



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

INTERIM FINANCIAL REPORT
30 September 2018



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

CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE PERIOD ENDED 30 SEPTEMBER 2018 – UNAUDITED

	INDIVIDUAL 3 MONTHS ENDED 30 SEP			CUMULATIVE 6 MONTHS ENDED 30 SEP		
	2018 RM ('000)	2017 RM ('000)	CHANGES %	2018 RM ('000)	2017 RM ('000)	CHANGES %
Revenue	152,051	173,440	(12.33%)	307,200	314,350	(2.27%)
Direct operation expenses	(117,711)	(124,984)	(5.82%)	(233,608)	(232,539)	0.46%
Depreciation and amortization	(7,569)	(6,671)	13.46%	(14,907)	(13,037)	14.34%
Finance cost	(10,980)	(6,327)	73.54%	(21,311)	(13,476)	58.14%
Other overhead expenses	(10,560)	(15,313)	(31.04%)	(24,169)	(31,459)	(23.17%)
Operating profit	5,232	20,145	(74.03%)	13,206	23,839	(44.60%)
Share of profit / (loss) after tax in associates	(19)	(22)	(13.64%)	(146)	65	(324.62%)
Profit before tax	5,213	20,123	(74.10%)	13,060	23,904	(45.37%)
Tax expenses	(1,572)	(5,488)	(71.36 %)	(3,780)	(8,125)	(53.48%)
Net profit for the period	3,640	14,635	(75.13%)	9,280	15,779	(41.19%)
Attributable to:						
Equity holders of the Company	3,312	13,041	(74.60%)	8,172	13,725	(40.46%)
Non-controlling Interest	328	1,594	(79.42%)	1,108	2,054	(46.06%)
Net profit for the period	3,640	14,635	(75.13%)	9,280	15,779	(41.19%)
Basic earnings per ordinary shares (sen)	0.73	2.86	(74.62%)	1.79	3.01	(40.49%)
Diluted earnings per ordinary shares (sen)	0.72	2.48	(70.70%)	1.78	2.61	(31.34%)

The Condensed Consolidated Income Statement should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2018 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 30 SEPTEMBER 2018 - UNAUDITED**

	INDIVIDUAL 3 MONTHS ENDED 30 SEP			CUMULATIVE 6 MONTHS ENDED 30 SEP		
	2018 RM ('000)	2017 RM ('000)	CHANGES %	2018 RM ('000)	2017 RM ('000)	CHANGES %
Profit/(Loss) for the period	3,641	14,635	(75.12%)	9,280	15,779	(41.19%)
Currency translation differences arising from consolidation	(1,089)	(389)	179.95%	(490)	(927)	(47.14%)
Total comprehensive income/(loss)	2,552	14,246	(82.09%)	8,790	14,852	(40.82%)
Total comprehensive income/(loss) attributed to:						
Equity holders of the Company	2,223	12,652	(82.43%)	7,682	12,798	(39.98%)
Non-controlling interests	328	1,594	(79.42%)	1,108	2,054	(46.06%)
Net profit/(loss) for the period	2,551	14,246	(82.09%)	8,790	14,852	(40.82%)

The Condensed Consolidated Statement of Other Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2018 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 30 SEPTEMBER 2018 – UNAUDITED

	30 SEP 2018 RM ('000)	31 MAR 2018 RM ('000)
Assets		
Property, plant and equipment	1,133,728	1,095,457
Investment properties	71,452	74,020
Land Held for Future Development	8,376	8,376
Investment in associates	906	1,052
Deferred tax assets	9,710	6,989
Total non-current assets	1,224,172	1,185,894
Other Investments	13,688	21,040
Inventories	167,445	183,624
Property development projects	156,717	157,693
Receivables	259,633	232,200
Tax recoverable	21,270	15,196
Cash and cash equivalents	8,704	12,766
Total current assets	627,457	622,519
Total assets	1,851,629	1,808,413
Equity		
Share capital	137,745	137,219
Reserves	575,518	568,175
Total equity attributable to equity holders of the Company	713,263	705,394
Minority interest	12,405	15,879
Total equity	725,668	721,273
Liabilities		
Deferred tax liabilities	41,674	41,313
Loans and borrowings	491,472	539,354
Total non-current liabilities	533,146	580,667
Payables	223,498	207,413
Loans and borrowings	364,584	298,027
Provision for taxation	4,732	1,033
Total current liabilities	592,814	506,473
Total liabilities	1,125,960	1,087,140
Total equity and liabilities	1,851,629	1,808,413
Net Assets per share (RM)	1.56	1.55

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2018 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 30 September 2018 – UNAUDITED

	← Attributable to shareholders of the Company →					Distributable		Minority Interest RM'000	Total Equity RM'000
	Share Capital 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 01 Apr 2018	137,219	33,702	(6,916)	123,372	(1,614)	419,631	705,394	15,879	721,273
Total comprehensive Income/(loss) for the period	-	-	-	-	(74)	8,172	8,098	1,108	9,206
Conversion of Warrants	526	(86)	-	-	-	-	440	-	440
Purchase of own shares	-	-	(1)	-	-	-	(1)	-	(1)
Acquisition of non-controlling interest without change in control	-	-	-	-	-	(668)	(668)	(2,982)	(3,649)
Dividend paid to minority interest	-	-	-	-	-	-	-	(1,600)	(1,600)
Dividend to owners of the Company	-	-	-	-	-	-	-	-	-
At 30 September 2018	137,745	33,616	(6,917)	123,372	(1,688)	427,135	713,263	12,405	725,668

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2018 and the accompanying explanatory notes attached to the interim financial statements.



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

	30 Sep 2018 RM'000	30 Sep 2017 RM'000
Cash flows from operating activities	13,060	23,904
Profit / (loss) before tax		
Adjustment for :-		
Impairment loss /(Gain) for doubtful debts	810	1,607
Depreciation	14,907	13,037
Interest expenses	21,311	13,846
Loss/ (Gain) on disposals of :-		
- quoted investments	903	(4,839)
- property, plant & equipment	(1,624)	(113)
- investment properties	-	-
Change in fair value of investment properties	-	(259)
Share of (profit)/loss in associates	146	90
Interest income	(173)	(1,624)
Quoted investment		
- Fair value loss / (gain)	1,082	12,297
- Gross dividends	(388)	(297)
	50,034	57,650
Changes in working capital :		
Changes in inventories	16,179	1,664
Changes in trade and other receivables	(28,243)	(39,186)
Changes in trade and other payables	19,713	(8,391)
Changes in property development projects	(2,652)	(2,821)
	55,031	8,916
Tax paid	(12,543)	(13,409)
Net cash from operating activities	42,488	(4,493)



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

	30 SEP 2018 RM'000	30 SEP 2017 RM'000
Cash flows from investing activities		
Acquisition of :-		
- property, plant and equipment	(57,874)	(61,805)
- investment properties	(62)	(1,297)
Proceeds from disposal of :-		
- quoted investments	5,194	10,223
- withdrawal of investment	173	2,236
- property, plant and equipment	1,659	3,449
Government Grant received	14,483	-
Investment in		
- quoted shares	-	(3,420)
- unquoted shares	-	-
Interest received	173	1,624
Dividend received	388	297
Net cash used in investing activities	(35,866)	(48,693)
Cash flows from financing activities		
Drawdown of term loan	32,749	42,314
(Repayment of) / Proceeds from :		
- term loan	(22,190)	(39,949)
- finance lease liabilities	(4,793)	(2,530)
- short term borrowings	6,195	39,855
Proceeds from new share arising from conversion of warrants	440	33,074
Purchase of own shares	(1)	(8,260)
Interest paid	(21,311)	(13,846)
(Increase) / decrease in pledged deposits with licensed bank	(692)	(1,644)
Dividend paid to shareholders of the Company	-	(8,878)
- Current year		
Dividend paid to minority shareholders of Subsidiaries	(1,600)	(1,998)
Net cash from financing activities	(11,203)	38,138
Exchange differences on translation of the financial statements of foreign subsidiary	(521)	28
Net increase / (decrease) in cash and cash Equivalents	(5,103)	(15,019)
Cash & cash equivalents at beginning of year	(12,761)	(4,257)
Cash & cash equivalents at end of year	(17,864)	(19,276)



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

	30 SEP 2018 RM'000	30 SEP 2017 RM'000
Cash and cash equivalents comprise:		
Cash and bank balances	7,003	9,183
Fixed deposits with licensed banks	1,700	3,385
Short term deposit with licensed bank	-	-
Bank overdraft	(24,979)	(29,327)
	(16,275)	(16,759)
Less : Deposits pledged	(1,588)	(2,517)
	(17,864)	(19,276)

The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2018 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 Malaysian Financial Reporting Standards (MFRS) 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 2018. 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 2018 annual financial statements.

Since the previous audit financial statements as at 31 March 2018 were issued, the Group has adopted Malaysian Financial Reporting Standards ("MFRS") framework issued by Malaysian Accounting Standard Board (MASB). The effects on adoption of MFRS framework are described in Note A2 below.

A2 Changes in Accounting Policies

The significant accounting policies, method of computation and basis of consolidation applied in the consolidated condensed interim financial statements are consistent with those of the audited financial statements for the financial year ended 31 March 2018, except for the adoption of MFRS framework effective for the financial period beginning on 1 April 2018.

Malaysian Financial Reporting Standards ("MFRS") framework

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.



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A2 Changes in Accounting Policies (Cont.)

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. These consolidated condensed interim financial statements are part of the period covered by the Group's first MFRS annual financial statements for the year ending 31 March 2019 and hence MFRS 1: First-Time Adoption of Malaysian Financial Reporting Standards ("MFRS 1") has been applied. Comparative figures where applicable, have been restated as result of transition to MFRS framework.

Apart of the adoption of MFRS framework, below are the new amendments to MFRS effective for the financial periods beginning on or after 1 January 2018:-

MFRS 9: Financial Instruments ("MFRS 9")

MFRS 9 introduce amongst others, a single forward looking "expected loss" impairment model which require entities to recognise loss allowance in anticipation of future losses rather than based on incurred basis.

The Group has assessed the impact of the adoption of MFRS 9 and concluded that the adoption does not have any significant impact to the financial performance or position of the Group.

MFRS 15: Revenue from Contracts with Customers ("MFRS 15")

MFRS 15 establishes a new five-step model that will apply to revenue arising from contracts with customers. MFRS 15 supersede the revenue recognition guidance including MFRS 118: Revenue, MFRS 111 : Construction Contracts and the related interpretations when it becomes effective.

The core principle of MFRS 15 is that an entity should recognise revenue which depicts the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity recognises revenue when (or as) a performance obligation is satisfied, i.e when "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

The Group has assessed the impact of the adoption of MFRS 15 and concluded that the adoption does not have any significant impact to the financial performance or position of the Group.



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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 30 September 2018.

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 30 September 2018 other than the following: -

i) The Group repaid term loans of RM 13.7 million for the quarter ended 30 September 2018.

ii) During the second quarter ended 30 September 2018, the Company did not purchase its issued ordinary shares from the open market. The Company held a total of 4,582,795 treasury shares as at 30 September 2018.



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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 2018	460,325,050	170,450,450
Issue of shares from exercise of warrants	439,336	-
Conversion of Warrants to ordinary shares	-	(439,336)
As at 30 September 2018	460,764,386	170,011,114

A8 Dividend Paid

No dividend was paid in the quarter ended 30 September 2018.



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A9 Segmental Report

	As at 30 September 2018		As at 30 September 2017	
	RM'000		RM'000	
<u>Assets Employed</u>				
Logistics & Warehousing Services	1,467,164		1,360,744	
Investments	14,595		23,405	
Property Development Projects	369,870		380,430	
	1,851,629		1,764,579	
	Individual 3 months ended 30 September		Cumulative 6 months ended 30 September	
	2018	2017	2018	2017
	RM' 000	RM' 000	RM' 000	RM' 000
<u>Revenue</u>				
Logistics & Warehousing Services	137,750	126,214	267,483	248,252
Investments	516	266	592	297
Property development	13,785	46,960	39,125	65,801
	152,051	173,440	307,200	314,350



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A9 Segmental Report

	Individual 3 months ended 30 September							
	Logistics and warehousing services		Investment and Others		Property development		Total	
	2018	2017	2018	2017	2018	2017	2018	2017
	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	18,140	6,138	715	(956)	5,197	26,607	24,052	31,789
Depreciation and amortisation	(7,525)	(6,639)	-	-	(44)	(32)	(7,569)	(6,671)
Interest Income	(289)	164	-	-	18	1,190	(271)	1,354
Finance costs	(5,407)	(3,535)	(250)	(70)	(5,323)	(2,722)	(10,980)	(6,327)
Share of profit of associates	-	-	(19)	(22)	-	-	(19)	(22)
Profit before tax	4,919	(3,872)	446	(1,048)	(152)	25,043	5,213	20,123

	Cumulative 6 months ended 30 September							
	Logistics and warehousing services		Investment and Others		Property development		Total	
	2018	2017	2018	2017	2018	2017	2018	2017
	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	34,329	17,694	(1,380)	(7,161)	16,738	38,195	49,597	48,708
Depreciation and amortisation	(14,836)	(12,974)	-	-	(71)	(63)	(14,907)	(13,037)
Interest Income	(197)	241	-	-	24	1,383	(173)	1,624
Finance costs	(10,352)	(7,490)	(518)	(395)	(10,441)	(5,591)	(21,311)	(13,476)
Share of profit of associates	-	-	(146)	65	-	-	(146)	65
Profit before tax	8,854	(2,529)	(2,044)	(7,491)	6,250	33,924	13,060	23,904



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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 2018 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 65.6 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 decreased by 12.3% to RM 152.0 million as compared to RM 173.4 million for the preceding year corresponding quarter.

Logistics and Warehousing Services revenue has increased by 9.2% to RM 137.8 million compared to RM 126.2 million for the preceding year corresponding quarter. This increase is due to securing of new total logistics customer as well as business expansion from our existing customers.

Property Development revenue has decreased by 70.6% to RM 13.8 million compared to RM 47.0 million for the preceding year corresponding quarter. This decrease is due to completion of most of our property development projects.

The Group posted a lower pre-tax profit of RM 5.2 million for the current quarter as compared to the pre-tax profit of RM 20.1 million for the preceding year corresponding quarter.

B2 Variation of Results Against the Preceding Quarter

Revenue for the current quarter is flat at RM 152.0 million as compared to RM 155.1 million for the preceding quarter.

Logistics and Warehousing Services revenue has increased by 6.2% to RM 137.8 million compared to RM 129.7 million for the preceding quarter. This increase is due to securing of new total logistics customer as well as business expansion from our existing customers.

Property Development revenue has decreased by 45.5% to RM 13.8 million compared to RM 25.3 million for the preceding quarter. This decrease is due to completion of most of our property development projects.

The Group's posted a lower pre-tax profit of RM 5.2 million compared to the pre-tax profit of RM 7.8 million for the preceding quarter.



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B3 Current Year Prospects

The global and regional economic climate in financial year 2019 is expected to remain challenging to our core business, 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 2019.

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 30 September		Cumulative 6 months ended 30 September	
	2018 RM'000	2017 RM'000	2018 RM'000	2017 RM'000
Income Tax	2,363	6,697	6,139	12,459
Deferred Taxation	(792)	(1,209)	(2,359)	(4,334)
	1,572	5,488	3,780	8,125

The Group's effective tax rate for individual 3 months and cumulative 6 months were higher than the statutory tax rate due to certain expenses which was non-deductible.



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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 30 September 2018.

B8 Group Borrowings and Debt Securities

Borrowings in Malaysian Ringgit

	30 Sep 2018 RM'000	31 Mar 2018 RM'000
Long term borrowings:		
Secured	491,472	539,354
Unsecured	-	-
Total Long term borrowings	491,472	539,354
Short term borrowings:		
Secured	127,136	66,742
Unsecured	237,448	231,285
Total Short term borrowings	364,584	298,027
Total borrowings	856,056	837,381

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.



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B10 Material Litigation (cont.)

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 further postponed to 24 October 2017, 27 October 2017, 30-31 October 2017, 1-2 November 2017 and 27-30 November 2017.

Both TPSB and Contractor have agreed to defer the exchange of witness statement and to vacate all hearing dates fixed earlier. The new hearing date shall be determined and fixed later.



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B11 Dividends

The Board of Directors did not recommend the payment of dividend for the current quarter ended 30 June 2018.

B12 Earnings Per Share

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

	Individual 3 months ended 30 Sep		Cumulative 6 months ended 30 Sep	
	2018 '000	2017 '000	2018 '000	2017 '000
Basic	456,182	455,435	456,182	455,435
Diluted earnings per share	459,528	526,441	459,528	526,441

B13 Realised and Unrealised Retained Earnings

The retained earnings may be analysed as follows:

	As at 31 Sep 2018 RM'000	As at 30 Sep 2017 RM'000
Realised profit	494,688	406,004
Unrealised profit	24,963	69,871
	<hr/>	<hr/>
	519,651	475,875
Less :		
Consolidation adjustment	(92,516)	(76,406)
	<hr/>	<hr/>
Total retained earning	427,135	399,469



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B14 Notes to Statements of Comprehensive Income

	INDIVIDUAL 3 MONTHS ENDED 30 SEP RM '000		INDIVIDUAL 6 MONTHS ENDED 30 SEP RM '000	
	2018	2017 (Restate)	2018	2017 (Restate)
Net profit for the period is arrived at after charging / (crediting)				
Audit fees	130	153	240	267
Depreciation	7,569	6,671	14,907	13,037
Amortisation of prepaid leases payments	13	-	28	-
Contributions to Employees Provident Fund	1,871	1,714	3,690	3,349
Wages, salaries and others	22,873	21,578	45,904	41,561
Rental expenses of land and buildings	10,568	12,455	22,136	23,919
Rental of machineries and equipments	2,503	2,353	5,133	5,448
(Gain)/loss on disposal of :-				
- quoted investments	(72)	(2,274)	903	(4,839)
- property, plant and equipment	(1,620)	(171)	(1,624)	(171)
Rental income from:				
- land and buildings	(778)	(302)	(1,102)	(828)
(Gain) /Loss on foreign exchange:				
- Realised	(672)	790	(815)	458
- Unrealised		-		-
Quoted investments :				
- fair value (gain) / loss	(114)	3,496	1,082	12,297
- gross dividends	(334)	(266)	(388)	(297)
Impairment loss / (gain) on:				
- receivables	(441)	2,262	813	1,607
Interest income	270	(1,354)	173	(1,624)