



TIONG NAM
www.tiongnam.com

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

INTERIM FINANCIAL REPORT
31 DECEMBER 2015



TIONG NAM LOGISTICS HOLDINGS BERHAD

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

CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE PERIOD ENDED 31 DECEMBER 2015 - UNAUDITED

	INDIVIDUAL 3 MONTHS ENDED 31 DECEMBER		CUMULATIVE 9 MONTHS ENDED 31 DECEMBER	
	2015 RM ('000)	2014 RM ('000)	2015 RM ('000)	2014 RM ('000)
Revenue	173,890	145,704	446,697	427,195
Direct operating expenses	(124,384)	(108,253)	(327,469)	(314,138)
Depreciation and amortisation	(4,721)	(3,724)	(13,532)	(10,713)
Finance cost	(5,912)	(7,315)	(16,619)	(16,590)
Other overhead expenses	(5,821)	(13,437)	(25,202)	(31,577)
Operating profit	33,052	12,975	63,875	54,177
Share of profit after tax in associates	412	1,582	1,188	2,602
Profit before tax	33,464	14,557	65,063	56,779
Tax expenses	(7,889)	(4,690)	(16,810)	(15,290)
Net profit for the period	25,575	9,867	48,253	41,489
Attributable to:				
Equity holders of the Company	22,080	9,334	43,064	37,331
Non-controlling interests	3,495	533	5,189	4,158
Net profit for the period	25,575	9,867	48,253	41,489
Basic earnings per ordinary shares (sen)	5.30	2.22	10.34	8.87
Diluted earnings per ordinary shares (sen)	4.86	2.03	9.47	8.10

The Condensed Consolidated Income Statement should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2015 and the accompanying explanatory notes attached to the financial statements



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

**CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE
INCOME FOR THE PERIOD ENDED 31 DECEMBER 2015 - UNAUDITED**

	INDIVIDUAL 3 MONTHS ENDED 31 DECEMBER		CUMULATIVE 9 MONTHS ENDED 31 DECEMBER	
	2015 RM ('000)	2014 RM ('000)	2015 RM ('000)	2014 RM ('000)
Profit/(Loss) for the period	25,575	9,867	48,253	41,489
Currency translation differences arising from consolidation	(2,037)	(2)	(993)	126
Total comprehensive income/(loss)	23,538	9,865	47,260	41,615
Total comprehensive income/(loss) attributed to: Equity holders of the Company	20,043	9,332	42,071	37,457
Non-controlling interests	3,495	533	5,189	4,158
	23,538	9,865	47,260	41,615

The Condensed Consolidated Statement of Other Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2015 and the accompanying explanatory notes attached to the financial statements



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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2015 – UNAUDITED

	31 DEC 2015 RM ('000)	31 MAR 2015 RM ('000)
Assets		
Property, plant and equipment	679,480	580,224
Investment properties	98,528	98,460
Prepaid lease payments	855	1,048
Investment in associates	5,567	6,379
Goodwill	2,988	2,716
Deferred tax assets	-	1,270
Total non-current assets	787,418	690,097
Other Investments	19,090	40,020
Inventories	6,457	16,936
Property development projects	252,065	247,560
Receivables	218,573	197,340
Tax recoverable	1,345	1,990
Cash and cash equivalents	27,882	22,408
Total current assets	525,412	526,254
Total assets	1,312,830	1,216,351
Equity		
Share capital	84,142	84,142
Reserves	398,274	374,107
Total equity attributable to equity holders of the Company	482,416	458,249
Minority interest	15,261	22,552
Total equity	497,677	480,801
Liabilities		
Deferred tax liabilities	22,014	22,659
Other payables	2,725	3,908
Loans and borrowings	418,928	262,211
Total non-current liabilities	443,667	288,778
Payables	243,801	235,409
Loans and borrowings	117,432	197,876
Provision for taxation	10,253	13,487
Total current liabilities	371,486	446,772
Total liabilities	815,153	735,550
Total equity and liabilities	1,312,830	1,216,351
Net Assets per share (RM)	1.14	1.09

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2015 and the accompanying explanatory notes attached to the interim financial statements.



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

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2015 – UNAUDITED

	← Attributable to shareholders of the Company →									
				Non-distributable			Distributable		Minority Interest RM'000	Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	Warrant Reserves RM'000	Treasury Shares RM'000	Revaluation Reserves RM' 000	Exchange Fluctuation Reserves RM' 000	Retained Profits RM'000	Total RM'000		
At 31 March 2015	84,142	5,631	41,535	(3,191)	47,673	(313)	282,772	458,249		
Total comprehensive Income/(loss) for the period	-	-	-	-	-	(993)	43,064	42,071	5,189	47,260
Conversion of Warrants	-	-	-	-	-	-	-	-	-	-
Purchase of own shares	-	-	-	(1,238)	-	-	-	(1,238)	-	(1,238)
Dividend paid to minority interest	-	-	-	-	-	-	-	-	(12,480)	(12,480)
Dividend to owners of the Company	-	-	-	-	-	-	(16,666)	(16,666)	-	(16,666)
At 31 December 2015	84,142	5,631	41,535	(4,429)	47,673	(1,306)	309,170	482,416	15,261	497,677

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2015 and the accompanying explanatory notes attached to the interim financial statements.



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

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
 FOR THE PERIOD ENDED 31 DECEMBER 2015 - UNAUDITED**

	2015 RM'000	2014 RM'000
Cash flows from operating activities		
Profit / (loss) before tax	65,063	56,779
Adjustment for :-		
Allowance/(Reversal) for doubtful debts	630	645
Depreciation	13,339	10,554
Amortisation of prepaid lease payments	193	156
Interest expenses	16,619	16,590
Loss/ (Gain) on disposals of :-		
- quoted investments	210	(1,368)
- property, plant & equipment	(98)	(268)
Share of profit in associates	(1,188)	(2,602)
Interest income	(694)	(777)
Quoted investment		
- Fair value loss / (gain)	2,715	3,899
- Gross dividends	(380)	(334)
	96,409	83,274
Changes in working capital :		
Changes in inventories	10,479	1,010
Changes in trade and other receivables	(21,865)	(45,443)
Changes in trade and other payables	7,211	46,985
Changes in property development projects	(4,505)	(11,697)
	87,729	74,129
Tax paid	(18,767)	(13,743)
Net cash from operating activities	68,962	60,386



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

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE PERIOD ENDED 31 DECEMBER 2015 – UNAUDITED-CONTINUATION

	2015 RM'000	2014 RM'000
Cash flows from investing activities		
Acquisition of :-		
- property, plant and equipment	(109,680)	(65,743)
- investment properties	(67)	(993)
Proceeds from disposal of :-		
- quoted investments	925	4,289
- property, plant and equipment	1,756	350
Proceed from redemption of		
- unquoted bond	13,256	-
- unquoted fund	8,358	-
Investment in		
- quoted shares	(4,534)	(3,574)
- subsidiary	(886)	(3,013)
Interest received	694	777
Dividend received	2,380	6,334
Net cash used in investing activities	(87,798)	(61,573)
Cash flows from financing activities		
Drawdown of term loan	117,076	52,622
(Repayment of) / Proceeds from :		
- term loan	(48,874)	(41,864)
- finance lease liabilities	(1,251)	(708)
- short term borrowings	3,365	4,104
Proceeds from new share arising from Conversion of warrants		198
Net proceeds from issuing of Warrants	-	-
Purchase of own shares	(1,238)	(2,775)
Interest paid	(16,619)	(16,590)
Dividend paid to shareholders of the Company	(16,666)	(10,518)
(Increase) / decrease in pledged deposits with licensed bank	(1,160)	1
Dividend paid to minority shareholders of Subsidiaries	(12,480)	(6,630)
Net cash used in financing activities	22,153	(22,160)
Exchange differences on translation of the financial statements of foreign subsidiary	(993)	126
Net increase / (decrease) in cash and cash Equivalents	2,324	(23,221)
Cash & cash equivalents at beginning of year	14,917	39,896
Cash & cash equivalents at end of year	17,241	16,675



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

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE PERIOD ENDED 31 DECEMBER 2015 – UNAUDITED-CONTINUATION

	2015 RM'000	2014 RM'000
Cash and cash equivalents comprise :		
Cash and bank balances	22,536	8,277
Fixed deposits with licensed banks	5,346	12,376
Bank overdraft	(7,764)	(3,023)
	20,118	17,630
Less : Deposits pledged	(2,877)	(955)
	17,241	16,675

The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2015 and the accompanying explanatory notes attached to the interim financial statements.



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 2015. 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 2015 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 2016. 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.



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 31 December 2015.

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, resale, and repayment of debts and equity securities for the financial period ended 31 December 2015 other than the following: -

i) The Group repaid term loans of RM 5 million for the quarter ended 31 December 2015.

ii) During the third quarter ended 31 December 2015, the Company purchased 5,000 units of its issued ordinary shares from the open market (for the 9 months ended 31 December 2015 : 1,220,300 units). The Company held a total of 4,060,500 treasury shares as at 31 December 2015.

A8 Dividend Paid

Dividend amounting to RM16.7 million was paid in the quarter ended 31 December 2015.



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

A9 Segmental Report

	As at 31 December 2015		As at 31 March 2015	
	RM'000		RM'000	
<u>Assets Employed</u>				
Logistics & Warehousing Services	970,493		773,059	
Investments	27,645		40,391	
Property Development Projects	314,692		402,901	
	1,312,830		1,216,351	
	Individual 3 months ended 31 December		Cumulative 9 months ended 31 December	
	2015	2014	2015	2014
	RM' 000	RM' 000	RM' 000	RM' 000
<u>Revenue</u>				
Logistics & Warehousing Services	119,357	106,762	339,679	311,041
Investments	51	205	543	835
Property development	54,482	38,737	106,475	115,319
	173,890	145,704	446,697	427,195



A9 Segmental Report

	Individual 3 months ended 31 December							
	Logistics and warehousing services		Investment		Property development		Total	
	2015 RM '000	2014 RM '000	2015 RM '000	2014 RM '000	2015 RM '000	2014 RM '000	2015 RM '000	2014 RM '000
Segment profit, profit before tax, interest, depreciation and amortisation	22,400	14,122	(47)	(4,374)	20,861	14,085	43,214	23,833
Depreciation and amortisation	(4,720)	(3,723)	-	-	(1)	(1)	(4,721)	(3,724)
Interest Income	218	167	-	-	253	14	471	181
Finance costs	(4,531)	(4,105)	(204)	-	(1,177)	(3,210)	(5,912)	(7,315)
Share of profit of associates	-	-	412	1,582	-	-	412	1,582
Profit before tax	13,367	6,461	161	(2,792)	19,936	10,888	33,464	14,557

	Cumulative 9 months ended 31 December							
	Logistics and warehousing services		Investment		Property development		Total	
	2015 RM '000	2014 RM '000	2015 RM '000	2014 RM '000	2015 RM '000	2014 RM '000	2015 RM '000	2014 RM '000
Segment profit, profit before tax, interest, depreciation and amortisation	53,832	37,708	(2,382)	(1,696)	41,882	44,691	93,332	80,703
Depreciation and amortisation	(13,530)	(10,711)	-	-	(2)	(2)	(13,532)	(10,713)
Interest Income	315	398	-	-	379	379	694	777
Finance costs	(12,742)	(11,447)	(603)	(55)	(3,274)	(5,088)	(16,619)	(16,590)
Share of profit of associates	-	-	1,188	2,602	-	-	1,188	2,602
Profit before tax	27,875	15,948	(1,797)	851	38,985	39,980	65,063	56,779



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

A10 Valuation of Property, Plant & Equipment

Under FRS140, investment properties are measured at fair value. The investment properties were revalued in March 2015 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.

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.

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 225 million in respect of property, plant and equipments.



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

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 19.4% to RM 173.9 million compared to RM 145.7 million for the preceding year corresponding quarter, mainly contributed by both Logistics and Warehouse Services and Property Development ("PD") segments.

Logistics and Warehousing Services revenue increased by 11.80% to RM 119.4 million compared to RM 106.8 million for the preceding year corresponding quarter. This increase is mainly due to securing of new total logistics customers as well as business expansion from our existing customers.

PD revenue increased by 40.8% to RM 54.5 million compared to RM 38.7 million for the preceding year corresponding quarter. This increase is mainly due to new sales secured on our completed PD projects as well as smooth construction progress on our PD projects.

The Group posted a pre-tax profit of RM 33.46 million for the current quarter as compared to the pre-tax profit of RM 14.56 million for the preceding year corresponding quarter mainly due to increase in revenue in both Logistics and Warehousing Services and PD segments.

B2 Variation of Results Against the Preceding Quarter

Revenue for the current quarter has increased by 25.92% to RM 173.9 million compared to RM 138.1 million for the preceding quarter, mainly contributed by both Logistics and Warehousing Services and PD segments.

Logistics and Warehousing Services revenue increased by 8.6% to RM 119.4 million compared to RM 109.9 million for the preceding quarter. This increase is mainly due to securing of new total logistics customers.

PD revenue increased by 95.3% to RM 54.5 million compared to RM 27.9 million for the preceding quarter. This increase is mainly due to new sales secured on completed PD projects as well as smooth construction progress on our PD projects.

The Group posted a pre-tax profit of RM 33.46 million compared to the pre-tax profit of RM 12.22 million for the preceding quarter mainly due to increase in revenue in both Logistics and Warehousing Services and PD segments.



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

B3 Current Year Prospects

The global and regional economic climate in financial year 2016 is expected to remain challenging to our core business segment, logistics & warehousing services segment. The Group is cognizant of the industry development and understands that maintaining the Group's market share is paramount to our long term sustainability.

The Group will strengthen our core competencies and step up efforts in corporate strategies of clientele development and service innovation as a differentiating factor in the competitive operating environment.

Going forward, the Group will continue seeking new business opportunities, focus on operational efficiency and cost control effectiveness to better contend with competition.

The property development segment is expected to contribute positively to the Group in financial year 2016.

Premised on the above, the Group is expected to deliver another year of favourable profit.

B4 Profit Forecast

Not applicable.

B5 Tax Expense

	Individual 3 months ended 31 December		Cumulative 9 months ended 31 December	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Income Tax	8,119	4,827	16,226	15,902
Deferred Taxation	(230)	(137)	584	(612)
	7,889	4,690	16,810	15,290

The Group's effective tax rate for cumulative 9 months was higher than the statutory tax rate mainly due to certain expenses which are tax-deductible.



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

B6 Profit / (Loss) on Sale on Unquoted Investments

There was no disposal of unquoted investments for the current quarter and financial period to date.

B7 Status of Corporate Proposals

There are no corporate proposals pending completion as at 31 December 2015.

B8 Group Borrowings and Debt Securities

Borrowings in Malaysian Ringgit

	RM'000
Long term borrowings:	
Secured	418,928
Unsecured	-
Total Long term borrowings	<u>418,928</u>
Short term borrowings:	
Secured	20,168
Unsecured	97,264
Total Short term borrowings	<u>117,432</u>
Total borrowings	<u>536,360</u>

B9 Off Balance Sheet Financial Instruments

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



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

B10 Dividends

The Board of Directors did not recommend the payment of the dividend for the current quarter ended 31 December 2015.

B11 Earnings Per Share

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

	Individual 3 months ended 31 December		Cumulative 9 months ended 31 December	
	2015 '000	2014 '000	2015 '000	2014 '000
Basic	416,651	420,712	416,651	420,712
Diluted earnings per share	454,538	460,798	454,638	460,798

B12 Realised and Unrealised Retained Earnings

The retained earnings may be analysed as follows:

	As at 31 December 2015 RM'000	As at 31 March 2015 RM'000
Realised profit	367,930	326,697
Unrealised profit	39,886	40,004
	407,816	366,701
Less : Consolidation adjustment	(98,646)	(83,929)
Total retained earning	309,170	282,772



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

B13 Notes to Statements of Comprehensive Income

	INDIVIDUAL 3 MONTHS ENDED 31 DECEMBER RM '000		INDIVIDUAL 9 MONTHS ENDED 31 DECEMBER RM '000	
	2015	2014 (Restated)	2015	2014 (Restated)
Net profit for the period is arrived at after charging / (crediting)				
Audit fees	99	80	267	187
Depreciation	4,656	3,672	13,339	10,557
Amortisation of prepaid leases payments	65	52	193	156
Contributions to Employees Provident Fund	1,446	878	4,311	3,137
Wages, salaries and others	17,241	15,166	51,747	43,926
Rental expenses of land and buildings	9,143	7,648	24,781	20,667
Rental of machineries and equipments	3,223	3,070	9,282	8,898
(Gain)/loss on disposal of :-				
- quoted investments	9	-	210	(1,368)
- property, plant and equipment	18	-	(98)	(263)
Rental income from land and buildings	(763)	(838)	(2,319)	(1,644)
Realised (gain) /loss on foreign exchange	(2,030)	193	(5,172)	171
Quoted investments :				
- fair value (gain) / loss	88	4,579	2,715	3,899
- gross dividends	(51)	(39)	(380)	(334)
Impairment loss on receivables	315	15	945	645
Interest income	(471)	(181)	(694)	(777)