



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

INTERIM FINANCIAL REPORT
31 MARCH 2017



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

**CONDENSED CONSOLIDATED INCOME STATEMENT
 FOR THE PERIOD ENDED 31 MARCH 2017 - UNAUDITED**

	INDIVIDUAL 3 MONTHS ENDED 31 MARCH		CUMULATIVE 12 MONTHS ENDED 31 MARCH	
	2017	2016	2017	2016
	RM ('000)	RM ('000)	RM ('000)	RM ('000)
Revenue	163,949	126,101	575,636	568,475
Direct operating expenses	(117,835)	(87,887)	(401,739)	(410,808)
Depreciation and amortisation	(6,321)	(5,342)	(23,643)	(19,306)
Finance cost	(6,609)	(5,176)	(29,481)	(20,870)
Other overhead expenses	11,047	14,545	(21,046)	(12,943)
Operating profit	44,231	42,241	100,061	104,548
Share of profit / (loss) after tax in associates	428	31	560	1,221
Profit before tax	44,659	42,272	100,621	105,769
Tax expenses	(5,801)	(5,025)	(17,148)	(22,924)
Net profit for the period	38,858	37,247	83,473	82,845
Attributable to:				
Equity holders of the Company	38,357	36,551	82,105	77,080
Non-controlling interests	501	696	1,368	5,765
Net profit for the period	38,858	37,247	83,473	82,845
Basic earnings per ordinary shares (sen)	9.33	8.78	19.70	18.48
Diluted earnings per ordinary shares (sen)	7.83	8.02	16.76	16.90

The Condensed Consolidated Income Statement should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2017 and the accompanying explanatory notes attached to the financial statements



TIONG NAM LOGISTICS HOLDINGS BERHAD
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**CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE
INCOME FOR THE PERIOD ENDED 31 MARCH 2017 - UNAUDITED**

	INDIVIDUAL 3 MONTHS ENDED 31 MARCH		CUMULATIVE 12 MONTHS ENDED 31 MARCH	
	2017	2016	2017	2016
	RM ('000)	RM ('000)	RM ('000)	RM ('000)
Profit/(Loss) for the period	38,858	37,247	83,473	82,845
Revaluation of properties, net of deferred tax	-	81,408	-	81,408
Currency translation differences arising from consolidation	153	302	(538)	(174)
Total comprehensive income/(loss)	39,011	118,957	82,935	164,079
Total comprehensive income/(loss) attributed to: Equity holders of the Company	38,510	118,261	81,567	158,314
Non-controlling interests	501	696	1,368	5,765
Net profit/(loss) for the period	39,011	118,957	82,935	164,079

The Condensed Consolidated Statement of Other Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2017 and the accompanying explanatory notes attached to the financial statements



TIONG NAM LOGISTICS HOLDINGS BERHAD
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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2017 – UNAUDITED

	31 MAR 2017 RM ('000)	31 MAR 2016 RM ('000)
Assets		
Property, plant and equipment	934,039	826,272
Investment properties	101,980	111,610
Investment in associates	1,417	857
Goodwill	-	2,716
Deferred tax assets	-	2,129
Total non-current assets	1,037,436	943,584
Other Investments	38,614	20,323
Inventories	40,373	43,379
Property development projects	275,323	235,472
Receivables	241,485	195,418
Tax recoverable	6,982	2,610
Cash and cash equivalents	13,149	9,624
Assets classified as held for sales	-	15,600
Total current assets	615,926	522,426
Total assets	1,653,362	1,466,010
Equity		
Share capital	85,387	84,142
Reserves	574,669	514,302
Total equity attributable to equity holders of the Company	660,056	598,444
Minority interest	16,485	15,837
Total equity	676,541	614,281
Liabilities		
Deferred tax liabilities	36,733	43,642
Other payables	-	2,668
Loans and borrowings	531,954	422,620
Total non-current liabilities	568,687	468,930
Payables	211,909	258,765
Loans and borrowings	194,160	122,020
Provision for taxation	2,065	2,014
Total current liabilities	408,134	382,729
Total liabilities	976,821	851,729
Total equity and liabilities	1,635,362	1,466,010
Net Assets per share (RM)	1.58	1.44

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2017 and the accompanying explanatory notes attached to the interim financial statements.



TIONG NAM LOGISTICS HOLDINGS BERHAD
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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 MARCH 2017 – UNAUDITED

	← Attributable to shareholders of the Company →									
	←			Non-distributable			Distributable		Minority Interest	Total Equity
	Share Capital	Share Premium	Warrant Reserves	Treasury Shares	Revaluation Reserves	Exchange Fluctuation Reserves	Retained Profits	Total		
	RM'000	RM'000	RM'000	RM'000	RM' 000	RM' 000	RM'000	RM'000	RM'000	RM'000
At 31 March 2016	84,142	5,631	41,535	(4,644)	127,081	(487)	345,186	598,444	15,837	614,281
Total comprehensive Income/(loss) for the period					901	383	82,429	84,354	1,368	84,562
Conversion of Warrants	1,245	6,215	(1,232)	-	-	-	-	6,228	-	6,228
Purchase of own shares	-	-	-	(7,504)	-	-	-	(7,504)	-	(7,504)
Dividend paid to minority interest	-	-	-	-	-	-	-	-	(720)	(720)
Dividend to owners of the Company	-	-	-	-	-	-	(20,825)	(20,825)	-	(20,825)
Transfer in accordance with Section 618 (2) of the Companies Act 2016	11,846	(11,846)	-	-	-	-	-	-	-	-
At 31 March 2017	97,233	-	40,303	(12,148)	127,982	(104)	406,790	659,537	16,485	676,541

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2017 and the accompanying explanatory notes attached to the interim financial statements.



TIONG NAM LOGISTICS HOLDINGS BERHAD
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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE PERIOD ENDED 31 MARCH 2017 - UNAUDITED

	2017 RM'000	2016 RM'000
Cash flows from operating activities		
Profit / (loss) before tax	100,621	105,769
Adjustment for :-		
Impairment loss /(Gain) for doubtful debts	(192)	2,360
Impairment loss /(Gain) for prepaid lease payment	-	899
Depreciation	23,644	19,066
Amortisation of prepaid lease payments	-	240
Interest expenses	29,480	21,017
Goodwill written off	2,716	272
Property, plant & equipment written off	-	60
Revaluation surplus on properties with previous revaluation deficit charged in profit and loss	-	(731)
Changes in fair value of investment properties	(1,669)	(28,669)
Loss/ (Gain) on disposals of :-		
- quoted investments	(8,837)	295
- property, plant & equipment	(97)	(163)
- investment properties	100	-
Share of (profit)/loss in associates	(560)	(1,221)
Interest income	(1,295)	(660)
Quoted investment		
- Fair value loss / (gain)	(13,966)	2,794
- Gross dividends	(209)	(423)
Unquoted investment		
- Fair value loss / (gain)	-	(31)
- Gross dividends	-	(119)
Unrealised gain on foreign exchange	-	(6)
	129,736	120,749
Changes in working capital :		
Changes in inventories	3,006	(26,443)
Changes in trade and other receivables	(38,706)	1,464
Changes in trade and other payables	6,720	(15,730)
Changes in property development projects	(61,559)	14,344
	39,027	94,384
Interest paid	-	(147)
Tax paid	(25,024)	(29,909)
Net cash from operating activities	14,003	64,328



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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE PERIOD ENDED 31 MARCH 2017 – UNAUDITED-CONTINUATION

	2017 RM'000	2016 RM'000
Cash flows from investing activities		
Acquisition of :-		
- property, plant and equipment	(156,660)	(123,678)
- investment properties	(641)	(81)
- subsidiary	-	(956)
Proceeds from disposal of :-		
- quoted investments	15,189	975
- unquoted investments	-	7,311
- withdrawal of investment	(945)	-
- property, plant and equipment	490	279
- investment properties	18,100	-
Proceed from redemption of		
- unquoted bond	-	-
- unquoted fund	-	13,256
Investment in		
- quoted shares	(9,732)	(4,903)
- subsidiaries	-	-
Capital reduction in investment in an associate	-	4,760
Interest received	1,295	1,157
Dividend received	209	2,542
Net cash used in investing activities	(132,695)	(99,338)
Cash flows from financing activities		
Drawdown of term loan	190,698	136,157
(Repayment of) / Proceeds from :		
- term loan	(69,416)	(62,642)
- finance lease liabilities	(2,620)	(1,753)
- short term borrowings	45,646	5,365
Proceeds from new share arising from conversion of warrants	7,463	-
Purchase of own shares	(6,475)	(1,453)
Interest paid	(29,480)	(26,749)
(Increase) / decrease in pledged deposits with licensed bank	8	(884)
Dividend paid to shareholders of the Company		
- current year	(20,825)	(16,666)
Dividend paid to minority shareholders of Subsidiaries	(720)	(12,480)
Net cash used in financing activities	114,279	19,195
Exchange differences on translation of the financial statements of foreign subsidiary	(383)	(282)
Net increase / (decrease) in cash and cash Equivalents	(4,794)	(16,097)
Cash & cash equivalents at beginning of year	(1,180)	14,917
Cash & cash equivalents at end of year	(5,974)	(1,180)



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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE PERIOD ENDED 31 MARCH 2017 – UNAUDITED-CONTINUATION

	2017	2016
	RM'000	RM'000
Cash and cash equivalents comprise :		
Cash and bank balances	8,325	6,045
Fixed deposits with licensed banks	4,824	3,579
Bank overdraft	(16,529)	(8,203)
	(3,380)	1,421
Less : Deposits pledged	(2,594)	(2,601)
	(5,974)	(1,180)

The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2017 and the accompanying explanatory notes attached to the interim financial statements.



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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 2016. 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"). 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 2019. 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.



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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 July, 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 March 2017.

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 March 2017 other than the following: -

i) The Group repaid term loans of RM 16.94 million for the quarter ended 31 March 2017.

ii) During the fourth quarter ended 31 March 2017, the Company purchased 4,565,600 units of its issued ordinary shares from the open market (for the 12 months ended 31 March 2016: 1,402,900 units). The Company held a total of 8,808,700 treasury shares as at 31 March 2017.



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

iii) Conversion of warrants to ordinary shares.

	No. of Ordinary Shares	No. of Warrants
As at 1 April 2016	420,712,300	210,063,200
Issue of shares from exercise of warrants	6,229,300	-
Conversion of Warrants to ordinary shares	-	(6,229,300)
As at 31 March 2017	426,941,600	203,833,900

A8 Dividend Paid

No dividend was paid in the quarter ended 31 March 2017.



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A9 Segmental Report

	As at 31 March 2017		As at 31 March 2016	
	RM'000		RM'000	
<u>Assets Employed</u>				
Logistics & Warehousing Services	1,243,870		1,115,621	
Investments	40,031		23,875	
Property Development Projects	369,461		326,514	
	1,653,362		1,466,010	
	Individual 3 months ended 31 March		Cumulative 12 months ended 31 March	
	2017	2016	2017	2016
	RM' 000	RM' 000	RM' 000	RM' 000
<u>Revenue</u>				
Logistics & Warehousing Services	121,861	100,511	451,703	437,387
Investments	7	44	209	164
Property development	42,081	25,546	123,724	130,924
	163,949	126,101	575,636	568,475



A9 Segmental Report

	Individual 3 months ended 31 March							
	Logistics and warehousing services		Investment		Property development		Total	
	2017	2016	2017	2016	2017	2016	2017	2016
	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	14,422	41,551	22,765	(319)	19,392	10,773	56,579	52,005
Depreciation and amortisation	(6,290)	(5,285)	-	-	(30)	(57)	(6,320)	(5,342)
Interest Income	(78)	282	-	-	659	274	581	556
Finance costs	(3,321)	(4,659)	(178)	-	(3,110)	(318)	(6,609)	(4,977)
Share of profit of associates	-	-	428	30	-	-	428	30
Profit before tax	4,733	31,889	23,015	(289)	16,911	10,672	44,659	42,272

	Cumulative 12 months ended 31 March							
	Logistics and warehousing services		Investment		Property development		Total	
	2017	2016	2017	2016	2017	2016	2017	2016
	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	65,797	94,221	20,296	(2,502)	65,797	52,509	151,890	144,228
Depreciation and amortisation	(23,520)	(19,245)	-	-	(123)	(61)	(23,643)	(19,306)
Interest Income	375	67	-	-	920	429	1,295	496
Finance costs	(17,488)	(19,415)	(750)	-	(11,243)	(1,455)	(29,481)	(20,870)
Share of profit of associates	-	-	560	1,221	-	-	560	1,221
Profit before tax	25,164	55,628	20,106	(1,281)	55,351	51,422	100,621	105,769



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A10 Valuation of Property, Plant & Equipment

Under FRS140, investment properties were measured at fair value. All the land and buildings were revalued in January 2016 and investment properties were revalued in March 2017 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 except the following:

- (a) On 2 November 2016, Tiong Nam Logistics Holdings Berhad (“the Company”) incorporated a wholly-owned subsidiary known as Tiong Nam Logistics Solutions (Lao) Company Limited.
- (b) On 5 December 2016, the Company acquired 2 ordinary shares of RM 1.00 each in cash or equivalent to 100% of the issued and fully paid-up capital of Integriti Kaliber Sdn Bhd.
- (c) On 1 March 2017, Tiong Nam Logistics Solutions Sdn Bhd (“TNLS”), a wholly-owned subsidiary of the Company, incorporated a wholly-owned subsidiary known as Tiong Nam Logistics Vietnam Company Limited.
- (d) On 15 March 2017, TNLS incorporated a wholly-owned subsidiary known as Tiong Nam Logistics Solutions (Shenzhen) Company Limited.

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 145.57 million in respect of property, plant and equipments.



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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 30.0 % to RM 163.95 million compared to RM 126.1 million for the preceding year corresponding quarter. This is mainly due to increase in Property Development revenue.

Logistics and Warehousing Services revenue has increased by 21.29 % to RM 121.9 million compared to RM 100.5 million for the preceding year corresponding quarter.

Property Development revenue has increased by 65.1% to RM 42.1 million compared to RM 25.5 million for the preceding year corresponding quarter. This increase is mainly due to our construction progress for one of our flagship projects.

The Group posted a pre-tax profit of RM 44.7 million for the current quarter as compared to the pre-tax profit of RM 42.3 million for the preceding year corresponding quarter. This increase is mainly due to increase in revenue, RM8.84 million gain (FY2016 : loss RM 0.8 million) on disposal of quoted shares ("DQS"), RM16.64 million gain (FY2016 : gain RM0.6 million) in fair value of quoted shares ("FVQS") and RM 1.7 million gain (FY2016 : gain RM 28.7 million) in fair value of investment properties.

The Group posted a pre-tax profit of RM 100.6 million for the current year as compared to the pre-tax profit of RM 105.8 million for the preceding year. This marginal decrease is mainly due to higher depreciation and amortization and finance cost. Nevertheless, post-tax profit has increased to RM 83.5 million for the current year as compared to the post-tax profit of RM 82.8 million for the preceding year. This is mainly due to lower income tax expenses.

B2 Variation of Results Against the Preceding Quarter

Revenue for the current quarter has increased by 17.66% to RM 163.9 million compared to RM 139.3 million for the preceding quarter.

Logistics and Warehousing Services revenue increased by 5.0% to RM 121.9 million compared to RM 116.1 million for the preceding quarter.

PD revenue increased by 82.25% to RM 42.1 million compared to RM 23.1 million for the preceding quarter. This increase is mainly due to our construction progress for one of our flagship projects.

The Group posted a pre-tax profit of RM 44.7 million compared to the pre-tax profit of RM21.7 million for the preceding quarter. During the current quarter, RM 8.84 million gain (FY2017 Q3: NIL) on DQS and RM 16.64 million gain (FY2017 Q3: loss 0.69 million) in FVQS were taken up in the book. Without the above DQS and FVQS, the pre-tax profit will be at RM 19.22 million which is lower than preceding quarter which is RM 22.39 million. This is mainly due to setup costs for new subsidiaries as well as new warehouses.



B3 Current Year Prospects

The global and regional economic climate in financial year 2017 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 2018.

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 March		Cumulative 12 months ended 31 March	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Income Tax	2,831	1,829	20,703	18,252
Deferred Taxation	2,970	3,196	(3,555)	5,019
	5,801	5,025	17,148	23,271

The Group's effective tax rate for individual 3 months and cumulative 12 months were lower than the statutory tax rate mainly due to certain income which were non taxable.



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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 March 2017.

B8 Group Borrowings and Debt Securities

Borrowings in Malaysian Ringgit

	RM'000
Long term borrowings:	
Secured	531,954
Unsecured	-
Total Long term borrowings	<u>531,954</u>
Short term borrowings:	
Secured	40,485
Unsecured	153,675
Total Short term borrowings	<u>194,160</u>
Total borrowings	<u><u>726,114</u></u>

B9 Off Balance Sheet Financial Instruments

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



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B10 Material Litigation

(a) Terminal Perintis Sdn Bhd vs Tan Ngee Hong Construction Sdn Bhd

On 26 March 2014, Terminal Perintis Sdn Bhd ("TPSB") awarded to Tan Ngee Hong Construction Sdn. Bhd. ("Contractor") a contract and the parties have entered into a PAM Contract 2006 ("Contract") dated 23 December 2014 for Proposed Mixed Commercial Strata Development of 1 block of 22 storey Service Apartment, 1 block of 22 storey Hotel, 5 storey Podium and Carpark inclusive of 2 storey basement, 19 lots retail space, management office, refuse chamber, 1 unit Stesen Suis Utama (SSU) and 1 unit Guard House for the development of the Pinetree Marina Resort at Johor Bahru, Johor Darul Ta'zim.

Malayan Banking Berhad ("MBB") has agreed to guarantee the due performance of the Project by the Contractor via bank guarantee for Performance Bond No. 99080BGP6052351 dated 28 August 2014 ("BG").

On 4 August 2015, the Architect issued a notice of default to the Contractor, pursuant to Clause 25 of the Contract inter alia on the basis that the Contractor had failed to proceed regularly and diligently with the works and hence a delay in the progress of the works by 288 days.

On 18 August 2015, TPSB exercised its rights pursuant to clause 25 of the Contract to determine the employment of the Contractor under the Contract between TPSB and the Contractor.

Subsequently, TPSB served a letter of demand to MBB requesting the release of payment amounting to RM 15,738,100.00 pursuant to the BG.

MBB has on 25 September 2015 remitted the said amount to TPSB.

On 1 October 2015, the Contractor serves TPSB an Originating Summons No. 24NCvC-613-09/2015 dated 1 October 2015 together with a sealed copy of the Ex Parte Order dated 27 September 2015 by the Contractor through its solicitors, Messrs. Tan Swee Im, P.Y. Hoh & Tai to order TPSB to either pay back the sum received to MBB, or place the sum received on trust and in favour of the Contractor until further notice from the Court.

On 28 January 2016, the High Court dismissed Contractor's application and set-aside the Ex Parte Order dated 27 September 2015 with costs of RM 8,000 to TPSB.

On 22 April 2016, the Contractor filed its point of claim against TPSB to Arbitration amounting to RM 56,897,448.58, which among other includes request to refund RM 15,738,100 on the above mentioned BG.

TPSB has filed in its Defence and Counterclaim amounting to RM 82,883,326.60 being costs and expenses incurred by TPSB due to the substantial delay caused by the Contractor, in accordance with the terms and conditions of the Contract.

The initial hearing dates are on 4 Jan 2017 to 6 Jan 2017, 9 Jan 2017 to 13 Jan 2017, 16 Jan 2017 and 17 Jan 2017. This hearing date has been postponed to 13 April 2017, 14 April 2017, 2 May 2017, 3 May 2017, 4 May 2017, 5 May 2017, 8 May 2017, 9 May 2017, 11 May 2017, 12 May 2017, 15-19 May 2017 and 28-30 June 2017.



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B10 Material Litigation (cont.)

(b) Tiong Nam Logistics Solutions Sdn Bhd vs Lay Hong Food Corporation Sdn Bhd

On 2 February 2017, Tiong Nam Logistics Solutions Sdn Bhd (“TNLS”) received draft appeal judgment in respect of earlier High Court decision.

The High Court has earlier allowed TNLS’s claim against Lay Hong Food Corporation Sdn Bhd as follow:

- i) RM1,683,850.38 being the claim for the services rendered.
- ii) RM1,555,675.14 being the loss of business due to the failure to give six (6) months written notice of termination.
- iii) RM470,000.00 being the loss of use of the 5 trucks.
- iv) Interest 5% per annum from 4 October 2013 until the date of payment.
- v) Costs awarded to TNLS at RM50,000.00.

TNLS has received full payment from Lay Hong Food Corporation Sdn Bhd subsequent to the above High Court decision.

Lay Hong Food Corporation Sdn Bhd filed a Notice of Appeal to appeal against the above High Court’s decision in Court of Appeal.

The Court of Appeal has allowed this appeal as follow:

- i) TNLS is ordered to refund to Lay Hong Food Corporation Sdn Bhd the sum of RM2,626,426.61 together with the interest thereon at 5% per annum from 7 June 2016 until the date of settlement.
- ii) TNLS is ordered to pay RM20,000.00 as costs to Lay Hong Food Corporation Sdn Bhd.

TNLS is allowed to retain the remaining RM1,596,574.89 being claim for services rendered as well as RM30,000.00 out of the costs awarded by High Court earlier.

On 15 February 2017, TNLS filed a leave application in Federal Court on the above Court of Appeal decision.



TIONG NAM LOGISTICS HOLDINGS BERHAD
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(Incorporated in Malaysia)

B11 Dividends

The Board is proposing for the shareholders' approval at the forthcoming Annual General Meeting a single tier dividend of 10% or 2.0 sen per ordinary share (2016 : 25% or 5.0 sen per ordinary share) and a share dividend distribution of approximately 8.59 million treasury shares on the basis of 1 treasury share for every 50 existing ordinary shares. Based on the treasury shares book cost, the share dividend is equivalent to 2.84 sen per shares.

The proposed total final cash and share dividend will be 4.84 sen. The details of the entitlement date for the share dividend and, the book closure date and payment date will be announced later.

B12 Earnings Per Share

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

	Individual 3 months ended 31 March		Cumulative 12 months ended 31 March	
	2017 '000	2016 '000	2017 '000	2016 '000
Basic	418,133	417,014	418,133	417,014
Diluted earnings per share	489,965	456,097	489,965	456,097

B13 Realised and Unrealised Retained Earnings

The retained earnings may be analysed as follows:

	As at 31 March 2017 RM'000	As at 31 March 2016 RM'000
Realised profit	411,589	355,219
Unrealised profit	75,515	60,179
	<hr/>	<hr/>
	487,104	426,464
Less :		
Consolidation adjustment	(80,314)	(70,212)
	<hr/>	<hr/>
Total retained earning	406,790	345,186



TIONG NAM LOGISTICS HOLDINGS BERHAD
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B14 Notes to Statements of Comprehensive Income

	INDIVIDUAL 3 MONTHS ENDED 31 MARCH RM '000		INDIVIDUAL 12 MONTHS ENDED 31 MARCH RM '000	
	2017	2016	2017	2016
Net profit for the period is arrived at after charging / (crediting)				
Audit fees	92	106	351	422
Depreciation	6,320	5,278	23,644	19,066
Amortisation of prepaid leases payments	(54)	64	(54)	240
Goodwill written off	2,716	272	2,716	272
Contributions to Employees Provident Fund	2,017	1,817	6,283	6,257
Wages, salaries and others	17,468	14,226	68,075	70,669
Rental expenses of land and buildings	10,515	23,800	37,577	59,727
Rental of machineries and equipments	2,293	2,816	10,426	11,783
Property, plant and equipment written off	-	60	-	60
Revaluation surplus on properties with previous revaluation deficit charged in profit and loss	-	(731)	-	(731)
Changes in fair value of investment properties	(1,669)	(28,669)	(1,669)	(28,669)
(Gain)/loss on disposal of :-				
- quoted investments	(8,837)	801	(8,837)	295
- property, plant and equipment	(1)	(11)	(73)	(163)
- Investment properties	-	-	100	-
Rental income from:				
- land and buildings	(611)	(317)	(2,456)	(7,428)
- motor vehicles				(401)
(Gain) /Loss on foreign exchange:				
- Realised	(696)	999	(2,109)	(4,121)
- Unrealised				(6)
Quoted investments :				
- fair value (gain) / loss	(16,637)	(637)	(13,966)	2,794
- gross dividends	(7)	(43)	(209)	(423)
Unquoted investments :				
- fair value (gain) / loss	-	(31)	-	(31)
- gross dividends	-	(119)	-	(119)
Impairment loss / (gain) on:				
- prepaid lease payment	-	899	-	899
- receivables	3,211	562	(192)	2,360
Interest income	(582)	(556)	(1,295)	(1,250)