss) after share of profit/(loss) of jointly controlled entity and associates	22,101	6,213	46,497	9,215
Taxation	(6,286)	(755)	(11,880)	(1,747)
Net profit/(loss) for the period	15,815	5,458	34,617	7,468
Attributable to:				
Equity holders of the Company	11,749	5,269	27,102	7,101
Non-controlling interests	4,066	189	7,515	367
Net profit/(loss) for the period	15,815	5,458	34,617	7,468
Basic earnings/(loss) per ordinary shares (sen)	13.97	6.26	32.22	8.44

The Condensed Consolidated Income Statement should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2013 and the accompanying explanatory notes attached to the financial statements

UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE SIX (6)-MONTH FPE 30 SEPTEMBER 2013 INCLUDING THE EXPLANATORY NOTES THEREON (CONT'D)

TIONG NAM LOGISTICS HOLDINGS BERHAD
(Company No. 182485V)
(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE
INCOME FOR THE PERIOD ENDED 30 SEPTEMBER 2013 - UNAUDITED**

	INDIVIDUAL 3 MONTHS ENDED 30 SEPTEMBER		CUMULATIVE 6 MONTHS ENDED 30 SEPTEMBER	
	2013 RM ('000)	2012 (Restated) RM ('000)	2013 RM ('000)	2012 (Restated) RM ('000)
Profit/(Loss) for the period	15,815	5,458	34,617	7,468
Currency translation differences arising from consolidation	-	4	8	4
Total comprehensive income/(loss)	15,815	5,462	34,625	7,472
Total comprehensive income/(loss) attributed to: Equity holders of the Company	15,815	5,273	27,110	7,105
Non-controlling interests	-	189	7,515	367
	15,815	5,462	34,625	7,472

The Condensed Consolidated Statement of Other Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2013 and the accompanying explanatory notes attached to the financial statements

UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE SIX (6)-
MONTH FPE 30 SEPTEMBER 2013 INCLUDING THE EXPLANATORY NOTES THEREON (CONT'D)

TIONG NAM LOGISTICS HOLDINGS BERHAD
(Company No. 182485 V)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2013 – UNAUDITED

	30 SEP 2013 RM ('000)	31 MAR 2013 RM ('000)
Assets		
Property, plant and equipment	358,317	324,078
Investment properties	52,647	59,147
Prepaid lease payments	1,297	1,397
Investment in associates	7,674	6,078
Investment in a jointly controlled entity	-	1,278
Other investments	84,954	82,296
Total non-current assets	504,889	474,274
Investment in quoted shares	13,593	11,423
Inventories	2,078	2,064
Property development projects	131,668	139,798
Receivables	131,327	160,246
Tax recoverable	2,185	1,381
Cash and cash equivalents	11,750	20,619
Total current assets	292,601	335,531
Total assets	797,490	809,805
Equity		
Share capital	84,103	84,103
Reserves	233,817	206,707
Total equity attributable to equity holders of the Company	317,920	290,810
Minority interest	14,796	7,361
Total equity	332,716	298,171
Liabilities		
Deferred tax liabilities	23,679	21,775
Other payables	6,295	7,114
Loans and borrowings	172,988	191,270
Deferred income	4,724	5,671
Total non-current liabilities	207,686	225,830
Payables	114,690	150,690
Loans and borrowings	127,421	129,704
Deferred Income	1,890	1,890
Provision for taxation	13,087	3,520
Total current liabilities	257,088	285,804
Total liabilities	464,774	511,634
Total equity and liabilities	797,490	809,805
Net Assets per share (RM)	3.88	3.46

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2013 and the accompanying explanatory notes attached to the interim financial statements.

UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE SIX (6)-
MONTH FPE 30 SEPTEMBER 2013 INCLUDING THE EXPLANATORY NOTES THEREON (CONT'D)

TIONG NAM LOGISTICS HOLDINGS BERHAD
(Company No. 182485 V)
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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 SEPTEMBER 2013 – UNAUDITED

	← Attributable to shareholders of the Company →							Minority Interest RM'000	Total Equity RM'000
	← Non-distributable →			Distributable					
	Share Capital RM'000	Share Premium RM'000	Revaluation Reserves RM'000	Exchange Fluctuation Reserves RM' 000	Retained Profits RM'000	Assets Classified As Held For Sale	Total RM'000		
At 31 March 2013	84,103	5,435	51,638	(249)	149,883	-	290,810	7,361	298,171
Total comprehensive Income/(loss) for the period	-	-	-	8	27,102	-	27,110	7,515	34,625
Increase in Group's interest due to acquisition of shares in a subsidiary	-	-	-	-	-	-	-	-	-
Dividend paid to minority interest	-	-	-	-	-	-	-	(80)	(80)
Dividend to owners of the Company	-	-	-	-	-	-	-	-	-
Disposal in Group's interest due to disposal of shares in a subsidiary	-	-	-	-	-	-	-	-	-
At 31 March 2014	84,103	5,435	51,638	(241)	176,985	-	317,920	14,796	332,716

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2013 and the accompanying explanatory notes attached to the interim financial statements.

UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE SIX (6)-
MONTH FPE 30 SEPTEMBER 2013 INCLUDING THE EXPLANATORY NOTES THEREON (CONT'D)

TIONG NAM LOGISTICS HOLDINGS BERHAD

(Company No. 182485 V)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE PERIOD ENDED 30 SEPTEMBER 2013 - UNAUDITED

	2013 RM'000	2012 RM'000
Cash flows from operating activities		
Profit / (loss) before tax	46,497	9,215
Adjustment for :-		
Allowance/(Reversal) for doubtful debts	630	660
Depreciation	5,706	4,680
Amortisation of prepaid lease payments	100	99
Goodwill written off	526	-
Interest expenses	6,178	5,366
Loss/ (Gain) on disposals of :-		
- quoted investments	(447)	84
- property, plant & equipment	(17)	(139)
- properties	(947)	(1,023)
- investment properties	(340)	-
- jointly controlled entity	(1,100)	-
Share of (profit)/loss in a jointly controlled entity And associates	(1,596)	80
Interest income	(3,191)	(2,480)
Quoted investment		
- Fair value loss / (gain)	(2,366)	1,378
- Gross dividends	(174)	(282)
	<hr/> 49,459	<hr/> 17,638
Changes in working capital :		
Changes in inventories	(14)	27
Changes in trade and other receivables	32,078	(7,369)
Changes in trade and other payables	(42,600)	3,097
Changes in property development projects	8,130	2,145
	<hr/> 47,053	<hr/> 15,538
Tax paid	<hr/> (726)	<hr/> (868)
Net cash from operating activities	<hr/> 46,327	<hr/> 14,670

UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE SIX (6)-
MONTH FPE 30 SEPTEMBER 2013 INCLUDING THE EXPLANATORY NOTES THEREON (CONT'D)

TIONG NAM LOGISTICS HOLDINGS BERHAD

(Company No. 182485 V)
(Incorporated in Malaysia)CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE PERIOD ENDED 30 SEPTEMBER 2013 – UNAUDITED-CONTINUATION

	2013 RM'000	2012 RM'000
Cash flows from investing activities		
Acquisition of :-		
- property, plant and equipment	(31,367)	(17,664)
- investment properties	-	-
- subsidiary	-	(4,548)
Proceeds from disposal of :-		
- quoted investments	1,694	1,147
- property, plant and equipment	30	620
- investment property	6,840	-
- subsidiary	-	-
Investment in		
- quoted shares	(1,050)	(283)
- subsidiary	(5,055)	-
Net cash acquired from investment in a subsidiary	(11)	-
Interest received	532	12
Dividend received	144	246
Net cash used in investing activities	<u>(28,243)</u>	<u>(20,470)</u>
Cash flows from financing activities		
Drawdown of term loan	10,892	26,900
(Repayment of) / Proceeds from :		
- term loan	(32,057)	(6,968)
- finance lease liabilities	(194)	(250)
- short term borrowings	112	(388)
Interest paid	(6,178)	(5,366)
Dividend paid to shareholders of the Company	-	-
Decrease in pledged deposits with licensed bank	1	-
Dividend paid to minority shareholder of a Subsidiary	(80)	(40)
Net cash used in financing activities	<u>(27,504)</u>	<u>13,888</u>
Exchange differences on translation of the financial statements of foreign subsidiary	8	(143)
Net increase / (decrease) in cash and cash Equivalents	(9,412)	7,945
Cash & cash equivalents at beginning of year	13,251	240
Cash & cash equivalents at end of year	<u>3,839</u>	<u>8,185</u>

UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE SIX (6)-
MONTH FPE 30 SEPTEMBER 2013 INCLUDING THE EXPLANATORY NOTES THEREON (CONT'D)

TIONG NAM LOGISTICS HOLDINGS BERHAD
(Company No. 182485 V)
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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE PERIOD ENDED 30 SEPTEMBER 2013 – UNAUDITED-CONTINUATION

	2013 RM'000	2012 RM'000
Cash and cash equivalents comprise :		
Cash and bank balances	7,821	8,512
Fixed deposits with licensed banks	3,929	3,866
Bank overdraft	(6,983)	(3,369)
	<u>4,767</u>	<u>9,009</u>
Less : Deposits pledged	(928)	(824)
	<u>3,839</u>	<u>8,185</u>

The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2013 and the accompanying explanatory notes attached to the interim financial statements.

UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE SIX (6)-MONTH FPE 30 SEPTEMBER 2013 INCLUDING THE EXPLANATORY NOTES THEREON (CONT'D)

TIONG NAM LOGISTICS HOLDINGS BERHAD
(Company No. 182485 V)
(Incorporated in Malaysia)**A NOTES TO THE INTERIM FINANCIAL REPORT****A1 Basis of Preparation**

This interim financial report has been prepared in accordance with the applicable disclosure provisions of the Listing Requirements of Bursa Malaysia Securities Berhad, including compliance with Financial Reporting Standards (FRS) 134 *Interim Financial Reporting*, issued by Malaysian Accounting Standard Board (MASB).

The interim financial statements should be read in conjunction with the Group's financial statement for the year ended 31 March 2013. This interim report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the financial year 2013 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for the full set of financial statements prepared in accordance with FRSs.

A2 Changes in Accounting Policies

On 19 November 2011, the Malaysian Accounting Standards Board (MASB) issued a new MASB approved accounting framework, the MFRS Framework. The MFRS framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture and IC Interpretation 15 Agreements for construction of Real Estate, including its parents significant investor and venture (herein called "Transitioning Entities") which are granted an initial grace period of one year. Subsequently, on 30 June 2012, MASB extended the aforementioned transition period for another one year.

The Group falls within the scope definition of Transitioning Entities and have opted to defer adoption of the new MFRS Framework. Accordingly, the Group will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the financial year ending 31 March 2015. In presenting its first MFRS financial statements, the Group will be required to restate the comparative financial statements to amounts reflecting the application of MFRS Framework. Such adjustments required will be made retrospectively.

UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE SIX (6)-MONTH FPE 30 SEPTEMBER 2013 INCLUDING THE EXPLANATORY NOTES THEREON (CONT'D)

TIONG NAM LOGISTICS HOLDINGS BERHAD

(Company No. 182485 V)

(Incorporated in Malaysia)

A3 Audit Opinion

The audit report of the Company and its subsidiaries for the preceding annual financial statements were not subject to any audit qualification.

A4 Seasonality or Cyclicity of Interim Operations

The operations of the Group shall be affected during the festive season in the months of November, December, January and February where there are lesser working days in the said months.

A5 Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows

There are no unusual items affecting assets, liabilities, equity, net income or cash flows for the current quarter ended 30 September 2013.

A6 Material Changes in Estimates

There were no changes in estimates of amounts that have had material effect in the current quarter results.

A7 Issuance, Cancellation, Repurchase, Resale and Repayment of Debts and Equity Securities

There are no issuance, cancellation, repurchase and resale of equity securities for the quarter ended 30 September 2013.

The Group repaid term loans of RM 18.6 million for the quarter ended 30 September 2013.

A8 Dividend Paid

No dividend was paid in the quarter ended 30 September 2013.

A9 Segmental Report

	As at 30 September 2013 RM'000	As at 31 March 2013 RM'000
<u>Assets Employed</u>		
Logistics & Warehousing Services	506,692	554,551
Investments	106,221	101,075
Property Development Projects	184,577	154,179
	797,490	809,805

UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE SIX (6)-MONTH FPE 30 SEPTEMBER 2013 INCLUDING THE EXPLANATORY NOTES THEREON (CONT'D)

TIONG NAM LOGISTICS HOLDINGS BERHAD
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A9 Segmental Report (continuation)

	Individual 3 months ended 30 September		Cumulative 6 months ended 30 September	
	2013 RM' 000	2012 RM' 000	2013 RM' 000	2012 RM' 000
Revenue				
Logistics & Warehousing Services	84,090	76,641	163,039	154,868
Investments	1,656	1,671	3,163	3,082
Property development	47,577	-	91,349	-
	133,323	78,312	257,551	157,950

	Individual 3 months ended 30 September		Cumulative 6 months ended 30 September	
	2013 RM' 000	2012 RM' 000	2013 RM' 000	2012 RM' 000
Profit before tax				
Logistics & Warehousing Services	6,879	10,329	13,297	17,783
Investments	2,341	998	5,976	1,620
Property development	17,648	-	37,079	-
Results from operating activities	26,868	11,327	56,352	19,403
Depreciaton and amortisation	(2,923)	(2,337)	(5,806)	(4,779)
Interest income	227	25	532	37
Finance costs	(3,017)	(2,802)	(6,177)	(5,366)
Share of profit/(loss) after tax in JCE and associates	946	-	1,596	(80)
Profit / (loss) before tax	22,101	6,213	46,497	9,215

A10 Valuation of Property, Plant & Equipment

Under FRS140, investment properties are measured at fair value. The investment properties were revalued in March and April 2013 by an independent professional valuer based on open market basis using comparison method and cost method. Trucks, trailers and machineries and equipments are stated at cost less accumulated depreciation.

UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE SIX (6)-MONTH FPE 30 SEPTEMBER 2013 INCLUDING THE EXPLANATORY NOTES THEREON (CONT'D)

A11 Subsequent Material Events

There are no material events subsequent to the end of the period that have not been reflected in this quarterly report.

A12 Changes in the Composition of the Group

There were no changes in composition of the Group during the current quarter and financial period-to-date except for:

- (a) On 6 May 2013, Tiong Nam Logistics Solutions Sdn Bhd ("TNLS") a 100% owned subsidiary of the company acquired 500,000 ordinary shares of RM1.00 each in cash or equivalent to 50% of the issued and fully paid-up capital of Tiong Nam Allied Container Depot Services Sdn Bhd ("TNASB"). TNASB become a 100% owned subsidiary of TNLS after this acquisition of shares.
- (b) On 18 June 2013, the Company acquired 2 ordinary shares of RM1.00 each in cash or equivalent to 100% of the issued and fully paid-up capital of Excellent Castle Sdn Bhd.
- (c) On 19 July 2013, the Company acquired 2 ordinary shares of RM1.00 each in cash or equivalent to 100% of the issued and fully paid up capital of Medini Heritage Sdn Bhd.

A13 Contingent Liabilities and Contingent Assets

There are no changes in contingent liabilities and contingent assets since the last annual balance sheet date.

A14 Capital Commitments

As at the end of the reporting quarter, the Group has approved and contracted for capital commitments of RM 192.7 million in respect of property, plant and equipments.

UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE SIX (6)-MONTH FPE 30 SEPTEMBER 2013 INCLUDING THE EXPLANATORY NOTES THEREON (CONT'D)

TIONG NAM LOGISTICS HOLDINGS BERHAD
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B ADDITIONAL INFORMATION IN THE INTERIM FINANCIAL REPORT REQUIRED BY BURSA MALAYSIA SECURITIES BERHAD'S LISTING REQUIREMENTS

B1 Review of Performance of the Group

Revenue for the current quarter has increased by 70.2% to RM 133.3 million compared to RM 78.3 million for the preceding year corresponding quarter. This revenue increase is mainly from the Property Development ("PD") segment whereby the Group recognising PD revenue amounting to RM 47.6 million in current quarter compared to no PD revenue has been recognized for the preceding year corresponding quarter.

Logistics and Warehousing Services revenue increased by 9.8% to RM 84.1 million compared to RM 76.6 million for the preceding year corresponding quarter. This increase is mainly due to increase in transportation charged rate and rental rate as well as higher occupancy rate of warehouses.

The Group posted a pre-tax profit of RM 21.16 million for the current quarter as compared to the pre-tax profit of RM 6.21 million for the preceding year corresponding quarter.

The improvement was mainly due to the recognition of profit for PD projects, gain on disposal of quoted share investments and fair value gain on quoted share investments.

B2 Variation of Results Against the Preceding Quarter

Revenue for the current quarter has increased by 7.3% to RM 133.3 million compared to RM 124.2 million for the preceding quarter.

Logistics and Warehousing Services revenue increased by 6.6% to RM 84.1 million compared to RM 78.9 million for the preceding quarter. This increase is mainly due to securing of new total logistics customers.

PD revenue increased by 8.7% to RM 47.6 million compared to RM 43.8 million for the preceding quarter. This increase is mainly due to additional Sales and Purchase agreement signed with purchasers on the existing PD projects.

The Group posted a pre-tax profit of RM 21.16 million compared to the pre-tax profit of RM 23.75 million for the preceding quarter is mainly due to competitive operating environment in logistics and warehousing services segment, lesser profit recognized from one of the PD projects, the budgeted land cost of this project has been revised up due to change in allocation method between phases.

UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE SIX (6)-
MONTH FPE 30 SEPTEMBER 2013 INCLUDING THE EXPLANATORY NOTES THEREON (CONT'D)

TIONG NAM LOGISTICS HOLDINGS BERHAD
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B3 Current Year Prospects

The Logistics and Warehousing Services segment is expected to remain challenging due to the competitive operating environment as well as increase in operating costs.

The Group will continues to focus on providing value-added total logistics solutions.

The property development segment is expected to continue contributing positively to the Group in financial year 2014.

B4 Profit Forecast

Not applicable.

B5 Tax Expense

	Individual 3 months ended 30 September		Cumulative 6 months ended 30 September	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Income Tax	5,656	277	10,410	464
Deferred Taxation	630	478	1,470	1,283
	<u>6,286</u>	<u>755</u>	<u>11,880</u>	<u>1,747</u>

The Group's effective tax rate for both the individual 3 months and cumulative 6 months ended 30 September 2013 was higher than the statutory tax rate mainly due to certain expenses which are non tax-deductible.

UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE SIX (6)-MONTH FPE 30 SEPTEMBER 2013 INCLUDING THE EXPLANATORY NOTES THEREON (CONT'D)

TIONG NAM LOGISTICS HOLDINGS BERHAD
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B6 Status of Corporate Proposals

On 30 July 2013, Tiong Nam Logistics Solutions Sdn Bhd ("TNLS"), a wholly-owned subsidiary had issued an exercise notice pursuant to clause 3.1 of the call option agreement dated 26 January 2007 entered into between ABS Logistics Berhad ("ALB") and TNLS. TNLS simultaneously entered into a conditional sale and purchase agreement with ALB for the acquisition by TNLS of twenty (20) properties owned and / or leased / sub-leased by ALB from ALB for a total purchase consideration of RM 176.3 million.

The Company is in the process of organizing an Extraordinary General Meeting to obtain shareholders' approval on this corporate proposal.

On 18 Sep 2013, the Company announced its intention to undertake the following corporate proposals :-

- a) Proposed share split involving the subdivision of every one (1) existing ordinary share of RM 1.00 each into five (5) new ordinary share of RM 0.20 each held by entitled shareholders of the Company on an entitlement date to be determined and announced later ("Proposed Share Split").
- b) Proposed renounceable right issue of 210,258,500 warrants at an issue price to be determined later on the basis of one (1) Warrant for every two (2) shares held after the Proposed Share Split and on the Entitlement Date.
- c) Proposed amendments to the Memorandum and Articles of Association to facilitate the Proposed Share Split.

The shareholders has approved all the above three (3) corporate proposals during the Extraordinary General Meeting held on 16 November 2013.

B9 Group Borrowings and Debt Securities

Borrowings in Malaysian Ringgit

	RM'000
Long term borrowings:	
Secured	172,182
Unsecured	806
Total Long term borrowings	172,988
Short term borrowings:	
Secured	22,955
Unsecured	104,466
Total Short term borrowings	127,421
Total borrowings	300,409

UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE SIX (6)-
MONTH FPE 30 SEPTEMBER 2013 INCLUDING THE EXPLANATORY NOTES THEREON (CONT'D)

TIONG NAM LOGISTICS HOLDINGS BERHAD
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B10 Material Litigation

Tiong Nam Logistics Solutions Sdn Bhd ("TNLS"), a wholly-owned subsidiary of the Company, has commenced legal proceedings for a sum of RM 1,700,620.21 against of Schaeffer Systems (M) Sdn Bhd ("Schaeffer") for losses incurred by TNLS in respect of Schaeffer's failure to manufacture the SSI Schaeffer Interlock Pallet Racking Systems ("Racking Systems") in accordance with its specifications and for the failure to install the same in accordance with the guidelines issued by the European Federation of Materials Handling and Storage Equipment. The writ summons was filed on 14 July 2008. Schaeffer denies the claim and contends that TNLS modified the Racking Systems. Schaeffer has counterclaimed against TNLS for the sum of RM 28,800.00 for the repair or replacement of the collapsed Racking Systems. The said matter is fixed for trial on 14 to 18 April 2014. The solicitors acting for TNLS is of the view that TNLS has a good chance in succeeding in its claim.

B11 Dividends

The Board of Directors did not recommend the payment of dividend for the current quarter ended 30 September 2013.

B12 Earnings Per Share

a The number of ordinary shares used in the computation of EPS

	CURRENT QUARTER 30 September 2013 '000	PRECEDING YEAR CORRESPONDING QUARTER 30 September 2013 '000
Basic	84,103	84,103

b Diluted earnings per share

Not applicable.

UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE SIX (6)-
MONTH FPE 30 SEPTEMBER 2013 INCLUDING THE EXPLANATORY NOTES THEREON (CONT'D)

TIONG NAM LOGISTICS HOLDINGS BERHAD
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B14 Realised and Unrealised Retained Earnings

The retained earnings may be analysed as follows:

	As at 30 September 2013 RM'000	As at 31 Mar 2013 RM'000
Realised profit	231,695	189,682
Unrealised profit	26,513	26,051
	258,208	215,733
Less :		
Consolidation adjustment	(81,223)	(65,850)
	176,985	149,883
Total retained earning	176,985	149,883

B15 Notes to Statements of Comprehensive Income

	INDIVIDUAL 3 MONTHS ENDED 30 SEPTEMBER RM '000		INDIVIDUAL 6 MONTHS ENDED 30 SEPTEMBER RM '000	
	2013	2012	2013	2012
Net profit for the period is arrived at after charging / (crediting)				
Audit fees	48	57	94	97
Depreciation	2,873	2,485	5,706	4,878
Amortisation of prepaid leases payments	50	50	100	99
Goodwill written-off	526	-	526	-
Contributions to Employees Providend Fund	824	902	1,663	1,582
Wages, salaries and others	11,575	9,347	22,952	17,034
Rental expenses of land and buildings	7,314	7,831	14,469	14,993
Rental of machineries and equipments	1,624	1,370	3,051	2,635
(Gain)/loss on disposal of :-				
- quoted investments	(434)	84	(447)	84
- property, plant and equipment	(9)	(138)	(17)	(138)
- properties	(474)	(512)	(946)	(1,023)
- investment properties	-	-	(340)	-
- jointly controlled entity	(1,100)	-	(1,100)	-
Rental income from land and buildings	(339)	(373)	(707)	(725)
Realised (gain) /loss on foreign exchange	(7)	(525)	113	(522)

APPENDIX V

UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE SIX (6)-
MONTH FPE 30 SEPTEMBER 2013 INCLUDING THE EXPLANATORY NOTES THEREON (CONT'D)

Quoted investments :				
- fair value (gain) / loss	(251)	589	(2,366)	1,378
- gross dividends	-	(270)	-	(282)
Impairment loss on receivables	315	315	630	630
Interest income	(226)	(24)	(533)	(36)



TIONG NAM LOGISTICS HOLDINGS BERHAD (Co. No. 182485 V)

Lot 30462, Jalan Kempas Baru, 81200 Johor Bahru, Johor, Malaysia.

Tel: 07-232 1299 Fax: 07-236 1299

Date: **28 NOV 2013**

To: **The Shareholders of Tiong Nam Logistics Holdings Berhad ("TNLH" or the "Company")**

Dear Sir / Madam,

On behalf of the Board of Directors of TNLH ("Board"), I wish to report that after making due enquiries in relation to TNLH and its subsidiary companies ("Group") during the period between 31 March 2013, being the date on which the latest audited consolidated financial statements have been made up, and up to the date of this letter, being a date not earlier than fourteen (14) days before the issuance of this Abridged Prospectus, that:-

- (a) the business of our Group has, in the opinion of our Board, been satisfactorily maintained;
- (b) in the opinion of our Board, no circumstances have arisen since the last audited consolidated financial statements of our Group, which have adversely affected the trading or the value of the assets of our Group;
- (c) the current assets of our Group appear in the books at values, which are believed to be realisable in the ordinary course of business;
- (d) there have been no contingent liabilities which have arisen by reason of any guarantees or indemnities given by our Group;
- (e) there have been no default or any known event that could give rise to a default situation, in respect of payment of either interest and/or principal sums in relation to any borrowings in our Group since the last audited consolidated financial statements of TNLH; and
- (f) save as disclosed in this Abridged Prospectus, there have been no material changes in the published reserves or any unusual factors affecting the profits of our Group since the last audited consolidated financial statements of TNLH.

Yours faithfully,

For and on behalf of the Board

TIONG NAM LOGISTICS HOLDINGS BERHAD



ONG YOONG NYOCK

Non-Independent Managing Director

ADDITIONAL INFORMATION**1. SHARE CAPITAL**

- i. Save for the Warrants and the new TNLH Shares to be issued arising from the exercise of the Warrants, no securities will be allotted or issued on the basis of this Abridged Prospectus later than 12 months after the date of this Abridged Prospectus.
- ii. As at the date of this Abridged Prospectus, there is no founder, management, deferred shares or preference shares in the share capital of our Company. There is only one (1) class of shares in our Company, namely the ordinary shares of RM0.20 each after the Share Split, all of which rank *pari passu* with one another.
- iii. All the new Subdivided Shares to be issued arising from the exercise of the Warrants shall, upon allotment and issuance, rank *pari passu* in all respects with the existing Subdivided Shares, save and except that such Subdivided Shares will not be entitled to any dividends, rights, allotments and/ or any other forms of distributions that may be declared, made or paid prior to the relevant date of allotment and issuance of such Shares.
- iv. Save for the Entitled Shareholders, who will be entitled to the Provisional Allotment under the Rights Issue of Warrants, as at the LPD, no person has been or is entitled to be granted an option to subscribe for any of our securities.
- v. Save as disclosed below, as at the LPD, no securities of TNLH have been issued or are proposed or intended to be issued either as fully or partly paid-up in cash or otherwise than in cash within the two (2) years immediately preceding the date of this Abridged Prospectus:-
 - a) the Warrants pursuant to the Rights Issue of Warrants; and
 - b) the new Subdivided Shares to be issued arising from the exercise of the Warrants.

2. DIRECTORS' REMUNERATION

The provisions in our Articles of Association in relation to the remuneration of our Directors are set out below:-

Article 86

The remuneration of the Directors shall from time to time, be determined by an ordinary resolution of the Company, and shall (unless such resolution otherwise provides) be divisible among the Directors as they may agree, or failing agreement, equally, except that in the latter event any Director who shall hold office for part only of the period in respect of which such remuneration is payable shall be entitled only to rank in such division for a proportion of remuneration related to the period during which he held office. Such remuneration shall so far as non-executive Directors are concerned be by way of a fixed sum and not by way of a commission on or percentage of profits or turnover. Salaries payable to Directors who do hold an executive office in the Company may not include a commission on or percentage of turnover.

Article 87

Fee payable to Directors shall not be increased except pursuant, to a resolution passed at a general meeting where notice of the proposed increase has been given in the notice convening the meeting.

Article 89

The Directors may repay to any Director all such reasonable expenses as he may incur in attending and returning from meetings of the Directors, or of any committee of the Directors, or general meeting, or otherwise in or about the business of the Company.

Article 90

Any Director, who is appointed to any executive office or who serves on any committee or who otherwise performs services which in the opinion of the Directors are outside the scope of the ordinary duties of a Director, may be paid such extra remuneration by way of salary, percentage of profits or otherwise (but not a commission on or percentage of turnover) as the Directors may determine.

Any such extra remuneration payable to non-executive Directors shall be by way of a fixed sum or otherwise and shall not include a commission on or percentage of turnover or profits.

Article 91(a)

The Directors may pay pensions or allowances (either revocable or irrevocable and either subject or not subject to any terms or conditions) to any full-time Director as hereinafter defined on or at any time after his retirement from his office or employment under the Company or under any associated company or on or after his death to his widow or other dependants.

3. MATERIAL CONTRACTS

Save as disclosed below, our Group has not entered into any material contracts (not being contracts entered into in the ordinary course of business) within the two (2) years preceding the date of this Abridged Prospectus:-

- (a) TNLS had, on 30 July 2013 –
 - a) issued an exercise notice pursuant to clause 3.1 of the call option agreement dated 26 January 2007 entered between ABS Logistics Berhad (“**ALB**”) and TNLS (“**Call Option Agreement**”); and
 - b) entered into a conditional sale and purchase agreement with ALB to purchase twenty (20) properties owned and/or leased/sub-leased by ALB from ALB for a total purchase consideration of approximately RM176.3 million. The consideration of RM176.3 million is to be satisfied by cash of RM125.0 million and the balance of RM51.3 million will be treated as amount owing by TNLS to ALB. This sale and purchase is currently conditional pending the fulfilment of the conditions precedent.

APPENDIX VII

- (b) Dragon 2012 Sdn Bhd (Company No. 976926-M), a 100% owned subsidiary of TNLH (**DSB**) had on 9 November 2012 entered into a sale and purchase agreement with Denia Development Sdn Bhd (Company No. 448200-K) and Nusajaya Heights Sdn. Bhd. (Company No. 314518-A) to purchase 2 pieces of freehold vacant lands held under H.S.(D) 488041 Lot No. PTD 6905 and H.S.(D) 488042 Lot No. PTD 6906 both in the Mukim of Jelutong, District of Johor Bahru, State of Johor measuring approximately 54,121 square meter for cash consideration of RM 42,740,790. This sale and purchase has been completed on 1 November 2013.
- (c) TNLH had executed a deed poll dated 19 November 2013 constituting the Warrants.
- (d) Jelas Bagus Sdn Bhd (Company No. 304354-W), a subsidiary of TNLH had, on 18 November 2013 entered into a sale and purchase agreement with Chiu Hang Chuang to purchase the land held under Geran 87084 Lot 1767 in the Mukim of Tebrau, District of Johor Bahru, State of Johor measuring approximately 8.6593 acres/377,199.11 square feet from Chiu Hang Chuang for a total consideration of RM16,973,959.95. The balance purchase price of RM15,276,563.96 shall be settled in full within 6 months from the date of the sale and purchase agreement.

4. MATERIAL LITIGATION, CLAIMS OR ARBITRATION

Save as disclosed below, as at the LPD, the Group is not engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, and the Board is not aware of any proceedings pending or threatened against the Group or of any facts likely to give rise to any proceedings which may materially and adversely affect the financial position or business operations of the Group:-

- (a) TNLS has commenced legal proceedings for a sum of RM1,700,620.21 against SSI Schaefer Systems (M) Sdn Bhd ("**Schaefer**") for losses incurred by TNLS in respect of Schaefer's failure to manufacture the SSI Schaefer Interlock Pallet Racking Systems ("**Racking Systems**") in accordance with its specifications and for the failure to install the same in accordance with the guidelines issued by the European Federation of Materials Handling and Storage Equipment. The writ summons was filed on 14 July 2008. Schaefer denies the claim and contends that TNLS modified the Racking Systems. Schaefer has also counterclaimed against TNLS for the sum of RM28,800.00 for the repair or replacement of the collapsed Racking Systems. The matter is fixed for mention on 18 March 2014 and trial on 14 to 18 April 2014.
- (b) Melatrans Sdn Bhd ("**Melatrans**"), a subsidiary of TNLH had on 15 April 2002 commenced legal proceedings against Carah Enterprise Sdn Bhd (In receivership) ("**Carah**") for the refund of the deposit of RM675,000.00 ("**Deposit**") paid to Carah pursuant to a sale and purchase agreement entered into on 2 July 1996 between Melatrans and Carah, where Lim Tian Huat was the appointed receiver and manager by the debenture holder, Perdana Merchant Bankers Bhd. On 7 April 2006, the Federal Court declared that the appointment of Lim Tian Huat as the receiver and manager is null and void. On 8 June 2009, the original writ was amended to substitute Lim Tian Huat as the defendant and Melatrans claimed for the refund of the Deposit on the grounds that Lim Tian Huat had never been empowered to enter into the said sale and purchase agreement and therefore must refund the Deposit to Melatrans. The Johor Bahru High Court allowed the claims by Melatrans. The Court of Appeal reversed and set aside the judgment of the Johor Bahru High Court and ordered Melatrans to pay costs of RM50,000.00. Melatrans has applied for leave of the Federal Court to appeal against the decision of the Court of Appeal. The solicitors acting for Melatrans is of the opinion that it is not likely for the Federal Court to allow the application for leave to appeal to the Federal Court.

5. GENERAL

- i. There is no existing or proposed service contract entered into by our Group with any Director or proposed Director, other than those which are expiring or determinable by the employing company without payment of compensation (other than statutory compensation) within one (1) year from the date of this Abridged Prospectus.
- ii. Save as disclosed in this Abridged Prospectus, after having made all reasonable enquiries and to the best knowledge of our Board, the financial conditions and operations of our Group are not affected by any of the following:-
 - a) known trends, demands, commitments, events or uncertainties that will or are likely to materially increase or decrease the liquidity of our Group;
 - b) material commitments for capital expenditure of our Group, the purpose of such commitments and the source of funding;
 - c) unusual, infrequent events or transactions or significant economic changes which materially affected the amount of reported income from operations and the extent to which income was so affected;
 - d) known trends or uncertainties which have had, or will have, a material favourable or unfavourable impact on our Group's revenue or operating income;
 - e) material information, including special trade factors or risks, which are unlikely to be known or anticipated by the general public and which could materially affect our profits; and
 - f) substantial increase in revenue.

6. CONSENTS

Our Principal Adviser, Company Secretary, Share Registrar, Principal Bankers, the Solicitors for the Rights Issue of Warrants and Bloomberg LP have given and have not subsequently withdrawn their written consents to the inclusion in this Abridged Prospectus of their names and all references thereto in the form and context in which they appear in this Abridged Prospectus.

Our Auditors and Reporting Accountants have given and have not subsequently withdrawn their written consents to the inclusion in this Abridged Prospectus of their names, the letter on the proforma consolidated statements of financial position of our Group as at 31 March 2013, the audited consolidated financial statements of our Group for the FYE 31 March 2013, and all references thereto in the form and context in which they appear in this Abridged Prospectus.

7. DECLARATIONS OF CONFLICT OF INTEREST

RHB Investment Bank confirms that as at the date of this Abridged Prospectus, there is no situation of conflict of interests that exists or is likely to exist in relation to its role as the principal adviser to TNLH for the Rights Issue of Warrants.

Messrs Lee Hishammuddin Allen & Gledhill confirms that as at the date of this Abridged Prospectus, there is no situation of conflict of interests that exists or is likely to exist in relation to its role as the due diligence solicitors to TNLH for the Rights Issue of Warrants.

Messrs KPMG confirms that as at the date of this Abridged Prospectus, there is no situation of conflict of interests that exists or is likely to exist in relation to its role as the reporting accountants to TNLH for the Rights Issue of Warrants.

8. DOCUMENTS FOR INSPECTION

Copies of the following documents are available for inspection at our Registered Office at Lot 30462, Jalan Kempas Baru, 81200 Johor Bahru, Johor Darul Takzim, during normal business hours from Monday (except public holidays) for a period of 12 months from the date of this Abridged Prospectus:-

- i. Our Memorandum and Articles of Association;
- ii. The Reporting Accountants' letter on the proforma consolidated statements of financial position of our Group as at 31 March 2013 together with the notes prepared by Messrs KPMG, as set out in Appendix III of this Abridged Prospectus;
- iii. Audited consolidated financial statements of TNLH Group for the past two (2) financial years up to the FYE 31 March 2013 and the latest unaudited consolidated financial statement of TNLH for the six (6)-month FPE 30 September 2013;
- iv. The Directors' Report, as set out in Appendix VI of this Abridged Prospectus;
- v. The letters of consent referred to in **Section 6** of this Appendix;
- vi. The irrevocable undertaking letters from TNTT Realty Sdn Bhd, Ong Yoong Nyock and Yong Kwee Lian referred to in **Section 5** of this Abridged Prospectus;
- vii. The relevant material contracts referred to in **Section 3** of this Appendix;
- viii. The relevant cause paper in relation to the material litigation referred to in **Section 4** of this Appendix; and
- ix. The Deed Poll.

9. RESPONSIBILITY STATEMENT

This Abridged Prospectus together with the accompanying NPA and RSF have been seen and approved by our Board. They collectively and individually accept full responsibility for the accuracy of the information given herein and confirm that, after having made all reasonable enquiries and to the best of their knowledge and belief, there are no false or misleading statements or other facts which if omitted would make any statement herein false or misleading.

RHB Investment Bank, being our Principal Adviser for the Rights Issue of Warrants, acknowledges that, based on all available information and to the best of its knowledge and belief, this Abridged Prospectus constitutes a full and true disclosure of all material facts concerning this Rights Issue of Warrants.