TIONG NAM LOGISTICS HOLDINGS BERHAD

Co. Reg. No 198901005177 (182485-V)

常年报告书

ANNUAL REPORT

2021

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CORPORATE PROFILE

Founded in 1975, Tiong Nam began as a small-scale cargo business handling consolidated cargo and micro-distribution within Peninsular Malaysia. We have since evolved into one of the largest total logistics service providers in the region, with a reputation for efficiency, innovation and most importantly, service par excellence.

The Group's expansion began in 1978, when Tiong Nam became an incorporated enterprise. In 1992, we extended our reach across Malaysia's borders into Singapore and Thailand. Since then, Myanmar, Laos, Vietnam and China, the new economic centre of the world, have been added to our trucking and warehousing network. At present, we are proud to have a fleet of over 1,500 trucks and a workforce of over 3,000 employees to meet the needs of our customers across the region.

We have also embraced the power of integration to enhance our development. This simple yet effective idea has seen us grow from a mere transportation business to one that now provides fully integrated logistics services, which includes provision of warehouse space coupled with warehouse management services, trucking delivery, cross border transfers, container haulage, heavy transportation, as well as last mile delivery for e-commerce companies.

Ever since our listing on the Bursa Malaysia in 1992, Tiong Nam Logistics Holdings Berhad has consistently ridden high on Bursa Malaysia. This is testament to the confidence we have successfully instilled in both our customers and investors, and is a distinction we seek to preserve in the years to come. At Tiong Nam, we are driven by the company motto of "You Call, We Deliver". We go the extra mile to ensure that distance, or complexity, is never an obstacle to efficient delivery.

FIVE YEARS FINANCIAL HIGHLIGHTS

Consolidated Statements of Profit or Loss and Other Comprehensive Income for the Year Ended 31 March (RM'000)

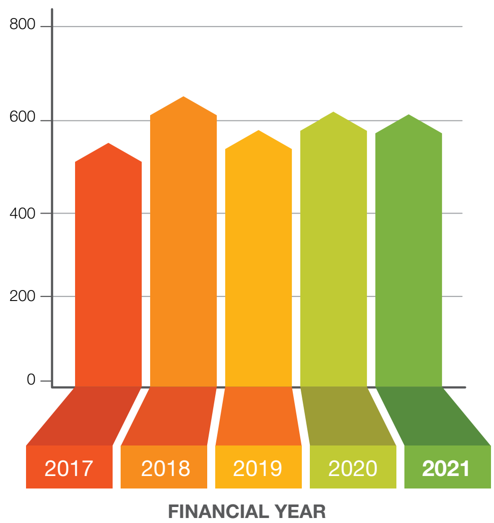
Year	2017[2]	2018[1]	2019	2020	2021
REVENUE	573,428	647,789	589,900	604,248	602,120
PROFIT BEFORE TAXATION	100,582	51,120	10,739	12,517	20,946
PROFIT AFTER TAXATION	82,927	31,274	604	2,183	11,882
BASIC EARNINGS PER SHARE (SEN)*	19.54	6.29	(0.31)	0.15	2.42
DILUTED EARNINGS PER SHARE (SEN)	16.76	5.57	(0.31)	0.15	2.42
DIVIDENDS PER SHARE (SEN)#	4.76	0	0	0	0
NET ASSET PER SHARE (RM)@	1.56	1.54	1.52	1.51	1.52

* *The basic earning per share are computed based on weighted average number of ordinary shares for the financial year under review.*

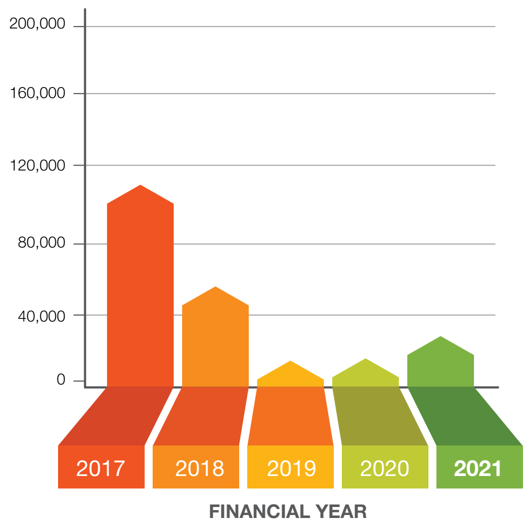
\# *Dividends per share are computed based on number of ordinary shares of 426,941,600 for year 2017, 460,325,050 for year 2018, 460,775,486 for year 2019, 460,775, 486 for year 2020 and 527,825,486 for year 2021.*

@ *Net asset per share are computed based on number of ordinary shares of 426,941,600 for year 2017, 460,325,050 for year 2018, 460,775,486 for year 2019, 460,775, 486 for year 2020 and 527,825,486 for year 2021.*

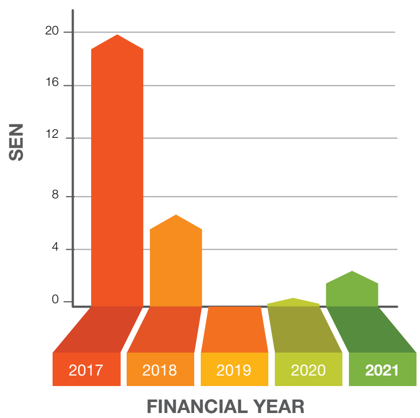
REVENUE (RM'000)



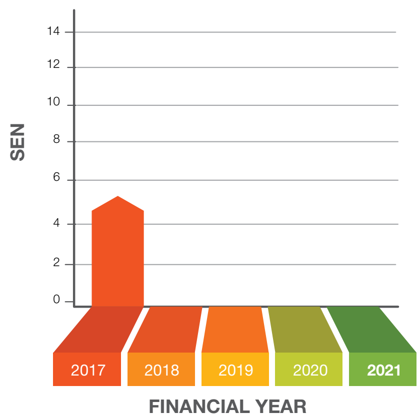
PROFIT BEFORE TAXATION (RM'000)



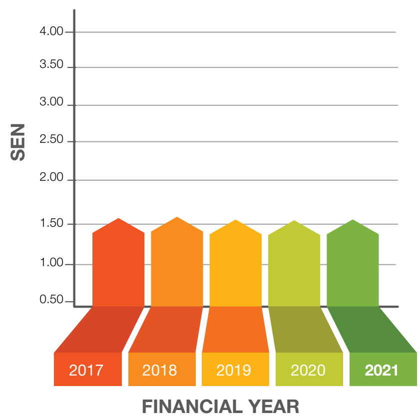
EARNINGS PER SHARE (SEN)*



DIVIDENDS PER SHARE (SEN)#



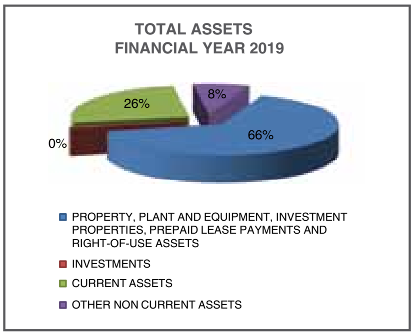
NET ASSET PER SHARE (RM)@

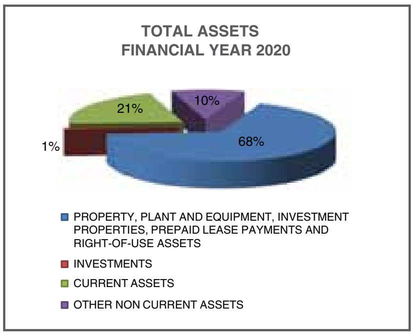


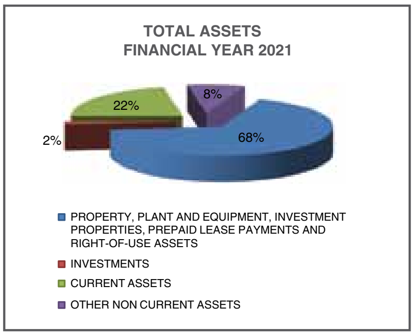
Five Years Financial Highlights
(cont'd)

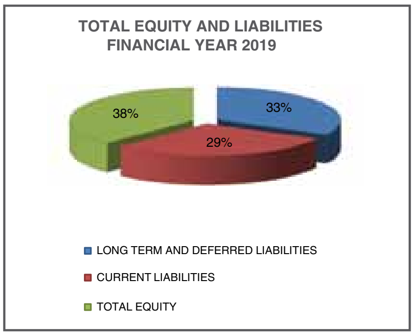
Consolidated Statements of Financial Position as at 31 March (RM'000)

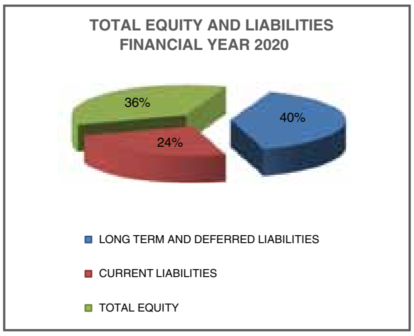
Year	2017[1]	2018[1]	2019	2020	2021
PROPERTY, PLANT AND EQUIPMENT, INVESTMENT PROPERTIES, PREPAID LEASE PAYMENTS AND RIGHT-OF-USE-ASSETS	1,043,858	1,169,477	1,225,950	1,331,572	1,445,625
INVESTMENTS	38,614	21,040	12,071	8,760	35,392
CURRENT ASSETS	429,125	459,231	479,067	409,712	459,610
OTHER NON CURRENT ASSETS	128,731	139,907	144,003	201,343	181,720
TOTAL ASSETS	**1,640,328**	**1,789,655**	**1,861,091**	**1,951,387**	**2,122,347**
LONG TERM AND DEFERRED LIABILITIES	577,420	580,667	609,131	777,878	876,081
CURRENT LIABILITIES	397,694	499,918	549,855	475,949	445,230
TOTAL EQUITY	**665,214**	**709,070**	**702,105**	**697,560**	**801,036**

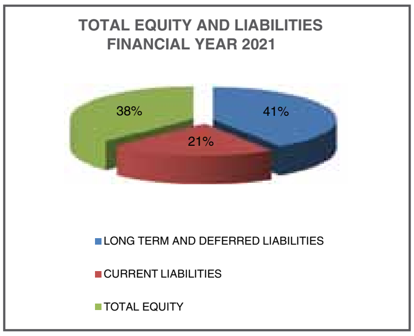












Notes : 1. Restated following the first-time adoption of Malaysian Financial Reporting Standard ("MFRSs") framework.
2. The comparative have not been restated for the first-time adoption of MFRSs framework.

CHAIRMAN'S STATEMENT

Dear esteemed shareholders,

The year 2020 and 2021 saw a challenging period for countries worldwide, as the Covid-19 pandemic presented a global health crisis, and brought major disruptions to economic activity. Tiong Nam Logistics Holdings Berhad ("TNLHB" or the "Company") proved itself to be resilient and delivered a turnround in financial performance.

On behalf of the board of Directors of TNLHB, I am pleased to present to you the Annual Report and Audited Financial Statements of TNLHB and its subsidiaries ("the Group" or Tiong Nam Group") for the financial year ended 31 March 2021 ("FY2021").

ECONOMIC REVIEW

The emergence of the COVID-19 pandemic prompted many countries to implement strict border controls and lockdowns to contain the spread of the virus. International trade and travel were significantly restricted, while non-essential activities involving large groups of people were not allowed to commence. These led to a weaker global economy, with the International Monetary Fund (IMF) reporting a 3.3% contraction in global gross domestic product ("GDP") in 2020, reversing the GDP growth of 2.8% achieved in 2019.

Domestically, the Malaysian Government enforced various iterations of Movement Control Order ("MCO") since 18 March 2020. The first MCO posed significant restrictions, with only a small portion of essential businesses allowed to remain operational. This was followed by Conditional MCO ("CMCO") and Recovery MCO ("RMCO") phases which permitted more businesses to recommence operations. Dauntingly, the various MCO led to a 5.6% contraction in Malaysia's 2020 GDP compared to a 4.3% growth in 2019.

In the first quarter of 2021, the Malaysian Government reinstated MCO (MCO 2.0) in several states due to the resurgence of domestic COVID-19 cases, which was subsequently implemented to the remaining states of Malaysia. However, the impact was less severe from the initial MCO as more businesses were permitted to operate. As a result, Malaysia saw only a marginal decline of 0.5% on its first quarter GDP in 2021.

Against the backdrop, Malaysia's logistics and warehousing filled the gap in ensuring smooth movement of goods to businesses and households, ever more crucial amidst the restrictive mobility of people. The industry picked up pace after the initial MCO, as demand especially from essential categories surged as businesses and communities adapted to lockdowns. To this end, the Group's logistics and warehousing segment saw significantly higher activity and recorded its best-ever revenue in FY2021.

Chairman's Statement
(contd')

BUSINESS REVIEW

Despite being affected by the first MCO from March 2020 to May 2020, the Group managed to record a robust recovery, ending FY2021 with net profit attributable to shareholders of RM11.4 million from a meagre RM0.7 million a year before. This came on marginally lower revenue for the group at RM602.1 million in FY2021 from RM604.2 million in FY2020.

The improved financial performance was mainly driven by the Group's Logistics and Warehousing Services division. The division saw higher demand for logistics and warehousing services, especially in essential segments such as Food and Beverage, Information Technology, and Electrical and Electronics, which gained traction amidst the COVID-19 "Work-From-Home" normality.

Meanwhile, the Group's property development segment remain subdued due to the weaker property market, with lower sales of units registered for the Group's property projects.

Similarly, the Group's hotel segment remained soft, affected by COVID-19-driven border restrictions that hampered leisure and business travels. Nonetheless, the Group has continued its efforts to improve the visibility and brand recognition of its Fraser Place Puteri Harbour hotel in Johor Bahru while awaiting for the reopening of borders.

OUTLOOK

The IMF, in its World Economic Outlook report in April 2021, forecasted the world economy to grow by 6.0% in 2021, in light of recovering global business sentiments, consumption and trade. The acceleration of vaccine rollout worldwide also improves the odds of businesses returning to pre-COVID-19 operating levels in the near future.

In Malaysia, Bank Negara Malaysia ("BNM") had, in March 2021, estimated a GDP growth between 6.0% to 7.5% for 2021, backed by the reducing trend of COVID-19 cases and commencement of the National COVID-19 Immunisation Programme. However, significant uncertainties remain, with the resurgence of COVID-19 cases and implementation of the Full MCO ("FMCO") in May 2021 potentially casting a dampener on growth.

Even though the challenging environment is likely to persist for the year, Tiong Nam Group remains confident in navigating the current environment.

Chairman's Statement
(contd')

The Group aims to focus its resources on strengthening its logistics and warehousing division through increasing fleet and warehousing capacity. As a leading logistics and warehousing services provider with extensive network in Malaysia and Southeast Asia, the Group will be at the forefront in supporting the logistic needs of businesses as the economy recovers.

Furthermore, with the extension of the Home Ownership Campaign till end of 2021, the domestic property market is likely to receive the needed support, and we are optimistic of a recovery once herd immunity is reached from vaccinations in the coming year.

APPRECIATION

We achieved a strong turnaround in performance despite the ongoing market uncertainties, thanks to our resilient logistics and warehousing division. We will continue to make new strides in this segment by undertaking our expansions, and growing our customer base in Malaysia and overseas.

With this, I would like to express my heartfelt gratitude to the Board of Directors, management, and all employees of Tiong Nam Group for their commitment and contributions.

I also wish to extend my deepest appreciation to our business partners, associates, suppliers, customers, financial institutions and regulatory authorities for their unwavering support.

We are also grateful to our valued shareholders for their continued commitment in Tiong Nam Group, and remain committed towards generating greater value for all.

Sincerely,

Dato' Fu Ah Kiow
Non-Independent Non-Executive Chairman

MANAGEMENT DISCUSSION AND ANALYSIS ("MD&A")

Tiong Nam Logistics Holdings Berhad registered a strong performance in FY2021, largely driven by firmer logistics and warehousing services segment activity, as we successfully overcome the challenging economic situation in Malaysia amid the COVID-19 pandemic.

In navigating the uncertain landscape, the Group managed to adjust effectively to the multiple iterations of MCO, while placing emphasis on safeguarding the health and safety of our employees. The swift adaptations to rapid changes on the ground were crucial to ensure operational uptime and service quality to support the nation's supply chains.

This MD&A provides shareholders with a review of the Group's performance for FY2021, as well as outlines our growth strategies going forward.

OVERVIEW OF TIONG NAM GROUP

Tiong Nam Group offers full-fledged logistics and warehousing services, comprising integrated services such as warehouse space and management, trucking, cross border transfers, container haulage, heavy transportation, as well as deliveries for last mile e-commerce businesses.

The Group is supported by an extensive logistics and warehousing network in Southeast Asia, with 90 warehouses and distribution centres across Malaysia, Thailand, Singapore, Myanmar, and Laos. This translates to approximately 6.0 million square feet (sq. ft.) of warehouse capacity as at 31 March 2021.

Additionally, our logistics operation is supported by a large fleet of 2,110 transportation vehicles, comprising prime movers, container trailers, box and refrigerated trucks, lorry cranes, low-loader, cometto, delivery vans and others.

The integrated model enables us to cater to companies across various sectors. Today, our clients comprise major domestic and world-renowned brands, including from the food and beverage ("F&B"), fast moving consumer goods ("FMCG"), information technology ("IT"), and electrical and electronic ("E&E") sectors, among others.

Tiong Nam Group has also ventured into the property development business in 2011. Since then, we have completed various industrial, commercial and residential projects amounting to gross development value ("GDV") of RM1.4 billion.

In 2018, the Group made its first venture into the hospitality industry, through the launch of Fraser Place Puteri Harbour, located in Iskandar Puteri, Johor Bahru. We completed the 25-storey building in February 2018, which comprises 297 contemporary accommodation catering to business and leisure travellers as well as families.

OVERALL FINANCIAL PERFORMANCE

This section presents the key financial information and performance of Tiong Nam Group for the financial years ended 31 March 2020 ("FY2020") and 31 March 2021 ("FY2021").

Income Statement	FY2021 RM'000	FY2020 RM'000
Revenue	602,120	604,248
Profit before taxation	20,946	12,517
Profit after taxation	11,882	2,183

Statement of Financial Position	FY2021 RM'000	FY2020 RM'000
Total assets	2,122,347	1,951,387
Total liabilities	1,321,311	1,253,827
Total equity	801,036	697,560

Financial Indicators	FY2021	FY2020
Earnings per share (sen)	2.4	0.2
Interest cover (times)	1.5	1.2
Return on equity	1.5%	0.3%
Return on total assets	0.6%	0.1%
Net Gearing ratio	1.3	1.5
Net assets per share (RM)	1.5	1.5

Management Discussion and Analysis ("MD&A")
(contd')

(1) Revenue

The Group registered total revenue of RM602.1 million in FY2021, which was largely maintained compared to RM604.2 million in FY2020.

The Group's total revenue was mainly driven by the logistics and warehousing services segment, which contributed RM591.9 million in FY2021, 8.1% higher than RM547.7 million recorded previously.

This was also the Group's highest ever revenue recorded, on the back of growth in demand for the Group's logistics and warehousing services, especially on essential items such as F&B, IT, and E&E amidst the new COVID-19 norm.

Tiong Nam Group also registered RM0.4 million revenue from the investment segment in FY2021, comprising dividend received from share investment, compared to RM0.6 million in FY2020.

Meanwhile, due to the soft property market amidst the COVID-19 pandemic, revenue contribution from the Group's property development segment declined to RM2.2 million in FY2021 from RM44.1 million in FY2020. The Group registered lower sales of completed projects, while new launches took a backseat due to uncertainties arising from the COVID-19 pandemic.

The Group's hotel and dormitory segment also fared weaker in FY2021, as international and domestic travels were restricted in a bid to curb the spread of COVID-19. As a result of the lower activity, the segment's revenue declined to RM7.6 million for the year compared to RM11.8 million in the preceding year.

(2) Profit Before Taxation ("PBT")

Tiong Nam Group's PBT in FY2021 delivered a growth trajectory to RM20.9 million, 67.2% higher compared to RM12.5 million in FY2020.

This was contributed primarily by the logistics and warehousing services segment, which saw segment PBT improve 38.4% to RM43.6 million in FY2021 from RM31.5 million in FY2020. This was attributed to the overall improvement of warehousing and delivery volume, especially on essential items during the pandemic, which also helped improve unit costs of the Group's warehousing and logistics services.

Meanwhile, the Group's investment segment returned to black to RM10.4 million PBT in FY2021 compared to a loss before taxation ("LBT") of RM3.0 million in FY2020, attributed to fair value gains on investment portfolio.

Meanwhile, the property development segment incurred a LBT of RM12.6 million in FY2021 from PBT of RM2.6 million in FY2020, as sales activities reduced significantly, while new launches were put on hold amidst the weaker sentiment.

Similarly, the COVID-19 pandemic has impacted the hospitality business in Malaysia, leading to the Group's hotel and dormitory segment recording a LBT of RM20.5 million in FY2021 versus LBT of RM18.6 million a year ago.

(3) Profit After Taxation and Minority Interests ("PATMI")

The Group delivered PATMI of RM11.4 million in FY2021, a tremendous improvement from RM0.7 million in FY2020. The positive performance was mainly supported by the Group's logistics and warehousing services segment, which mitigated the weaker property development and hotel and dormitory segments during the pandemic-hit year.

(4) Total Assets

The Group's total assets rose to RM2.1 billion as at 31 March 2021 compared to RM2.0 billion as at 31 March 2020. This was mainly attributed to an increase in valuation of properties comprising land and buildings as well as warehouse expansions.

(5) Total Liabilities

The Group's total borrowings stood higher at RM1.0 billion as at 31 March 2021 from RM998.6 million a year ago, on increased long term borrowings to fund our logistics and warehousing expansions.

Meanwhile, the Group's net gearing was 1.3 times as at 31 March 2021, compared to 1.5 times as at 31 March 2020, due to improved cash flows from the logistics and warehousing services segment.

(6) Total Shareholders' Equity

The Group's total shareholders' equity grew to RM791.7 million from RM688.1 million, attributed to new shares issuance, higher retained earnings, and increased revaluation reserves on the Group's land and buildings.

Management Discussion and Analysis ("MD&A") (contd')

CORPORATE DEVELOPMENT

Tiong Nam Group had in October 2020 entered into a conditional share agreement with Mr Ong Yoong Nyock, the Group's Managing Director and major shareholder, for the proposed issuance of 67,050,000 new subscription shares for the price of RM0.44 per share.

The proposal was approved at the Extraordinary General Meeting on 10 December 2020, and was subsequently completed on 17 December 2020. The new shares issuance raised RM29.2 million in working capital for the Group for business expansion purposes.

Subsequently, in January 2021, the Group inked a Heads of Agreement with Yong Tai Berhad (Yong Tai) to provide distribution services for COVID-19 vaccines, involving provision of the Group's cold facility transportation and warehousing services. The deal is conditional on Yong Tai receiving approvals from relevant authorities to distribute the vaccines in Malaysia.

Furthermore, the Group had acquired VN Andaman Sdn Bhd ("VN Andaman") for a cash consideration of RM30 million in June 2021, which comes with VN Andaman's 158,013 sq. ft. warehouse asset in Pelabuhan Tanjung Pelepas, Johor. The deal is expected to be completed in September 2021.

PROSPECTS

The COVID-19 pandemic has caused major disruptions to international trade and global supply chains. However, after more than a year since the start of the pandemic, businesses worldwide are gradually recovering from the initial shock and adjusting into some form of normality. This was also aided by the increase in global vaccinations as countries strive to achieve herd immunity from COVID-19.

Hence, with the fast-tracking of the nation's vaccination rollout plan, we are optimistic of our prospects moving forward, and we expect to deliver a strong performance in the upcoming financial year ending 31 March 2022 (FY2022).

Logistics and Warehousing Services

The Group's logistics and warehousing segment has performed admirably ever since the first iteration of MCO in Malaysia, which translated to improvements in the Group's profitability for the year, despite the weaker segment performance in the first quarter of FY2021 due to economic shocks caused by the MCO.

We are optimistic that the growing demand for our logistics and warehousing services will persist in FY2022 as businesses start to pick up in end-2021, as MCO measures are progressively loosened upon achieving herd immunity nationwide.

The demand for our logistics and warehousing services will likely continue to be driven by higher deliveries and warehousing orders on essential items amidst the work-from-home normality, as well as growing trend of domestic and MNC companies shifting their logistics requirements to specialist providers as they focus on their core competencies.

To capitalise on the increasing demand trend, we are constantly looking to enlarge our total warehousing capacity, as seen in the upcoming addition of warehouse asset via the acquisition of VN Andaman.

We will continue to identify other opportunities to expand our logistics and warehousing footprint as we maintain our position as one of the leading total integrated logistics and warehousing providers in Malaysia and the Southeast Asia region.

Meanwhile, by leveraging on the Group's integrated and diversified warehousing network, we will continue to expand our client base, especially among multi-national corporations (MNC). MNCs currently make up 29% of our total revenue, and we target to reach 35% of total revenue by the end of FY2022.

Furthermore, we will work on improving the Group's Industry 4.0 readiness, by increasing the use of robotics and big data technologies in our daily operations. This would help enhance our operational capabilities and efficiencies, which ultimately increases our industry competitiveness.

Property Development

The Group remains cautious on the development of the property market, as uncertainties persist amidst the COVID-19 pandemic. As such, we will take a prudent approach in unlocking the value of the Group's 260.8 acres of landbank in Johor and the Klang Valley, and would carefully consider potential launch dates.

The Group will also continue to market our completed property units with gross development value of RM410.0 million as at 31 March 2021, by leveraging on the Government's efforts in spurring activities in the property sector through low interest rates and the extension of Home Ownership Campaign until the end of 2021.

Hotel and Dormitory

Due to the restrictions imposed on domestic and international travels, we opine that the hospitality and tourism sector will continue to be affected in the calendar year 2021.

However, with the Government resolute in achieving herd immunity by the end of 2021 through the acceleration of the national vaccination plan, we are optimistic that the tourism sector would start to pick up pace in 2022.

On our Fraser Place Puteri Harbour hotel in Johor Bahru, despite facing disruptions during the MCO, we view that the hotel operations would recover once borders reopen. While awaiting the loosening of restrictions, we will also continue to improve our promotional and branding initiatives to enhance the visibility of Fraser Place Puteri Harbour.

SUSTAINABILITY STATEMENT

Tiong Nam Logistics Holdings Berhad is pleased to present our Sustainability Statement for FY2021.

The Sustainably Statement outlines our framework to drive sustainable practices, aimed at enhancing our business strategies and operations, as well as delivering sustainable long-term growth aligned to the best interests of our stakeholders.

GOVERNANCE STRUCTURE

The sustainability governance structure provides oversight over key sustainability principles across the company. The Board and Management of the Group formulate a strategic direction, guided by a sustainability framework based on economic, environmental, and social ("EES") considerations. The Management implements the identified sustainability initiatives across the Group's various business units.

STAKEHOLDER ENGAGEMENT

Stakeholder engagement is key to allow us to understand latest demands and issues pertinent to the Group, as well as enable sound business strategies towards greater sustainability. We engage with various stakeholders, and have identified material sustainability matters below:

Stakeholder group	Material Issues	Type of engagement
Shareholders	• Key corporate developments • Financial performance • Business strategies	• Annual General Meeting • Annual Report • Filings with Bursa Malaysia • Corporate website • Investor Briefings
Regulators	• Regulatory compliance • Corporate governance	• Meetings • Presentations
Customers	• Service quality • Knowledge sharing	• Customer surveys • Engagement via customer support centre
Employees	• Training and development • Health and safety	• On-job training programme and briefings • Safety assessments • Regular education via email and memos
Community	• Employment opportunity • Community welfare	• Internships • Charity/community events

ECONOMIC

Our commitment as a responsible corporate citizen includes driving long term and sustainable business growth, as well as delivering on our commitments to our stakeholders.

a) Economic Performance

The Group maintained healthy revenue of RM602.1 million in FY2021 in comparison to RM604.2 million in FY2020. Meanwhile, net profit attributable to owners of the company rose to RM11.4 million from RM0.7 million in FY2020.

We strive to achieve continued sustainable growth while taking into consideration the various goals of our stakeholders.

b) Customer Satisfaction

We place strong emphasis on delivering quality services that consistently meet our customers' satisfaction. As a testament to the quality of services, we were presented with various quality and appreciation awards from our customers, as well as various industry groups over the years.

The following are the awards that the Group gained for the recent years:-

YEAR 2018 → **Frost & Sullivan Malaysia Excellence Awards**

- Best Warehouse Service Provider

YEAR 2017 → **Frost & Sullivan Malaysia Excellence Awards**

- Best Domestic Road Transportation Service Provider
- Best Domestic Distribution Service Provider
- Best Warehouse Services Provider

YEAR 2016 → **Frost & Sullivan Asia Pacific Best Practices Awards**

- Asia Pacific Regional Distribution Service Provider of the Year
- Asia Pacific Warehouse Services Provider of the Year
- Best Warehouse Service Provider

Frost & Sullivan Malaysia Excellence Awards

- Road Transportation Service Provider of the Year
- Domestic Distribution Service Provider of the Year

Sustainability Statement
(contd')

Additionally, we regularly seek feedback from our customers to obtain a deep understanding of their ever-changing logistics needs, as we strive to improve our market position and competitiveness. We also promote a culture of open communication, trust and reliability to build strong relationships with our customers.

c) Marketplace

The Group is committed to promote and maintain transparency, accountability and ethical standards in the conduct of our business and operations with our stakeholders, including Government and Authorities, Shareholders and Investors, Customers, Suppliers, Employees and Communities. We ensure compliance to local laws and regulations in the markets we serve, and operate in a fair and transparent manner.

The Group aims to develop and foster good relationships, trust, mutual respect and understanding with our stakeholders who have an effect on, or are affected by our businesses. This includes engagement via various channels to understand and respond to their expectations and interests in regards to our services and operations.

We also contribute to the local economy by providing employment to local talents, whilst also providing income to the nation through tax payments.

ENVIRONMENT

The Group is mindful of the impact our businesses have on the environment, and is committed to environmental preservation through adopting sustainable solutions in our operations.

The Group operates in a manner that minimizes disruption to the environment, especially in our quest of reducing fuel consumption and carbon emissions in our daily activities. The majority of our trucks are equipped with environmentally-friendly Euro 2 engines. Besides, we have converted a number of our trucks to run on natural gas, which further reduces our carbon footprint.

We also conduct regular service and maintenance for our vehicles, and accept periodic inspection by Pusat Pemeriksaan Kenderaan Berkomputer ("Puspakom") to ensure that our vehicles are safe to operate. This helps reduce unnecessary vehicle breakdowns and air pollution from faulty machinery, and minimizes accidents and traffic interruption. The Haulage Management System was also introduced by the Group to monitor and remind our drivers on vehicle inspection due dates at Puspakom.

Meanwhile, the Group recognizes that excessive use of lightings and air conditionings have a significant environmental impact. Hence, we maintain efficient use of lighting and air conditioning in our premises, and remind employees on conservation practices. We also invested in eco-friendly lamps and light fixtures in our premises to reduce heat generation.

Furthermore, the use of solar power will help reduce detrimental impacts to the environment. We have installed solar powered outdoor lights in some of our premises, which helped significantly reduce our electricity usage. We also plan to invest in rooftop solar photovoltaic systems for our warehouses to further optimize our resource utilisation.

Sustainability Statement
(contd')

SOCIAL

The Group strives to be a positive contributor to the community, in particular the growth and development of our employees, as well as the well-being of the broader community.

a) Employee Welfare and Workplace Environment

The Group places strong emphasis on human capital and talent management, and believes that every employee plays a vital role to the Group's success. We are committed to help our people grow professionally in their careers. Towards this end, we strive to foster a rewarding learning and growth experience for our employees, and provide training and education programmes to support their career aspirations.

Furthermore, we maintain a safe and conducive workplace to ensure that the health and safety of our employees are always prioritised. Our logistics and warehousing employees are provided regular health and safety training and briefings. All workplaces are kept clean and organized at all times for comfort and safety.

Besides, the Group provides adequate medical, health care, and other general insurance to our workers. We also ensure sufficient insurance coverage for our vehicles to cover any replacement cost or repair expenses.

To mitigate the occurrence of unfavourable incidents such as cargo hijacks and theft incidents, the Group ensures that sufficient security assistance are put in place. This includes convoyed trip arrangements, which comprise 5 to 10 trucks for added assurance, in addition to the use of digital tracking systems. The Group's facilities are also monitored by closed circuit surveillance systems.

b) Community Engagement

The Group is involved in Corporate Social Responsibility ("CSR") initiatives aimed at nurturing the local communities around us. We prioritises serving the community, and strive to make positive contributions such as through charitable contributions to welfare organisations as well as advancing education.

Over the years, the Group has regularly provided internship training programmes for undergraduates from various educational institutions. The internship training programme offers undergraduates the opportunity to develop valuable skillsets and competencies for their professional growth.

CONCLUSION

The Group is committed to build upon our sustainability measures as part of our corporate responsibility to stakeholders. We strive to enhance stakeholder value, through continuous improvements of initiatives to grow our business sustainably, strengthen our operations, as well play an integral role in the stewardship of the environment and communities around us.

CORPORATE INFORMATION

DIRECTORS

Dato' Fu Ah Kiow @ Oh (Fu) Soon Guan	*(Non-Independent Non-Executive Chairman)*
Ong Yoong Nyock	*(Non-Independent Managing Director)*
Yong Kwee Lian	*(Non-Independent Executive Director)*
Chang Chu Shien	*(Non-Independent Non-Executive Director)*
Yong Seng Huat	*(Non-Independent Non-Executive Director)*
Ling Cheng Fah @ Ling Cheng Ming	*(Independent Non-Executive Director)*
Datuk Haji Muhamad Shapiae bin Mat Ali	*(Independent Non-Executive Director)*
Ong Wei Kuan	*(Non-Independent Executive Director)*
Christina Ong Chu Voon	*(Non-Independent Executive Director)*
Chen Kuok Chin	*(Independent Non-Executive Director)*

AUDIT COMMITTEE
Ling Cheng Fah@
Ling Cheng Ming *(Chairman)*
Datuk Haji Muhamad Shapiae
bin Mat Ali *(Member)*
Yong Seng Huat *(Member)*

REMUNERATION COMMITTEE
Chang Chu Shien *(Chairman)*
Datuk Haji Muhamad Shapiae
bin Mat Ali *(Member)*
Ling Cheng Fah@
Ling Cheng Ming *(Member)*

NOMINATION COMMITTEE
Datuk Haji Muhamad Shapiae bin
Mat Ali *(Chairman)*
Yong Seng Huat *(Member)*
Ling Cheng Fah @ Ling Cheng
Ming *(Member)*

RISK COMMITTEE
Ling Cheng Fah @ Ling Cheng
Ming *(Chairman)*
Datuk Haji Muhamad Shapiae
bin Mat Ali *(Member)*
Yong Seng Huat *(Member)*
Christina Ong Chu Voon *(Member)*

COMPANY SECRETARIES
Leong Siew Foong
(MAICSA 7007572) SSM Practicing Certificate No: 202008001117
Santhi A/P Saminathan
(MAICSA 7069709) SSM Practicing Certificate No: 201908002933
Law Tik Long
(MIA 18452) SSM Practicing Certificate No: 201909003258

REGISTERED OFFICE
Suite 9D, Level 9, Menara Ansar
65 Jalan Trus
80000 Johor Bahru
Johor Darul Takzim
Tel: 07-224 1035
Fax: 07-221 0891

AUDITORS
KPMG PLT
Level 3, CIMB Leadership Academy
No. 3, Jalan Medini Utara 1
Medini Iskandar
79200 Iskandar Puteri
Johor Darul Takzim, Malaysia
Tel: 07-266 2213
Fax: 07-266 2214

REGISTRAR
Tricor Investor & Issuing House Services Sdn Bhd
Unit 32-01, Level 32, Tower A
Vertical Business Suite, Avenue 3
Bangsar South, No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Tel: 03-2783 9299
Fax: 03-2783 9222

SOLICITORS
KV Lim & Voo
Level 7, Suite 7.3 Menara Pelangi
2 Jalan Kuning, Taman Pelangi
80400 Johor Bahru
Johor Darul Takzim
Tel: 07-334 5811
Fax: 07-334 6693

Lee & Tengku Azrina
Unit 13-01, Level 13
Menara Landmark
12 , Jalan Ngee Heng
80000 Johor Bahru
Johor Darul Takzim
Tel: 07-223 8828
Fax: 07-223 1828

PRINCIPAL BANKERS
Malayan Banking Berhad
Public Bank Berhad
Hong Leong Bank Berhad
AmBank (M) Berhad
United Overseas Bank (M) Berhad
Bangkok Bank Berhad

STOCK EXCHANGE LISTING
Main Market of Bursa Malaysia Securities Berhad

AWARDS AND ACHIEVEMENT

In the Frost & Sullivan 2018 Malaysia Excellence Award, Tiong Nam was awarded again the Best Warehouse Service Provider in Malaysia for the second time in 2017 & 2018.

Besides that, Tiong Nam has been awarded the Best Service Provider as stated below.

2017 Best Domestic Road Transportation Service Provider Best Domestic Distribution Service Provider Best Warehouse Services Provider
2016 Best Road Transportation Service Provider Best Domestic Distribution Service Provider
2015 Best Domestic Logistics Service Provider Best Domestic Road Transportation Service Provider Best Regional Road Transportation Service Provider
2014 Best Domestic Road Transportation Service Provider Best Domestic Logistics Service Provider
2013 Best Domestic Road Transportation Service Provider
2012 Best Domestic Logistics Service Provider
2008 Best Domestic Logistics Service Provider
2007 Best Domestic Logistics Service Provider

The award was based on the survey research of customers on the best practices and outstanding performances in the provision of logistics services. The award is supported by the Singapore Economic Development Board, Supply Chain Asia and the Logistics Institute – Asia Pacific.

PROFILE OF THE DIRECTORS

DATO' FU AH KIOW @ OH (FU) SOON GUAN

Designation	:	*Non-Independent Non-Executive Director (Chairman)*
Nationality	:	*Malaysian*
Age	:	*72*
Gender	:	*Male*
Date of Appointment	:	*30 April 2008*

Aged 72, Dato' Fu Ah Kiow, male, was appointed to the Board of Directors of TNLHB on 30 April 2008. He has more than fifteen (15) years of distinguished service in the Malaysian Government. He was elected a Member of Parliament in 1995 and was a Deputy Minister in several ministries prior to his retirement in 2008. Before joining the government, Dato' Fu had worked, as an engineer and in various managerial roles, with multinational companies, and later founded and successfully managed companies engaged in construction and M&E engineering services. Dato' Fu was also the Board Chairman of public listed Star Media Group Bhd and Fitters Diversified Bhd.

Dato' Fu holds a Bachelor of Science (Honours) degree in Physics and a Master's degree in Industrial Engineering and Management Science.

Dato' Fu does not have any family relationship with any director and/or major shareholder of Tiong Nam Logistics Holdings Berhad ("TNLHB"). He does not have any conflict of interest in any business arrangement involving the Company or its subsidiaries. He has no convictions for any offences within the past five (5) years.

Dato' Fu has attended all the four (4) Board meetings held during the financial year ended 31 March 2021.

Dato' Fu's equity interest in the Company's ordinary share is disclosed in page 153. He does not have any direct equity interest in the Company's subsidiaries.

MR ONG YOONG NYOCK

Designation	:	*Non-Independent Managing Director*
Nationality	:	*Malaysian*
Age	:	*68*
Gender	:	*Male*
Date of Appointment	:	*31 January 1990*

Aged 68, Mr Ong Yoong Nyock, male, was appointed to the Board of Directors of TNLHB on 31 January 1990. He has more than forty (40) years of experience in the logistics industry. He started the transportation business in 1975 with a small fleet of lorries transporting general cargo in Johor which has since expanded to become a well-established total logistics company covering all the major routes of Peninsular Malaysia and East Malaysia. He also sits on the Board of Directors of several subsidiaries of the Company and other unrelated private companies.

Mr Ong Yoong Nyock's spouse Madam Yong Kwee Lian, his son Mr Ong Wei Kuan and his daughter Ms Christina Ong Chu Voon are Executive Directors of TNLHB. His brother-in-law Mr Yong Seng Huat is member of the Board. He has no conflict of interest with the Company. He has abstained from deliberations and voting in respect of transactions between the Group and related parties of which he has interest. He has no convictions of any offences within the past five (5) years.

Mr Ong Yoong Nyock attended all the four (4) Board meetings held during the financial year ended 31 March 2021.

Mr Ong Yoong Nyock, by virtue of his substantial shareholdings (direct and indirect) in the Company as disclosed in page 153, he is deemed to have interest in the ordinary shares held by the Company in its subsidiaries.

Mr Ong Yoong Nyock is deemed interested in the transactions entered into by the Group in the ordinary course of business with companies in which he and his close family members have substantial financial interest as disclosed in note 28 to the financial statements.

MADAM YONG KWEE LIAN

Designation	:	*Non-Independent Executive Director*
Nationality	:	*Malaysian*
Age	:	*69*
Gender	:	*Female*
Date of Appointment	:	*31 January 1990*

Aged 69, Madam Yong Kwee Lian, female, was appointed to the Board of Directors of TNLHB on 31 January 1990. She has been in the logistics industry for more than thirty seven (37) years. She is responsible for building up of the Singapore-based customers as well as contributing substantially to the day-to-day administrative and operating procedures of the Group's logistics business. In addition, she sits on the Board of Directors of several subsidiaries of the Company and other unrelated private companies.

Madam Yong Kwee Lian's spouse, Mr Ong Yoong Nyock is the Managing Director of TNLHB, her son Mr Ong Wei Kuan and her daughter Ms Christina Ong Chu Voon are the Executive Director of TNLHB. Her brother Mr Yong Seng Huat is members of the Board. She has no conflict of interest with the Company. She has abstained from deliberations and voting in respect of transactions between the Group and related parties of which she has interest. She has no convictions of any offences within the past five (5) years.

Madam Yong Kwee Lian has attended all the four (4) Board meetings held during the financial year ended 31 March 2021.

Madam Yong Kwee Lian, by virtue of her substantial shareholdings (direct and indirect) in the Company as disclosed in page 153, she is deemed to have interest in the ordinary shares held by the Company in its subsidiaries.

Madam Yong Kwee Lian is deemed interested in the transactions entered into by the Group in the ordinary course of business with companies in which she and her close family members have substantial financial interest as disclosed in note 28 to the financial statements.

MR CHANG CHU SHIEN

Designation	:	*Non-Independent Non-Executive Director*
Nationality	:	*Malaysian*
Age	:	*70*
Gender	:	*Male*
Date of Appointment	:	*11 October 1991*

Aged 70, Mr Chang Chu Shien, male, was appointed to the Board of Directors of TNLHB on 11 October 1991. He is the Chairman of the Remuneration Committee. He holds a Bachelor of Commerce degree from the University of New South Wales, Sydney, Australia. He was employed by Australian Consolidated Industries Ltd. in Sydney, Australia. He joined Pahang Enterprise Sdn Bhd and Asia Oil Palm Sdn Bhd in 1977 as Administrative/Financial Director and was the Managing Director of these companies since 1983. Both are oil palm plantation companies involved in production and trading of palm oil products.

Mr Chang is also the Managing Director of Carotino Sdn Bhd which is involved in palm oil downstream manufacturing. He is currently involved in plantation, manufacturing, property development, insurance, real estate and hotel operations. He is a registered Real Estate Agent with the Board of Valuers, Appraisers & Estate Agents, Malaysia and a registered General Insurance Agent with The Malaysian Insurance Institute.

Mr Chang Chu Shien has no family relationship with any of the Directors and/or major shareholders of TNLHB. He has abstained from deliberations and voting in respect of transactions between the Group and related parties of which he has interest.

Mr Chang Chu Shien has no conflict of interest with the Company. He has abstained from deliberation and voting in respect of transactions between the Group and related parties of which he has interest. He has no convictions of any offences within the past five (5) years.

Mr Chang Chu Shien attended four (4) Board meetings held during the financial year ended 31 March 2021.

Mr Chang Chu Shien's equity interest in the Company's ordinary shares is disclosed in page 153 and he does not have any direct equity interest in the Company's subsidiaries.

Profile of the Directors
(contd')

MR YONG SENG HUAT

Designation	:	*Non-Independent Non-Executive Director*
Nationality	:	*Malaysian*
Age	:	*60*
Gender	:	*Male*
Date of Appointment	:	*11 October 1991*

Aged 60, Mr Yong Seng Huat, male, was appointed to the Board of Directors of TNLHB on 11 October 1991 and is a member of the Nomination Committee, Risk Committee and Audit Committee. He holds a Bachelor of Arts (Economics) degree from Brook University of Canada. From 1986 to 1989, he was employed as the Head of Business Department of Dai Hwa Holdings (Malaysia) Bhd., a company formerly listed on the Main Market of Bursa Malaysia Securities Berhad and was primarily responsible for business planning, shipping and market coordination for the said company. He was also formerly the Managing Director of TN Forklift Group of companies from 1994 to 1997.

His sister, Madam Yong Kwee Lian and brother-in-law Mr Ong Yoong Nyock are Executive Director and Managing Director of the Company respectively and hence members of the Board.

Mr Yong Seng Huat has no conflict of interest with the Company. He has no convictions of any offences within the past five (5) years.

Mr Yong Seng Huat attended all the four (4) Board meetings held during the financial year ended 31 March 2021.

Mr Yong Seng Huat's indirect interest in the Company's ordinary shares is disclosed in page 153 and he does not have any equity interest in the Company's subsidiaries.

MR LING CHENG FAH @ LING CHENG MING

Designation	:	*Independent Non-Executive Director*
Nationality	:	*Malaysian*
Age	:	*71*
Gender	:	*Male*
Date of Appointment	:	*23 November 2001*

Aged 71, Mr Ling Cheng Fah @ Ling Cheng Ming, male, was appointed to the Board of Directors of TNLHB on 23 November 2001. He was redesignated as an Independent Non-Executive Director on 01 April 2011. He is the Chairman of the Audit Committee and Risk Committee. He is also a member of the Remuneration Committee and Nomination Committee. He holds a Bachelor of Commerce degree from the University of Newcastle, Australia. He is a member of the Institute of Chartered Accountants in Australia and Malaysian Institute of Accountants.

He worked as a Financial Controller/Company Secretary from 1980 to 1985 in Charlick Operations Pty Limited, a diversified group and Senior Manager in a merchant bank, NZI Securities Australia Limited both with operations in Australia.

He joined the Company in 1992 as Group General Manager and was primarily responsible for the financial and corporate functions of the Group.

Mr Ling Cheng Fah has no family relationship with any of the Directors and/or major shareholders of TNLHB.

Mr Ling Cheng Fah has no conflict of interest with the Company. He has no convictions of any offences within the past five (5) years.

Mr Ling Cheng Fah attended all the four (4) Board meetings held during the financial year ended 31 March 2021.

Mr Ling Cheng Fah's equity interest in the Company's ordinary shares is disclosed in page 153 and he does not have any direct equity interest in the Company's subsidiaries.

Profile of the Directors
(contd')

DATUK HAJI MUHAMAD SHAPIAE BIN MAT ALI

Designation	:	*Independent Non-Executive Director*
Nationality	:	*Malaysian*
Age	:	*73*
Gender	:	*Male*
Date of Appointment	:	*16 November 2018*

Aged 73, Datuk Haji Muhamad Shapiae bin Mat Ali, male, was appointed to the Board of Directors of TNLHB on 16 November 2018. He was also appointed as the Chairman of the Nomination Committee and a member of the Audit Committee, Remuneration Committee and Risk Committee.

Datuk Haji Muhamad Shapiae has more than 30 (thirty) years of working experience in the property development, transportation, advertising and insurance industry. He was also the Executive Directors of Ganad Media Sdn Bhd during 1990s. Currently he is the Independent Non-Executive Chairman of Wong Engineering Corporation Bhd, Non-Executive Chairman of Mahajaya Berhad and Chairman of Havana Solaris Sdn Bhd which are involve in manufacturer for high precision component parts, building construction, development in housing, services apartments and affordable homes in Kuala Lumpur.

Datuk Haji Muhamad Shapiae has no family relationship with any of the Directors and/or major shareholders of TNLHB.

Datuk Haji Muhamad Shapiae has no conflict of interest with the Company. He has no convictions of any offences within the past five (5) years.

Datuk Haji Muhamad Shapiae attended all the four (4) Board meetings held during the financial year ended 31 March 2021.

Datuk Haji Muhamad Shapiae does not have any direct equity interest in the Company's subsidiaries.

MR ONG WEI KUAN

Designation	:	*Non-Independent Executive Director*
Nationality	:	*Malaysian*
Age	:	*41*
Gender	:	*Male*
Date of Appointment	:	*1 April 2011*

Aged 41, Mr Ong Wei Kuan, male, was appointed to the Board of Directors of TNLHB on 1 April 2011. He holds a Bachelor of Science in Information System from Leeds University of United Kingdom. He joined Tiong Nam Group of Companies in year 2005 as head of IT and cost management department. He also sits on the Board of Directors of several subsidiaries of the Company and other unrelated private companies.

His parents, Mr Ong Yoong Nyock and Madam Yong Kwee Lian are Managing Director and Executive Director of the Company respectively and hence are members of the Board. His sister, Ms Christina Ong Chu Voo is Executive Director of the Company and hence member of the Board. He has no conflict of interest with the Company. He has abstained from deliberations and voting in respect of transactions between the Group and related parties of which he has interest. He has no convictions of any offences within the past five (5) years.

Mr Ong Wei Kuan attended all the four (4) Board meetings held during the financial year ended 31 March 2021.

Mr Ong Wei Kuan's equity interest in the Company's ordinary shares is disclosed in page 153 and he does not have any equity interest in the Company's subsidiary.

Mr Ong Wei Kuan is deemed interested in the transactions entered into by the Group in the ordinary course of business with companies in which he and his close family members have substantial financial interest as disclosed in note 28 to the financial statements.

Profile of the Directors
(contd')

CHRISTINA ONG CHU VOON

Designation	:	*Non-Independent Executive Director*
Nationality	:	*Malaysian*
Age	:	*33*
Gender	:	*Female*
Date of Appointment	:	*22 June 2020*

Aged 33, was appointed to the Board of Directors of TNLHB on 22 June 2020. She holds a Master of Commerce in Business Finance from Macquarie University. She joined Tiong Nam Group in October 2016 and works closely with the Senior Executive Team to formulate operational and tactical initiatives to achieve the organisation's interim goals. She is also responsible for the Group's organisational restructuring and the strengthening of internal policies and controls. Prior to joining the Group, Ms Christina was a Management Consultant at PwC Consulting working with multinational corporations on supply chain and cost improvement projects.

Her parents, Mr Ong Yoong Nyock and Madam Yong Kwee Lian are Managing Director and Executive Director of the Company respectively and hence are members of the Board. Her brother, Mr Ong Wei Kuan is Executive Director of the Company and hence member of the Board. She has no conflict of interest with the Company. She has no convictions of any offences within the past five (5) years.

Ms Christina has attended all the four (4) Board meetings held during the financial year ended 31 March 2021.

Ms Christina does not have any equity interest in the Company or its subsidiary companies.

MR CHEN KUOK CHIN

Designation	:	*Independent Non-Executive Director*
Nationality	:	*Malaysian*
Age	:	*51*
Gender	:	*Male*
Date of Appointment	:	*22 June 2020*

Aged 51, Mr Chen Kuok Chin, male, was appointed to the Board of Directors of TNLHB on 22 June 2020. He holds a Bachelor of Accounting in Universiti Putra Malaysia. In 1994, he was employed by JB Securities S/B as Stock Market and Share Investment Analyst and was the Dealer and Head of Investment since 1999. He joined Hwang-DBS (Malaysia) Berhad in 2001 and Mercury Securities Sdn Bhd in 2007.

Mr Chen Kuok Chin has no family relationship with any of the Directors and/or major shareholders of TNLHB.

Mr Chen Kuok Chin has no conflict of interest with the Company. He has no convictions of any offences within the past five (5) years.

Mr Chen Kuok Chin has attended all the four (4) Board meetings held during the financial year ended 31 March 2021.

Mr Chen Kuok Chin's indirect interest in the Company's ordinary shares is disclosed in page 153 and he does not have any equity interest in the Company's subsidiaries.

PROFILES FOR KEY MANAGEMENT

MR ONG YOONG NYOCK

Designation	:	*Group Managing Director*
Nationality	:	*Malaysian*
Age	:	*68*
Gender	:	*Male*
Date of Appointment	:	*31 January 1990*

Please refer to his profile in the Board of Directors' profile section on page 17.

MADAM YONG KWEE LIAN

Designation	:	*Executive Director*
Nationality	:	*Malaysian*
Age	:	*69*
Gender	:	*Female*
Date of Appointment	:	*31 January 1990*

Please refer to her profile in the Board of Directors' profile section on page 18.

MR ONG WEI KUAN

Designation	:	*Executive Director, Head of Information Technology and Cost Management Department*
Nationality	:	*Malaysian*
Age	:	*41*
Gender	:	*Male*
Date of Joining	:	*1 April 2011*

Please refer to his profile in the Board of Directors' profile section on page 20.

MS CHRISTINA ONG CHU VOON

Designation	:	*Corporate Strategic Planning Director*
Nationality	:	*Malaysian*
Age	:	*33*
Gender	:	*Female*
Date of Joining	:	*October 2016*

Please refer to her profile in the Board of Directors' profile section on page 21.

MR LAW TIK LONG

Designation	:	*Senior Financial Controller and Company Secretary*
Nationality	:	*Malaysian*
Age	:	*47*
Gender	:	*Male*
Date of Joining	:	*September 2006*

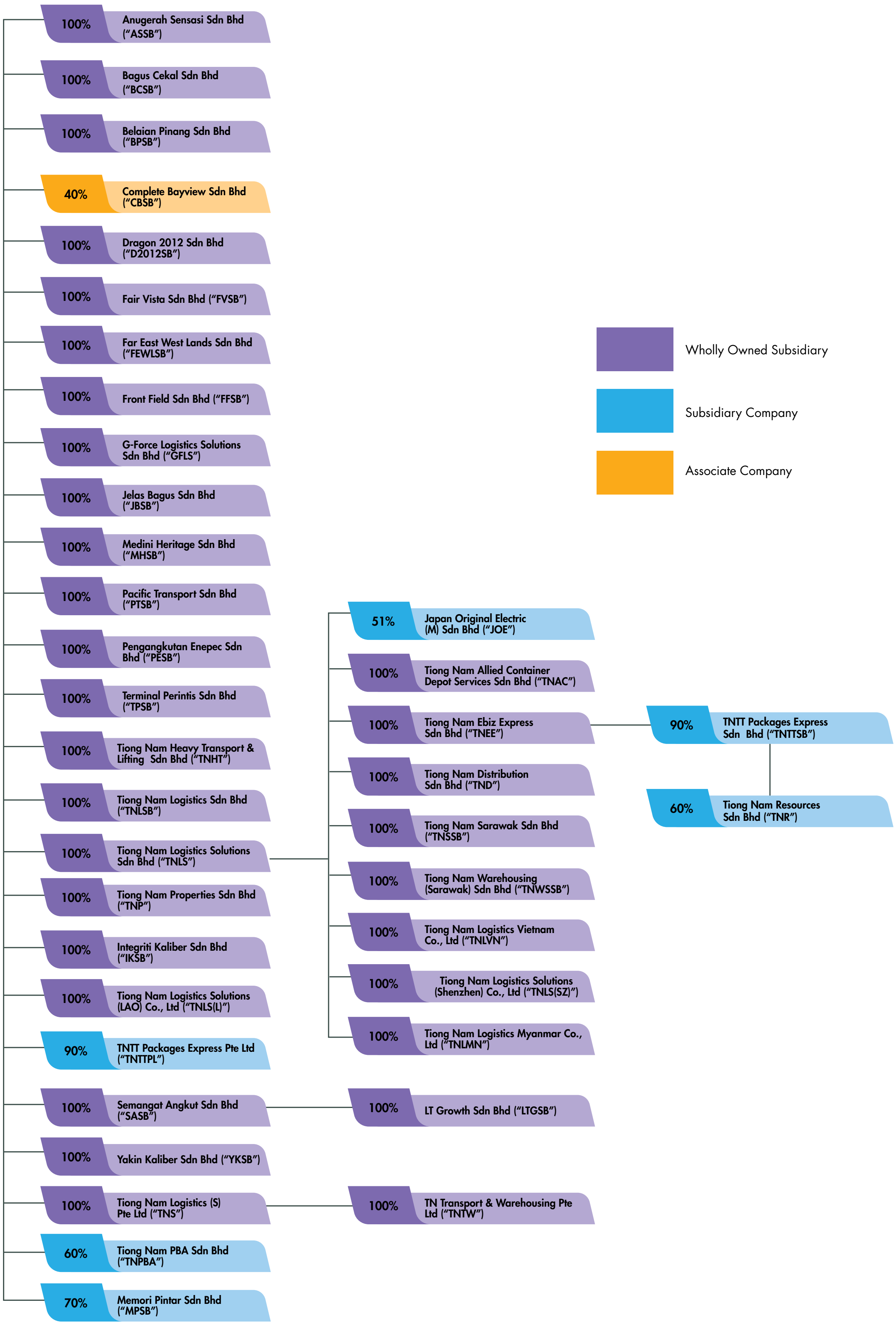
Mr Law Tik Long, a Malaysian, aged 47, is a member for both the Association of Chartered Certified Accountants (ACCA) and the Malaysian Institute of Accountant (MIA).

In September 2006, he joined Tiong Nam Group as a Finance Manager and thereafter promoted to Financial Controller in April 2009. His current responsibilities include overseeing the corporate finance, accounting and compliance with audit and statutory requirements of Tiong Nam Group. He was appointed as a Joint Secretary of Tiong Nam Logistics Holdings Berhad since February 2014.

Mr Law Tik Long has more than ten (10) years of related working experience prior to joining Tiong Nam Group. He joined PNE Micron Engineering Sdn Bhd as an Accounts Officer in 1996 and served as its Accounts Manager in 1998. In 2002, he was promoted to Group Accounts Manager and Assistant to Group Chief Executive Officer in 2003. He has been an Executive Director of Hong Nam (M) Industry Sdn Bhd, a subsidiary of PNE Micron Holdings Ltd since 2004. He was responsible for the overall operations, sales and marketing of Hong Nam (M) Industry Sdn Bhd.

CORPORATE STRUCTURE

TIONG NAM LOGISTICS HOLDINGS BERHAD ("TNLHB")



CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board is pleased to present this overview statement to the Shareholders, the Corporate Governance ("CG") Overview Statement of the Company for the financial year ended 31 March 2021. This full CG is available on the Company's website www.tiongnam.com.

The Board of Tiong Nam Logistics Holdings Berhad (the "Company") acknowledges the importance of adopting high standards of corporate governance in the Company in order to safeguard stakeholders' interests as well as enhancing shareholders' value. As such, the Board is committed towards adherence to the principles, intended outcome and best practices set out in the Malaysian Code on Corporate Governance 2017 ("MCCG 2017" or the "CG Code") issued by the Securities Commission Malaysia.

The Board believes that good CG adds value to the business of the Company and will ensure that this practice continues. The Board believes in playing an active role in guiding the Management through its oversight review while at the same time steer the Company's business direction and strategy.

The Group has applied most of the principles as set out in the CG Code throughout the financial year ended 31 March 2021 ("FY 2021") except for the following:

Practice 4.1 – The Board comprises of majority independent directors.

Practice 4.5 – The Board have at least 30% women directors.

Practice 8.5 – All AC members to attend CPD training on accounting and auditing standard.

Practice 11.2 – The Company is encouraged to adopt integrated reporting based on a globally recognized framework.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

I. BOARD'S ROLES AND RESPONSIBILITIES

1. Clear Roles and Responsibilities

The Board is fully responsible for the overall conduct and performance of the Company and provides the necessary stewardship and oversight on behalf of the shareholders. In order to ensure the effective discharge of the Board's functions and responsibilities, the Board delegates specific responsibilities and functions to various committees, namely Nomination Committee, Audit Committee, Remuneration Committee and Risk Committee. These various committees are constituted with clear terms of reference with regards to their respective area of responsibility. Nevertheless, the Board collectively retains full responsibility and accountability for all the company's performance.

The Board recognizes the key role it plays in charting the strategic direction of the Company and has assumed the following principal responsibilities in discharging its fiduciary and leadership functions:

(a) Reviewing and adopting a strategic plan for the Company

The Board participates in the strategic planning process and reviews in depth and approves the strategy, including the human, technological and capital resources on its implementation. The Board then monitors management's execution of the strategy and its achievement of objectives.

(b) Overseeing the conduct of the Group's business

The Board is responsible for the overall conduct and performance of the Group. It focuses mainly on overseeing the performance of management, critical and material business issues.

(c) Identifying business risks and the implementation of appropriate internal controls

The Board identifying the principal business risks faced by the Group and ensuring the implementation of appropriate internal controls and mitigating measures to address such risks.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

I. BOARD'S ROLES AND RESPONSIBILITIES (CONT'D)

1. Clear Roles and Responsibilities (Cont'd)

(d) Succession planning

The Board considers succession planning and management development to be an on-going process. The Board is responsible for: (a) approving the succession plan for the Chairman and Managing Director; (b) in the case of the other senior managers, ensuring that plans are in place for management succession and development; and (c) ensuring that criteria and processes for recognition, promotion, development and appointment of senior management are consistent with the future leadership requirements of the Company.

The Chairman and Managing Director periodically discuss with the Nomination Committee on its views as to a successor in the event of the Chairman and Managing Director's unexpected incapacity.

The Board, represented by the Managing Director, creates opportunities to become acquainted with employees within the Company who have the potential to become members of senior management.

(e) Overseeing the development and implementation of a shareholder communications policy

The Board strives to ensure the information is communicated to the Shareholders, mainly through the Company's interim reports, annual reports and where applicable, quarterly reports, annual general meetings and other general meetings that may be convened, as well as by making available the disclosures submitted to Bursa Malaysia Securities Berhad ("Bursa Malaysia").

(f) Reviewing the adequacy and integrity of the Group's internal control and management information systems

The Board ensures the Group maintains a sound framework of reporting on internal controls and regulatory compliance through its internal auditors, who reports to both the AC and the Board quarterly. Further details on this are available in the Statement on Internal Control and Risk Management contained in this Annual Report.

Overall, our internal organization structure defines the lines of authority and responsibility for the business and operation strategies, promote fast and accurate decisions and enhance management transparency and efficiency.

Board	Responsibilities
Chairman	The position of Chairman is held by Dato' Fu Ah Kiow a Non-Independent Non-Executive Director. The primary responsibilities of the Non-Independent Non-Executive Chairman, among others, are providing overall leadership to the Board and ensuring that the Group's corporate objectives are met. The Chairman is responsible for ensuring the adequacy and effectiveness of the Board's governance process and acts as a facilitator at Board meetings to ensure that contributions from Directors are forthcoming on matters being deliberated and that no Board member dominates discussion.
Group Managing Director	Group Managing Director is held by Mr Ong Yoong Nyock a Non-Independent Executive Director. The Managing Director is primarily responsible for making and implementing operational decisions and managing the day-to-day operations of the Group.

Corporate Governance Overview Statement
(cont'd)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

I. BOARD'S ROLES AND RESPONSIBILITIES (CONT'D)

1. Clear Roles and Responsibilities (Cont'd)

Board	Responsibilities
Independent Non-Executive Director	The Independent Non-Executive Directors bring to bear objective and independent views, advice and judgment on the interests, not only of the Group, but also of shareholders, employees, customers, suppliers and the communities in which the Group conducts its business. Independent Non-Executive Directors are essential for protecting the interests of shareholders and can make significant contributions to the Company's decision making by bringing in the quality of detached impartiality.
Non-Independent Non-Executive Director	The Non-Independent Non-Executive Directors are actively involved in monitoring the Company's performance by overseeing the performance of the Management in meeting agreed goals and objectives.

2. Access to Information and Advice

Directors are supplied with relevant information and reports on financial, operational, corporate, regulatory, business development and audit matters for decisions to be made on an informed basis and effective discharge of the Board's responsibilities. Senior Management of the Group is invited to attend Board meetings to provide additional information and explanation when deemed necessary. This enables the Directors to interact directly with the Management, and request for further explanation, information or updates on any aspect of the Group's operations or business concerns.

Prior to Board meetings, Board members are provided with an agenda which contained matters which are to be discussed. The Board is provided in advance the relevant papers ("Board Papers") such as financial reports, comparative turnovers of various type of services provided, summary of bank borrowings, variances analysis and other papers which require discussion, endorsement and approval of the Board. Board Papers are distributed to all Directors at least seven (7) days prior to each Board meeting. This is to ensure that the Directors are well informed of the matters to be discussed and deliberated in advance of Board meetings in order to facilitate an effective conduct of Board meetings.

3. Supported by Qualified and Competent Company Secretaries

The Company Secretaries, being member of The Malaysian Institute of Accountant ("MIA") and The Malaysian Institute of Chartered Secretaries and Administrators ("MAICSA"), satisfy the qualification as prescribed under Section 235(2) of the Companies Act 2016 and have the requisite experience and competency in company secretarial services.

Directors have unrestricted access to the advice and services of the Company Secretaries to enable them to discharge their duties effectively. The Board is regularly updated and advised by the Company Secretaries on any updates relating to new statutory and regulatory requirements pertaining to the duties and responsibilities of Directors, and promptly disseminate communications received from the relevant regulatory/governmental authorities. The Company Secretary organises and attends all Board meetings and is responsible to ensure that meetings are properly convened, and accurate and proper records of the proceedings and resolutions passed are taken and maintained at the Registered Office of the Company.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

I. BOARD'S ROLES AND RESPONSIBILITIES (CONT'D)

4. Board Charter

The Board adopts a Board Charter that sets out the guides for Directors and Management with regards to the responsibilities of the Board, its Committees and the Management, the requirements of Directors in carrying out their stewardship role and in discharging their duties towards the Company as well as boardroom activities. The Board Charter is made available to the public for reference in the Company's website at www.tiongnam.com. The Board Charter is subject to periodic reviewed by the Board and when necessary, revised in accordance with the need of the Group and any regulatory updates. The last review of the Board Charter by the Board was on 22 August 2020.

5. Code of Conduct and Ethics

The Board is committed in maintaining good corporate integrity and is guided by a formalised Directors' Code of Ethics, setting out the principles and standards of business ethics and conduct expected from all Directors.

To advocate good ethical and conduct among employees, the Group has established a Code of Conduct for employees, encapsulated in Tiong Nam's Employees Manual, which has been communicated to all levels of employees in the Group, during employee orientation programme, via internal memo and displaying on the Company's notice board.

6. Whistle-blower Policy

The Board has adopted a Whistle-blower Policy and is committed to conducting its business and working with all stakeholders including employees, suppliers, customers, and shareholders in a manner that is lawful and ethically responsible. It expects wrongdoings such as fraud, corruption, serious financial impropriety and gross mismanagement to be reported and actions to be taken where appropriate. The Board will address the disclosure in an appropriate, timely manner and given fair treatment to the alleged wrongdoer.

Both the Directors' Code of Ethics and Whistle-blower Policy are available on at the Company's Website at www.tiongnam.com

7. Sustainability of Business

The Board recognises and is mindful of the importance of business sustainability and, in conducting the Group's business, the impact of the Group's business on the environmental and social governance ("ESG") aspects is taken into consideration. Whilst the Group embraces sustainability in its operations and supply chain, the Board has formalised a Sustainability Policy, addressing the ESG aspects to be incorporated in the Group's strategies.

The Group's activities on corporate social responsibilities for the financial year under review are disclosed on page 14 of this Annual Report.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

II. BOARD COMPOSITION

1. Board Composition and Balance

During the financial year under review, the Board consisted of ten (10) directors, comprising one (1) Chairman, one (1) Non-Independent Managing Director, three (3) Independent Non-Executive Directors, two (2) Non-Independent Non-Executive Directors and three (3) Non-Independent Executive Directors.

The Board is as follows: -

Name	Designation
1. Dato' Fu Ah Kiow @ Oh (Fu) Soon Guan	Non-Independent Non-Executive Chairman
2. Ling Cheng Fah @ Ling Cheng Ming	Independent Non-Executive Director
3. Datuk Haji Muhamad Shapiae Bin Mat Ali	Independent Non-Executive Director
4. Chen Kuok Chin	Independent Non-Executive Director
5. Yong Seng Huat	Non-Independent Non-Executive Director
6. Chang Chu Shien	Non-Independent Non-Executive Director
7. Ong Yoong Nyock	Non-Independent Managing Director
8. Yong Kwee Lian	Non-Independent Executive Director
9. Ong Wei Kuan	Non-Independent Executive Director
10. Christina Ong Chu Voon	Non-Independent Executive Director

Based on the current Board composition, the Board meets the requirement pursuant to Paragraph 15.02 of the Main Market Listing Requirements where at least 2 directors or one third of the Board of Directors, whichever is higher, are independent directors. In the event of any vacancy in the Board composition, resulting in non-compliance with the aforesaid, the Company must fill the vacancy within 3 months.

The Directors, with their different background and specialisation, collectively bring with them a wide range of experience and expertise in areas such as finance, corporate affairs, legal, marketing and operations. The Board comprises of members from various professions with individual personalised quality, expertise, skills and relevant market and industry knowledge and ensures at all times that necessary financial and human resources are in place for the Company to meet its strategic objectives. The profile of each Director is set out on pages 17 to 21 of this Annual Report.

2. Board Committee

a) Nomination Committee – Selection and Assessment of Directors

The Nomination Committee ("NC") was formed on 25 August 2001. The members are as follows: -

Directors	Designation
Datuk Haji Muhamad Shapiae bin Mat Ali	Chairman
Yong Seng Huat	Member
Ling Cheng Fah @ Ling Cheng Ming	Member

The NC is chaired by an independent non-executive director and comprised exclusively of all non-executive directors with a majority of them is independent.

Corporate Governance Overview Statement
(cont'd)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

II. BOARD COMPOSITION (CONT'D)

2. Board Committee (Cont'd)

a) Nomination Committee – Selection and Assessment of Directors (Cont'd)

The Board has stipulated specific terms of reference for the Nomination Committee, which cover, inter-alia, to oversee the selection and assessment of Director to ensure that board composition meets the needs of the Company, and hence, is tasked with the following duties and responsibilities: -

- Accessed and recommended the re-election and re-appointment of the Directors at the AGM
- Reviewed the independence of the Independent Directors of the Company
- Reviewed the required mix of skills and experience and other qualities of Directors, succession planning, training courses for Directors and other qualities of the Board
- Assessed the effectiveness of the Board as a whole, the Board Committees and contribution of each individual Director
- Reviewed the contribution and performance of each individual director to assess the character, experience, integrity, and competence to effectively discharge their role as a director
- Recommended the retention of an Independent Director as an Independent Director pursuant to Recommendation 3.3 of the MCCG 2017

Potential candidates can be identified by the Nomination Committee, existing Directors or any shareholder through internal or external sources. The Nomination Committee recommends suitable potential candidates for appointment to the Board, and the final endorsement lies with the Board.

In recommending suitable candidates for directorships and Board committees to the Board, the Nomination Committee takes into consideration the candidate's experience, competency, character, time commitment and potential contribution to the Group. Any new nomination received is recommended to the Board after a comprehensive assessment by the Nomination Committee. During the FY 2021, the Nomination Committee had interviewed candidates and recommended appointment of one independent director and one executive director to the Board.

The process of assessing the Directors is an on-going responsibility of the entire Board. The Board has put in place a formal evaluation process to annually assess the effectiveness of the Board as a whole and the Board Committees, as well as the contribution and performance of each individual Director. The criteria used, amongst others, for the annual assessment of individual Director includes an assessment of their roles, duties, responsibilities, competency, expertise and contribution. Whereas, the criteria for the assessment of the performance of the Board and Board committees covered composition, processes, accountability, responsibilities as well as the fulfilment of duties.

During FY 2021, the Nomination Committee had undertaken the activities stipulated in their terms of reference as mentioned above and based on the assessment on the Board for the FY 2021, the Board is satisfied with the composition, performance and effectiveness of the Board in discharging its roles and responsibilities for the benefits of the Group.

All directors attended at least 50% of all Board meetings held in FY 2021, complying with the minimum 50% attendance as required by Paragraph 15.05 of the Bursa Malaysia Securities Berhad's Listing Requirements. This is evidenced by the attendance record set out in this annual report.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

II. BOARD COMPOSITION (CONT'D)

2. Board Committee (Cont'd)

a) Nomination Committee – Selection and Assessment of Directors (Cont'd)

The Board acknowledges the recommendation of the CG Code on the establishment of a gender diversity policy for the Board. In the selection process, there is no plan by the Board to implement a gender diversity policy or target, as the Group adheres to the practice of non-discrimination of any form, whether based on age, gender, race or religion, throughout the Group. This includes the selection on the candidate's skills, expertise, experience, integrity, character, time commitment and other qualities in meeting the needs of the Company, regardless of gender.

In accordance with the Company's Constitution, the newly appointed directors will retire at the subsequent Annual General Meeting and are eligible for re-election by shareholders. The clauses of Constitution also provide that at least one-third (1/3) of the Board including Executive Directors is subject to re-election annually and each director shall stand for re-election at least once every three (3) years

b) Audit Committee

The Audit Committee ("AC") comprises of two (2) Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director. The AC members are Mr Ling Cheng Fah (Chairman), Datuk Haji Muhamad Shapiae bin Mat Ali and Mr Yong Seng Huat.

The AC is chaired by an independent non-executive director and comprised exclusively of all non-executive directors with a majority of them is independent. The composition of the Audit Committee currently complies with the Listing Requirements of Bursa Malaysia. The Chairman of the Audit Committee is not the Chairman of the Board. The AC Chairman is a of the Malaysian Institute of Accountants and all members are financially literate.

The AC reviews and approves the financial quarterly reports, internal audit processes and has five (5) meetings during FY 2021.

Terms of reference and functions of the AC are found on pages 46 to 47 of this Annual Report and is available on the Company's website at http://www.tiongnam.com/.

c) Remuneration Committee

The Remuneration Committee ("RC") was established by the Board on 25 August 2001 to assist the Board in the adoption of fair remuneration practices to attract, retain and motivate Directors. The members are as follows: -

Directors	Designation
Chang Chu Shien	Chairman
Datuk Haji Muhamad Shapiae bin Mat Ali	Member
Ling Cheng Fah @ Ling Cheng Ming	Member

The wealth of experience, skills and competencies of the Board members are detailed in the profile of Directors on pages 17 to 21. The RC is chaired by a non-independent non-executive director. The RC comprised exclusively of all non-executive directors with a majority of them is independent.

Corporate Governance Overview Statement
(cont'd)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

II. BOARD COMPOSITION (CONT'D)

2. Board Committee (Cont'd)

c) Remuneration Committee

As a fair remuneration is critical to attract, retain and motivate Directors, the RC reviews the proposed remuneration packages with regards to each Director's role, responsibility, and expertise, taking into consideration also the complexity of the Company's activities and performance of the Group.

Business Strategic, long-term objectives, responsibilities of Directors, expertise required in the discharge of the duties and the complexity of the Group's business are aligned to the remuneration of Directors.

Drawing from the market information in relation to the profitability, turnover, total assets and types of industry, the RC has certain market information on remuneration of Executive Directors and Non-Executive Directors.

The remuneration of Non-Executive Directors is recommended by the Board and approved by shareholders of the Company. The Non-Executive Directors do not participate in the deliberations and discussion of their own remuneration.

The remuneration package for Senior Management is studied and reviewed by the Executive Directors and Human Resource Department at the Company level. The final remuneration package for Senior Management is decided and approved by the Executive Directors. The Board is satisfied with the current structure and manner in arriving at the proposed remuneration package for all Directors and the Management.

The Board is committed to the required MCCG 2017 practice by disclosing the Board's remuneration in detail as below but due to the sensitivity and confidentiality of the information, the remuneration of top five senior management is not disclosed in this Annual Report.

The aggregate remuneration of the Directors of the Group categorized into salaries and bonus and fees are as follows: -

Aggregation Remuneration	Director Fee RM	Salaries & Bonus RM
Non-Executive Directors		
Dato Fu Ah Kiow @ Fu (Oh) Soon Guan	72,000	–
Ling Cheng Fah @ Ling Cheng Ming	67,500	–
Yong Seng Huat	51,300	–
Datuk Haji Muhamad Shapiae bin Mat Ali	58,500	–
Chang Chu Shien	45,000	–
Ong Eng Teck @ Ong Eng Fatt (Resigned on 22 June 2020)	8,596	–
Chen Kuok Chin (Appointed on 22 June 2020)	29,308	–
Total	**332,204**	**–**

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

II. BOARD COMPOSITION (CONT'D)

2. Board Committee (Cont'd)

c) Remuneration Committee (Cont'd)

Executive Directors	Director Fee RM	Salaries & Bonus RM
Ong Yoong Nyock	–	587,153
Yong Kwee Lian	–	426,473
Ong Wei Kuan	–	303,631
Christina Ong Chu Voon (Appointed on 22 June 2020)	–	555,624
Total	**–**	**1,872,881**

The top 5 key management of the Company whose remuneration falls within the following bands of RM50,000 is as set out below: -

	Number of Key Management
Range of Remuneration	
RM 300,001 to RM 350,000	2
RM 400,001 to RM 450,000	1
RM 550,001 to RM 600,000	2

The remuneration of key management included salaries and bonus and others.

d) Risk Committee

The Risk Committee was formed on 21 May 2011. The members are Mr. Ling Cheng Fah (Chairman), Mr. Yong Seng Huat, Datuk Haji Muhamad Shapiae bin Mat Ali and Corporate Strategic Planning Officer, Ms Christina Ong Chu Voon. The Risk Committee is chaired by an Independent Non-Executive Director with a majority of the committee members being non-executive.

The Risk Committee oversees the Risk Working Committee which comprised of Senior Managers of the Group.

The Risk Management Framework which was established and designed to monitor and to mitigate the Group's risks associated with operational, financial, market and strategic risks which is reviewed by the Risk Committee and the Board.

Details of Risk Management Framework are disclosed in the Statement of Risk Management and Internal Control on page 49 to 53.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

II. BOARD COMPOSITION (CONT'D)

3. Attendance of Directors

The attendance of individual Directors at the Board and the various Board Committee meetings during the financial year under review are tabled as below: -

Director	Board	Nomination Committee	Audit Committee	Remuneration Committee	Risk Committee
Non-Independent Non-Executive Chairman					
Dato' Fu Ah Kiow @ Oh (Fu) Soon Guan	4/4	–	–	–	–
Non-Independent Managing Director					
Ong Yoong Nyock	4/4	–	–	–	–
Non-Independent Executive Director					
Yong Kwee Lian	4/4	–	–	–	–
Ong Wei Kuan	4/4	–	–	–	–
Christina Ong Chu Voon #	3/3				
Non-Independent Non-Executive Director					
Ong Eng Teck @ Ong Eng Fatt *	0/1	–	–	–	–
Yong Seng Huat	4/4	1/1	5/5	–	2/2
Chang Chu Shien	4/4	–	–	1/1	–
Independent Non-Executive Director					
Ling Cheng Fah @ Ling Cheng Ming	4/4	1/1	5/5	1/1	2/2
Datuk Haji Muhamad Shapiae bin Mat Ali	4/4	1/1	5/5	1/1	2/2
Chen Kuok Chin #	3/3	–	–	–	–

Note: # Appointed on 22 June 2020.
* Resigned on 22 June 2020.

Corporate Governance Overview Statement
(cont'd)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

II. BOARD COMPOSITION (CONT'D)

4. Director Training

The Directors acknowledge that they are required to continue to update themselves on their skills and knowledge to discharge their duties. In order to ensure Directors' continuous professional development, the Board has identified and the Management has enrolled Directors for relevant training needs during the FY 2021.

All Directors of the Company have attended the Mandatory Accreditation Programme (MAP) prescribed by the Bursa Malaysia for directors of public listed companies. The following are the training programme/seminars/forum attended by the Directors: -

Name of Director	Topic of programme/seminars/forum
Dato' Fu Ah Kiow @ Oh (Fu) Soon Guan	- Anti-Bribery & Corruption S.17 A Corporate Liability Implementation
Ong Yoong Nyock	- Anti-Bribery & Corruption S.17 A Corporate Liability Implementation
Yong Kwee Lian	- Anti-Bribery & Corruption S.17 A Corporate Liability Implementation
Chang Chu Shien	- Anti-Bribery & Corruption S.17 A Corporate Liability Implementation
Yong Seng Huat	- Anti-Bribery & Corruption S.17 A Corporate Liability Implementation
Ling Cheng Fah @ Ling Cheng Ming	- Webinar Series: Audit Committee Conference 2021
Datuk Haji Muhamad Shapiae bin Mat Ali	- Webinar Series: Understanding Boardroom Dynamics
	- Anti-Bribery & Corruption S.17 A Corporate Liability Implementation
	- Briefing – Guidelines on Conduct of Directors of Listed Corporations and their Subsidiaries
Ong Wei Kuan	- Anti-Bribery & Corruption S.17 A Corporate Liability Implementation
Christina Ong Chu Voon	- Mandatory Accreditation Programme for Directors of Public Listed Companies
	- Anti-Bribery & Corruption S.17 A Corporate Liability Implementation
Chen Kuok Chin	- Mandatory Accreditation Programme for Directors of Public Listed Companies
	- Anti-Bribery & Corruption S.17 A Corporate Liability Implementation

All the Directors have been advised to attend at least one (1) or more programme/seminar/forum for the new financial year ending 31 March 2022 which have direct relevance to the disposal of their duties and responsibility as Director and keep abreast with the latest developments in the capital markets, relevant changes in laws and regulations and the business environment from time to time.

The Company Secretaries normally circulates the relevant statutory and regulatory requirements from time to time for the Board's reference and briefs the Board on the updates, where applicable. The Group Senior Financial Controller and External Auditors also brief the Board members on any changes to the Malaysian Financial Reporting Standards that affect the Group's financial statements for the financial year under review.

Corporate Governance Overview Statement
(cont'd)

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

I. AUDIT COMMITTEE

1. Composition of Audit Committee

It is the Board's commitment to present a balanced and meaningful assessment of the Group's financial performance and prospects at the end of each reporting period and financial year, primarily through the quarterly announcement of Group's results to Bursa Malaysia, the annual financial statements of the Group and Company as well as the Chairman's statement and review of the Group's operations in the Annual Report, where relevant.

The Board is responsible for ensuring that the financial statements give a true and fair view of the state of affairs of the Group and the Company as at the end of the reporting period and of their results and cash flows for the period then ended.

In assisting the Board to discharge its duties on financial reporting, the Board established an Audit Committee, comprising of two (2) Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director. The AC members are as follows: -

Directors	Designation
Ling Cheng Fah	Chairman
Datuk Haji Muhamad Shapiae bin Mat Ali	Member
Yong Seng Huat	Member

The composition of the Audit Committee, including its roles and responsibilities, are set out in the Audit Committee Report on pages 46 to 47 of this Annual Report. One of the key responsibilities of the Audit Committee in its specific terms of reference is to ensure that the financial statements of the Group and Company comply with applicable financial reporting standards in Malaysia and provisions of the Companies Act 2016. Such financial statements comprise the quarterly financial report announced to Bursa Malaysia and the annual statutory financial statements.

The Board understands its role in upholding the integrity of financial reporting by the Company. Accordingly, the Audit Committee, which assists the Board in overseeing the financial reporting process of the Company, will formalize and adopt a policy for the types of non-audit services permitted to be provided by the external auditors, including the need for the Audit Committee's approval in writing before such services can be provided by the external auditors. To address the "self-review" threat faced by the external audit firm, the procedures to be included in the policy require the engagement team conducting the non-audit services to be different from the external audit team.

The Audit Committee undertakes an annual assessment of the suitability and independence of the external auditors. Areas of assessment include the external auditor's objectivity and independence, adequacy of the experience and resources of the audit firm, size and competency of the audit firm, audit strategy and reporting, partner involvement and audit fees.

In assessing the independence of external auditors, the Audit Committee requires written assurance by the external auditors, confirming that they are, and have been, independent throughout the conduct of the audit engagement with the Company in accordance with the independence criteria set out by the International Federation of Accountants and the Malaysian Institute of Accountants.

The Audit Committee is satisfied with the suitability and independence of the external auditors based on the quality and competency of services delivered, sufficiency of the firm and professional staff assigned to the annual audit as well as the non-audit services performed for the financial year ended 31 March 2021 and has recommended their re-appointment for the financial year ending 31 March 2022.

The terms of reference of the Audit Committee are available on the Company's website at http://www.tiongnam.com/.

Corporate Governance Overview Statement
(cont'd)

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

I. AUDIT COMMITTEE

2. Relationship with External Auditors

The Board has maintained an independent and transparent relationship with the external auditors. External auditors' views, opinions and expertise are sought by Senior Management and Board Members periodically on general accepted accounting principles, financial reporting standards, appropriate disclosures, dealings with authorities and compliances. Discussions with external auditors are held during the finalisation of the annual audited financial statements, quarterly Audit Committee meeting from time to time and on internal control matters.

3. Risk Management and Internal Control Framework

The Board regards risk management and internal controls as an integral part of the overall management processes. The following represent the key elements of the Group's risk management and internal control structure:

(1) An organizational structure in the Group with formally defined lines of responsibility and delegation of authority;

(2) Review and approval of annual business plan and budget of all major business units by the Board. This plan sets out key business objectives of the respective business units, the major risks and opportunities in the operations and ensuing action plans;

(3) Quarterly review of the Group's business performance by the Board, which also covers the assessment of the impact of changes in business and competitive environment.

(4) Active participation and involvement by the Group Managing Director and Non-Independent Executive Directors in the day-to-day running of the major business and regular discussions with the senior management of smaller business units on operational issues; and

(5) Monthly financial reporting by the subsidiaries to the holding company.

Recognizing the importance of having risk management processes and practices, the Board had formalized a Risk Committee to identify and manage the major or significant operational, financial and market risks associated with Group's business.

The Statement of Risk Management and Internal Control is set out on page 49 to 53 of this Annual Report provides an overview of the state of risk management and internal control within the Group.

4. Internal Audit Function

In line with the MCCG 2017 and the Listing Requirements of Bursa Malaysia, the Company has in place an in-house Internal Audit ("IA") function, which reports directly to the Audit Committee on the adequacy and effectiveness of the Group's internal controls. The internal audit is guided by internal auditing standards promulgated by the Institute of Internal Auditors Inc, a globally recognized professional body for internal auditors. The internal audit is led by Mr Adrian Ong, a Chartered member of Institute of Internal Auditors Malaysia. The internal audit function is independent of the activities it audits and the scope of work it covered during the financial year under review is provided in the Audit Committee Report set out on pages 46 to 48 of this Annual Report.

Corporate Governance Overview Statement
(cont'd)

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

I. Communication with stakeholders

1. Directors' Responsibility Statement in respect of the Audited Financial Statements

The Board is responsible to ensure that the financial statements of the Company are drawn up in accordance with the Companies Act 2016 ("CA 2016") and applicable accounting standards in Malaysia. The aforesaid financial statements give a true and fair view of the state of affairs, the results of the operations and cash flows of the Group and the Company for the financial year under review.

The Board has adopted and applied appropriate accounting policies on a consistent basis, made judgements and estimates where applicable which were reasonable and prudent and ensured that applicable accounting standards were followed in the preparation of the Company's audited financial statements for the year ended 31 March 2021. The Company keeps proper accounting and other records which will disclose with reasonable accuracy at any time the financial position of the Company, and which enable the Board to ensure that the audited financial statements comply with the CA 2016 and the applicable approved accounting standards.

2. Shareholder participation at general meeting

The Annual General Meeting ("AGM") which is the principal forum for shareholder dialogue, allows shareholders to review the Group's performance via the Company's Annual Report and pose questions to the Board for clarification. At the AGM, shareholders participate in deliberating resolutions being proposed or on the Group's operations in general. At the last AGM, a question & answer session was held where the Chairman of the meeting invited shareholders to raise questions with responses from the Board and Senior Management.

The Notice of AGM is circulated to shareholders at least twenty-eight (28) days before the date of the meeting to enable them to go through the Annual Report and papers supporting the resolutions proposed. All the resolutions set out in the Notice of the last AGM were put to vote by poll and duly passed. The outcome of the AGM was announced to Bursa Malaysia.

3. Communication and engagement with shareholders and prospective investors

The Board recognizes the importance of accurate, transparent, accountable and timely dissemination of information to the Company's shareholders and prospective investors. The Board observes the Corporate Disclosure Policy issued by the Bursa Malaysia and complies with the disclosure requirements of the Main Market Listing Requirements of Bursa Malaysia.

The various channels of communications are through meetings with institutional shareholders and investment communities, quarterly announcements on financial results to Bursa Malaysia, relevant announcements and circulars, when necessary, the Annual and Extraordinary General Meetings and through the Group's website at www.tiongnam.com where shareholders and prospective investors can access corporate information, annual reports, press releases, financial information, company announcements and share prices of the Company. To maintain a high level of transparency and to effectively address any issues or concerns, the Group has a dedicated electronic mail, i.e. info.investor@tiongnam.com to which stakeholders can direct their queries or concerns.

However, any information that may be regarded as undisclosed material information about the Group will not be given to any single shareholder or shareholder group.

4. Investors Relations

The Company takes into consideration the shareholder's rights to access information relating to the Company and thus, taken measures to enable the Company to communicate effectively with its shareholders, prospective investors, stakeholders and public generally with the intention of giving them a better understanding of the Group's performance and operations.

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (CONT'D)

I. Communication with stakeholders (Cont'd)

5. Poll voting

Pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia, all resolutions tabled at the Company's annual general meetings or at any other general meetings (collectively referred as "general meetings") will be voted by way of poll. An independent scrutineer is appointed to validate the votes cast at the general meetings. Where it is more efficient, the Company will employ electronic poll voting. The outcome of all resolutions tabled at the Company's general meetings shall be announced to Bursa Malaysia on the same day after the respective meetings.

II. Other Compliance Information

1. Material Contract

For the financial year ended 31 March 2021, there were no material contracts involving directors and substantial shareholders in the Company and subsidiaries.

However, recurring related party transactions of a revenue or trading nature in the ordinary course of business which are entered into by the Company and its subsidiaries involving the interest of Mr Ong Yoong Nyock and Madam Yong Kwee Lian, Managing Director and Executive Director respectively and substantial shareholders of the Company and Mr Chang Chu Shien a Non-Independent Non-Executive Director, Mr Ong Wei Kuan a Non-Independent Executive Director and persons connected to the Directors and/or Substantial Shareholders of the Company, Mr Ong Yong Meng, Mr Ong Weng Seng, Madam Yong Wei Lian and Mr. Wong Swee Siong have been mandated and approved by the shareholders in the Annual General Meeting of the Company held on 26 September 2020.

2. Sanctions and Penalties

There were no sanctions and penalties imposed by regulatory authorities on the Company, its subsidiaries, Directors and management.

3. Audit and Non-Audit Fees

The audit fees and non-audit fees incurred by the Company and its subsidiaries and payable to the external auditors, Messrs KPMG PLT and its affiliates for the financial year ended 31 March 2021 are as follows: -

	Group (RM)	Company (RM)
Audit Fees	415,000	68,000
Non-Audit Fees	147,000	19,000

4. Utilisation of Proceeds

At the Extraordinary General Meeting held on 10 December 2020, the Company had obtained shareholders' approval for issuance of 67,050,000 new ordinary shares in the Company to Mr Ong Yoong Nyock, representing approximately 15% of total number of issued shares in the Company. The Share Issuance has been completed following the listing of and quotation for 67,050,000 Subscriptions Shares on the Main Market of Bursa Securities on 17 December 2020, raising RM 29.2 million for the Company.

Corporate Governance Overview Statement
(cont'd)

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (CONT'D)

II. Other Compliance Information (Cont'd)

4. Utilisation of Proceeds

The detail of the utilisation of proceeds from the Share Issuance as at 31 March 2021 was as follows: -

Purpose	Proposed Utilisation (RM'000)	Actual Utilisation (RM'000)	Balance Unutilised (RM'000)	Initial Time Frame (From the date of listing of Subscription Shares)	Revised Time Frame (From the date of listing of Subscription Shares)
Capital expenditure for business expansion	28,794	(2,062)	26,802	Within 6 months	Within 12 months
Estimated expenses in relation to the Share Issuance	400	(330)	–[1]	Within 1 month	–
Total proceeds	**29,194**	**(2,392)**	**26,802**		

Note:

[1] *The balance of the unutilised proceeds for the expenses incurred in relation to the Share Issuance has been adjusted against the amount allocated for the capital expenditure of the Group.*

5. Share Buy-Back

Details of share repurchased during the financial year ended 31 March 2021 are as follows:

Month	No. of shares repurchases	Lowest price paid (RM)	Highest price paid (RM)	Average price paid (RM)	Total consideration (RM)
April 2020	1,000	0.395	0.395	0.395	437.52
June 2020	386,700	0.390	0.400	0.395	154,388.89
July 2020	114,400	0.390	0.395	0.393	45,391.31
August 2020	996,600	0.390	0.395	0.393	395,026.93
October 2020	1,000	0.510	0.510	0.510	539.84
	1,499,700				595,784.49

At the end of the financial year, a total of 13,775,295 of the repurchased shares are being held as treasury shares and carried at cost. There is no resale of treasury shares or cancellation of shares during the financial year.

Corporate Governance Overview Statement
(cont'd)

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (CONT'D)

II. Other Compliance Information (Cont'd)

6. Recurrent Related Party Transaction of a Revenue or Trading Nature

All recurrent related party transactions ("RRPTs") are dealt with in accordance with the Main Market Listing Requirements of Bursa Malaysia ("Listing Requirements") and a summary of RRPT Register is tabled for Audit Committee's review and monitoring on quarterly basis.

The nature of transactions with the Related Parties involving the interest of the Major Shareholders and Directors of the Company, namely Mr Ong Yoong Nyock ("OYN") and Madam Yong Kwee Lian ("YKL") and the following the persons connected to them are as follows:

(i) Ms Christina Ong Chu Voon ("COCV"), daughter of OYN and YKL.
(ii) Mr Ong Weng Seng ("OWS") and Mr Ong Yong Meng ("OYM"), both are brothers of OYN
(iii) Madam Yong Wei Lian ("YWL"), sister of YKL
(iv) Mr Pan Chee Seng ("PCS"), husband of YWL
(v) Mr Wong Swee Siong ("WSS"), brother-in-law of YKL

	Transacting Party	Nature of Relationship	Nature of Transactions	Transacted Value RM '000
a	Linocraft Printers Sdn Bhd ("LPSB")	LPSB is 70% owned by Charlecote Sdn Bhd ("CSB") CSB is 50% and 50% Owned by OYN and YKL respectively. OYN is a director in LPSB and owned 11% share.	Freight income received from provision of transportation and related services such as forwarding, handling stuffing and unstuffing, container haulage services and general warehousing facilities. The above services & warehouse facilities are provided by TNLS.	3,296
b	Tiong Nam Holdings Sdn Bhd ("TNH") and the following wholly owned subsidiaries: - Generation Essential Enterprise Sdn Bhd - ("GE") Melia Legend Sdn Bhd ("ML")	OYN – 70% YKL – 30% OYN is a director of TNH and OWS and OYM are directors in the following wholly owned subsidiaries:- - GE	Rent payable for parking lot and general warehouse at PT 14340 & 14341, Mukim Damansara, Shah Alam, provided to TNLS.	1,386

Corporate Governance Overview Statement
(cont'd)

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (CONT'D)

II. Other Compliance Information (Cont'd)

6. Recurrent Related Party Transaction of a Revenue or Trading Nature (Cont'd)

	Transacting Party	Nature of Relationship	Nature of Transactions	Transacted Value RM '000
c	G-Force Sdn Bhd ("GFSB") and the following wholly owned subsidiaries: - Trans-Crest Sdn Bhd ("TC") - GFA Logistics Sdn Bhd ("GFA")	OWS – 39.1% OYM – 39.6% Both OWS and OYM are directors in GFSB and the following wholly owned subsidiaries: - TC	Rent payable for general warehouses and coldroom facilities in Shah Alam, Johor Bahru and Sarawak:- - Lot 16875 & 16876, Mukim Damansara, Shah Alam - Lot 204, Shah Alam - Lot 61383, Bangi - Lot 6 & 19L-Walson 1, Shah Alam - Plo 26, Jalan Cecair, Pasir Gudang - Lot 59703 - Lot 2-30, 32 & 34 - Lot 640, Blk A, Sarawak - Lot 20L-Walson 3, Shah Alam The above warehouses and coldroom facilities are provided to TNLS.	26,503
d	Tiong Wang Movers (JB) Sdn Bhd ("TWM")	OYM – 30% OWS – 70% Both OYM and OWS are directors in TWMJB	Income from rental of office at Lot 30462 Jalan Kempas Baru, Johor Bahru provided by TNLS.	3
			Transportation and related services, handling, forklift services, trucking and sale of diesel provided by TNLS & TNLHB.	17
			Charges payable for transportation and related services such as forwarding, handling, forklifts services, labour, repairs, loading and unloading provided to TNLS and TNHT.	627
e	Fastrans (M) Sdn Bhd ("FTSB")	OYN – 70% YKL – 30% OYN and OWK are directors in FTSB.	Rent payable for rental of office block at Lot30462, Jalan Kempas Baru,Johor Bahru provided to TNLS.	3,433

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (CONT'D)

II. Other Compliance Information (Cont'd)

6. Recurrent Related Party Transaction of a Revenue or Trading Nature (Cont'd)

	Transacting Party	Nature of Relationship	Nature of Transactions	Transacted Value RM '000
f	Attractive Zone Sdn Bhd ("AZSB")	OYN – 55% OYN is a director in AZSB.	Income from project management provided by TNP.	56
g	GF Equipment Rental Sdn Bhd ("GFERSB") and the following wholly owned subsidiaries: - GF Forklift Services (Penang) Sdn Bhd ("GFFSSB") - G-Force Equipment Services Sdn Bhd ("GFESSB") - Mach 1 Hyster Sdn Bhd ("M1HSB") - Mach 1 Equipment Services ("M1ES") 80% owned subsidiary: - Mach 1 Heavylift & Equipment Sdn Bhd ("M1HESB")	PCS - 20% OYN - 25% OWK - 9% COCV - 9% Both OWK and PCS are director in GFERSB.	Freight income received from provision of transportation and related services such as forwarding and handling, stuffing and unstuffing, and sales of diesel, sales of canvas provided by TNLS, TNLHB and GFLS. Charges payable for rental of crane & forklifts provided to TNLS, TNHT, TNLSB, TNEE and PTSB. Rental income for office at Lot 2-13, Shah Alam provided by TNLS.	361 11,217 120
h	Terbit Wartan Sdn Bhd ("TWSB")	YWL – 50%	Freight income received from provision of transportation and related services provided by TNLS.	1
i	Potential Landscape Sdn Bhd ("PLSB")	OYN – 35% OWK – 25% Both OYN and OWK are director in PLSB.	Income from project management provided by TNP and TPSB.	58

Corporate Governance Overview Statement
(cont'd)

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (CONT'D)

II. Other Compliance Information (Cont'd)

6. Recurrent Related Party Transaction of a Revenue or Trading Nature (Cont'd)

The nature of transactions with Related Parties of which the Director of the Company, Mr Ong Wei Kuan ("OWK") is a shareholder and a director and therefore has financial interest in the Company are as follows:

	Transacting Party	Nature of Relationship	Nature of Transactions	Transacted Value RM '000
a	Semangat Forwarding Agent Sdn Bhd ("SFA")	OWK – 5.5%	Income from rental of office provided by TNLS & GFLS: -	
			- Lot 2, Padang Besar	48
			- Lot 24, Pasir Gudang	12
			- D28A, Pelabuhan Tanjung Pelepas	6
			- Lot 5, Port Klang	150
			Freight income received from provision of transportation and related services such as forwarding and handling, stuffing and unstuffing provided by TNLS.	62
			Charges payable for forwarding, custom clearance and related services, telephone, handling, stuffing and unstuffing, postages and travelling charges provided to TNLS, TNS and GFLS.	6,642
b	Dynamic Tyre Sdn Bhd ("DTSB")	OWK – 7%	Income from rental of warehouse at Lot 30462, Jalan Kempas Baru, Johor Bahru provided by TNLS.	72
			freight income received from provision of Transportation services provided by TNLS.	16
			Charges for purchase of tyres and accessories provided to TNLS, IKSB, TNEE, TNLSB, TNHT and GFLS.	5,443

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (CONT'D)

II. Other Compliance Information (Cont'd)

6. Recurrent Related Party Transaction of a Revenue or Trading Nature (Cont'd)

The nature of transactions with Related Parties of which the Director of the Company, Mr Ong Wei Kuan ("OWK") is a shareholder and a director and therefore has financial interest in the Company are as follows:

	Transacting Party	Nature of Relationship	Nature of Transactions	Transacted Value RM '000
c	TN Engineering Sdn Bhd ("TNE") and the following subsidiaries: - Power Auto Marketing Sdn Bhd ("PAM") (70%)	OWK – 10%	Income from freight and sales of diesel provided by TNLS and TNLHB.	216
			Income from rental of warehouses and showroom, offices and service centre in Kuantan,provided by TNLS: - Lot 203D, Gebeng Industiral Estate, Kuantan	18
			- Lot 92, 93, 94 & 240, Shah Alam	600
			- Lot 204, Shah Alam	12
			Charges payable for repairs and maintenance of lorries (including smash repairs), forklifts, mobile cranes and motor vehicles rendered to TNLS, ASSB, PTSB, TNEE, PESB, SASB, TNLSB, TNHT and TNLHB.	3,947
d	TN Fabrication Assembly & Engineering Sdn Bhd ("TNFAESB") (formerly known as TN Autoparts Sdn Bhd) ("TNASB")	OWK – 7%	Charges payable for purchase of trailers and trucks accessories provided to TNLS.	314
			Income from freight provided by TNLS.	14

The nature of transactions with a Related Party of which the Director of the Company, Mr Chang Chu Shien ("CCS") is a shareholder and a director and therefore has financial interest in the Company are as follows:-

	Transacting Party	Nature of Relationship	Nature of Transactions	Transacted Value RM '000
a	Straits View Hotel Sdn Bhd ("SVH")	CCS – 19.6% CCS is a director in Straits View Hotel Sdn Bhd	Rent payable for general warehouses in Shah Alam provided to TNLS i) Lot 2-43 & 2-45, Lion Industrial Park, Shah Alam	768
			ii) Lot 2-13, Lion Industrial Park, Shah Alam	492

STATEMENT ON DIRECTORS' RESPONSIBILITY

In relation to the Audited Financial Statements for the year ended 31 March 2021

The Directors are required by the Companies Act 2016 to prepare financial statements which give a true and fair view of the state of affairs of the Company and its subsidiaries as at the end of each financial year and of the profit and loss for that period.

In preparing the financial statements as set out on pages 59 to 145 of this Annual Report, the Board has ensured that appropriate accounting policies have been consistently applied, make reasonable and prudent judgements and estimates in accordance to applicable accounting standards and provision of Companies Act 2016 subject to any explanations and any material departures disclosed in the notes to the financial statements.

The Directors are responsible for ensuring that the Company and its subsidiaries keep accounting records which disclose with reasonable accuracy financial positions of the company and its subsidiaries and which enable them to ensure the financial statements comply with the Companies Act 2016. The Directors have the general responsibility for taking such steps as are reasonable open to them to safeguard the assets of the Group and to prevent and to detect fraud and other irregularities.

AUDIT COMMITTEE REPORT

TERMS OF REFERENCE OF AUDIT COMMITTEE

1. Objectives

The principal objectives of the Audit Committee are as follows: -

a. To ensure quarterly results and the annual financial statements of the Group: -
   i. have been prepared in accordance with generally accepted accounting principles and comply with all statutory and the Bursa Malaysia Securities Berhad requirements; and
   ii. provided by the management are realistic and reliable.
b. To identify and review business risks and ensure that the Group system of internal control is effective and measures implemented have been adhered to by the management and staff of the Group.
c. To ensure that internal and external exceptional findings in relation to compliance with the Authorities and the Bursa Malaysia Securities Berhad requirements are corrected and measures be implemented to avoid recurrent.

2. Composition of Audit Committee

a. The Audit Committee Members are to be appointed by the Board of Directors.
b. The Audit Committee shall comprise of at least 3 Directors of the Company.
c. Majority members must be independent non-executive Directors.
d. At least one (1) member to be a Malaysian Institute of Accountants member or has passed examination specified in the 1st Schedule of the Accountants Act (with at least 3 years of working experience).
e. The Chairman shall be an independent non-executive Director approved by the Board.
f. No alternate director shall be appointed as a member of the Audit Committee.
g. In the event that any vacancy arising from reasons such as retirement, resignation, death, removal of a member of the audit committee or for any other reasons, the Board shall ensure the vacancy be filled within three (3) months to ensure compliance of the Listing Requirements.
h. The Board shall review the term of office of the Audit Committee members not less than every three (3) years and may reappoint the existing members after the review and/or to appoint new members to the Audit Committee from time to time as and when they think is appropriate.

3. Duties & Responsibilities

The main duties & responsibilities of the Audit Committee shall be: -

a. To review the quarterly results and annual financial statements of the Group: -
   i. To ensure that they have been prepared in accordance with generally accepted accounting principles and that all statutory requirements have been complied with.
   ii. To ensure quarterly results and annual financial statements are true and fair.
b. To identify and review business risks, the effectiveness of internal control with the internal and external auditors.
c. To discuss with internal and external auditors in relation to the scope of the audit and audit procedures.
d. To discuss with internal and external auditors and to report to the Board of Directors significant results and findings.
e. To consider and recommend the appointment of external auditors, the audit fees and any question of resignation or dismissal.
f. To review recurrent related party transactions and ensure that the transactions are entered into at arm's length basis and have benefits in term of revenue, efficiency, improving the profile and increasing customer base of the Group.
g. To consider any other functions that may be required and agreed to be undertaken by the Audit Committee and the Board of Directors.
h. Overseeing the internal audit functions.

Audit Committee Report
(cont'd)

TERMS OF REFERENCE OF AUDIT COMMITTEE – CONT'D

4. Quorum

The quorum for Audit Committee meeting shall be a majority of members present at the meeting whom must be independent Directors.

5. Meeting

a. The Audit Committee shall meet not less than four (4) times per annum.
b. Directors who are non-members and/or employees may attend any particular meeting only at the audit committee's invitation, specific to the relevant meeting to provide explanation and expertise advice.
c. The appointed secretary (usually company secretary) shall take minutes for all proceedings and matters discussed as well as make record attendance for all members and invitees. All minutes of meeting shall be circulated to every member of the Board.

6. Authority

The Audit Committee is authorised by the Board and at the expenses of the Group: -
a. To investigate any matters within its term of reference.
b. Have full and unrestricted access to any information of the Group.
c. To be able to obtain independent professional and other advice.

MEMBERS AND MEETINGS

The Audit Committee (AC) has a total of three (3) members and has held five (5) meetings during the financial year. The members of the AC and their attendance are as follows:

Name of members	Attendance
Mr Ling Cheng Fah, Chairman Independent Non-Executive Director	5/5
Datuk Haji Muhamad Shapiae bin Mat Ali Independent Non-Executive Director	5/5
Mr Yong Seng Huat Non-Independent Non-Executive Director	5/5

The Agenda, internal audit reports and unaudited quarterly results are prepared and distributed to the members for discussions and considerations and approval in the quarterly meetings held by the AC. Minutes of the quarterly meetings are made available to the full Board.

Audit Committee Report
(cont'd)

SUMMARY OF ACTIVITIES

The AC activities for the financial year ended are as follows:

1. Review of unaudited quarterly results for announcement prior to the submission to the Board for approval. The AC communicated with the external auditor with particular focus on significant matters highlighted including financial reporting issues, significant judgments made by the Management, significant and unusual events or transactions, and how these matters are addressed; and compliance with the applicable approved accounting or auditing standards in Malaysia and other legal and regulatory requirements.
2. The AC, internal auditor and external auditors met to discuss Group unaudited quarterly reports and internal control procedures in respect of financial year ended 31 March 2021, final audited Financial Statement for the financial year ended 31 March 2020 and matters arising for the Audit of the Financial Statement for the year ended 31 March 2020.
3. Assessed the independence and objectivity of external auditor prior to the appointment for non-audit services. Based on the assessment, the Audit Committee is satisfied that there is no conflict of interest situation.
4. Reviewed quarterly audit work performed by the Internal Audit department, findings and actions taken to further strengthen the internal control system. In its oversight over the Internal Audit function, the AC approved the internal audit framework and the annual audit plan to ensure adequate scope and comprehensive coverage over the activities of the Group and ensured that all high-risk areas are audited at least annually.
5. Reviewed recurrent related party transactions for the pricing to ensure that they are comparable to market price and that the transactions are entered into on arm's length basis and benefits the Group in terms of revenue, efficiency, improving the profile and increasing the Group's customer base.

INTERNAL AUDIT ACTIVITIES

During the year under review, the Group Internal Audit Department has performed audit on the branches operation and management, dormitory operation, anti-bribery and anti-corruption compliance with Section 17(A) of the MACC Act 2009, hotel operation, credit control and recurrent related party transaction. Areas which AC evaluated and monitored during the year:

a) internal audit plan and resources planning requirements for the financial year;
b) internal audit issues, recommendations and the management responses to rectify and improve the system of internal control; and
c) the implementation of programmes recommended by internal auditors arising from its audits in order to obtain assurance that all key risks and controls are fully dealt with.

The internal audit findings have been summarized and distributed to the member of the AC in their scheduled quarterly audit committee meeting.

INTERNAL AUDIT FUNCTION

The internal audit function is performed in-house and the cost incurred in respect of financial year 2021 is approximately RM 348,000.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Board of Directors ("Board") recognises the importance of sound risk management practices and internal controls to safeguard shareholders' interest and assets of the Group. The Board of Directors acknowledges its responsibility for the adequacy and the integrity of the Group's system of risk management and internal control which includes the establishment of an appropriate control environment and risk framework, as well as reviewing its adequacy and effectiveness. By virtue of the nature of its business activities, the Board considers its strategic risk appetite and seeks to minimise risks at operational level.

The Board is of the view that the risk management framework and internal control system are designed, implemented and monitored to mitigate the Group's risks. There are inherent limitations to any system of internal control and the system is designed to manage and minimise impact within an acceptable risk appetite, rather than eliminate the risk of failure to achieve the policies, goals and objectives of the Group. In view of these, it can only provide reasonable but not absolute assurance of effectiveness against operational oversight which may result in material misstatement of management and financial information or against financial losses and fraud.

The risk management and internal control system have been in place for the financial year under review and up to the date of approval of this statement.

The Board is of the opinion that the risk management and internal control system were adequate to address the risks of the Group.

Group Risk Management Objectives

- Ensure the continuity of business.
- Safeguard the assets of the Group.
- Safeguard the interest of all shareholders.
- Ensure the continuity of its quality service to customers at all times.
- Preserve the safety and health of its employees.
- Promote an effective risk awareness culture where risk management is an integral aspect of the Group's operation and management systems.
- Ensure compliance with the Malaysian Code of Corporate Governance and all applicable laws.

Risk Management Framework

Risk Committee was established by the Board to undertake the responsibility of reviewing the development of risk management framework, align with business and operational requirements which supports the maintenance of a strong control environment. The Group has established an on-going process for identifying and documenting major risks, evaluating the potential impact and likelihood of their occurrence and mitigating controls. This process is reviewed by the Risk Committee and the Board.

At the operational level, a Risk Working Committee (RWC) was established. The members of RWC consist of all Heads of Department within the Group. RWC is responsible for identifying business risks relevant to the business growth and strategy of the Group, maintaining, monitoring and evaluating the effectiveness of the risk management system on an on-going basis. The risk governance structure is aligned across business units and subsidiaries of the Group through the streamlining of the risk frameworks, policies and organisational structures in order to embed and enhance the risk management and risk culture based on the Group's growth and expansion plan. RWC presents the updated risk register to the Risk Committee for review on an annual basis.

The key aspects of our risk management framework are as follows:-

- **Identification of specific risk areas**

  Annual risk survey is carried out by RWC with involvement of Heads of Department for identifying risks posed to the Group. Risks identified are assessed and discussed by the RWC based on the Group's business environment, incident analysis, findings of internal audits and analysis of the Group's performance relative to the business growth and strategy.

- **Evaluation of the causes and consequences**

  Risk analysis and evaluation is carried out using scenario based assessments to assess the potential impact to the Group.

- **Managing and rating of risk**

  Risks identified are assessed based on their likelihood of occurrence and their impact to the Group.

- **Risk mitigation and action plan**

  Implementation of tactical solutions to soften or mitigate risks, including preventive and detective controls and measures.

- **Implementation and monitoring**

  Risk management principles, policies, procedures and practices are updated regularly to ensure relevance and compliance with current applicable laws and regulations, and are made available to all employees. The Group also had adopted an Anti-Bribery and Anti-Corruption (ABAC) Framework. The Framework provides broad principles, strategy and policy for the Group to adopt in relation to corruption in order to promote high standards of integrity. The Framework establishes robust and comprehensive programmes and controls for the Group as well as highlights the roles and responsibilities at every level.

Significant or Principal Risks

The Group has identified the following risks that are significant to the business operations.

Market Risks

- **Loss of key customers**

  Loss of key customers due to macroeconomic downturn, other market conditions and stiff competition. The Group has various measures in place, amongst others, allocating key personnel to manage and maintain good relationship with key customers.

- **Escalating cost of services including crude oil prices fluctuation**

  The price of diesel is subject to market volatility which in turn affects the Group's profitability. In addition, other related cost of services may also be indirectly affected by the fluctuation in crude oil prices. We model our business plans across a broad range of market and economic scenarios and take account of alternative economic outlooks within our overall business strategy.

Operational Risks

- **Warehouses and assets management**

  The Group has a number of material sized business premises and warehouses which are vital to the business operations. The risk of fire, natural disasters such as flood and civil or labour unrest may result in significant losses to the Group. The Group addresses this risk by periodic review on the adequacy of the fire insurance coverage, including business interruption cover. On-going safety trainings and audits are conducted from time to time.

- **Loss of Key Personnel**

  The Group has continuous business strategies which identify Key Personnel who are responsible to their operating business centre.

  They include short term and long term measures with retention plan and continuous training and to gradually develop a fully integrated operating systems which could minimise the dependency of Key Personnel.

Statement on Risk Management and Internal Control
(cont'd)

- **Health and safety**

  The Group has a Health and Safety Policy. In addition, it has established a policy for outbreak of new disease which emphasises on stakeholders' wellbeing with daily body temperature check, mandatory face mask, practising social distancing, workplace hygiene and respiratory etiquette. Employee(s) with respiratory symptoms are subject to quarantine for the incubation period of 14 days. Besides that, all employees are required to make health and travel declaration on regular basis to mitigate the risks.

Financial Risks

- **Credit risk**

  The Group is exposed to financial risk arising from the inability to recover debts which may affect the Group's profitability, cash flows and funding. In response to this risk, the Group has credit control policy in placed to evaluate and assess credit application of new customers. Credit control department is tasked to monitor and follow up payment with customers to mitigate long overdue debts.

- **Liquidity risks**

  The Group is aware of the economic downturn on global scale resulting from the pandemic, the Group seeks to reduce overheads, in order to improve operational efficiency and meet its ongoing operating cash requirements. The goal of the Group´s liquidity risk management is to minimise the effects by the changes in financial markets on the Group's profit and equity. The policy for managing financial risks is based on the guidelines approved by the Board of Directors. Finance and operations are tasked to manage the Group's cash flow to ensure there are adequate funds available for operational purposes.

Anti-Bribery and Anti- Corruption Policy

The Group has Anti-Bribery and Anti-Corruption (ABAC) Framework in place to promote high standards of integrity for its employees, directors, partners or persons who perform services for or on behalf of the Group. The ABAC Policy is published on the Company's website outlines the Group's commitment to conducting business ethically in compliance with all applicable anti-bribery and anti-corruption laws of every country in which the Group operates in.

The ABAC Policy of the Group is in compliance with the Malaysia Anti-Corruption Commission (MACC) Act 2009 Amendment (May 2018), includes new Corporate Liability Provision under the Section 17(A), which became effective on 1 June 2020 whereby the organisation (Company and Top Management) is equally liable for any corruption committed by person associated to the organisation, unless the organisation can demonstrate that it has adequate procedures in place to prevent corruption.

Reports of any concern or suspicion may be emailed to the whistleblowing mailbox.

Whistle Blowing Policy

The Group adopted a whistle blowing policy, providing an avenue for employees and external parties to report actual or suspected malpractice, misconduct or violations of the Group's policies and regulations in a safe and confidential manner.

Internal Audit Function

The Internal Audit Function undertakes regular reviews of the Group's operations and business processes according to the approved annual audit plan, to examine and evaluate the adequacy and effectiveness of financial and operating controls and highlights significant risks and non-compliance impacting the Group. Where applicable, Internal Audit provides recommendations to improve on the effectiveness of risk management, control and governance processes. Management will follow up and review the status of actions on recommendations made by the internal auditors and external auditors. Audit reviews are conducted according to risk-based approach, in line with the Group's objectives and policies in the context of its evolving business and regulatory environment, taking into consideration inputs from senior management and the Board.

Key Elements of Internal Control

The Audit Committee and Senior Management are conscious of the importance of maintaining a sound internal control system. The Group's system of internal control is embedded in the day to day operational and management processes.

The Board of Directors, Audit Committee and Senior Management are aware of the significance of risk management and internal control in the planning and day to day conduct of the Group's business activities. Therefore, procedures had been established for the Company and its subsidiaries, to ensure the adequacy and integrity of the Group's internal control and management information systems. These procedures are intended to provide an ongoing process of identifying, evaluating, monitoring and managing the significant risks faced by the Group. These procedures are subject to regular reviews by the Board of Directors.

The following main processes of internal control are embedded in the day to day operations of the Group with continuing effort to improve the processes:

1 Credit policies are established for new customers such as credit terms and limits, amount of deposit required for long term rental of trucks and warehouses. Credit Control Committee has been established to provide stringent control when approving new customers' credit applications. Exceptions are allowed only when they are approved by the Managing Director and Executive Director.

   Credit control review is conducted by Credit Control Department and Marketing personnel on a regular basis and exceptions are highlighted from time to time for consideration by senior management.

2 Information provided by Information Technology from written programs and developed software for Operations, Billing, Logsheet, Driver Information, Inventory Management, Human Resources and Accounts are reviewed by Internal Audit for accuracy to ensure that there is integrity in the information provided. Audit trails and check and balance are provided for analysis for accuracy of information.

3 Goods in transit are insured for selected customers. Other customers have been advised to take their own insurance cover for loss or damage to their goods. Similarly all warehouses are insured for fire risks. Both goods in transit for selected customers and fire risks insurance covers are reviewed periodically for their adequacy and renewed on an annual basis.

4 Customers are invoiced in accordance to authorised quotations with attached documents such as endorsed customs documents and delivery orders.

5 Payments made are adequately verified and approved with attached purchase orders and invoices.

6 Group Internal Audit monitors compliance on policies and procedures and the effectiveness of the system of internal control and any significant non-compliance from policies and procedures are highlighted and corrected.

7 Drivers are given continuous training especially on defensive driving skill. Safety manuals have been compiled for drivers in relation to safer ways to drive a truck, handling of goods and documents, preventing hijacks and other safety measures.

Business risks and system of internal control are reviewed regularly in line with new customers' requirements and extension of existing business activities.

Group Internal Audit Department carries out the internal audit work on a planned and ad hoc basis on the Group's system of internal control and reports to the Audit Committee on a quarterly basis in the scheduled Audit Committee meetings.

During the year under review, the Group Internal Audit Department has performed audits on branches operation and management, dormitory operation, anti-bribery and anti-corruption compliance with Section 17(A) of the MACC Act 2009, hotel operation, credit control and recurrent related party transactions.

Effectiveness of Internal Control

The review and assurance of the system of internal control is an ongoing process. It is continuously reviewed by the Internal Audit and Audit Committee and weaknesses and incidents of non-compliance with policies and procedures are highlighted to the management for its further improvement actions to achieve business objectives.

Assurance from Management

The Board has received assurance from the Group Managing Director and Senior Financial Controller that the Group's risk management and internal control system are operating adequately and effectively in all material aspects, based on the risk management and internal control system adopted by the Group.

Review of the Statement by External Auditors

The external auditors have reviewed this Statement on Risk Management and Internal Control pursuant to the scope set out in Audit and Assurance Practice Guide ("AAPG") 3, *Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report* issued by the Malaysian Institute of Accountants ("MIA") for inclusion in the annual report of the Group for the year ended 31 March 2021, and reported to the Board that nothing has come to their attention that cause them to believe that the statement intended to be included in the annual report of the Group, in all material respects:

(a) has not been prepared in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, or

(b) is factually inaccurate.

AAPG 3 does not require the external auditors to consider whether the Directors' Statement on Risk Management and Internal Control covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system including the assessment and opinion by the Board of Directors and management thereon. The auditors are also not required to consider whether the processes described to deal with material internal control aspects of any significant problems disclosed in the annual report will, in fact, remedy the problems.

Conclusion

The Board of Directors is of the view that the risk management and internal control system are satisfactory and have not resulted in any material losses that would require disclosure in the Annual Report for the year ended 31 March 2021 up to the date of this statement.

FINANCIAL **STATEMENTS**

DIRECTORS' REPORT
For the year ended 31 March 2021

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 March 2021.

PRINCIPAL ACTIVITIES

The principal activities of the Company consist of investment holding and trading of diesel and petrol. The principal activities of its subsidiaries are disclosed in Note 6 to the financial statements. There has been no significant change in the nature of these activities during the financial year.

SUBSIDIARIES

The details of the Company's subsidiaries are disclosed in Note 6 to the financial statements.

RESULTS

	Group RM'000	Company RM'000
Profit for the year attributable to:		
Owners of the Company	11,351	125,102
Non-controlling interests	531	–
	11,882	125,102

RESERVES AND PROVISIONS

There were no material transfers to or from reserves and provisions during the financial year under review except as disclosed in Note 14 to the financial statements.

DIVIDENDS

The Directors recommended a final dividend of 1.0 sen per ordinary share totalling RM5,140,502 on 21 June 2021 in respect of the year ended 31 March 2021 subject to approval of the shareholders at the forthcoming Annual General Meeting. These financial statements do not reflect this proposed final dividend which, upon approval, will be accounted for in the statement of changes in equity as an appropriation of retained earnings in the year ending 31 March 2022.

DIRECTORS OF THE COMPANY

Directors who served during the financial year until the date of this report are:

Dato' Fu Ah Kiow @ Oh (Fu) Soon Guan
Mr. Ong Yoong Nyock
Mdm. Yong Kwee Lian
Mr. Yong Seng Huat
Mr. Ling Cheng Fah @ Ling Cheng Ming
Mr. Chang Chu Shien
Mr. Ong Wei Kuan
Datuk Haji Muhamad Shapiae bin Mat Ali
Mr. Chen Kuok Chin (appointed on 22 June 2020)
Ms. Christina Ong Chu Voon (appointed on 22 June 2020)
Mr. Ong Eng Teck @ Ong Eng Fatt (resigned on 22 June 2020)

The names of the Directors of subsidiaries are set out in the respective subsidiaries' financial statements and the said information is deemed incorporated herein by such reference and made a part hereof.

Directors' Report
For the year ended 31 March 2021
(cont'd)

DIRECTORS' INTERESTS IN SHARES

The interests and deemed interests in the shares of the Company and of its related corporations (other than wholly-owned subsidiaries) of those who were Directors at financial year end (including the interests of the spouses or children of the Directors who themselves are not Directors of the Company) as recorded in the Register of Directors' Shareholdings are as follows:

	Number of ordinary shares			
Name of Directors	**At 1 April 2020/ date of appointment '000**	**Bought '000**	**Sold '000**	**At 31 March 2021 '000**
Company				
Direct interest				
Dato' Fu Ah Kiow @ Oh (Fu) Soon Guan	765	–	–	765
Mr. Ong Yoong Nyock	90,551	67,050	(29,000)	128,601
Mdm. Yong Kwee Lian	5,216	1,434	–	6,650
Mr. Ling Cheng Fah @ Ling Cheng Ming	15	–	–	15
Mr. Chang Chu Shien	1,388	512	–	1,900
Mr. Ong Wei Kuan	255	–	–	255
Deemed interest				
Mr. Ong Yoong Nyock	144,465	1,434	–	145,899
Mdm. Yong Kwee Lian	229,800	67,050	(29,000)	267,850
Mr. Yong Seng Huat	10	–	–	10
Mr Chen Kuok Chin	838	709	(128)	1,419
Subsidiaries				
Mr. Ong Yoong Nyock's and Mdm. Yong Kwee Lian's deemed interest in:				
- TNTT Packages Express Sdn. Bhd.	90	–	–	90
- Tiong Nam Resources Sdn. Bhd.	30	–	–	30
- Japan Original Electric (M) Sdn. Bhd.	306	102	–	408
- TNTT Packages Express Pte. Ltd.	5	–	–	5
- Tiong Nam PBA Sdn. Bhd.	–*	–	–	–*
- Memori Pintar Sdn. Bhd.	–	7	–	7

* representing 6 ordinary shares.

Mr. Ong Yoong Nyock's deemed interest represents shares held by his spouse, Mdm. Yong Kwee Lian, his son, Mr. Ong Wei Kuan, and by companies in which he and his spouse have substantial financial interests. Mdm. Yong Kwee Lian's deemed interest represents the shares held by her spouse, her son and by companies in which she and her spouse have substantial financial interests.

In addition to Mr. Ong Yoong Nyock's and Mdm. Yong Kwee Lian's deemed interests in the ordinary shares of the subsidiaries as disclosed above, by virtue of their substantial interests in the shares of the Company, they are also deemed to have interest in the ordinary shares of all the subsidiaries of the Company as disclosed in Note 6 to the financial statements during the financial year to the extent that the Company has an interest.

None of the other Directors holding office at 31 March 2021 had any interest in the ordinary shares of the Company and of its related corporations during the financial year.

Directors' Report
For the year ended 31 March 2021
(cont'd)

DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director of the Company has received nor become entitled to receive any benefit (other than those fees and other benefits included in the aggregate amount of remuneration received or due and receivable by Directors as shown in the financial statements or the fixed salary of a full time employee of the Company or of related corporations) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest except for any benefit which may be deemed to have arisen by virtue of certain Directors of the Company who have interests in certain corporations which render transportation, warehousing and related services to and from the subsidiaries in their ordinary course of business as disclosed in Note 28 to the financial statements.

There were no arrangements during and at the end of the financial year which had the object of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

ISSUE OF SHARES

At the Annual General Meeting held on 26 September 2020, the shareholders of the Company approved the Company's plan to repurchase its own shares. During the financial year, the Company repurchased from the open market a total of 1,499,700 (2020: 7,170,800) of its issued ordinary shares. The average repurchase price was RM0.40 (2020: RM0.38). The repurchase transactions were financed by internally generated funds and the repurchased shares are being held as treasury shares and carried at cost.

During the financial year, the Company issued 67,050,000 new ordinary shares to a Director, Mr. Ong Yoong Nyock representing approximately 15% of the total number of issued shares in the Company at an issue price of RM0.4305 per share for capital expenditure purpose.

There were no other changes in the issued and paid-up capital of the Company during the financial year.

OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued shares of the Company during the financial year.

INDEMNITY AND INSURANCE COSTS

During the financial year, the total amount of premium paid for insurance effected for Directors and officers of the Company is RM10,610.

There were no indemnity given to or insurance effected for auditors of the Company during the financial year.

QUALIFICATION OF SUBSIDIARIES' FINANCIAL STATEMENTS

The auditors' reports on the audited financial statements of Company's subsidiaries did not contain any qualification or any adverse comments.

OTHER STATUTORY INFORMATION

Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps to ascertain that:

i) all known bad debts have been written off and adequate provision has been made for doubtful debts, and

ii) any current assets which were unlikely to be realised in the ordinary course of business have been written down to an amount which they might be expected so to realise.

Directors' Report
For the year ended 31 March 2021
(cont'd)

OTHER STATUTORY INFORMATION (CONT'D)

At the date of this report, the Directors are not aware of any circumstances:

i) that would render the amount written off for bad debts or the amount of the provision for doubtful debts in the Group and in the Company inadequate to any substantial extent, or

ii) that would render the value attributed to the current assets in the financial statements of the Group and of the Company misleading, or

iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate, or

iv) not otherwise dealt with in this report or the financial statements that would render any amount stated in the financial statements of the Group and of the Company misleading.

At the date of this report, there does not exist:

i) any charge on the assets of the Group or of the Company that has arisen since the end of the financial year and which secures the liabilities of any other person, or

ii) any contingent liability in respect of the Group or of the Company that has arisen since the end of the financial year.

No contingent liability or other liability of any company in the Group has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

In the opinion of the Directors, other than the effect of the revaluation of the Group's land and buildings as disclosed in Notes 3 and 4 respectively to the financial statements, the financial performance of the Group and of the Company for the financial year ended 31 March 2021 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

SIGNIFICANT EVENT

The significant event is disclosed in Note 29 to the financial statements.

AUDITORS

The auditors, KPMG PLT, have indicated their willingness to accept re-appointment.

The auditors' remuneration is disclosed in Note 19 to the financial statements.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors:

Ong Yoong Nyock
Director

Dato' Fu Ah Kiow @ Oh (Fu) Soon Guan
Director

Date: 19 July 2021

Statements of Financial Position
As at 31 March 2021

	Note	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
Assets					
Property, plant and equipment	3	1,072,293	1,013,753	10	167
Right-of-use assets	4	327,382	269,029	610	–
Investment properties	5	45,950	48,790	34,134	34,134
Investments in subsidiaries	6	–	–	48,235	50,749
Investment in an associate	7	378	591	40	40
Inventories	8	152,898	152,249	–	–
Deferred tax assets	9	25,153	20,101	–	–
Trade and other receivables	10	3,291	5,402	269,922	323,942
Total non-current assets		1,627,345	1,509,915	352,951	409,032
Inventories	8	202,758	198,341	466	319
Trade and other receivables	10	212,457	185,832	7,445	30,019
Current tax assets		6,305	12,489	–	–
Other investments	11	35,392	8,760	35,282	8,750
Cash and cash equivalents	12	38,090	13,050	27,316	360
		495,002	418,472	70,509	39,448
Assets classified as held for sale	13	–	23,000	–	–
Total current assets		495,002	441,472	70,509	39,448
Total assets		2,122,347	1,951,387	423,460	448,480
Equity					
Share capital	14	200,236	171,371	200,236	171,371
Reserves	14	591,437	516,758	189,479	64,974
Equity attributable to owners of the Company		791,673	688,129	389,715	236,345
Non-controlling interests	6	9,363	9,431	–	–
Total equity		801,036	697,560	389,715	236,345
Liabilities					
Lease liabilities		70,352	66,136	509	–
Deferred tax liabilities	9	74,088	51,490	2,817	2,845
Other payables	15	–	–	–	183,481
Loans and borrowings	16	731,641	660,252	10,793	12,085
Total non-current liabilities		876,081	777,878	14,119	198,411
Lease liabilities		14,271	13,433	101	–
Trade and other payables	15	123,423	121,843	4,905	3,115
Loans and borrowings	16	304,283	338,329	13,716	10,241
Current tax liabilities		3,253	2,344	904	368
Total current liabilities		445,230	475,949	19,626	13,724
Total liabilities		1,321,311	1,253,827	33,745	212,135
Total equity and liabilities		2,122,347	1,951,387	423,460	448,480

The accompanying notes form an integral part of the financial statements.

Statements of profit or loss and other comprehensive income
for the year ended 31 March 2021

	Note	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
Revenue	17	602,120	604,248	174,696	68,271
Cost of sales	17	(496,408)	(487,026)	(45,077)	(55,782)
Gross profit		105,712	117,222	129,619	12,489
Other income		30,747	14,935	11,053	901
Selling, marketing and distribution expenses		(2,323)	(2,109)	–	–
Administrative expenses		(66,621)	(67,731)	(737)	(949)
Net (loss)/gain on impairment of financial instruments	19	(1,661)	2,379	831	(569)
Other expenses		(2,417)	(4,106)	(12,571)	(3,698)
Results from operating activities		63,437	60,590	128,195	8,174
Finance income		1,085	1,388	146	–
Finance costs	18	(43,643)	(49,298)	(645)	(907)
Net finance costs		(42,558)	(47,910)	(499)	(907)
Operating profit	19	20,879	12,680	127,696	7,267
Share of profit/(loss) after tax in an associate	7	67	(163)	–	–
Profit before tax		20,946	12,517	127,696	7,267
Tax expense	20	(9,064)	(10,334)	(2,594)	(1,899)
Profit for the year		11,882	2,183	125,102	5,368
Other comprehensive income, net of tax					
Items that will not be reclassified subsequently to profit or loss					
Revaluation of properties, net of deferred tax		63,819	–	–	–
Items that are or may be reclassified subsequently to profit or loss					
Foreign currency translation differences for foreign operations		106	383	–	–
Other comprehensive income for the year, net of tax		63,925	383	–	–
Total comprehensive income for the year		75,807	2,566	125,102	5,368

The accompanying notes form an integral part of the financial statements.

Statements of Profit or Loss and other Comprehensive Income for the year ended 31 March 2021 (cont'd)

	Note	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
Profit attributable to:					
Owners of the Company		11,351	688	125,102	5,368
Non-controlling interests		531	1,495	–	–
Profit for the year		11,882	2,183	125,102	5,368
Total comprehensive income attributable to:					
Owners of the Company		75,276	1,071	125,102	5,368
Non-controlling interests		531	1,495	–	–
Total comprehensive income for the year		75,807	2,566	125,102	5,368
Basic and diluted earnings per ordinary share (sen)	21	2.42	0.15		

Consolidated Statement of Changes in Equity
for the year ended 31 March 2021

		Attributable to owners of the Company							
		Non-distributable				Distributable			
	Note	Share capital RM'000	Revaluation reserve RM'000	Treasury shares RM'000	Exchange fluctuation reserve RM'000	Retained earnings RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
Group									
At 1 April 2019		171,371	117,474	(7,219)	(576)	408,334	689,384	12,721	702,105
Foreign currency translation differences for foreign operations/ **Total other comprehensive income for the year**		–	–	–	383	–	383	–	383
Profit for the year		–	–	–	–	688	688	1,495	2,183
Total comprehensive income for the year		–	–	–	383	688	1,071	1,495	2,566
Contributions by and distributions to owners of the Company									
Own shares acquired/ **Total transactions with owners of the Company**	14	–	–	(2,745)	–	–	(2,745)	–	(2,745)
Subscription of shares by non-controlling interest		–	–	–	–	–	–	49	49
Acquisition of non-controlling interests		–	–	–	–	419	419	(3,038)	(2,619)
Dividends to non-controlling interests in subsidiaries		–	–	–	–	–	–	(1,796)	(1,796)
Realisation of revaluation reserve		–	(2,834)	–	–	2,834	–	–	–
At 31 March 2020		171,371	114,640	(9,964)	(193)	412,275	688,129	9,431	697,560

The accompanying notes form an integral part of the financial statements.

Consolidated Statement of Changes in Equity
for the year ended 31 March 2021
(cont'd)

		Attributable to owners of the Company							
		Non-distributable			Distributable				
	Note	Share capital RM'000	Revaluation reserve RM'000	Treasury shares RM'000	Exchange fluctuation reserve RM'000	Retained earnings RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
Group									
At 1 April 2020		171,371	114,640	(9,964)	(193)	412,275	688,129	9,431	697,560
Foreign currency translation differences for foreign operations		–	–	–	106	–	106	–	106
Revaluation of properties, net of deferred tax		–	63,819	–	–	–	63,819	–	63,819
Total other comprehensive income for the year		–	63,819	–	106	–	63,925	–	63,925
Profit for the year		–	–	–	–	11,351	11,351	531	11,882
Total comprehensive income for the year		–	63,819	–	106	11,351	75,276	531	75,807
Contributions by and distributions to owners of the Company									
Own shares acquired	14	–	–	(597)	–	–	(597)	–	(597)
Issue of ordinary shares	14	28,865	–	–	–	–	28,865	–	28,865
Total transactions with owners of the Company		28,865	–	(597)	–	–	28,268	–	28,268
Subscription of shares by non-controlling interest		–	–	–	–	–	–	101	101
Dividends to non-controlling interests in subsidiaries		–	–	–	–	–	–	(700)	(700)
Realisation of revaluation reserve		–	(2,699)	–	–	2,699	–	–	–
At 31 March 2021		200,236	175,760	(10,561)	(87)	426,325	791,673	9,363	801,036

The accompanying notes form an integral part of the financial statements.

Statement of changes in equity
for the year ended 31 March 2021

	Note	Attributable to owners of the Company			
		Non-distributable		Distributable	
		Share capital RM'000	Treasury shares RM'000	Retained earnings RM'000	Total equity RM'000
Company					
At 1 April 2019		171,371	(7,219)	69,570	233,722
Profit and total comprehensive income for the year		–	–	5,368	5,368
Contributions by and distributions to owners of the Company					
Own shares acquired/ **Total transactions with owners of the Company**	14	–	(2,745)	–	(2,745)
At 31 March 2020/1 April 2020		171,371	(9,964)	74,938	236,345
Profit and total comprehensive income for the year		–	–	125,102	125,102
Contributions by and distributions to owners of the Company					
Own shares acquired	14	–	(597)	–	(597)
Issue of ordinary shares	14	28,865	–	–	28,865
Total transactions with owners of the Company		28,865	(597)	–	28,268
At 31 March 2021		200,236	(10,561)	200,040	389,715

Statements of cash flows
for the year ended 31 March 2021

	Note	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
Cash flows from operating activities					
Profit before tax		20,946	12,517	127,696	7,267
Adjustments for:					
Depreciation:					
- Property, plant and equipment		36,690	33,289	59	158
- Right-of-use assets		23,448	16,984	41	–
Finance costs	18	43,643	49,298	5,088	7,408
Impairment loss on investments in subsidiaries		–	–	12,571	508
Share of (profit)/loss in an associate		(67)	163	–	–
Change in fair value of investment properties		(2,049)	(8,137)	–	–
Gain on disposal of:					
- Other investments		(1,899)	(336)	(1,899)	(336)
- Property, plant and equipment		(73)	(319)	–	–
Property, plant and equipment written off		45	213	–	–
Revaluation deficit on properties		1,420	–	–	–
Revaluation surplus on properties with previous revaluation deficit charged in profit or loss		(3,426)	–	–	–
Finance income		(1,085)	(1,388)	(11,929)	(13,755)
Net loss/(gain) on impairment of financial instruments:					
- Trade receivables	19	1,661	(2,379)	–	–
- Amounts due from subsidiaries	19	–	–	(831)	569
Other investments:					
- Fair value (gain)/loss		(8,115)	3,759	(8,115)	3,759
- Gross dividends		(361)	(607)	(361)	(606)
Dividends from:					
- Subsidiaries		–	–	(120,800)	(3,500)
- Associate		–	–	(280)	–
Gain on derecognition of right-of-use assets		(148)	–	–	–
Operating profit before changes in working capital		110,630	103,057	1,240	1,472
Change in inventories		(5,066)	(25,090)	(147)	304
Change in trade and other receivables		(26,175)	54,825	(833)	(998)
Change in trade and other payables		3,148	(40,778)	1,790	(475)
Cash generated from operations		82,537	92,014	2,050	303
Payment of tax, net of refunded		(3,273)	(1,024)	(2,086)	(2,165)
Net cash from/(used in) operating activities		79,264	90,990	(36)	(1,862)

The accompanying notes form an integral part of the financial statements.

Statements of Cash Flows
for the year ended 31 March 2021
(cont'd)

	Note	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
Cash flows from investing activities					
Acquisition of:					
- property, plant and equipment	22	(50,331)	(58,251)	–	(2)
- investment properties		(71)	(363)	–	–
- right-of-use assets		(11,110)	(41)	–	–
- non-controlling interests		–	(2,619)	–	–
Proceeds from disposal of:					
- other investments		8,892	3,877	8,892	3,823
- property, plant and equipment		1,008	698	–	–
- asset held for sales		23,000	–	–	–
Investment in:					
- other investments		(25,510)	(3,989)	(25,410)	(3,989)
- subsidiaries		–	–	(10,057)	(5,321)
Interest received		1,085	1,388	11,929	13,755
Dividends received		641	607	121,441	4,106
Changes in amounts due (to)/from subsidiaries		–	–	(105,125)	1,591
Net cash (used in)/from investing activities		(52,396)	(58,693)	1,670	13,963
Cash flows from financing activities					
Drawndown of term loans		200,457	169,452	–	–
(Repayment of)/Proceeds from:					
- term loans		(118,185)	(123,995)	(357)	(945)
- hire purchase liabilities		(13,793)	(14,415)	–	–
- short term borrowings		(45,830)	23,651	2,540	(1,009)
Proceeds from:					
- issue of share capital		28,865	–	28,865	–
- issue of shares to non-controlling interest		101	49	–	–
Payment of lease liabilities		(16,748)	(11,725)	(41)	–
Interest paid	18	(43,643)	(50,591)	(5,088)	(7,408)
Change in pledged deposits		623	(795)	–	–
Dividends paid to non-controlling interests of subsidiaries		(700)	(1,796)	–	–
Repurchase of treasury shares		(597)	(2,745)	(597)	(2,745)
Net cash (used in)/from financing activities		(9,450)	(12,910)	25,322	(12,107)
Exchange differences on translation of the financial statements of foreign subsidiaries		106	383	–	–
Net increase/(decrease) in cash and cash equivalents		17,524	19,770	26,956	(6)
Cash and cash equivalents at 1 April		3,457	(16,313)	360	366
Cash and cash equivalents at 31 March	12	20,981	3,457	27,316	360

The accompanying notes form an integral part of the financial statements.

Statements of Cash Flows
for the year ended 31 March 2021
(cont'd)

Cash outflows for leases as a lessee

	Note	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
Included in net cash from operating activities					
Payment relating to short-term leases	19	47,989	44,840	166	264
Payment relating to leases of low-value assets	19	142	47	–	–
Payment relating to variable lease payments not included in the measurement of lease liabilities	19	53	32	–	–
Included in net cash from financing activities					
Payment of lease liabilities		16,748	11,725	41	–
Interest paid in relation to lease liabilities	18	4,141	1,947	9	–
Total cash outflows for leases		69,073	58,591	216	264

The accompanying notes form an integral part of the financial statements.

Statements of Cash Flows
for the year ended 31 March 2021
(cont'd)

Reconciliation of movement of liabilities to cash flows arising from financing activities

	At 1 April 2019 RM'000	Net changes from financing cash flows RM'000	Acquisition of new leases RM'000	Acquisition of new hire purchase liabilities (Note 22) RM'000	At 31 March 2020/ 1 April 2020 RM'000	Net changes from financing cash flows RM'000	Acquisition of new leases RM'000	Acquisition of new hire purchase liabilities (Note22) RM'000	Derecog-nition RM'000	At 31 March 2021 RM'000
Group										
Term loans	647,806	45,457	–	–	693,263	82,272	–	–	–	775,535
Hire purchase liabilities	44,235	(14,415)	–	19,498	49,318	(13,793)	–	6,555	–	42,080
Lease liabilities	3,290	(11,725)	88,004	–	79,569	(16,748)	26,019	–	(4,217)	84,623
Short term borrowings	224,466	23,651	–	–	248,117	(45,830)	–	–	–	202,287
Total liabilities from financing activities	919,797	42,968	88,004	19,498	1,070,267	5,901	26,019	6,555	(4,217)	1,104,525

	At 1 April 2019 RM'000	Net changes from financing cash flows RM'000	At 31 March 2020/ 1 April 2020 RM'000	Acquisition of new leases RM'000	Net changes from financing cash flows RM'000	At 31 March 2021 RM'000
Company						
Term loans	13,314	(945)	12,369	–	(357)	12,012
Short term borrowings	10,966	(1,009)	9,957	–	2,540	12,497
Lease liabilities	–	–	–	651	(41)	610
Total liabilities from financing activities	24,280	(1,954)	22,326	651	2,142	25,119

The accompanying notes form an integral part of the financial statements.

Notes to the Financial Statements

Tiong Nam Logistics Holdings Berhad is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad. The addresses of the principal place of business and registered office of the Company are as follows:

Principal place of business
Lot 30462
Jalan Kempas Baru
81200 Johor Bahru
Johor, Malaysia

Registered office
Suite 9D, Level 9
Menara Ansar
65, Jalan Trus
80000 Johor Bahru
Johor, Malaysia

The consolidated financial statements of the Company as at and for the financial year ended 31 March 2021 comprise the Company and its subsidiaries (together referred to as the "Group" and individually referred to as "Group entities") and the Group's interest in an associate. The financial statements of the Company as at and for the financial year ended 31 March 2021 do not include other entities.

The principal activities of the Company consist of investment holding and trading of diesel and petrol. The principal activities of its subsidiaries are disclosed in Note 6.

These financial statements were authorised for issue by the Board of Directors on 19 July 2021.

1. BASIS OF PREPARATION

(a) Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

The following are accounting standards, interpretations and amendments of the MFRSs that have been issued by the Malaysian Accounting Standards Board ("MASB") but have not been adopted by the Group and the Company:

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 June 2020

- Amendment to MFRS 16, *Leases – Covid-19-Related Rent Concessions*

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2021

- Amendments to MFRS 9, *Financial Instruments*, MFRS 139, *Financial Instruments: Recognition and Measurement*, MFRS 7, *Financial Instruments: Disclosures*, MFRS 4, *Insurance Contracts* and MFRS 16, *Leases – Interest Rate Benchmark Reform – Phase 2*

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 April 2021

- Amendment to MFRS 16, *Leases – Covid-19-Related Rent Concessions beyond 30 June 2021*

Notes to the Financial Statements
(cont'd)

1. BASIS OF PREPARATION (CONTINUED)

(a) Statement of compliance (continued)

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2022

- Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements to MFRS Standards 2018–2020)*
- Amendments to MFRS 3, *Business Combinations – Reference to the Conceptual Framework*
- Amendments to MFRS 9, *Financial Instruments (Annual Improvements to MFRS Standards 2018–2020)*
- Amendments to Illustrative Examples accompanying MFRS 16, *Leases (Annual Improvements to MFRS Standards 2018–2020)*
- Amendments to MFRS 116, *Property, Plant and Equipment – Proceeds before Intended Use*
- Amendments to MFRS 137, *Provisions, Contingent Liabilities and Contingent Assets – Onerous Contracts – Cost of Fulfilling a Contract*
- Amendments to MFRS 141, *Agriculture (Annual Improvements to MFRS Standards 2018–2020)*

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2023

- MFRS 17, *Insurance Contracts*
- Amendments to MFRS 101, *Presentation of Financial Statements – Classification of Liabilities as Current or Non-current and Disclosures of Accounting Policies*
- Amendments to MFRS 108, *Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates*
- Amendments to MFRS 112, *Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

MFRSs, interpretations and amendments effective for annual periods beginning on or after a date yet to be confirmed

- Amendments to MFRS 10, *Consolidated Financial Statements* and MFRS 128, *Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The Group and the Company plan to apply the abovementioned accounting standards, interpretations and amendments in the respective financial year when the above accounting standards, interpretations and amendments become effective, if applicable.

The initial application of the accounting standards, interpretations and amendments are not expected to have any material financial impacts to the current period and prior period financial statements of the Group and the Company upon their first adoption.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis other than as disclosed in Note 2.

(c) Functional and presentation currency

These financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional currency. All financial information is presented in RM and has been rounded to the nearest thousand, unless otherwise stated.

Notes to the Financial Statements
(cont'd)

1. BASIS OF PREPARATION (CONTINUED)

(d) Use of estimates and judgements

The preparation of the financial statements in conformity with MFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements other than those disclosed in the following notes:

- Note 3 - Valuation of property, plant and equipment
- Note 4 - Extension options and incremental borrowing rate in relation to leases
- Note 4 - Valuation of right-of-use assets
- Note 5 - Valuation of investment properties
- Note 8 - Valuation of inventories
- Note 9 - Deferred tax assets/liabilities
- Note 26.4 - Measurement of expected credit loss ("ECL")

2. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to the periods presented in these financial statements and have been applied consistently by Group entities, unless otherwise stated.

(a) Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities, including structured entities, controlled by the Company. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive. The Group also considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

Investments in subsidiaries are measured in the Company's statement of financial position at cost less any impairment losses, unless the investment is classified as held for sale or distribution. The cost of investment includes transaction costs.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of consolidation (continued)

(ii) Business combinations

Business combinations are accounted for using the acquisition method from the acquisition date, which is the date on which control is transferred to the Group.

For new acquisitions, the Group measures the cost of goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

For each business combination, the Group elects whether it measures the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets at the acquisition date.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

(iii) Acquisitions of non-controlling interests

The Group accounts for all changes in its ownership interest in a subsidiary that do not result in a loss of control as equity transactions between the Group and its non-controlling interest holders. Any difference between the Group's share of net assets before and after the change, and any consideration received or paid, is adjusted to or against Group reserves.

(iv) Loss of control

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the former subsidiary, any non-controlling interests and the other components of equity related to the former subsidiary from the consolidated statement of financial position. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the former subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity accounted investee or as a financial asset depending on the level of influence retained.

(v) Associates

Associates are entities, including unincorporated entities, in which the Group has significant influence, but not control, over the financial and operating policies.

Investments in associates are accounted for in the consolidated financial statements using the equity method less any impairment losses, unless it is classified as held for sale or distribution. The cost of the investment includes transaction costs. The consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of the associates, after adjustments if any, to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases.

Notes to the Financial Statements
(cont'd)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of consolidation (continued)

(v) Associates (continued)

When the Group's share of losses exceeds its interest in an associate, the carrying amount of that interest including any long-term investments is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the associate.

When the Group ceases to have significant influence over an associate, any retained interest in the former associate at the date when significant influence is lost is measured at fair value and this amount is regarded as the initial carrying amount of a financial asset. The difference between the fair value of any retained interest plus proceeds from the interest disposed of and the carrying amount of the investment at the date when equity method is discontinued is recognised in profit or loss.

When the Group's interest in an associate decreases but does not result in a loss of significant influence, any retained interest is not remeasured. Any gain or loss arising from the decrease in interest is recognised in profit or loss. Any gains or losses previously recognised in other comprehensive income are also reclassified proportionately to the profit or loss if that gain or loss would be required to be reclassified to profit or loss on the disposal of the related assets or liabilities.

Investments in associates are measured in the Company's statement of financial position at cost less any impairment losses, unless the investment is classified as held for sale or distribution. The cost of investment includes transaction costs.

(vi) Non-controlling interests

Non-controlling interests at the end of the reporting period, being the equity in a subsidiary not attributable directly or indirectly to the equity holders of the Company, are presented in the consolidated statement of financial position and statement of changes in equity within equity, separately from equity attributable to the owners of the Company. Non-controlling interests in the results of the Group is presented in the consolidated statement of profit or loss and other comprehensive income as an allocation of the profit or loss and total comprehensive income for the year between non-controlling interests and owners of the Company.

Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

(vii) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

Unrealised gains arising from transactions with equity-accounted associates are eliminated against the investment to the extent of the Group's interest in the investees. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are retranslated to the functional currency at the exchange rate at that date.

Non-monetary assets and liabilities denominated in foreign currencies are not retranslated at the end of the reporting date, except for those that are measured at fair value which are retranslated to the functional currency at the exchange rate at the date that the fair value was determined.

Foreign currency differences arising on retranslation are recognised in profit or loss, except for differences arising on the retranslation of equity instruments where they are measured at fair value through other comprehensive income or a financial instrument designated as a cash flow hedge, which are recognised in other comprehensive income.

In the consolidated financial statements, when settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income, and are presented in the foreign currency translation reserve ("FCTR") in equity.

(ii) Operations denominated in functional currencies other than Ringgit Malaysia

The assets and liabilities of operations denominated in functional currencies other than RM, including goodwill and fair value adjustments arising on acquisition, are translated to RM at exchange rates at the end of the reporting period. The income and expenses of foreign operations, excluding foreign operations in hyperinflationary economies, are translated to RM at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income and accumulated in the FCTR in equity. However, if the operation is a non-wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the FCTR related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal.

When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

(c) Financial instruments

(i) Recognition and initial measurement

A financial asset or a financial liability is recognised in the statement of financial position when, and only when, the Group or the Company becomes a party to the contractual provisions of the instrument.

Notes to the Financial Statements
(cont'd)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Financial instruments (continued)

(i) Recognition and initial measurement (continued)

A financial asset (unless it is a trade receivable without significant financing component) or a financial liability is initially measured at its fair value plus or minus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issuance. A trade receivable without a significant financing component is initially measured at the transaction price.

An embedded derivative is recognised separately from the host contract where the host contract is not a financial asset, and accounted for separately if, and only if, the derivative is not closely related to the economic characteristics and risks of the host contract and the host contract is not measured at fair value through profit or loss. The host contract, in the event an embedded derivative is recognised separately, is accounted for in accordance with policy applicable to the nature of the host contract.

(ii) Financial instrument categories and subsequent measurement

Financial assets

Categories of financial assets are determined on initial recognition and are not reclassified subsequent to their initial recognition unless the Group or the Company changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change of the business model.

The categories of financial assets at initial recognition are as follows:

(a) Amortised cost

Amortised cost category comprises financial assets that are held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The financial assets are not designated as fair value through profit or loss. Subsequent to initial recognition, these financial assets are measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Interest income is recognised by applying effective interest rate to the gross carrying amount except for credit impaired financial assets (see Note 2(k)(i)) where the effective interest rate is applied to the amortised cost.

(b) Fair value through other comprehensive income

(i) Debt investments

Fair value through other comprehensive income category comprises debt investment where it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the debt investment, and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The debt investment is not designated as at fair value through profit or loss. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.

Notes to the Financial Statements
(cont'd)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Financial instruments (continued)

(ii) Financial instrument categories and subsequent measurement (continued)

(b) Fair value through other comprehensive income (continued)

(i) Debt investments (continued)

Interest income is recognised by applying effective interest rate to the gross carrying amount except for credit impaired financial assets (see Note 2(k)(i)) where the effective interest rate is applied to the amortised cost.

(ii) Equity investments

This category comprises investment in equity that is not held for trading, and the Group and the Company irrevocably elects to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of investment. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are not reclassified to profit or loss.

(c) Fair value through profit or loss

All financial assets not measured at amortised cost or fair value through other comprehensive income as described above are measured at fair value through profit or loss. This includes derivative financial assets (except for a derivative that is a designated and effective hedging instrument). On initial recognition, the Group or the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at fair value through other comprehensive income as at fair value through profit or loss if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets categorised as fair value through profit or loss are subsequently measured at their fair value. Net gains or losses, including any interest or dividend income, are recognised in the profit or loss.

All financial assets, except for those measured at fair value through profit or loss and equity investments measured at fair value through other comprehensive income, are subject to impairment assessment (see Note 2(k)(i)).

Financial liabilities

The categories of financial liabilities at initial recognition are as follows:

(a) Fair value through profit or loss

Fair value through profit or loss category comprises financial liabilities that are derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument), contingent consideration in a business combination and financial liabilities that are specifically designated into this category upon initial recognition.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Financial instruments (continued)

(ii) Financial instrument categories and subsequent measurement (continued)

Financial liabilities (continued)

(a) Fair value through profit or loss (continued)

On initial recognition, the Group or the Company may irrevocably designate a financial liability that otherwise meets the requirements to be measured at amortised cost as at fair value through profit or loss:

(a) if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise;

(b) a group of financial liabilities or assets and financial liabilities is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the group is provided internally on that basis to the Group's key management personnel; or

(c) if a contract contains one or more embedded derivatives and the host is not a financial asset in the scope of MFRS 9, where the embedded derivative significantly modifies the cash flows and separation is not prohibited.

Financial liabilities categorised as fair value through profit or loss are subsequently measured at their fair value with gains or losses, including any interest expense are recognised in the profit or loss.

For financial liabilities where it is designated as fair value through profit or loss upon initial recognition, the Group and the Company recognise the amount of change in fair value of the financial liability that is attributable to change in credit risk in the other comprehensive income and remaining amount of the change in fair value in the profit or loss, unless the treatment of the effects of changes in the liability's credit risk would create or enlarge an accounting mismatch.

(b) Amortised cost

Other financial liabilities not categorised as fair value through profit or loss are subsequently measured at amortised cost using the effective interest method.

Interest expense and foreign exchange gains and losses are recognised in the profit or loss. Any gains or losses on derecognition are also recognised in the profit or loss.

(iii) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantees issued are initially measured at fair value. Subsequently, they are measured at higher of:

- the amount of the loss allowance; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance to the principles of MFRS 15, *Revenue from Contracts with Customers*.

Liabilities arising from financial guarantees are presented together with other provisions.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Financial instruments (continued)

(iv) Regular way purchase or sale of financial assets

A regular way purchase or sale of financial assets is recognised and derecognised, as applicable, using trade date or settlement date accounting in the current year.

Trade date accounting refers to:

(a) the recognition of an asset to be received and the liability to pay for it on the trade date, and
(b) derecognition of an asset that is sold, recognition of any gain or loss on disposal and the recognition of a receivable from the buyer for payment on the trade date.

Settlement date accounting refers to:

(a) the recognition of an asset on the day it is received by the Group or the Company, and
(b) derecognition of an asset and recognition of any gain or loss on disposal on the day that is delivered by the Group or the Company.

Any change in the fair value of the asset to be received during the period between the trade date and the settlement date is accounted in the same way as it accounts for the acquired asset.

Generally, the Group or the Company applies settlement date accounting unless otherwise stated for the specific class of asset.

(v) Derecognition

A financial asset or part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or transferred, or control of the asset is not retained or substantially all of the risks and rewards of ownership of the financial asset are transferred to another party. On derecognition of a financial asset, the difference between the carrying amount of the financial asset and the sum of consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged, cancelled or expires. A financial liability is also derecognised when its terms are modified and the cash flows of the modified liability are substantially different, in which case, a new financial liability based on modified terms is recognised at fair value. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(vi) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group or the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and liability simultaneously.

Notes to the Financial Statements
(cont'd)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost or valuation less any accumulated depreciation and any accumulated impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. The cost of self-constructed assets also includes the cost of materials and direct labour. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs. Cost also may include transfers from equity of any gain or loss on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and is recognised net within "other income" and "other expenses" respectively in profit or loss.

Property, plant and equipment under the revaluation model

The Group revalues its property comprising land and buildings every 5 years and at shorter intervals whenever the fair value of the revalued assets is expected to differ materially from their carrying value.

Surpluses arising from revaluation are dealt with in the revaluation reserve account. Any deficit arising is offset against the revaluation reserve to the extent of a previous increase for the same property. In all other cases, a decrease in carrying amount is recognised in profit or loss. When revalued assets are sold, the amounts included in the revaluation surplus reserve are transferred to retained earnings.

(ii) Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group or the Company, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised to profit or loss. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed, and if a component has a useful life that is different from the remainder of that asset, then that component is depreciated separately.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Property, plant and equipment (continued)

(iii) Depreciation (continued)

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment from the date that they are available for use. Freehold land is not depreciated. Property, plant and equipment under construction are not depreciated until the assets are ready for their intended use.

The estimated useful lives for the current and comparative periods are as follows:

Buildings	10 - 50 years
Motor vehicles	10 years
Equipment, furniture and fittings	3 - 20 years

Depreciation methods, useful lives and residual values are reviewed at end of the reporting period and adjusted as appropriate.

(e) Leases

(i) Definition of a lease

A contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- the contract involves the use of an identified asset - this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;

- the customer has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and

- the customer has the right to direct the use of the asset. The customer has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the customer has the right to direct the use of the asset if either the customer has the right to operate the asset; or the customer designed the asset in a way that predetermines how and for what purpose it will be used.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices. However, for leases of properties in which the Group is a lessee, it has elected not to separate non-lease components and will instead account for the lease and non-lease components as a single lease component.

Notes to the Financial Statements
(cont'd)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Leases (continued)

(ii) Recognition and initial measurement

(a) As a lessee

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the respective Group entities' incremental borrowing rate. Generally, the Group entities use their incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments less any incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee;
- the exercise price under a purchase option that the Group is reasonably certain to exercise; and
- penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The Group excludes variable lease payments that linked to future performance or usage of the underlying asset from the lease liability. Instead, these payments are recognised in profit or loss in the period in which the performance or use occurs.

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(b) As a lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease.

If an arrangement contains lease and non-lease components, the Group applies MFRS 15 to allocate the consideration in the contract based on the stand-alone selling prices.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. It assesses the lease classification of a sublease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sublease as an operating lease.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Leases (continued)

(iii) Subsequent measurement

(a) As a lessee

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The Group applies revaluation model to land classified as right-of-use assets in accordance to MFRS 116 (Note 2(d)(i)).

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a revision of in-substance fixed lease payments, or if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

(b) As a lessor

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of "revenue".

(f) Intangible assets

Goodwill

Goodwill arises on business combinations is measured at cost less any accumulated impairment losses. In respect of equity-accounted associates, the carrying amount of goodwill is included in the carrying amount of the investment and an impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount of the equity accounted associates.

(g) Investment property

(i) Investment property carried at fair value

Investment properties are properties which are owned or right-of-use asset held under a lease contract to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties which are owned are measured initially at cost. Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalised borrowing costs. Right-of-use asset held under a lease contract that meets the definition of investment property is initially measured similarly as other right-of-use assets.

Notes to the Financial Statements
(cont'd)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Investment property (continued)

(i) Investment property carried at fair value (continued)

Subsequently, investment properties are measured at fair value with any change therein recognised in profit or loss for the period in which they arise. Where the fair value of the investment property under construction is not reliably determinable, the investment property under construction is measured at cost until either its fair value becomes reliably determinable or construction is complete, whichever is earlier.

The fair value of investment properties held by the Group as a right-of-use asset reflects the expected cashflows. Accordingly, where valuation obtained for a property is net of all payments expected to be made, the Group added back any recognised lease liability to arrive at the carrying amount of the investment property using fair value model.

An investment property is derecognised on its disposal, or when it is permanently withdrawn from use and no future economic benefits are expected from its disposal. The difference between the net disposal proceeds and the carrying amount is recognised in profit or loss in the period in which the item is derecognised.

(ii) Reclassification to/from investment property

When an item of property, plant and equipment is transferred to investment property following a change in its use, any difference arising at the date of transfer between the carrying amount of the item immediately prior to transfer and its fair value is recognised in other comprehensive income and accumulated in equity as revaluation reserve. However, if a fair value gain reverses a previous impairment loss, the gain is recognised in profit or loss. Upon disposal of an investment property, any surplus previously recorded in equity is transferred to retained earnings; the transfer is not made through profit or loss.

When the use of a property changes such that it is reclassified as property, plant and equipment, investment properties or inventories, its fair value at the date of reclassification becomes its deemed cost for subsequent accounting.

(h) Inventories

(i) Trading stocks

Inventories are measured at the lower of cost and net realisable value.

The cost of inventories is calculated using the first-in first-out method, and includes expenditure incurred in acquiring the inventories and other costs incurred in bringing them to their existing location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

(ii) Properties under development

Inventories are measured at the lower of cost and net realisable value. Net realisable value is determined by reference to the sale proceeds of properties sold in the ordinary course of business, less applicable variable selling expenses and the anticipated costs to completion, or by management estimates based on prevailing marketing conditions.

Inventories comprise costs of land and development costs incurred during the development period. On completion, the inventories are transferred to completed properties held for sale.

Inventories are classified as current assets when the construction of the relevant properties commences unless the construction period of the relevant property development project is expected to complete beyond normal operating cycle.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Inventories (continued)

(iii) Completed properties held for sale

Completed properties held for sale are measured at the lower of cost and net realisable value.

Costs comprise land costs and development costs attributable to the unsold properties.

Net realisable value is determined by reference to the sale proceeds of properties sold in the ordinary course of business, less applicable variable selling expenses, or by management estimates based on prevailing marketing conditions.

Completed properties held for sale are reviewed on a regular basis and the Group will make an allowance based primarily on the estimates of expected and future demand and related pricing. Demand levels, marketability of the completed properties and pricing competition could change from time to time. If such factors result in an adverse effect on the Group's completed properties held for sale, the Group might be required to reduce the value of its completed properties held for sales and additional allowances for slow moving inventories may be required.

(i) Non-current asset held for sale or distribution to owners

Non-current assets, or disposal group comprising assets and liabilities that are expected to be recovered primarily through sale or distribution to owners rather than through continuing use, are classified as held for sale or distribution.

Immediately before classification as held for sale or distribution, the assets, or components of a disposal group, are remeasured in accordance with the Group's accounting policies. Thereafter generally the assets, or disposal group, are measured at the lower of their carrying amount and fair value less costs of disposal.

Any impairment loss on a disposal group is first allocated to goodwill, and then to remaining assets and liabilities on *pro rata* basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets and investment property, which continue to be measured in accordance with the Group's accounting policies. Impairment losses on initial classification as held for sale or distribution and subsequent gains or losses on remeasurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

Intangible assets and property, plant and equipment once classified as held for sale or distribution are not amortised or depreciated. In addition, equity accounting of equity-accounted associates ceases once classified as held for sale or distribution.

(j) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, balances and deposits with banks and highly liquid investments which have an insignificant risk of changes in fair value with original maturities of three months or less, and are used by the Group and the Company in the management of their short term commitments. For the purpose of the statement of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

Notes to the Financial Statements
(cont'd)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Impairment

(i) Financial assets

The Group and the Company recognise loss allowances for expected credit losses on financial assets measured at amortised cost, debt investments measured at fair value through other comprehensive income, contract assets and lease receivables. Expected credit losses are a probability-weighted estimate of credit losses.

The Group and the Company measure loss allowances at an amount equal to lifetime expected credit loss, except for debt securities that are determined to have low credit risk at the reporting date, cash and bank balance and other debt securities for which credit risk has not increased significantly since initial recognition, which are measured at 12-month expected credit loss. Loss allowances for trade receivables, contract assets and lease receivables are always measured at an amount equal to lifetime expected credit loss.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit loss, the Group and the Company consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information, where available.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of the asset, while 12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within the 12 months after the reporting date. The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group and the Company are exposed to credit risk.

The Group and the Company estimate the expected credit losses on trade receivables using a provision matrix with reference to historical credit loss experience.

An impairment loss in respect of financial assets measured at amortised cost is recognised in profit or loss and the carrying amount of the asset is reduced through the use of an allowance account.

An impairment loss in respect of debt investments measured at fair value through other comprehensive income is recognised in profit or loss and the allowance account is recognised in other comprehensive income.

At each reporting date, the Group and the Company assess whether financial assets carried at amortised cost and debt securities at fair value through other comprehensive income are credit-impaired. A financial asset is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

The gross carrying amount of a financial asset is written off (either partially or full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group or the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's or the Company's procedures for recovery amounts due.

Notes to the Financial Statements
(cont'd)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Impairment (continued)

(ii) Other assets

The carrying amounts of other assets except for inventories, deferred tax assets, investment property measured at fair value and non-current assets classified as held for sale are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each period at the same time.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units. Subject to an operating segment ceiling test, for the purpose of goodwill impairment testing, cash-generating units to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to group of cash-generating units that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs of disposal. 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.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, 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 the issue of instruments classified as equity are recognised as a deduction from equity.

Notes to the Financial Statements
(cont'd)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(l) Equity instruments (continued)

(ii) Ordinary shares

Ordinary shares are classified as equity.

(iii) 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.

When treasury shares are sold or reissued subsequently, the difference between the sales consideration net of directly attributable costs and the carrying amount of the treasury shares is recognised in equity.

Where the treasury shares are subsequently distributed as dividends to shareholders, the cost of the treasury shares is applied as reduction of the distributable retained earnings.

(m) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

(i) Liquidated and ascertained damages

Provision for liquidated and ascertained damages is recognised when there is an expected delay in handing over of vacant possession to the property purchasers. The provision is based on the terms stipulated in the Sale and Purchase Agreements and the expected delay in handing over of vacant possession to the property purchasers.

(n) Government grants

Grants that compensate the Group for capital expenditures incurred for the acquisition of property, plant and equipment are recognised initially as deduction against the costs of the related property, plant and equipment and recognised in profit or loss over the life of the related property, plant and equipment as a reduction in depreciation expense.

Grants that compensate the Group for expenses incurred are recognised in profit or loss as other income on a systematic basis in the same period in which the expenses are recognised.

(o) 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(o) Income tax (continued)

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 goodwill, 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(g), 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 entity, or on different tax entities, but they intend to settle current tax assets and liabilities 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.

(p) 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.

(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. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

(q) Revenue and other income

(i) Revenue

Revenue is measured based on the consideration specified in a contract with a customer in exchange for transferring goods or services to a customer, excluding amounts collected on behalf of third parties. The Group or the Company recognises revenue when (or as) it transfers control over a product or service to customer. An asset is transferred when (or as) the customer obtains control of the asset.

Notes to the Financial Statements
(cont'd)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(q) Revenue and other income (continued)

(i) Revenue (continued)

The Group or the Company transfers control of a good or service at a point in time unless one of the following over time criteria is met:

(a) the customer simultaneously receives and consumes the benefits provided as the Group or the Company performs;
(b) the Group's or the Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
(c) the Group's and the Company's performance does not create an asset with an alternative use and the Group or the Company has an enforceable right to payment for performance completed to date.

(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) 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.

(iv) 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.

(r) 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(s) 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.

(t) 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.

(u) 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. Operating segment 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.

(v) Fair value measurements

Fair value of an asset or a liability, except for share-based payment and lease transactions, is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair value is categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.
Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3: unobservable inputs for the asset or liability.

The Group recognises transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

Notes to the Financial Statements
(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 2019	868,202	107,580	95,157	37,095	1,108,034
Additions	10,005	22,480	8,150	39,873	80,508
Disposals	(11)	(1,508)	(3,115)	–	(4,634)
Written off	–	(227)	–	–	(227)
Transfer	27,178	–	1,228	(28,406)	–
At 31 March 2020/1 April 2020	905,374	128,325	101,420	48,562	1,183,681
Additions	15,125	11,087	9,958	19,148	55,318
Net transfer from/(to):					
- Investment properties (Note 5)	6,910	–	–	–	6,910
- Right-of-use assets (Note 4)	(4,235)	–	–	–	(4,235)
Disposals	(3)	(655)	(2,110)	–	(2,768)
Written off	(3,576)	(948)	–	–	(4,524)
Transfer	32,974	–	–	(32,974)	–
Revaluation	(24,707)	–	–	–	(24,707)
At 31 March 2021	927,862	137,809	109,268	34,736	1,209,675
Representing items at:					
Cost	20,819	137,809	109,268	34,736	302,632
2021 - Valuation adopted by Directors	907,043	–	–	–	907,043
	927,862	137,809	109,268	34,736	1,209,675
Accumulated depreciation					
At 1 April 2019	45,211	46,615	49,082	–	140,908
Depreciation charge	17,265	9,364	6,660	–	33,289
Disposals	(5)	(1,414)	(2,836)	–	(4,255)
Written off	–	(14)	–	–	(14)
At 31 March 2020/1 April 2020	62,471	54,551	52,906	–	169,928
Depreciation charge	18,953	10,276	7,461	–	36,690
Disposals	–	(113)	(1,720)	–	(1,833)
Written off	(3,576)	(903)	–	–	(4,479)
Revaluation	(62,924)	–	–	–	(62,924)
At 31 March 2021	14,924	63,811	58,647	--	137,382
Carrying amounts					
At 1 April 2019	822,991	60,965	46,075	37,095	967,126
At 31 March 2020/1 April 2020	842,903	73,774	48,514	48,562	1,013,753
At 31 March 2021	912,938	73,998	50,621	34,736	1,072,293

3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Equipment, furniture and fittings/ Total RM'000
Company	
At cost	
At 1 April 2019	1,632
Additions	2
At 31 March 2020/1 April 2020	1,634
Transfer to a subsidiary	(820)
At 31 March 2021	814
Accumulated depreciation	
At 1 April 2019	1,309
Depreciation charge	158
At 31 March 2020/1 April 2020	1,467
Depreciation charge	59
Transfer to a subsidiary	(722)
At 31 March 2021	804
Carrying amounts	
At 1 April 2019	323
At 31 March 2020/1 April 2020	167
At 31 March 2021	10

	Group	
	2021 RM'000	**2020 RM'000**
Carrying amounts of land and buildings		
At valuation		
Freehold land	224,600	126,500
Buildings	682,443	252,302
	907,043	378,802
At cost		
Freehold land	–	85,976
Buildings	5,895	378,125
	5,895	464,101
	912,938	842,903

Notes to the Financial Statements
(cont'd)

3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

3.1 Fair value information

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 2021.

Fair value of land and buildings are categorised as follows:

	Group		
	Level 2 RM'000	**Level 3 RM'000**	**Total RM'000**
2021			
Freehold land	4,700	219,900	224,600
Buildings	–	682,443	682,443
	4,700	902,343	907,043

Level 2 fair value

Fair values of land have been generally derived using the sales comparison approach. Sales prices of comparable properties in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square foot of comparable properties.

Level 3 fair value

The following table shows the valuation techniques used in the determination of fair values within Level 3, as well as the significant unobservable inputs used in the valuation models.

Description of valuation technique and inputs used	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Sales comparison approach:		
Sales prices of comparable properties in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square foot.	Historical transaction data in the past three years are used due to absence of recent transactions (Price per square foot of comparable properties range from RM9 - RM233).	The estimated fair value would increase (decrease) if the price per square foot is higher (lower).
Depreciated replacement cost approach:		The estimated fair value would increase (decrease) if:
Estimated reproduction cost of building of same kind and design as when new based on current market prices for materials, labour and present construction techniques and deducting therefrom the accrued depreciation due to use and disrepair, age and obsolescence through technology and market changes.	• Gross replacement or reproduction costs (Price per square foot range from RM95 - RM480). • Depreciation rate ranges from 0%-50%	• Gross replacement or reproduction costs were higher (lower); or • Depreciation were lower (higher)

3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

3.1 Fair value information (continued)

Valuation processes applied by the Group for Level 3 fair value

The fair value of land and buildings are determined by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued. The Group revalues the land and buildings every five years and at shorter intervals whenever the fair value of the revalued assets is expected to differ materially from their carrying value.

3.2 Security

At 31 March 2021, the net carrying amount of the motor vehicles pledged for hire purchase liabilities is RM65,872,000 (2020:RM71,797,000).

Land and buildings and construction-in-progress with an aggregate carrying amount of RM896,493,000 (2020: RM837,344,000) are charged to banks as security for banking facilities granted to the Group.

3.3 Construction-in-progress

The construction-in-progress consists of several warehouses.

3.4 Property, plant and equipment subject to operating lease

The Group leases certain portion of its buildings to third parties. Each of the lease contracts contains an initial non-cancellable lease period of 1 to 3 years. Subsequent renewals are negotiated with the lessee.

The following are recognised in profit or loss:

	Group	
	2021 RM'000	**2020 RM'000**
Lease income	3,308	5,283

The operating lease payments to be received are as follow:

	Group	
	2021 RM'000	**2020 RM'000**
Less than one year	2,290	1,351
One to two years	2,290	–
Two to three years	572	–
Total undiscounted lease payments	5,152	1,351

Notes to the Financial Statements
(cont'd)

3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

3.5 Others

At 31 March 2020, included in the construction-in-progress was an interest expense capitalised of RM1,293,000 at rate of 4.38% per annum.

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

	Group 2021 RM'000	Group 2020 RM'000
Freehold land	186,259	74,455
Buildings	552,626	194,412
	738,885	268,867

4. RIGHT-OF-USE ASSETS

	Land RM'000	Buildings RM'000	Equipment RM'000	Total RM'000
Group				
At cost/valuation				
At 1 April 2019	194,782	2,434	752	197,968
Additions	41	88,004	–	88,045
Depreciation	(4,461)	(12,127)	(396)	(16,984)
At 31 March 2020/1 April 2020	190,362	78,311	356	269,029
Additions	11,110	26,019	–	37,129
Depreciation	(4,378)	(18,852)	(218)	(23,448)
Derecognition	–	(4,069)	–	(4,069)
Transfer (to)/from:				
- Investment properties (Note 5)	(1,950)	–	–	(1,950)
- Property, plant and equipment (Note 3)	–	4,235	–	4,235
Revaluation	46,456	–	–	46,456
At 31 March 2021	241,600	85,644	138	327,382
Representing items at:				
Cost	–	85,644	138	85,782
2021 - Valuation adopted by Directors	241,600	–	–	241,600
	241,600	85,644	138	327,382

4. RIGHT-OF-USE ASSETS (CONTINUED)

	Building/ Total RM'000
Company	
At cost	
At 1 April 2020	–
Addition	651
Depreciation	(41)
At 31 March 2021	610

The Group leases a number of land, warehouses, offices, petrol station and showroom and equipment that run between 2 to 87 years with an option to renew the lease after the end of the contract term for certain leases.

The Company leases a petrol station and showroom that run for a period for 3 years with an option to renew the lease after the end of the contract term.

4.1 Fair value information

The land is stated at Directors' valuation based on independent professional valuations on the open market value basis using the comparison method, income method and cost method carried out in March 2021.

Fair value of land is categorised as follows:

	Group		
	Level 2 RM'000	Level 3 RM'000	Total RM'000
2021			
Land	36,000	205,600	241,600

The valuation technique used in measuring the carrying amount of the right-of-use assets are the same of those applied to property, plant and equipment (Note 3.1).

4.2 Extension options

Some leases of warehouses contain extension options exercisable by the Group up to 3 years before the end of the non-cancellable contract period. Where applicable, the Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and not by the lessors. The Group assesses at lease commencement whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant change in circumstances within its control.

	Lease liabilities recognised (discounted) RM'000	Potential future lease payments not included in lease liabilities (discounted) RM'000
2021		
Buildings	7,068	6,289
2020		
Buildings	5,135	4,610

Notes to the Financial Statements
(cont'd)

4. RIGHT-OF-USE ASSETS (CONTINUED)

4.3 Significant judgements and assumptions in relation to lease

The Group and the Company assess at lease commencement by applying significant judgement whether it is reasonably certain to exercise the extension options. The Group and the Company consider all facts and circumstances including their past practice and any cost that will be incurred to change the asset if an option to extend is not taken, to help them determine the lease term.

The Group and the Company also applied judgement and assumptions in determining the incremental borrowing rate of the respective leases. The Group and the Company first determine the closest available borrowing rates before using significant judgement to determine the adjustments required to reflect the term, security, value or economic environment of the respective leases.

4.4 Security

Certain land with carrying amount of RM225,900,000 (2020: RM181,385,000) are charged to banks as security for banking facilities granted to the Group.

4.5 Others

Had the revalued land been carried at cost model, their carrying amounts would have been RM114,086,000 (2020: RM77,490,000).

5. INVESTMENT PROPERTIES

	Group		Company	
	2021 RM'000	**2020 RM'000**	**2021 RM'000**	**2020 RM'000**
At 1 April	48,790	63,290	34,134	34,134
Additions	71	363	–	–
Net transfer (to)/from:				
- Property, plant and equipment (Note 3)	(6,910)	–	–	–
- Right-of-use assets (Note 4)	1,950	–	–	–
- Assets classified as held for sales (Note 13)	–	(23,000)	–	–
Change in fair value	2,049	8,137	–	–
At 31 March	45,950	48,790	34,134	34,134

Included in the above are:

	Group		Company	
	2021 RM'000	**2020 RM'000**	**2021 RM'000**	**2020 RM'000**
Freehold land	36,100	35,200	34,134	34,134
Leasehold land	2,520	850	–	–
Buildings	7,330	12,740	–	–
	45,950	48,790	34,134	34,134

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

All the investment properties were revalued in March 2021 by independent professional valuers based on open market value basis.

Notes to the Financial Statements
(cont'd)

5. INVESTMENT PROPERTIES (CONTINUED)

5.1 Fair value information

Fair values of investment properties are categorised as follows:

	Group Level 2 RM'000	Group Level 3 RM'000	Group Total RM'000	Company Level 2 RM'000	Company Level 3 RM'000	Company Total RM'000
2021						
Land	3,220	35,400	38,620	–	34,134	34,134
Buildings	–	7,330	7,330	–	–	–
	3,220	42,730	45,950	–	34,134	34,134
2020						
Land	23,450	12,600	36,050	34,134	–	34,134
Buildings	–	12,740	12,740	–	–	–
	23,450	25,340	48,790	34,134	–	34,134

Level 2 fair value

Fair values of land have been generally derived using the sales comparison approach. Sales prices of comparable properties in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square foot of comparable properties.

Level 3 fair value

The following shows a reconciliation of Level 3 fair values:

	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
At 1 April	25,340	23,940	–	34,134
Additions	71	363	–	–
Transfer (to)/from:				
- Property, plant and equipment	(3,110)	–	–	–
- Right-of-use assets	1,950	–	–	–
- Assets classified as held for sales	–	(11,462)	–	–
Transfer out of Level 3 (Note a)	–	–	–	(34,134)
Transfer into Level 3 (Note b)	16,400	12,200	34,134	–
Gain and losses recognised in profit or loss:				
- Change in fair value	2,079	299	–	–
At 31 March	42,730	25,340	34,134	--

Note a - Transfer out of Level 3

The valuer had used sales comparison method with the input of recent transaction price as a basis of the valuation of the investment properties. The fair value was therefore classified to Level 2.

Notes to the Financial Statements
(cont'd)

5. INVESTMENT PROPERTIES (CONTINUED)

5.1 Fair value information (continued)

Note b - Transfer into Level 3

For the year ended 31 March 2021, due to absence of recent transactions used in the valuation of the properties, the fair value was therefore reclassified to Level 3.

The following table shows the valuation techniques used in the determination of fair values within Level 3, as well as the significant unobservable inputs used in the valuation models.

Description of valuation technique and inputs used	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Sales comparison method:		
Sales prices of comparable properties in close proximity are adjusted for differences in key attributes such as property size and property location. The most significant input in this valuation is price per square foot.	Historical transaction data in the past three years are used due to absence of recent transactions (Price per square foot of comparable properties range from RM37 - RM184).	The estimated fair value would increase (decrease) if the price per square foot is higher (lower).
Depreciated replacement cost approach:		The estimated fair value would increase (decrease) if:
Estimated reproduction cost of building of same kind and design as when new based on current market prices for materials, labour and present construction techniques and deducting therefrom the accrued depreciation due to use and disrepair, age and obsolescence through technology and market changes.	• Gross replacement or reproduction costs (Price per square foot range from RM118 - RM143). • Depreciation rate ranges from 10% - 25%	• Gross replacement or reproduction costs were higher (lower); or • Depreciation were lower (higher)

Valuation processes applied by the Group for Level 3 fair value

The fair value of investment properties is determined by an external, independent property valuer, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued. The external valuer provides the fair value of the Group's investment properties on an annual basis. Changes in Level 3 fair values are analysed by the management after obtaining valuation report from the external valuer.

5.2 Security

The land and buildings of the Group and the Company are charged to banks as security for banking facilities granted to a subsidiary of the Company.

Notes to the Financial Statements
(cont'd)

5. INVESTMENT PROPERTIES (CONTINUED)

5.3 Others

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

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Lease income	1,430	1,487	1,024	1,132
Direct operating expenses				
- income generating investment properties	85	106	–	–
- non-income generating investment properties	16	44	–	–

The operating lease payments to be received are as follows:

	Group	
	2021 RM'000	2020 RM'000
Less than one year	411	96
One to two years	192	80
Two to three years	48	–
Total undiscounted lease payments	651	176

6. INVESTMENTS IN SUBSIDIARIES

	Company	
	2021 RM'000	2020 RM'000
Cost of investment	65,586	55,529
Less: Impairment loss	(17,351)	(4,780)
	48,235	50,749

In the current year, the Company recognised impairment losses of RM12,571,000 (2020: RM508,000) for certain subsidiaries based on the estimated adjusted net asset method by reference to the fair value of the assets and liabilities of the subsidiaries.

Notes to the Financial Statements
(cont'd)

6. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Details of the subsidiaries are as follows:

Name of entity	Principal place of business/ Country of incorporation	Principal activities	Effective ownership interest and voting interest 2021 %	2020 %
Tiong Nam Logistics Solutions Sdn. Bhd.	Malaysia	Logistics and warehousing services and property investment and property development	100	100
Pacific Transport Sdn. Bhd.	Malaysia	Transportation, property letting and warehousing services	100	100
Semangat Angkut Sdn. Bhd.	Malaysia	Transportation services and leasing of trucks	100	100
Pengangkutan Enepec Sdn. Bhd.	Malaysia	Transportation services and leasing of trucks	100	100
Jelas Bagus Sdn. Bhd.	Malaysia	Property development	100	100
Anugerah Sensasi Sdn. Bhd.	Malaysia	Property investment holding, transportation services and leasing of trucks	100	100
Fair Vista Sdn. Bhd.	Malaysia	Property development	100	100
Tiong Nam Logistics Sdn. Bhd.	Malaysia	Logistics and warehousing services and property development	100	100
Tiong Nam Heavy Transport & Lifting Sdn. Bhd.	Malaysia	Transportation and related services	100	100
Terminal Perintis Sdn. Bhd.	Malaysia	Property development, property investment and operation of a hotel	100	100
Tiong Nam Logistics (S) Pte. Ltd.^	Republic of Singapore	Logistics and warehousing services	100	100
TNTT Packages Express Pte. Ltd. ^	Republic of Singapore	Provision of courier transport and logistics services	90	90
Dragon 2012 Sdn. Bhd.	Malaysia	Property development	100	100
G-Force Logistics Solutions Sdn. Bhd.	Malaysia	Logistics and warehousing services	100	100
Medini Heritage Sdn. Bhd.	Malaysia	Property development	100	100

6. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of entity	Principal place of business/ Country of incorporation	Principal activities	Effective ownership interest and voting interest 2021 %	2020 %
Tiong Nam Properties Sdn. Bhd.	Malaysia	Administrative and commission agents	100	100
Integriti Kaliber Sdn. Bhd.	Malaysia	Transportation, hostel management and related services	100	100
Tiong Nam Logistics Solutions (LAO) Co., Ltd. @	Lao People's Democratic Republic	Transportation and related services	100	100
Memori Pintar Sdn. Bhd.	Malaysia	Operation of tuition centre	70	–
Tiong Nam PBA Sdn. Bhd.	Malaysia	Dormant	60	60
Bagus Cekal Sdn. Bhd.	Malaysia	Dormant	100	100
Yakin Kaliber Sdn. Bhd.	Malaysia	Dormant	100	100
Belaian Pinang Sdn. Bhd.	Malaysia	Dormant	100	100
Front Field Sdn. Bhd.	Malaysia	Dormant	100	100
Far East West Lands Sdn. Bhd.	Malaysia	Dormant	100	100
Subsidiary of Semangat Angkut Sdn. Bhd.				
LT Growth Sdn. Bhd.	Malaysia	Trading and distributing of food groceries	100	100
Subsidiaries of Tiong Nam Logistics Solutions Sdn. Bhd.				
Japan Original Electric (M) Sdn. Bhd.	Malaysia	Property development	51	51
Tiong Nam Distribution Sdn. Bhd.	Malaysia	Dormant	100	100
Tiong Nam Ebiz Express Sdn. Bhd.	Malaysia	Transportation and related services	100	100
Tiong Nam Allied Container Depot Services Sdn. Bhd.	Malaysia	Storage and management of empty containers	100	100
Tiong Nam (Sarawak) Sdn. Bhd.	Malaysia	Provision of transport and related services	100	100

Notes to the Financial Statements
(cont'd)

6. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of entity	Principal place of business/ Country of incorporation	Principal activities	Effective ownership interest and voting interest 2021 %	2020 %
Tiong Nam Warehousing (Sarawak) Sdn. Bhd.	Malaysia	Provision of public bonded warehousing and distribution services	100	100
Tiong Nam Logistics Vietnam Co., Ltd.^	Socialist Republic of Vietnam	Transportation and related services	100	100
Tiong Nam Logistics Solutions (Shenzhen) Co., Ltd.^	People's Republic of China	Transportation and related services	100	100
Tiong Nam Logistics Myanmar Co., Ltd @	Republic of the Union of Myanmar	Transportation and related services	100	100
Subsidiary of Tiong Nam Ebiz Express Sdn. Bhd.				
TNTT Packages Express Sdn. Bhd.	Malaysia	Provision of transport and distribution services	90	90
Subsidiary of TNTT Packages Express Sdn. Bhd.				
Tiong Nam Resources Sdn. Bhd.	Malaysia	General sales agent for air, land and sea logistics activities	60	60
Subsidiary of Tiong Nam Logistics (S) Pte. Ltd.				
TN Transport and Warehousing Pte. Ltd.^	Republic of Singapore	Freight forwarding services and property letting	100	100

@ Management accounts were used for the preparation of consolidated financial statements. In the opinion of the Directors, the results and financial position of these subsidiaries are not material to the consolidated financial statements.

^ Not audited by KPMG PLT.

Notes to the Financial Statements
(cont'd)

6. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

6.1 Non-controlling interests in subsidiaries

The Group's subsidiaries that have material non-controlling interests ("NCI") are as follows:

	2021			
	Japan Original Electric (M) Sdn. Bhd.	**TNTT Packages Express Sdn. Bhd.**	**Other subsidiaries with immaterial NCI**	**Total**
NCI percentage of ownership interest and voting interest	49%	10%		
	RM'000	**RM'000**	**RM'000**	**RM'000**
Carrying amount of NCI	6,669	854	1,840	9,363
Profit and total comprehensive income allocated to NCI	13	205	313	531

	2021	
	Japan Original Electric (M) Sdn. Bhd. RM'000	**TNTT Packages Express Sdn. Bhd. RM'000**
Summarised financial information before intra-group elimination		
As at 31 March		
Non-current assets	13,616	13,149
Current assets	232	2,823
Non-current liabilities	–	(325)
Current liabilities	(238)	(7,107)
Net assets	13,610	8,540
Year ended 31 March		
Revenue	–	11,522
Profit for the year/ Total comprehensive income	27	2,048
Cash flows (used in)/from operating activities	(134)	7,342
Cash flows used in investing activities	(100)	(3,973)
Cash flows from/(used in) financing activities	200	(3,314)
Net (decrease)/increase in cash and cash equivalents	(34)	55
Dividends paid to NCI	–	300

Notes to the Financial Statements
(cont'd)

6. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

6.1 Non-controlling interests in subsidiaries (continued)

	2020			
	Japan Original Electric (M) Sdn. Bhd.	TNTT Packages Express Sdn. Bhd.	Other subsidiaries with immaterial NCI	Total
NCI percentage of ownership interest and voting interest	49%	10%		
	RM'000	**RM'000**	**RM'000**	**RM'000**
Carrying amount of NCI	6,557	950	1,924	9,431
Profit and total comprehensive income allocated to NCI	2	974	519	1,495

	2020	
	Japan Original Electric (M) Sdn. Bhd. RM'000	TNTT Packages Express Sdn. Bhd. RM'000
NCI percentage of ownership interest and voting interest	49%	10%
	RM'000	**RM'000**
Summarised financial information before intra-group elimination		
As at 31 March		
Non-current assets	13,411	8,905
Current assets	203	8,042
Non-current liabilities	–	(623)
Current liabilities	(232)	(6,828)
Net assets	13,382	9,496
Year ended 31 March		
Revenue	–	13,205
Profit for the year/ Total comprehensive income	3	2,889
Cash flows from/(used in) operating activities	161	(2,031)
Cash flows from investing activities	400	383
Cash flows (used in)/from financing activities	(600)	1,589
Net decrease in cash and cash equivalents	(39)	(59)
Dividends paid to NCI	196	1,200

Notes to the Financial Statements
(cont'd)

7. INVESTMENT IN AN ASSOCIATE

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Investment in shares	40	40	40	40
Share of post-acquisition reserves	338	551	–	–
	378	591	40	40

Details of associate are as follows:

Name of entity	Principal place of business and country of incorporation	Effective ownership interest and voting interest	
		2021 %	2020 %
Complete Bayview Sdn. Bhd.	Malaysia	40	40

No disclosure of other information is made as the associate is not significant to the Group.

8. INVENTORIES

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Non-current				
Properties under development	152,898	152,249	–	–
Current				
Trading stocks	5,781	702	466	319
Properties under development	23,086	22,976	–	–
Completed properties held for sale	173,891	174,663	–	–
	202,758	198,341	466	319
	355,656	350,590	466	319

	Group	
	2021 RM'000	2020 RM'000
Carrying amount of properties under development and completed properties held for sale pledged as security for borrowings (see Note 16)	219,762	219,407

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Recognised in profit or loss:				
- Inventories recognised as cost of sales	20,098	34,897	40,634	49,281

Notes to the Financial Statements
(cont'd)

9. DEFERRED TAX ASSETS/(LIABILITIES)

Recognised deferred tax assets/(liabilities)

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	2021 RM'000	**2020 RM'000**	**2021 RM'000**	**2020 RM'000**	**2021 RM'000**	**2020 RM'000**
Group						
Property, plant and equipment						
- capital allowances	–	–	(31,368)	(27,862)	(31,368)	(27,862)
- revaluation	–	–	(45,447)	(26,880)	(45,447)	(26,880)
Trade receivables	1,530	954	–	–	1,530	954
Provisions	1,877	1,174	–	–	1,877	1,174
Unabsorbed capital allowances	7,824	8,677	–	–	7,824	8,677
Unutilised tax losses	11,252	8,841	–	–	11,252	8,841
Fair value gain on investment properties	–	–	(6,358)	(6,547)	(6,358)	(6,547)
Inventories	8,769	7,043	–	–	8,769	7,043
Advances received from property buyers	2,557	3,061	–	–	2,557	3,061
Right-of-use assets	–	–	(16,060)	(15,003)	(16,060)	(15,003)
Lease liabilities	16,489	15,153	–	–	16,489	15,153
	50,298	44,903	(99,233)	(76,292)	(48,935)	(31,389)
Set off of tax	(25,145)	(24,802)	25,145	24,802	--	--
Net tax assets/(liabilities)	25,153	20,101	(74,088)	(51,490)	(48,935)	(31,389)
Company						
Property, plant and equipment						
- capital allowances	–	–	–	(28)	–	(28)
Fair value gain on investment properties	–	–	(2,817)	(2,817)	(2,817)	(2,817)
Tax liabilities	--	–	(2,817)	(2,845)	(2,817)	(2,845)

Notes to the Financial Statements
(cont'd)

9. DEFERRED TAX ASSETS/(LIABILITIES) (CONTINUED)

Movements in temporary differences during the year are as follows:

	At 1 April 2019 RM'000	Recognised in profit or loss (Note 20) RM'000	At 31 March 2020/ 1 April 2020 RM'000	Recognised in profit or loss (Note 20) RM'000	Revaluation reserve RM'000	At 31 March 2021 RM'000
Group						
Property, plant and equipment						
- capital allowances	(24,588)	(3,274)	(27,862)	(3,506)	–	(31,368)
- revaluation	(28,883)	2,003	(26,880)	281	(18,848)	(45,447)
Trade receivables	2,504	(1,550)	954	576	–	1,530
Provisions	2,677	(1,503)	1,174	703	–	1,877
Unabsorbed capital allowances	6,588	2,089	8,677	(853)	–	7,824
Unutilised tax losses	4,861	3,980	8,841	2,411	–	11,252
Fair value gain on investment properties	(5,924)	(623)	(6,547)	189	–	(6,358)
Inventories	5,824	1,219	7,043	1,726	–	8,769
Advance received from property buyers	2,553	508	3,061	(504)	–	2,557
Right-of-use assets	(584)	(14,419)	(15,003)	(1,057)	–	(16,060)
Lease liabilities	584	14,569	15,153	1,336	–	16,489
	(34,388)	2,999	(31,389)	1,302	(18,848)	(48,935)

	At 1 April 2019 RM'000	Recognised in profit or loss (Note 20) RM'000	At 31 March 2020/ 1 April 2020 RM'000	Recognised in profit or loss (Note 20) RM'000	At 31 March 2021 RM'000
Company					
Property, plant and equipment					
- capital allowances	(56)	28	(28)	28	–
Fair value gain on investment properties	(2,817)	–	(2,817)	–	(2,817)
	(2,873)	28	(2,845)	28	(2,817)

Notes to the Financial Statements
(cont'd)

9. DEFERRED TAX ASSETS/(LIABILITIES) (CONTINUED)

Unrecognised deferred tax assets

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

	Group	
	2021 RM'000	**2020 RM'000**
Taxable temporary differences	(507)	(3,802)
Unabsorbed capital allowances	4,123	5,575
Unutilised tax losses	32,143	18,405
Inventories	–	1,144
	35,759	21,322

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 Group can utilise the benefits therefrom.

Pursuant to the Finance Act 2018, unutilised tax losses can only be carried forward up to 7 consecutive year of assessment.

The recognised and unrecognised unutilised tax losses will expire in the following year of assessment:

	2021 RM'000	**2020 RM'000**
2025	7,846	9,486
2026	21,425	20,176
2027	25,170	25,581
2028	24,585	–
	79,026	55,243

The unabsorbed capital allowances do not expire under the current tax legislation.

10. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2021 RM'000	**2020 RM'000**	**2021 RM'000**	**2020 RM'000**
Non-current				
Trade receivables	3,291	5,402	–	–
Due from subsidiaries				
- non-trade	–	–	269,922	323,942
	3,291	5,402	269,922	323,942
Current				
Trade receivables	170,436	145,523	2,404	2,131
Other receivables, deposits and prepayments	42,021	40,309	726	166
Due from subsidiaries				
- trade	–	–	4,315	27,722
	212,457	185,832	7,445	30,019
	215,748	191,234	277,367	353,961

Notes to the Financial Statements
(cont'd)

10. TRADE AND OTHER RECEIVABLES (CONTINUED)

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

	Group		Company	
	2021	**2020**	**2021**	**2020**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Other receivables	9,044	8,998	4	–
Deposits for purchase of:				
- property, plant and equipment	4,835	2,671	–	–
- shares (Note 30 (i))	600	–	600	–
Deposits for rental and utilities	25,024	19,918	122	166
Prepayments	2,518	8,722	–	–
	42,021	40,309	726	166

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

	Group		Company	
	2021	**2020**	**2021**	**2020**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Due from related parties				
- trade	2,204	3,146	200	194
- non-trade	40	17	–	–
	2,244	3,163	200	194

The non-current non-trade amounts due from subsidiaries are unsecured and will not be repayable within a year. Interests are charged at a fixed rate of 3.5% (2020: 5.0%) per annum on monthly outstanding balances.

11. OTHER INVESTMENTS

	Group		Company	
	2021	**2020**	**2021**	**2020**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Financial assets at fair value through profit or loss:				
- Shares	35,282	8,750	35,282	8,750
- Unit trust fund	110	10	–	–
	35,392	8,760	35,282	8,750

Notes to the Financial Statements
(cont'd)

12. CASH AND CASH EQUIVALENTS

	Group		Company	
	2021 RM'000	**2020 RM'000**	**2021 RM'000**	**2020 RM'000**
Fixed deposits placed with licensed banks	1,087	1,710	–	–
Cash and bank balances	37,003	11,340	27,316	360
Cash and cash equivalents in the statements of financial position	38,090	13,050	27,316	360
Less:				
Pledged deposits	(1,087)	(1,710)	–	–
Bank overdrafts	(16,022)	(7,883)	–	–
Cash and cash equivalents in the statements of cash flows	20,981	3,457	27,316	360

The pledged deposits with licensed banks of the Group of RM1,087,000 (2020: RM1,710,000) are pledged for bank facilities granted to certain subsidiaries.

Included in the cash and bank balances of the Group is an amount of RM200,239 (2020: RM200,879) of which the utilisation is subject to Section 7A of the Housing Development (Control and Licensing) Act, 1966, as amended by the Housing Developers (Housing Development Account) Regulation, 2002 in Malaysia.

13. ASSETS CLASSIFIED AS HELD FOR SALE

In prior year, the Group entered into an agreement to dispose the property for a consideration of RM23,000,000. The assets classified as held for sale consist of a piece of land and building with a carrying amount of RM23,000,000. The disposal has been completed on 30 November 2020.

14. CAPITAL AND RESERVES

Share capital

	Group/Company		Group/Company Number of ordinary shares	
	2021 RM'000	**2020 RM'000**	**2021 '000**	**2020 '000**
Issued and fully paid shares with no par value classified as equity instruments:				
Ordinary shares:				
At 1 April	171,371	171,371	460,775	460,775
Shares issued	28,865	–	67,050	–
At 31 March	200,236	171,371	527,825	460,775

Notes to the Financial Statements
(cont'd)

14. CAPITAL AND RESERVES (CONTINUED)

Reserves

	Group		Company	
	2021 **RM'000**	**2020** **RM'000**	**2021** **RM'000**	**2020** **RM'000**
Distributable				
Retained earnings	426,325	412,275	200,040	74,938
Non-distributable				
Revaluation reserve	175,760	114,640	–	–
Treasury shares	(10,561)	(9,964)	(10,561)	(9,964)
Exchange fluctuation reserve	(87)	(193)	–	–
	165,112	104,483	(10,561)	(9,964)
	591,437	516,758	189,479	64,974

Ordinary shares

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company. In respect of the Company's treasury shares that are held by the Group (see below), all rights are suspended until those shares are reissued.

Revaluation reserve

Revaluation reserve represents surplus on revaluation of land and buildings of the Group net of deferred tax.

Treasury shares

At the Annual General Meeting held on 26 September 2020, 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 repurchased 1,499,700 (2020: 7,170,800) of its issued ordinary shares capital from the open market. The average price paid for the shares repurchased was RM0.40 (2020: RM0.38) per share including transaction costs, and the repurchase transactions were financed by internally generated funds.

At 31 March 2021, a total of 13,775,295 (2020: 12,275,595) repurchased shares are being held as treasury shares. The number of outstanding shares in issue after the set off is 514,050,191 (2020: 448,499,891).

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.

Notes to the Financial Statements
(cont'd)

15. TRADE AND OTHER PAYABLES

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Non-current				
Due to subsidiaries - non-trade	–	–	–	183,481
Current				
Trade payables	53,423	48,070	3,879	2,612
Other payables and accrued expenses	70,000	73,773	1,026	503
	123,423	121,843	4,905	3,115
	123,423	121,843	4,905	186,596

Included in other payables and accrued expenses are:

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Current				
Other payables	15,539	13,985	6	6
Property, plant and equipment creditors	1,620	3,188	–	–
Advances received from property buyers	11,553	13,492	–	–
Deposits received for development projects	608	686	–	–
Deposits for rental of trucks and properties	13,300	14,183	573	–
Accrued expenses	25,412	25,834	447	497
Provision for liquidated and ascertained damages	1,968	2,405	–	–
	70,000	73,773	1,026	503

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

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Trade	4,132	7,212	–	4
Non-trade	4	18	4	3
	4,136	7,230	4	7

Provision for liquidated and ascertained damages is recognised when there is an expected delay in handing over of vacant possession to the property purchasers. The provision is based on the terms stipulated in the Sale and Purchase Agreements and the expected delay in handing over of vacant possession to the property purchasers. The provision is expected to be incurred in one year.

During the year, the amount of provision made in relation to the liquidated and ascertained damages is RM320,000 (2020: RM102,000), while the provision used is RM757,000 (2020: RM1,253,000).

In prior year, the non-current non-trade amounts due to subsidiaries were unsecured and interest were charged at a fixed rate of 5.0% per annum on monthly outstanding balances.

Notes to the Financial Statements
(cont'd)

16. LOANS AND BORROWINGS

	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
Non-current				
Secured				
- Hire purchase liabilities	25,978	34,225	–	–
- Term loans	222,762	319,891	10,793	12,085
- Islamic term loans	482,901	306,136	–	–
	731,641	660,252	10,793	12,085
Current				
Secured				
- Hire purchase liabilities	16,102	15,093	–	–
- Term loans	27,707	38,960	1,219	284
- Islamic term loans	42,165	28,276	–	–
	85,974	82,329	1,219	284
Unsecured				
- Revolving credits	99,600	115,500	–	–
- Islamic revolving credits	43,000	58,000	–	–
- Bankers' acceptances	57,187	67,117	12,497	9,957
- Islamic trade bills	2,500	7,500	–	–
- Bank overdrafts	10,119	7,581	–	–
- Islamic bank overdraft	5,903	302	–	–
	218,309	256,000	12,497	9,957
	304,283	338,329	13,716	10,241
Total borrowings	1,035,924	998,581	24,509	22,326

Security

The borrowings are secured by way of:

i) charges on certain land and buildings, right-of-use assets, investment properties and inventories of the Group as disclosed in Notes 3, 4, 5 and 8 respectively;
ii) negative pledge on certain assets of a subsidiary;
iii) fixed deposits of the Group as disclosed in Note 12; and
iv) corporate guarantee by the Company.

Significant covenants

Certain borrowings are subject to the following covenants:

i) Gearing ratio of the Group shall not exceed 1.7:1;
ii) To maintain the Group's tangible net worth of not less than RM680 million; and
iii) The Managing Director shall maintain more than 40% of direct and indirect shareholdings in the Company.

Notes to the Financial Statements
(cont'd)

17. REVENUE AND COST OF SALES

17.1 Revenue

	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
Revenue from contracts with customers				
Services rendered	567,440	530,725	–	–
Hotel and dormitory income	7,635	11,848	–	–
Property development	1,755	44,052	–	–
Goods sold	19,915	10,341	41,472	50,410
	596,745	596,966	41,472	50,410
Other revenue				
Rental income	5,014	6,676	–	–
Interest income	–	–	11,783	13,755
Dividend income				
- Other investments	361	606	361	606
- Subsidiaries	–	–	120,800	3,500
- Associate	–	–	280	–
	5,375	7,282	133,224	17,861
Total revenue	602,120	604,248	174,696	68,271

17.1.1 Disaggregation of revenue

	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
Timing and recognition				
- At a point in time	21,670	54,393	41,472	50,410
- Over time	575,075	542,573	–	–
Revenue from contracts with customers	596,745	596,966	41,472	50,410
Other revenue	5,375	7,282	133,224	17,861
Total revenue	602,120	604,248	174,696	68,271

17. REVENUE AND COST OF SALES (CONTINUED)

17.1 Revenue (continued)

17.1.2 Nature of goods or services

The following information reflects the typical transactions of the Group and of the Company:

Nature of goods or services	Timing of recognition or method used to recognise revenue	Significant payment terms
Services rendered	Revenue is recognised for service transactions, such as freight services, based on the stage of completion of the transaction. Costs are recognised as incurred	Credit period of 0 - 90 days from invoice date
Sales of completed properties	Revenue is recognised when the customer obtains the physical possession or legal title of the completed properties	Credit period of 14 days from invoice date
Goods sold	Revenue is recognised when the goods are delivered and accepted by the customers at their premises	Credit period of 0 - 90 days from invoice date
Revenue from hotel and dormitory income	Revenue is recognised over time during the period of stay for the hotel guests/dormitory guests	Credit period of 0 - 30 days from invoice date

The revenue from contracts with customers of the Group are not subject to variable element in the consideration, obligation for returns or refunds and warranty.

The Group applies the practical expedient for exemption on disclosure of information on remaining performance obligation that have original expected duration of one year or less.

17.2 Cost of sales

	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
Cost of services	(476,310)	(452,129)	(4,443)	(6,501)
Cost of properties sold	(1,300)	(24,341)	–	–
Cost of goods sold	(18,798)	(10,556)	(40,634)	(49,281)
Total cost of sales	(496,408)	(487,026)	(45,077)	(55,782)

Notes to the Financial Statements
(cont'd)

18. FINANCE COSTS

	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
Interest expense of finance liabilities that are not at fair value through profit or loss	39,502	48,644	5,079	7,408
Interest expense on lease liabilities	4,141	1,947	9	–
	43,643	50,591	5,088	7,408
Recognised in profit or loss	43,643	49,298	5,088	7,408
Interest expense of financial liabilities that are not at fair value through profit or loss capitalised into qualifying assets:				
- property, plant and equipment	–	1,293	–	–
	43,643	50,591	5,088	7,408

Finance costs included in:

	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
Cost of sales	–	–	4,443	6,501
Finance costs	43,643	49,298	645	907
	43,643	49,298	5,088	7,408

19. OPERATING PROFIT

	Note	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
Operating profit is arrived at after charging/(crediting):					
Auditors' remuneration					
Audit fees:					
- KPMG PLT					
- Current year		415	426	68	63
- (Over)/Under provision in prior year		(14)	40	5	29
- Other auditors		74	75	–	–
Non-audit fees					
- KPMG PLT		10	19	9	9
- Local affiliates of KPMG PLT		137	152	10	10

Notes to the Financial Statements
(cont'd)

19. OPERATING PROFIT (CONTINUED)

	Note	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
Operating profit is arrived at after charging/(crediting) (continued):					
Material expenses/(income)					
Depreciation:					
- Property, plant and equipment		36,690	33,289	59	158
- Right-of-use assets		23,448	16,984	41	–
Impairment loss on investments in subsidiaries		–	–	12,571	508
Personnel expenses (including key management personnel):					
- Contributions to state plans		7,994	8,436	12	11
- Wages, salaries and others		103,108	108,848	261	252
Property, plant and equipment written off		45	213	–	–
Change in fair value of investment properties		(2,049)	(8,137)	–	–
Gain on disposal of:					
- Other investments		(1,899)	(336)	(1,899)	(336)
- Property, plant and equipment		(73)	(319)	–	–
Revaluation deficit on properties		1,420	–	–	–
Revaluation surplus on properties with previous revaluation deficit charged in profit or loss		(3,426)	–	–	–
Net foreign exchange gain		(127)	(350)	–	–
Other investments:					
- Fair value (gain)/loss		(8,115)	3,759	(8,115)	3,759
- Gross dividends		–	(1)	–	–
Wages subsidy from government		(3,851)	–	–	–
Expenses/(income) arising from leases					
Expenses relating to short-term leases	a	47,989	44,840	166	264
Expenses relating to leases of low-value assets	a	142	47	–	–
Expenses relating to variable lease payments not include in the measurement of lease liabilities		53	32	–	–
Gain on derecognition of right-of-use assets		(148)	–	–	–
Rental income from land and buildings		(1,772)	(1,108)	(1,024)	(1,132)

Notes to the Financial Statements
(cont'd)

19. OPERATING PROFIT (CONTINUED)

	Note	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
Operating profit is arrived at after charging/(crediting) (continued):					
Net loss/(gain) on impairment of financial instruments:					
Trade receivables		1,661	(2,379)	–	–
Amounts due from subsidiaries		–	–	(831)	569
		1,661	(2,379)	(831)	569

Note a

The Group and the Company lease a number of warehouses, hostels and equipment with contract term of 1 year or less. These leases are short-term and/or leases of low-value items. The Group and the Company have elected not to recognise right-of-use assets and lease liabilities for these leases.

20. TAX EXPENSE

Recognised in profit or loss

Major components of income tax expense include:

	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
Current tax expense				
- Current year	9,317	9,068	2,226	1,918
- Prior years	1,049	4,265	396	9
	10,366	13,333	2,622	1,927
Deferred tax income				
- Origination and reversal of temporary differences	(274)	175	(1)	(6)
- Over provision in prior years	(1,028)	(3,174)	(27)	(22)
	(1,302)	(2,999)	(28)	(28)
	9,064	10,334	2,594	1,899

Notes to the Financial Statements
(cont'd)

20. TAX EXPENSE (CONTINUED)

Recognised in profit or loss (continued)

	Group		Company	
	2021 RM'000	**2020 RM'000**	**2021 RM'000**	**2020 RM'000**
Reconciliation of tax expense				
Profit before tax	20,946	12,517	127,696	7,267
Income tax calculated using Malaysian tax rate of 24% (2020: 24%)	5,027	3,004	30,647	1,744
Effect of different tax rates in foreign jurisdictions	(488)	(815)	–	–
Non-deductible expenses	8,746	7,322	3,344	933
Effect of fair value change in investment properties	(287)	(1,140)	–	–
Non-taxable income	(7,420)	(294)	(31,766)	(765)
Unrecognised deferred tax assets	3,465	1,166	–	–
	9,043	9,243	2,225	1,912
Under/(Over) provision in prior years	21	1,091	369	(13)
Tax expense	9,064	10,334	2,594	1,899

21. EARNINGS PER ORDINARY SHARE

Basic earnings per ordinary share

The calculation of basic earnings per ordinary share at 31 March 2021 was based on the profit attributable to ordinary shareholders and a weighted average number of ordinary shares calculated as follows:

	Group	
	2021 RM'000	**2020 RM'000**
Profit for the year attributable to ordinary shareholders	11,351	688

Weighted average number of ordinary shares are determined as follows:

	Group	
	2021 '000	**2020 '000**
Weighted average number of ordinary shares at 31 March	469,776	454,130
Basic earnings per ordinary share (sen)	2.42	0.15

Diluted earnings per ordinary share

There is no outstanding dilutive potential ordinary shares.

Notes to the Financial Statements
(cont'd)

22. ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Current year additions	55,318	80,508	–	2
Less: Amount financed by hire purchase liabilities	(6,555)	(19,498)	–	–
Finance cost capitalised	–	(1,293)	–	–
(Less)/Add:				
Balances in respect of acquisition of property, plant and equipment included in other creditors				
- at the end of year	(1,620)	(3,188)	–	–
- at the beginning of year	3,188	1,722	–	–
	50,331	58,251	--	2

23. CAPITAL COMMITMENTS

	Group	
	2021 RM'000	2020 RM'000
Capital expenditure commitments		
Property, plant and equipment		
Contracted but not provided for	33,869	18,752

24. CONTINGENT LIABILITIES

Group

a) Arbitration

One of its subsidiaries, Terminal Perintis Sdn. Bhd. (TPSB) terminated its construction contract with a main contractor, namely Tan Ngee Hong Construction Sdn. Bhd. (TNH) due to the latter's failure in performing its construction work and caused a delay in the progress of the project. Consequently, on 22 April 2016, TNH filed a claim against TPSB with an Arbitrator for a sum of RM56.9 million for loss of profit and various costs including a request for a refund of a performance bond of RM15.7 million.

TPSB has filed its Defence and Counterclaim on 10 June 2016 for a sum of RM82 million for liquidated and ascertained damages as provided for under the contract between the two parties.

The hearing of the case has been rescheduled until further notice.

The Directors are of the opinion that TPSB has a reasonably good chance of succeeding in defending the claim by TNH.

24. CONTINGENT LIABILITIES (CONTINUED)

Group (continued)

b) Litigation

Eight property purchasers have initiated a legal proceeding by filling a statement of claim against one of its subsidiaries, Terminal Perintis Sdn. Bhd. ("TPSB") seeking to rescind seven Sale and Purchase Agreements ("SPA") and other incidental costs related to the purchase of the apartment units on the ground of misrepresentation and breach of contract by TPSB on the location of the air-conditioner ledge.

The subsidiary has filed its defence and application to strike out the writ and statement of claim.

On 27 June 2021, the High Court has dismissed the purchasers claim for rescission of the SPA. However, the High Court has allowed an order for assessment for the following matters:-

(i) the loss of space against the value of the properties;
(ii) the cost of removal of the air-conditioner units and compressors; and
(iii) a cost of RM30,000 to the purchasers

The compensation relating to the loss of space and cost of removal of air-conditioner units and compressors are not quantifiable at this juncture. However, the Directors are of the opinion that the potential financial impact is not material to the Group.

Company

a) Corporate guarantees

	2021 RM'000	2020 RM'000
Unsecured:		
Corporate guarantees given to financial institutions and credit financing companies in respect of outstanding term loans, short term borrowings, lease and hire purchase facilities of the subsidiaries	1,010,765	973,441
Secured:		
Investment properties charged to a bank as security for banking facilities granted to a subsidiary	34,134	34,134

Notes to the Financial Statements
(cont'd)

25. OPERATING SEGMENTS

The Group has four reportable segments, as described below:

- Logistics and warehousing services
- Investment
- Property development
- Hotel and dormitory

For each of the business segments, the Group Managing Director who is the Chief Operating Decision Maker, reviews the internal management reports on a monthly basis.

The goods sold segment relates primarily to the trading of diesel and the results are reviewed together with the logistics and warehousing services segment by the Group Managing Director.

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.

Segment liabilities

Segment liabilities information is included in the internal management reports that are reviewed by the Group Managing Director.

Segment capital expenditure

Segment capital expenditure is the total cost incurred during the financial year to acquire property, plant and equipment, right-of-use assets and investment properties.

Geographical segments

The Group's operations are located mainly in Malaysia.

25. OPERATING SEGMENTS (CONTINUED)

	Logistics and warehousing services		Investment		Property development		Hotel and dormitory		Total	
	2021 RM'000	**2020 RM'000**	**2021 RM'000**	**2020 RM'000**	**2021 RM'000**	**2020 RM'000**	**2021 RM'000**	**2020 RM'000**	**2021 RM'000**	**2020 RM'000**
Segment profit/(loss) before tax, interest, depreciation and amortisation	119,456	99,400	10,375	(2,817)	(3,500)	17,770	(2,756)	(3,490)	123,575	110,863
Depreciation	(53,602)	(44,510)	–	–	(726)	(1,498)	(5,810)	(4,265)	(60,138)	(50,273)
Interest income	927	1,089	–	–	158	299	–	–	1,085	1,388
Finance costs	(23,184)	(24,509)	–	–	(8,517)	(13,972)	(11,942)	(10,817)	(43,643)	(49,298)
Share of profit/(loss) in an associate	–	–	67	(163)	–	–	–	–	67	(163)
Profit/(Loss) before tax	43,597	31,470	10,442	(2,980)	(12,585)	2,599	(20,508)	(18,572)	20,946	12,517
Included in the measure of segment profit are:										
Revenue from external customers	591,948	547,742	361	606	2,176	44,052	7,635	11,848	602,120	604,248
Segment assets	1,410,765	1,255,406	35,770	9,351	407,603	445,680	268,209	240,950	2,122,347	1,951,387
Additions to non-current assets other than inventories, financial instruments and deferred tax assets	87,226	164,519	--	--	171	1,592	5,121	2,805	92,518	168,916
Segment liabilities	1,057,548	977,086	--	--	132,108	138,471	131,655	138,270	1,321,311	1,253,827

Major customers

Revenue from one customer of the Group represents approximately RM73.7 million (2020: RM66.2 million) of the Group's total revenue.

Notes to the Financial Statements
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26. FINANCIAL INSTRUMENTS

26.1 Categories of financial instruments

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

(a) Fair value through profit or loss ("FVTPL")
- Mandatorily required by MFRS 9
(b) Amortised cost ("AC")

	Carrying amount RM'000	AC RM'000	Mandatorily at FVTPL RM'000
2021			
Financial assets			
Group			
Other investments	35,392	–	35,392
Trade and other receivables*	213,230	213,230	–
Cash and cash equivalents	38,090	38,090	–
	286,712	251,320	35,392
Company			
Other investments	35,282	–	35,282
Trade and other receivables	277,367	277,367	–
Cash and cash equivalents	27,316	27,316	–
	339,965	304,683	35,282
2020			
Financial assets			
Group			
Other investments	8,760	–	8,760
Trade and other receivables*	182,512	182,512	–
Cash and cash equivalents	13,050	13,050	–
	204,322	195,562	8,760
Company			
Other investments	8,750	–	8,750
Trade and other receivables	353,961	353,961	–
Cash and cash equivalents	360	360	–
	363,071	354,321	8,750

* excluding prepayments

Notes to the Financial Statements
(cont'd)

26. FINANCIAL INSTRUMENTS (CONTINUED)

26.1 Categories of financial instruments (continued)

	Carrying amount RM'000	AC RM'000
2021		
Financial liabilities		
Group		
Loans and borrowings	1,035,924	1,035,924
Trade and other payables^	109,294	109,294
	1,145,218	1,145,218
Company		
Loans and borrowings	24,509	24,509
Trade and other payables	4,905	4,905
	29,414	29,414
2020		
Financial liabilities		
Group		
Loans and borrowings	998,581	998,581
Trade and other payables^	105,260	105,260
	1,103,841	1,103,841
Company		
Loans and borrowings	22,326	22,326
Trade and other payables	186,596	186,596
	208,922	208,922

^ excluding advances received from property buyers, deposit received for development projects and provision for liquidated and ascertained damages.

26.2 Net gains and losses arising from financial instruments

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Net gains/(losses) arising on:				
Fair value through profit or loss:				
- Mandatorily required by MFRS 9	10,375	(2,816)	10,375	(2,817)
Financial assets at amortised cost	(449)	4,117	12,760	13,186
Financial liabilities at amortised cost	(39,502)	(47,351)	(5,079)	(7,408)
	(29,576)	(46,050)	18,056	2,961

26. FINANCIAL INSTRUMENTS (CONTINUED)

26.3 Financial risk management

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

- Credit risk
- Liquidity risk
- Market risk

26.4 Credit risk

Credit risk is the risk of a financial loss 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. The Company's exposure to credit risk arises principally from receivables from customers, advances to subsidiaries and financial guarantees given to banks for credit facilities granted to subsidiaries. There are no significant changes as compared to prior period.

Trade 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 ongoing 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 until full settlement by the purchaser self-finance portion of the purchase consideration or upon undertaking of end financing by the purchaser's end financier.

At each reporting date, the Group or the Company assesses whether any of the trade receivables are credit impaired.

The gross carrying amounts of credit impaired trade receivables are written off (either partially or full) when there is no realistic prospect of recovery. This is generally the case when the Group or the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Nevertheless, trade receivables that are written off could still be subject to enforcement activities.

There are no significant changes as compared to prior period.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, there were no significant concentrations of credit risk and the maximum exposure to credit risk arising from trade receivables is represented by the carrying amounts in the statement of financial position.

Recognition and measurement of impairment loss

In managing credit risk of trade receivables, the Group maintains separate ageing analysis in respect of trade receivables from logistics and warehousing services and property development.

For logistics and warehousing services, 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 90 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 the sale and purchase agreements/billings. The retention sums are due upon the expiry of the defects liability period stated in the respective sale and purchase agreements.

26. FINANCIAL INSTRUMENTS (CONTINUED)

26.4 Credit risk (continued)

Trade receivables (continued)

Recognition and measurement of impairment loss (continued)

The Group uses an allowance matrix to measure expected credit losses ("ECLs") of trade receivables. Consistent with the debt recovery process, invoices which are past due 90 days will be considered as credit impaired.

Loss rate are calculated using a "roll rate" method based on the probability of a receivable progressing through successive stages of delinquency to 90 days past due.

Loss rates are based on actual credit loss experience over the past three years. The Group also considers differences between (a) economic conditions during the period over which the historic data has been collected, (b) current conditions and (c) the Group's view of economic conditions over the expected lives of the receivables. Nevertheless, the Group believes that these factors are immaterial for the purpose of impairment calculation for the year.

The following table provides information about the exposure to credit risk and ECLs for trade receivables which are grouped together as they are expected to have similar risk nature.

Logistics and warehousing services

2021	Gross carrying amount RM'000	Loss allowance RM'000	Net balance RM'000
Group			
Current (not past due)	84,300	1,545	82,755
1 - 30 days past due	55,849	1,043	54,806
31 - 60 days past due	18,290	429	17,861
61 - 90 days past due	4,229	287	3,942
	162,668	3,304	159,364
Credit impaired			
More than 90 days past due	11,232	4,176	7,056
Individually impaired	288	288	–
	174,188	7,768	166,420
Company			
Current (not past due)	20	–	20
1 - 30 days past due	781	–	781
31 - 60 days past due	996	–	996
61 - 90 days past due	150	–	150
	1,947	–	1,947
Credit impaired			
More than 90 days past due	457	–	457
	2,404	–	2,404

Notes to the Financial Statements
(cont'd)

26. FINANCIAL INSTRUMENTS (CONTINUED)

26.4 Credit risk (continued)

Trade receivables (continued)

Recognition and measurement of impairment loss (continued)

Logistics and warehousing services (continued)

2020	Gross carrying amount RM'000	Loss allowance RM'000	Net balance RM'000
Group			
Current (not past due)	65,768	1,063	64,705
1 - 30 days past due	47,611	55	47,556
31 - 60 days past due	15,312	190	15,122
61 - 90 days past due	4,412	288	4,124
	133,103	1,596	131,507
Credit impaired			
More than 90 days past due	11,159	4,218	6,941
	144,262	5,814	138,448
Company			
Current (not past due)	5	–	5
1 - 30 days past due	423	–	423
31 - 60 days past due	951	–	951
61 - 90 days past due	–	–	–
	1,379	–	1,379
Credit impaired			
More than 90 days past due	752	–	752
	2,131	–	2,131

26. FINANCIAL INSTRUMENTS (CONTINUED)

26.4 Credit risk (continued)

Trade receivables (continued)

Recognition and measurement of impairment loss (continued)

Logistics and warehousing services (continued)

The movements in the allowance for impairment in respect of trade receivables from logistics and warehousing services during the year are shown below.

Group	Lifetime ECL RM'000	Credit impaired RM'000	Total RM'000
Balance at 1 April 2019	1,505	4,097	5,602
Amounts written off	–	(17)	(17)
Net remeasurement of loss allowance	(111)	220	109
Exchange difference	202	(82)	120
Balance at 31 March 2020/1 April 2020	1,596	4,218	5,814
Net remeasurement of loss allowance	1,863	249	2,112
Exchange difference	(155)	(3)	(158)
31 March 2021	3,304	4,464	7,768

Property development

Group	Gross carrying amount RM'000	Loss allowance RM'000	Net balance RM'000
2021			
Current (not past due)	6,407	–	6,407
1 - 30 days past due	108	–	108
61 - 90 days past due	6	–	6
	6,521	–	6,521
Credit impaired			
More than 90 days past due	815	29	786
Individually impaired	2,471	2,471	–
	9,807	2,500	7,307

Notes to the Financial Statements
(cont'd)

26. FINANCIAL INSTRUMENTS (CONTINUED)

26.4 Credit risk (continued)

Trade receivables (continued)

Recognition and measurement of impairment loss (continued)

Property development (continued)

Group	**Gross carrying amount RM'000**	**Loss allowance RM'000**	**Net balance RM'000**
2020			
Current (not past due)	7,544	–	7,544
1 - 30 days past due	177	–	177
31 - 60 days past due	2,285	–	2,285
61 - 90 days past due	78	–	78
	10,084	–	10,084
Credit impaired			
More than 90 days past due	2,422	29	2,393
Individually impaired	2,922	2,922	–
	15,428	2,951	12,477

The movements in the allowance for impairment in respect of trade receivables from property development during the year are shown below.

	Credit impaired	
	2021 RM'000	**2020 RM'000**
Balance at 1 April	2,951	5,439
Net remeasurement of loss allowance	(451)	(2,488)
Balance at 31 March	2,500	2,951

Cash and cash equivalents

The cash and cash equivalents are held with banks and financial institutions. 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.

These banks and financial institutions have low credit risks. In addition, some of the bank balances are insured by government agencies. Consequently, the Group and the Company are of the view that the loss allowance is not material and hence, it is not provided for.

Notes to the Financial Statements
(cont'd)

26. FINANCIAL INSTRUMENTS (CONTINUED)

26.4 Credit risk (continued)

Other receivables

The Group and the Company monitor the exposure to credit risk on individual basis.

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 and the Group and the Company do not recognise any allowance for impairment losses.

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 the ability of the subsidiaries to service their loans on an individual basis.

Exposure to credit risk, credit quality and collateral

The maximum exposure to credit risk of the Company amounts to RM1,010.8 million (2020: RM973.4 million) representing the outstanding banking facilities of certain subsidiaries as at the end of the reporting period.

The financial guarantees are provided as credit enhancements to the subsidiaries' secured loans.

Recognition and measurement of impairment loss

The Company assumes that there is a significant increase in credit risk when the subsidiaries' financial position deteriorates significantly. The Company considers a financial guarantee to be credit impaired when:

- The subsidiaries are unlikely to repay its credit obligation to the bank in full; or
- The subsidiaries are continuously loss making and are having a deficit shareholders' fund.

The Company determines the probability of default of the guaranteed loans individually using internal information available.

As at the end of the reporting period, the Company does not recognise any allowance for impairment losses.

Notes to the Financial Statements
(cont'd)

26. FINANCIAL INSTRUMENTS (CONTINUED)

26.4 Credit risk (continued)

Inter-company loans and advances

Risk management objectives, policies and processes for managing the risk

Other than trade transactions with subsidiaries, the Company also provides unsecured loans and advances to subsidiaries. The Company monitors the ability of the subsidiaries to repay the advances on an individual basis.

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.

Loans and advances provided are not secured by any collateral or supported by any other credit enhancements.

Recognition and measurement of impairment loss

Generally, the Company considers advances to subsidiaries have low credit risk. The Company assumes that there is a significant increase in credit risk when the subsidiaries' financial position deteriorates significantly. As this able to determine the timing of payments of the subsidiaries advances when they are payable, the Company considers the advances to be in default when the subsidiaries are not able to pay when demanded. The Company considers amounts due from subsidiaries to be credit impaired when:

- The subsidiaries are unlikely to repay the amounts to the Company in full; or
- The subsidiaries are continuously loss making and are having a deficit shareholders' fund.

The Company determines the probability of default for these advances individually using internal information available.

The following table provides information about the exposure to credit risk and ECLs for subsidiaries' outstanding balances as at the end of reporting period:

Company	Carrying amount RM'000	Impairment loss allowance RM'000	Net balance RM'000
2021			
Low credit risk	274,237	–	274,237
Credit impaired	6,114	6,114	–
	280,351	6,114	274,237
2020			
Low credit risk	351,664	–	351,664
Credit impaired	6,945	6,945	–
	358,609	6,945	351,664

26. FINANCIAL INSTRUMENTS (CONTINUED)

26.4 Credit risk (continued)

Inter-company loans and advances (continued)

Recognition and measurement of impairment loss (continued)

The movement in the allowance for impairment in respect of subsidiaries' outstanding balances during the year is as follows:

	Credit impaired	
	2021	**2020**
	RM'000	**RM'000**
Company		
Balance at 1 April	6,945	6,376
Net remeasurement of loss allowance	(831)	569
Balance at 31 March	6,114	6,945

26.5 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.

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

26. FINANCIAL INSTRUMENTS (CONTINUED)

26.5 Liquidity risk (continued)

Maturity analysis

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

	Carrying amount RM'000	Contractual interest rate/ coupon/ Discount rate %	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
Group							
2021							
Non-derivative financial liabilities							
Secured hire purchase liabilities	42,080	3.78 - 6.46	45,914	17,954	14,301	13,659	–
Secured term loans	250,469	3.39 - 4.53	300,551	36,236	35,870	103,551	124,894
Secured Islamic term loans	525,066	3.29 - 4.13	669,797	60,586	66,643	153,001	389,567
Unsecured revolving credits	99,600	3.25 - 4.00	100,046	100,046	–	–	–
Unsecured Islamic revolving credits	43,000	3.01 - 5.00	43,240	43,240	–	–	–
Unsecured bankers' acceptances	57,187	1.92 - 3.66	57,187	57,187	–	–	–
Unsecured Islamic trade bills	2,500	3.76	2,500	2,500	–	–	–
Unsecured bank overdrafts	10,119	4.07 - 6.89	10,119	10,119	–	–	–
Unsecured Islamic bank overdraft	5,903	5.06 - 5.70	5,903	5,903	–	–	–
Lease liabilities	84,623	3.50 - 5.00	108,588	17,922	11,107	24,720	54,839
Trade and other payables	109,294	–	109,294	109,294	–	–	–
	1,229,841		1,453,139	460,987	127,921	294,931	569,300

26. FINANCIAL INSTRUMENTS (CONTINUED)

26.5 Liquidity risk (continued)

Maturity analysis (continued)

	Carrying amount RM'000	Contractual interest rate/ coupon/ Discount rate %	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
Group							
2020							
Non-derivative financial liabilities							
Secured hire purchase liabilities	49,318	2.49 - 6.64	54,367	17,467	16,654	20,246	–
Secured term loans	358,851	4.07 - 5.67	447,885	54,761	59,086	134,895	199,143
Secured Islamic term loans	334,412	4.40 - 5.17	443,211	42,432	45,009	129,341	226,429
Unsecured revolving credits	115,500	4.15 - 4.78	115,986	115,986	–	–	–
Unsecured Islamic revolving credits	58,000	4.31 - 6.61	58,000	58,000	–	–	–
Unsecured bankers' acceptances	67,117	3.00 - 4.53	67,117	67,117	–	–	–
Unsecured Islamic trade bills	7,500	4.56 - 5.09	7,500	7,500	–	–	–
Unsecured bank overdrafts	7,581	4.32 - 7.14	7,581	7,581	–	–	–
Unsecured Islamic bank overdraft	302	5.95 - 6.31	302	302	–	–	–
Lease liabilities	79,569	5.00	107,494	17,144	10,458	20,911	58,981
Trade and other payables	105,260	–	105,260	105,260	–	–	–
	1,183,410		1,414,703	493,550	131,207	305,393	484,553

26. FINANCIAL INSTRUMENTS (CONTINUED)

26.5 Liquidity risk (continued)

Maturity analysis (continued)

	Carrying amount RM'000	Contractual interest rate/ coupon/ Discount rate %	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
Company							
2021							
Non-derivative financial liabilities							
Trade and other payables	4,905	–	4,905	4,905	–	–	–
Secured term loans	12,012	3.55	13,913	1,621	1,621	4,862	5,809
Unsecured bankers' acceptances	12,497	1.92 - 2.79	12,497	12,497	–	–	–
Lease liabilities	610	3.50	670	120	120	360	70
Financial guarantees*	–	–	1,010,765	1,010,765	–	–	–
	30,024		1,042,750	1,029,908	1,741	5,222	5,879
Company							
2020							
Non-derivative financial liabilities							
Trade and other payables	3,115	–	3,115	3,115	–	–	–
Due to subsidiaries	183,481	5.00	238,525	9,174	9,174	27,522	192,655
Secured term loans	12,369	4.30	15,338	814	1,627	4,882	8,015
Unsecured bankers' acceptances	9,957	3.00 - 4.23	9,957	9,957	–	–	–
Financial guarantees*	–	–	973,441	973,441	–	–	–
	208,922		1,240,376	996,501	10,801	32,404	200,670

* The amount represents the outstanding banking facilities of the subsidiaries as at the end of the reporting period.

Notes to the Financial Statements
(cont'd)

26. FINANCIAL INSTRUMENTS (CONTINUED)

26.6 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 entities. The currency giving rise to this risk is 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 Group 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 functional currency of the Group entities) risk, based on carrying amounts as at the end of the reporting period was:

	Denominated in SGD	
	2021	**2020**
	RM'000	**RM'000**
Group		
Trade and other receivables	11,428	8,760
Cash and cash equivalents	497	1,562
Trade and other payables	58	–
Net exposure	11,983	10,322

Currency risk sensitivity analysis

A 10% (2020: 10%) strengthening of the Ringgit Malaysia against SGD at the end of the reporting period would have decreased post-tax profit or loss by RM911,000 (2020: RM784,000). 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.

A 10% (2020: 10%) weakening of Ringgit Malaysia against SGD 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 deposits, fixed rate borrowings and lease liabilities 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.

Notes to the Financial Statements
(cont'd)

26. FINANCIAL INSTRUMENTS (CONTINUED)

26.6 Market risk (continued)

Interest rate risk (continued)

Exposure to interest rate risk

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

	Group		Company	
	2021 RM'000	**2020 RM'000**	**2021 RM'000**	**2020 RM'000**
Fixed rate instruments				
Financial assets	1,087	1,710	269,922	323,942
Financial liabilities	(328,990)	(377,004)	(13,107)	(193,438)
	(327,903)	(375,294)	256,815	130,504
Floating rate instruments				
Financial liabilities	(791,557)	(701,146)	(12,012)	(12,369)

Interest rate risk sensitivity analysis

(a) Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss, and the Group does not designate derivatives as hedging instruments under a fair value hedge 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 during the reporting period would have increased/(decreased) the Group and the Company's post-tax profit or loss by RM6,016,000 (2020: RM5,329,000) and RM91,000 (2020: RM94,000) respectively. This analysis assumes that all other variables, in particular foreign currency rates, remained constant.

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.

26. FINANCIAL INSTRUMENTS (CONTINUED)

26.6 Market risk (continued)

Other price risk (continued)

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% (2020: 10%) strengthening in FBMKLCI at the end of the reporting period would have increased post-tax profit or loss of the Group and the Company by RM3,539,000 (2020: RM876,000) and RM3,528,000 (2020: RM875,000) respectively. A 10% (2020: 10%) weakening in FBMKLCI would have had equal but opposite effect on the post-tax profit or loss.

26.7 Fair value information

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

It is not practical to estimate the fair value for amount due from/(to) subsidiaries, as it is not practicable to determine their fair value with sufficient reliability since these balances have no fixed terms of repayment.

The table below analyses other financial instruments at fair value.

	Fair value of financial instruments carried at fair value Level 1 RM'000	Fair value of financial instruments not carried at fair value Level 3 RM'000	Total fair value RM'000	Carrying amount RM'000
Group				
2021				
Financial assets				
Other investments	35,392	–	35,392	35,392
Financial liabilities				
Term loans	–	(775,535)	(775,535)	(775,535)
Hire purchase liabilities	–	(43,346)	(43,346)	(42,080)
	–	(818,881)	(818,881)	(817,615)

Notes to the Financial Statements
(cont'd)

26. FINANCIAL INSTRUMENTS (CONTINUED)

26.7 Fair value information (continued)

	Fair value of financial instruments carried at fair value Level 1 RM'000	Fair value of financial instruments not carried at fair value Level 3 RM'000	Total fair value RM'000	Carrying amount RM'000
Group				
2020				
Financial assets				
Other investments	8,760	–	8,760	8,760
Financial liabilities				
Term loans	–	(693,263)	(693,263)	(693,263)
Hire purchase liabilities	–	(51,620)	(51,620)	(49,318)
	–	(744,883)	(744,883)	(742,581)
Company				
2021				
Financial assets				
Other investments	35,282	–	35,282	35,282
Financial liabilities				
Term loans	–	(12,012)	(12,012)	(12,012)
2020				
Financial assets				
Other investments	8,750	–	8,750	8,750
Financial liabilities				
Term loans	–	(12,369)	(12,369)	(12,369)

Transfers between Level 1 and Level 2 fair values

There has been no transfer between Level 1 and 2 fair values during the financial year. (2020: no transfer in either directions).

26. FINANCIAL INSTRUMENTS (CONTINUED)

26.7 Fair value information (continued)

Level 3 fair value

The following table shows the valuation techniques used in the determination of fair values within Level 3, as well as the key unobservable inputs used in the valuation models.

Financial instruments not carried at fair value

Type	Description of valuation technique and inputs used
Term loans/Hire purchase liabilities	Discounted cash flows using a rate based on the current market rate of borrowing of the Group entities at the reporting date.

27. 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 gearing ratio that complies with debt covenants and regulatory requirements.

The gearing ratio at 31 March 2021 and at 31 March 2020 were as follows:

	2021 RM'000	2020 RM'000
Total loans and borrowings (Note 16)	1,035,924	998,581
Total equity attributable to owners of the Company	791,673	688,129
Gearing ratio	1.3	1.5

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 gearing ratio of 1.7 to comply with bank covenants, failing which, the bank may call an event of default.

Notes to the Financial Statements
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28. RELATED PARTIES

Identity of related parties

For the purposes of these financial statements, parties are considered to be related to the Group or the Company 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 and entity that provides key management personnel services to the Group. The key management personnel include 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 and key management personnel.

Significant related party transactions

Related party transactions have been entered into in the normal course of business under normal trade terms. The significant related party transactions of the Group and the Company are shown below. The balances related to the below transactions are shown in Notes 10 and 15.

		Company	
		2021 RM'000	**2020 RM'000**
	Transactions		
A.	**Subsidiaries**		
	Interest income	11,783	13,755
	Interest expense	(4,443)	(6,501)
	Dividend income	120,800	3,500
	Sales of diesel, NGV gas and canvas	34,624	42,641
	Storage income	1,024	1,132
	Storage expense	(96)	(144)
	Sales of property, plant and equipment	98	–
B.	**Associates**		
	Dividend income	280	–
C.	**Companies in which certain Directors/Directors' close family members have financial interest**		
	Repair and maintenance	(2)	(17)
	Sales of diesel, NGV gas and canvas	227	325
D.	**Key management personnel**		
	Directors		
	- Fee	332	369
	- Remuneration	37	–
		369	369

28. RELATED PARTIES (CONTINUED)

Significant related party transactions (continued)

	Group 2021 RM'000	Group 2020 RM'000
A. Companies in which certain Directors' close family members have financial interest		
Sales of diesel, NGV, cargo and canvas	–	263
Loading and unloading expense	(11)	–
Lease expenses	(26,543)	(23,497)
Freight charges expense	(513)	(12,639)
Rental income on buildings	3	15
Freight charges income	30	121
Upkeep of warehouse expenses	(103)	(294)
B. Companies in which certain Directors have financial interest		
Sales of diesel, NGV, cargo and canvas	227	62
Freight charges income	3,572	2,449
Freight charges expenses	(12,208)	(3,642)
Rental income on land and buildings	1,050	1,026
Lease expenses	(6,081)	(5,971)
Repair and maintenance	(3,946)	(4,360)
Purchase of tyres and tubes	(5,443)	(4,632)
Custom forwarding expense	(5,695)	(5,949)
Office maintenance income	134	146
Purchase of property, plant and equipment	(314)	(628)
Project management fee	(113)	(169)
C. Key management personnel		
Directors		
- Fee	332	369
- Remuneration	1,873	1,792
Total short-term employee benefits	2,205	2,161
Other key management personnel		
- Wages, salaries and others	7,190	7,071
- Contributions to state plans	778	750
	7,968	7,821
	10,173	9,982

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

Notes to the Financial Statements
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29. SIGNIFICANT EVENT

On 11 March 2020, the World Health Organisation declared the Coronavirus ("COVID-19") outbreak as a pandemic in recognition of its rapid spread across the globe. The COVID-19 outbreak has resulted in unprecedented travel restrictions, lockdown and other precautionary measures imposed in various countries. The Malaysian Government has imposed various phases of Movement Control Order ("MCO") throughout the year to curb the spread of the virus, which has brought significant economic uncertainties in Malaysia.

The Group's logistics and warehousing segment was not significantly affected by COVID-19 as the Group's operation is classified as essential services and involves movement of essential goods. The Group was allowed to operate with adherence to stricter standard operating procedures ("SOP") imposed during the MCO. The operating performances of the Group's property development and hotel and dormitory segments, on the other hand, have been adversely affected by the lackluster demands and closure of borders.

The Group has considered the impact of COVID-19 in the application of significant judgements and estimates to determine amounts recognised in the financial statements, including those disclosed in Note 1(d) above. The Group will continuously monitor the impact of COVID-19 on its operations and financial performance.

30. SUBSEQUENT EVENT

(i) On 9 June 2021, the Company entered into a Sale and Purchase Agreement of Shares ("SPA") to acquire 9,057,002 ordinary shares of VM Andaman Sdn. Bhd. representing 100% of the total issued and paid up ordinary shares for a total purchase consideration of RM30,000,000. The purchase will be funded by internally generated funds. The Company has paid an earnest deposit of RM600,000 and the acquisition has yet to be completed at the date of issuance of the financial statements.

(ii) After the reporting date, the Directors has recommended a final dividend of 1.0 sen per ordinary share totalling RM5,140,502 on 21 June 2021 in respect of the year ended 31 March 2021. This dividend will be recognised in the subsequent financial reports upon approval by the owners of the Company at the forthcoming Annual General Meeting.

STATEMENT BY DIRECTORS

Pursuant to Section 251(2) of the Companies Act 2016

In the opinion of the Directors, the financial statements set out on pages 59 to 145 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 March 2021 and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors:

Ong Yoong Nyock
Director

Dato' Fu Ah Kiow @ Oh (Fu) Soon Guan
Director

Date: 19 July 2021

STATUTORY DECLARATION

Pursuant to Section 251(1)(b) of the Companies Act 2016

I, **Law Tik Long**, the officer primarily responsible for the financial management of TIONG NAM LOGISTICS HOLDINGS BERHAD, do solemnly and sincerely declare that the financial statements set out on pages 59 to 145 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the above named Law Tik Long, NRIC: 740224-01-5089, MIA CA 18452, at Johor Bahru in the State of Johor on 19 July 2021.

Law Tik Long

Before me:

Lau Lay Sung
Commissioner For Oaths
J-246

INDEPENDENT AUDITORS' REPORT

To the members of Tiong Nam Logistics Holdings Berhad

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Tiong Nam Logistics Holdings Berhad, which comprise the statements of financial position as at 31 March 2021 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 59 to 145.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 March 2021, and of their financial performance and their cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our auditors' report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

(i) Valuation of property, plant and equipment and right-of-use assets - Group

Refer to Note 2(d)(i) and Note 2(e)(iii)(a) - Significant accounting policy: Property, plant and equipment and Leases, Note 3 - Property, plant and equipment and Note 4 - Right-of-use assets.

The key audit matter

The Group adopts revaluation model for its properties comprising of land and buildings. As at 31 March 2021, the Group's property, plant and equipment and right-of-use assets comprising of land and buildings with carrying amount of RM913 million and RM242 million respectively were stated at their fair values based on independent external valuations. The valuation of property, plant and equipment and right-of-use assets are considered as key audit matter because there are significant judgements and estimates inherent in the valuation of property, plant and equipment and right-of-use assets. The valuations are subjective in nature and sensitive to changes in the key assumptions applied, particularly availability of recent market transactions of comparable properties in close proximity, price per square foot, estimated cost of construction of the building and depreciation.

Independent Auditors' Report
(cont'd)

Key Audit Matters (continued)

(i) Valuation of property, plant and equipment and right-of-use assets - Group (continued)

How the matter was addressed in our audit

We performed the following audit procedures, amongst others:

- We evaluated the qualifications and competency of the external valuers and discussed the scope of work with the external valuers to determine whether there were any matters that might have affected the valuers' objectivity or placed limitations in their scope of work;
- We evaluated the appropriateness of the valuation methodologies adopted by the external valuers by comparing them to accepted market practices of similar properties;
- We assessed the key assumptions used in the valuation by comparing them against historical rates and available industry data; and
- We assessed the adequacy of the Group's disclosures in the financial statements on the valuation methodologies, key assumptions used in the valuation and inter-relationships between the assumptions and the valuation amounts.

(ii) Valuation of inventories - Completed properties held for sale - Group

Refer to Note 2(h)(iii) - Significant accounting policy: Inventories - Completed properties held for sale and Note 8 - Inventories.

The key audit matter

The Group's inventories from completed property development activities represents a significant component of the Group's assets. The weak demand and oversupply in the current property market might exert downward pressure on the transaction volumes and value. We have determined the valuation of the completed properties held for sale as a key audit matter because of the judgement involved in determining the net realisable value of the inventories, based on estimates derived from recent transacted prices and any expected discount allowed.

How the matter was addressed in our audit

We performed the following audit procedures, amongst others:

- We evaluated the design and implementation of controls over the Group's review of the valuation of the completed properties held for sale;
- We reviewed the movement of the completed properties held for sale to ascertain if slow-moving projects require write down;
- We assessed the valuation of the Group's completed property development units by comparing the carrying amount to recent transacted prices or prices of comparable properties located in the vicinity as the development project; and
- We assessed the completeness, accuracy and relevance of disclosures required by MFRS 102 *Inventories*.

Independent Auditors' Report
(cont'd)

Key Audit Matters (continued)

(iii) Valuation of trade receivables from the logistics and warehousing services segment - Group

Refer to Note 2(k)(i) - Significant accounting policy: Impairment and Note 10 - Trade and other receivables and Note 26.4 - Credit risk.

The key audit matter

The Group services a large number of customers from various industries and is required to reassess its credit exposures for its trade receivables. Provisions on forward-looking losses may be required.

We have determined the valuation of trade receivables from the logistics and warehousing services segment as a key audit matter because of the judgement involved by the Group in estimating the probability of default of the trade receivables and assessing the adequacy of impairment made.

How the matter was addressed in our audit

We performed the following audit procedures, amongst others:

- We evaluated the accounting policies adopted and compared to the requirements of MFRS 9, our business understanding and industry practice;
- We evaluated the design and implementation of the Group's controls over the trade receivables credit control processes and credit limit approvals;
- We evaluated the Directors' key judgements and estimates made including selection and application of the method, assumptions and data in making the estimate;
- We assessed and tested mathematical accuracy of the impairment loss provided;
- We tested the trade receivables ageing report to ascertain the accuracy of the information used to assess the adequacy of impairment loss of trade receivables by testing the age profile of trade receivables to the respective sales invoices; and
- We assessed the adequacy of the Group's disclosures as required by MFRS 7, *Financial Instruments Disclosure*.

(iv) Valuation of investment properties - Group and Company

Refer to Note 2(g)(i) - Significant accounting policy: Investment properties and Note 5 - Investment properties.

The key audit matter

The Group's and Company's investment properties of RM46 million and RM34 million respectively as at 31 March 2021 were stated at their fair values based on independent external valuations. The valuation of investment properties is considered as a key audit matter because there are significant judgements and estimates inherent in the valuation of investment properties. The valuations are subjective in nature and sensitive to changes in the key assumptions applied, particularly availability of recent market transactions of comparable properties in close proximity, price per square foot, estimated cost of construction of the building and depreciation.

Independent Auditors' Report
(cont'd)

Key Audit Matters (continued)

(iv) Valuation of investment properties - Group and Company (continued)

How the matter was addressed in our audit

We performed the following audit procedures, amongst others:

- We evaluated the qualifications and competency of the external valuers and discussed the scope of work with the external valuers to determine whether there were any matters that might have affected the valuers' objectivity or placed limitations in their scope of work;
- We evaluated the appropriateness of the valuation methodologies adopted by the external valuers by comparing them to accepted market practices of similar properties;
- We assessed the key assumptions used in the valuation by comparing them against historical rates and available industry data; and
- We assessed the adequacy of the Group's and the Company's disclosures in the financial statements on the valuation methodologies, key assumptions used in the valuation and inter-relationships between the assumptions and the valuation amounts.

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the annual report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the annual report and, in doing so, consider whether the annual report is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of the annual report, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the ability of the Group and of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Independent Auditors' Report
(cont'd)

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Group and of the Company.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group or of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that gives a true and fair view.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our auditors' report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Independent Auditors' Report
(cont'd)

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors are disclosed in Note 6 to the financial statements.

Other Matter

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

KPMG PLT
(LLP0010081-LCA & AF 0758)
Chartered Accountants

Chan Yen Ing
Approval Number: 03174/04/2023 J
Chartered Accountant

Johor Bahru

Date: 19 July 2021

ANALYSIS OF SHAREHOLDINGS
As at 30 June 2021

Total Number of Issued Shares	:	527,825,486
Class of Shares	:	Ordinary Share
Voting Rights	:	One (1) Vote Per Ordinary Share
Number of Shareholders	:	6,853

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	Number of Shareholders	%	Number of Shares Held	%*
Less than 100	408	5.954	13,961	0.003
100 to 1,000	618	9.018	363,724	0.071
1,001 to 10,000	3,387	49.424	17,877,775	3.478
10,001 to 100,000	2,099	30.629	60,885,914	11.844
100,001 to less than 5% of issued shares	339	4.946	289,860,402	56.388
5% and above of issued shares	2	0.029	145,047,415	28.216
Total	**6,853**	**100.000**	**514,049,191**	**100.000**

DIRECTORS' SHAREHOLDINGS

	Name	Direct Shareholdings	Percentage of Issued Shares*	Indirect Shareholdings	Percentage of Issued Shares*
1	Dato Fu Ah Kiow @ Oh (Fu) Soon Guan	765,000	0.149	–	–
2.	Ong Yoong Nyock	128,601,180	25.017	145,898,865	28.382
3.	Yong Kwee Lian	6,650,000	1.294	267,850,045	52.106
4.	Ong Wei Kuan	255,000	0.050	–	–
5.	Chang Chu Shien	2,080,000	0.405	–	–
6.	Yong Seng Huat	–	–	10,200	0.002
7.	Ling Cheng Fah @ Ling Cheng Ming	15,300	0.003	–	–
8.	Datuk Haji Muhamad Shapiae bin Mat Ali	–	–	–	–
9.	Christina Ong Chu Voon	–	–	–	–
10.	Chen Kuok Chin	–	–	1,596,000	0.310

LIST OF SUBSTANTIAL SHAREHOLDERS

		Interest in Shares			
	Name	Direct	%*	Indirect	%*
1.	TNTT Realty Sdn. Bhd. [(a)]	121,095,415	23.557	–	–
2.	Ong Yoong Nyock [(b)]	128,601,180	25.017	145,898,865	28.382
3.	Yong Kwee Lian [(c)]	6,650,000	1.294	267,850,045	52.106

Notes:

a *Part of the shares are held through Amsec Nominees (Tempatan) Sdn Bhd, Cimsec Nominees (Tempatan) Sdn Bhd, and Maybank Nominees (Tempatan) Sdn Bhd.*

b *Part of the shares are held through Affin Hwang Nominees (Tempatan) Sdn Bhd, AllianceGroup Nominees (Tempatan) Sdn Bhd, Ambank (M) Berhad, Amsec Nominees (Tempatan) Sdn Bhd , CGS-CIMB Nominees (Tempatan) Sdn Bhd, HLB Nominees (Tempatan) Sdn Bhd, HLIB Nominees (Tempatan)Sdn Bhd, Kenanga Nominees (Tempatan) Sdn Bhd Maybank Nominees (Tempatan) Sdn Bhd, RHB Capital Nominees (Tempatan) Sdn Bhd, and RHB Nominees (Tempatan) Sdn Bhd.*

c *Part of the shares are held through Kenanga Nominees (Tempatan) Sdn Bhd.*

* *The percentage of issued shares is computed based on the number of shares in issue of 527,825,486 ordinary shares less 13,775,295 ordinary shares held as Treasury Shares.*

Analysis of Shareholdings
As at 30 June 2021
(cont'd)

LIST OF THIRTY LARGEST SHAREHOLDERS
As At 30 June 2021

No.	Name	Number of Shares	%*
1	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TNTT REALTY SDN BHD	77,997,415	15.173
2	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT - AMBANK (M) BERHAD FOR ONG YOONG NYOCK	67,050,000	13.043
3	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR TNTT REALTY SDN BHD (PB)	23,000,000	4.474
4	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TNTT REALTY SDN BHD	20,098,000	3.909
5	AMSEC NOMINEES (TEMPATAN) SDN BHD AMBANK (M) BERHAD (SWAP)	17,000,000	3.307
6	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ONG YOONG NYOCK (8039533)	14,795,940	2.878
7	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR RENITRANS SDN BHD	13,409,430	2.608
8	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR BAKAT IMPIAN SDN BHD (8124505)	12,000,000	2.334
9	HLIB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ONG YOONG NYOCK	7,950,000	1.546
10	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ONG YOONG NYOCK (CEB)	7,853,100	1.527
11	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR YONG KWEE LIAN	6,650,000	1.293
12	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ONG YOONG NYOCK	6,630,000	1.289
13	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR ONG YOONG NYOCK (M04)	5,950,000	1.157
14	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ONG YOONG NYOCK	4,494,060	0.874
15	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR RENITRANS SDN BHD (501392110894)	4,488,000	0.873
16	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ONG YOONG NYOCK	3,958,480	0.770
17	AMBANK (M) BERHAD PLEDGED SECURITIES ACCOUNT FOR ONG YOONG (SMART) NYOCK	3,404,500	0.662
18	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ANG CHIN (E-SPT/MIN) WOI	3,169,000	0.616
19	TAJUKON SDN BHD	3,000,000	0.583

Analysis of Shareholdings
As at 30 June 2021
(cont'd)

LIST OF THIRTY LARGEST SHAREHOLDERS (CONTINUED)
As At 30 June 2021

No.	Name	Number of Shares	%*
20	MAYBANK NOMINEES (TEMPATAN) SDN BHD SURAYA BINTI AB MAJID	2,727,500	0.530
21	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT (E-TSA) FOR CHEONG BOON LONG	2,700,000	0.525
22	HLIB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ASTINAS CONSTRUCTION & DEVELOPMENT SDN. BHD. (MG0037-222)	2,550,598	0.496
23	HLB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ONG YOONG NYOCK	2,550,000	0.496
24	THROTECH INDUSTRIES SDN.BHD	2,500,000	0.486
25	BAKAT IMPIAN SDN BHD	2,468,400	0.480
26	TEO KWEE HOCK	2,183,502	0.424
27	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ONG YOONG NYOCK	2,146,000	0.417
28	LOH HOCK LIANG	2,122,620	0.412
29	CHANG CHU SHIEN	2,080,000	0.404
30	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHONG MEE TING (8105611)	1,880,000	0.365
TOTAL		328,806,545	63.951

LIST OF PROPERTIES
As at 31 March 2021

Lot No / Location	Description	Existing Use	Tenure/ Tenure Years	Expiry Date	Area (sq ft)	Age of Building (year)	Valuation/ Acquisition date	Net Book Value as at 31 Mar 2021 (RM)
H.S.(D) 458119 PTD 166944, Mukim Pulai Johor Bahru	Hotel & Podium	Fraser Place Hotel	Freehold		Land 96,100 Built up 732,160	3	Mar-21	236,900,000
H.S.(D) 79959 PT 14386 Mukim Damansara Daerah Petaling	5 Blocks of warehouses cum office	Office & warehouse	Leasehold 71 years	26.09. 2092	Land 871,200 Built up 604,510	15	Mar-21	192,000,000
PT 853, (HSD 316148) Lion Industrial Park Shah Alam	4 Blocks of warehouse/ office cum canteen	Office warehouse & Coldrooms	Freehold		Land 564,996 Built up 302,909	26	Mar-21	115,700,000
H.S.(M) 4392 PTD 112714, MK Senai - Kulai	Warehouse	Warehouse	Freehold		Land 987,357 Built up 303,560	3	Mar-21	76,200,000
H.S.(D) 303868 PTD 2423 (Plot D28A) Mukim of Tanjung Kupang District of Johor Bahru	Warehouse	Warehouse	Leasehold 34 years	22.03. 2055	Land 435,600 Built up 272,281	3	Mar-21	58,200,000
PLO 232, Tanjung Langsat Marine Terminal, Kompleks Perindustrian Tanjung Langsat, Pasir Gudang, Johor	Warehouse	Warehouse	Leasehold 24 years	15.11. 2045	Land 871,200 Built up 141,605	5	Mar-21	47,000,000
PTD 171007 (New Lot 122759) Mukim of Plentong, District of Johor Bahru)	Residential Development	Vacant land	Freehold		Land 4,371,547		Jun-18	42,591,759
PT 849 HS(M) 11518 Mukim Pekan Baru Hicom District of Petaling	Single storey office/ warehouse	Office & Coldroom	Freehold		Land 134,227 Built up 69,721	6	Mar-21	41,500,000
D25A (PTD 2423, HS(D) 303868) Mukim of Tanjung Kupang District of Johor Bahru	Warehouse	Warehouse	Leasehold 34 years	23.03. 2055	Land 221,241 Built up 252,780	5	Mar-21	41,400,000
LOT PT 3925, Seksyen 39, title HS(M) 16450 (formerly LOT 3176, Section 39, Bandar Kulim, District Kulim, Kedah)	Office/ warehouse	Warehouse	Freehold		Land 641,838 Built up 125,703	1	Mar-21	35,800,000

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Thirty-Second (32nd) Annual General Meeting ("32nd AGM" or "AGM") of **TIONG NAM LOGISTICS HOLDINGS BERHAD** will be held on fully virtual basis via remote participation and voting provided by Tricor Investor & Issuing House Services Sdn. Bhd. ("Tricor") via its TIIH Online website at https://tiih.online on Saturday, 21 August 2021 at 9:30 a.m. to transact the following businesses:

AS ORDINARY BUSINESS

1. To receive and adopt the Audited Financial Statements for the financial year ended 31 March 2021 and the Reports of the Directors and Auditors thereon. **(Please refer to Note 1)**

2. To re-elect Directors retiring in accordance with the following clause in the Constitution of the Company:

Ong Yoong Nyock	- Clause 104	**Resolution 1**
Yong Kwee Lian	- Clause 104	**Resolution 2**
Yong Seng Huat	- Clause 104	**Resolution 3**

3. To approve the payment of the Directors' Fees amounting to RM 332,204-00 in respect of the financial year ended 31 March 2021. **Resolution 4**

4. To appoint KPMG PLT as Auditors and to authorise the Directors to fix their remuneration. **Resolution 5**

AS SPECIAL BUSINESS

5. To consider and if thought fit, pass the following resolution as an ordinary resolution **Resolution 6**

PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("RRPTs")

"**THAT**, subject to the Companies Act 2016 ("Act"), the Constitution of the Company and the Main Market Listing Requirements of the Bursa Malaysia Securities Berhad, approval be and is hereby given to the Company and/or its subsidiary companies to enter into and give effect to the class and nature of Recurrent Related Party Transactions in Section 2.3 subsection 2.3.1 as specified in the Circular to Shareholders dated 23 July 2021 involving the interests of Directors and major shareholders of the Company, namely **Mr Ong Yoong Nyock** and **Madam Yong Kwee Lian** and persons connected to them, Ms Christina Ong Chu Voon, Mr Ong Yong Meng, Mr Ong Weng Seng, Madam Yong Wei Lian, Mr Pan Chee Seng and Mr Wong Swee Siong provided that such Recurrent Related Party Transactions are:

(i) recurrent transactions of a revenue or trading nature;
(ii) necessary for the day-to-day operations;
(iii) carried out in the ordinary course of business on normal commercial terms and on terms which are not more favourable to the Related Parties than those generally available to the public; and
(iv) are not to the detriment of the minority shareholders.

("Proposed Shareholders' Mandate of RRPTs - Mr Ong Yoong Nyock and Madam Yong Kwee Lian ");

AND THAT the Mandate is subject to annual renewal and any authority conferred by a Mandate shall only continue to be in force until :

(a) the conclusion of the next AGM of the Company following the AGM at which such Mandate was passed, at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed;
(b) the expiration of the period within which the next AGM after that date is required to be held pursuant to section 340(2) of the Act (but shall not extend to such extension as may be allowed pursuant to section 340(4) of the Act); or
(c) revoked or varied by resolution passed by the shareholders in general meeting, whichever is the earlier.

AND FURTHER THAT the Directors of the Company be authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the "Proposed Shareholders' Mandate for RRPTs - Mr Ong Yoong Nyock and Madam Yong Kwee Lian".

6. To consider and if thought fit, pass the following resolution as an ordinary resolution **Resolution 7**

PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("RRPTs")

"**THAT**, subject to the Companies Act 2016 ("Act"), the Constitution of the Company and the Main Market Listing Requirements of the Bursa Malaysia Securities Berhad, approval be and is hereby given to the Company and/or its subsidiary companies to enter into and give effect to the class and nature of Recurrent Related Party Transactions in Section 2.3.2 as specified in the Circular to Shareholders dated 23 July 2021 involving the interests of a Director, **Mr Ong Wei Kuan** provided that such Recurrent Related Party Transactions are :

(i) recurrent transactions of a revenue or trading nature;
(ii) necessary for the day-to-day operations;
(iii) carried out in the ordinary course of business on normal commercial terms and on terms which are not more favourable to the Related Parties than those generally available to the public; and
(iv) are not to the detriment of the minority shareholders

("Proposed Shareholders' Mandate for RRPTs – Mr Ong Wei Kuan");

AND THAT the Mandate is subject to annual renewal and any authority conferred by a Mandate shall only continue to be in force until :

(a) the conclusion of the next AGM of the Company following the AGM at which such Mandate was passed, at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed;
(b) the expiration of the period within which the next AGM after that date is required to be held pursuant to section 340(2) of the Act (but shall not extend to such extension as may be allowed pursuant to section 340(4) of the Act); or
(c) revoked or varied by resolution passed by the shareholders in general meeting, whichever is the earlier.

AND FURTHER THAT the Directors of the Company be authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the "Proposed Shareholders' Mandate for RRPTs – Mr Ong Wei Kuan".

Notice of Annual General Meeting
(cont'd)

7. To consider and if thought fit, pass the following resolution as an ordinary resolution **Resolution 8**

PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("RRPTs")

"**THAT**, subject to the Companies Act 2016 ("Act"), the Constitution of the Company and the Main Market Listing Requirements of the Bursa Malaysia Securities Berhad, approval be and is hereby given to the Company and/or its subsidiary companies to enter into and give effect to the class and nature of Recurrent Related Party Transactions in Section 2.3.3 as specified in the Circular to Shareholders dated 23 July 2021 involving the interests of a Director, **Mr Chang Chu Shien** provided that such Recurrent Related Party Transactions are :

(i) recurrent transactions of a revenue or trading nature;
(ii) necessary for the day-to-day operations;
(iii) carried out in the ordinary course of business on normal commercial terms and on terms which are not more favourable to the Related Parties than those generally available to the public; and
(iv) are not to the detriment of the minority shareholders

("Proposed Shareholders' Mandate for RRPTs – Mr Chang Chu Shien");

AND THAT the Mandate is subject to annual renewal and any authority conferred by a Mandate shall only continue to be in force until :

(a) the conclusion of the next AGM of the Company following the AGM at which such Mandate was passed, at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed;
(b) the expiration of the period within which the next AGM after that date is required to be held pursuant to section 340(2) of the Act (but shall not extend to such extension as may be allowed pursuant to section 340(4) of the Act); or
(c) revoked or varied by resolution passed by the shareholders in general meeting, whichever is the earlier.

AND FURTHER THAT the Directors of the Company be authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the "Proposed Shareholders' Mandate for RRPTs – Mr Chang Chu Shien".

8. To consider and if though fit, pass the following resolution as an ordinary resolution **Resolution 9**

PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

"**THAT** subject always to the Companies Act 2016 ("Act"), the provisions of the Constitution of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"), and the approvals of all relevant governmental and/or the relevant authorities, the Company be authorized, to buy-back such amount of ordinary shares in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company provided that:-

(i) The aggregate number of shares purchased by the Company does not exceed 10% of the total number of issued shares of the Company at any point of time;
(ii) The maximum amount of funds to be allocated for the share buy-back shall not exceed the aggregate of the retained profits of the Company; and
(iii) The shares purchased may be dealt with in all or any of the following manner (as selected by the Company) :-

Notice of Annual General Meeting
(cont'd)

(a) the shares so purchased may be cancelled; and/or
(b) the shares so purchased may be retained as treasury shares in accordance with the relevant rules of Bursa Securities for distribution as dividend to the shareholders and/or resell through Bursa Securities and/or subsequently cancelled; and/or
(c) part of the shares so purchased may be retained as treasury shares with the remainder being cancelled;

(hereinafter referred to as the "Proposed Renewal of Share Buy-Back Authority").

AND THAT the authority conferred by this resolution shall commence upon the passing of this resolution and shall continue to be in force until:-

(i) the conclusion of the next annual general meeting ("AGM") of the Company following the forthcoming AGM, at which time the said authority will lapse unless by ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions; or
(ii) the expiration of the period within which the next AGM of the Company is required to be held pursuant to section 340(2) of the Act (but shall not extend to such extension as may be allowed pursuant to section 340(4) of the Act); or
(iii) revoked or varied by ordinary resolution passed by shareholders of the Company in a general meeting of the Company,

whichever occurs first;

AND THAT the Directors of the Company be and are hereby authorised to take such steps to give full effect to the Proposed Renewal of Share Buy-Back Authority with full power to assent to any conditions, modifications, variations and/or amendments as may be imposed by the relevant authorities and/or to do all acts and things as the Directors may deem fit and expedient in the best interest of the Company."

9. To consider and if though fit, pass the following resolution as an ordinary resolution **Resolution 10**

PROPOSED AUTHORITY TO ISSUE SHARES PURSUANT TO SECTION 76 OF THE COMPANIES ACT 2016

"**THAT**, subject always to the Companies Act 2016, the Constitution of the Company and the approvals of the relevant governmental/regulatory authorities, the Directors be and are hereby empowered, pursuant to Section 76 of the Companies Act 2016, to issue shares in the Company from time to time and upon such terms and conditions and for such purposes as the Directors may deem fit provided that the aggregate number of shares issued pursuant to this resolution does not exceed ten percent (10%) of the total number of issued shares (excluding treasury shares) of the Company for the time being and that such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company."

10. To consider and if though fit, pass the following resolution as an ordinary resolution **Resolution 11**

RETENTION OF INDEPENDENT DIRECTOR, MR LING CHENG FAH @ LING CHENG MING

"**THAT** Mr Ling Cheng Fah @ Ling Cheng Ming be retained as an Independent Non-Executive Director of the Company notwithstanding that he has served the Company for a cumulative term of more than nine (9) years in accordance with the Malaysian Code on Corporate Governance."

Notice of Annual General Meeting
(cont'd)

11 To consider and if though fit, pass the following resolution as an ordinary resolution **Resolution 12**

PROPOSED FINAL SINGLE TIER DIVIDEND OF 1.0 SEN PER ORDINARY SHARE

"**THAT** the payment of a final single tier dividend of 1.0 sen per ordinary share for the financial year ended 31 March 2021 be hereby approved."

12. To consider and if though fit, pass the following resolution as special resolution **Resolution 13**

PROPOSED AMENDMENTS TO THE CONSTITUTION OF THE COMPANY

"**THAT** the Proposed Amendments to the Constitution of the Company, details as set out in the Appendix marked "B" annexed hereto, be and are hereby approved."

13. To transact any other business appropriate to an Annual General Meeting, due notice of which shall have been previously given in accordance with the Companies Act, 2016 and the Company's Constitution".

NOTICE OF DIVIDEND ENTITLEMENT
FINAL SINGLE TIER DIVIDEND OF 1.0 SEN PER ORDINARY SHARE

FURTHER NOTICE IS HEREBY GIVEN that subject to the approval of the shareholders at the 32nd AGM, the single tier final dividend of 1.0 sen per share in respect of the financial year ended 31 March 2021 will be payable on 22 September 2021 to the Depositors who are registered in the Record of Depositors at the close of business on 1 September 2021.

A Depositor shall qualify for entitlement to the dividend only in respect of: -
(a) Shares transferred into the Depositor's Securities Account before 4.30 p.m. on 1 September 2021 in respect of ordinary transfers; and
(b) Shares bought on Bursa Malaysia Securities Berhad ("Bursa Securities") on a cum entitlement basis according to the Rules of Bursa Securities

FURTHER NOTICE IS HEREBY GIVEN THAT for the purpose of determining who shall be entitled to attend this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company pursuant to Paragraph 7.16(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, a Record of Depositors as at **12 August 2021** and only a Depositor whose name appears on such Record of Depositors shall be entitled to attend this meeting or appoint proxies to attend and/or vote on his/her behalf.

By order of the Board

LEONG SIEW FOONG
SANTHI A/P SAMINATHAN
LAW TIK LONG
Secretaries

Date: 23 July 2021

Notice of Annual General Meeting
(cont'd)

NOTES:

1. Audited Financial Statements

The audited financial statements are laid in accordance with Section 340(1)(a) of the Companies Act 2016 for discussion only under agenda 1. They do not require shareholders' approval and hence will not be put forward for voting.

2. Re-election of Directors who retire in accordance with Regulation 104 of the Company's Constitution ("Constitution")

Ordinary Resolutions 1,2 and 3, Regulation 104 of the Constitution provides that one-third (1/3) of the Directors of the Company for the time being shall retire by rotation at an AGM of the Company. With the current Board size of ten (10), three (3) Directors are to retire in accordance with Regulation 104 of the Constitution.

The Nomination Committee has assessed the performance of these Directors seeking for re-election based on salient criteria of their contribution to the Board's decision making and their individual performance in their roles and responsibilities to the Company/Group.

The satisfactory outcome of the assessment was reported to the Board of Directors and the Board recommends these Directors to be re-elected according to the resolutions put forth in the forthcoming AGM.

These Directors had abstained from deliberation and participation of their own agenda in both the Nomination Committee meeting as well as the Board of Directors' meeting.

3. Directors' fees and allowance

Ordinary Resolution 4, pursuant to Section 230(1) of the Companies Act, 2016, the fees of the directors and any benefits payable to the directors of a listed company and its subsidiaries shall be approved at a general meeting.

The fee payable to the Non-Executive Directors up to an amount of RM 332,204-00 is for the period of 1 April 2020 to 31 March 2021.

The Board will seek shareholders' approval at the next AGM in the event the remuneration amount is insufficient due to an increase in Board/Board Committee meetings and/or increase in board size. Details of the Directors' fees and benefits paid are disclosed on page 31 to 32 in this Annual Report 2021.

4. Appointment of Auditors

Ordinary Resolution 5, pursuant to Section 273(b) of the Act, the term of office of the present Auditors, Messrs KPMG PLT, shall lapse at the conclusion of this AGM unless they are re-appointed by the shareholders to continue in office.

Messrs KPMG PLT, have indicated their willingness to continue their service until the conclusion of the Thirty Second AGM. The re-appointment of Messrs KPMG PLT as Auditors has been considered against the relevant criteria prescribed by Paragraph 15.21 of the MMLR. This proposed Ordinary Resolution 5, if passed, will also give the Directors of the Company, the authority to determine the remuneration of the Auditors.

5. Form of Proxy

i. The 32nd AGM will be conducted on a fully virtual basis via TIIH Online website at https://tiih.online, members/ proxies/corporate representatives/attorneys are advised to refer to the Administrative Details on the registration and voting process for the 32nd AGM.

ii. *Members/proxies/corporate representatives/attorneys are to attend, speak (including posing questions to the Board via real time submission of typed texts) and vote (collectively, "participate") remotely at the 32nd AGM via the Remote Participation and Voting facilities ("RPV") provided by Tricor Investor & Issuing House Services Sdn Bhd (the "Share Registrar", "Tricor" or "TIIH") via its TIIH Online website at https://tiih.online. Please follow the Procedures for RPV provided in the Administration Details of the 32nd AGM and read the notes therein in order to participate remotely via RPV.*

iii. *Every member is entitled to appoint a proxy (or in the case of a corporation, to appoint a representative) to attend and vote in his place. A proxy need not be a member of the Company.*

iv. *Where a Member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("Omnibus Account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds.*

v. *Where a member or authorised nominee appoints two (2) proxies, or when an exempt authorised nominee appoints two (2) or more proxies, the appointments shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.*

vi. *A member who has appointed a proxy or attorney or corporate representative to attend and vote at the 32nd AGM must request his/her proxy or attorney or corporate representative to register himself/herself for RPV at TIIH Online website at https://tiih.online. Please follow the Procedures for RPV in the Administrative Details of the 32nd AGM.*

vii. *The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the 32nd AGM or adjourned general meeting at which the person named in the appointment proposes to vote:*

(a) *In hard copy form*
In the case of an appointment made in hard copy form, the Form of Proxy must be deposited at the Company's Registered Office at Suite 9D, Level 9, Menara Ansar, 65 Jalan Trus, 80000 Johor Bahru, Johor, Malaysia not less than forty-eight (48) hours before the time of holding the Meeting or any adjournment thereof.

(b) *By electronic form*
The Form of Proxy can be electronically lodged via TIIH Online website at https://tiih.online. Kindly refer to the Administrative Details of the 32nd AGM on the procedure for electronic lodgement of proxy form via TIIH Online.

viii. *Please ensure* ***ALL*** *the particulars as required in the Form of Proxy are completed, signed and dated accordingly.*

ix. *Last date and time for lodging the Form of Proxy is* ***Thursday, 19 August 2021*** *at* ***9.30 a.m.***

x. *Any authority pursuant to which such an appointment is made by a power of attorney must be deposited at the Company's Registered Office at Suite 9D, Level 9, Menara Ansar, 65 Jalan Trus, 80000 Johor Bahru, Johor, Malaysia not less than forty-eight (48) hours before the time appointed for holding the 32nd AGM or adjourned general meeting at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.*

xi. *For a corporate member who has appointed an authorised representative, please deposit the original or duly certified certificate of appointment of authorised representative at the Company's Registered Office at Suite 9D, Level 9, Menara Ansar, 65 Jalan Trus, 80000 Johor Bahru, Johor, Malaysia. The certificate of appointment of authorised representative should be executed in the following manner:*

(a) If the corporate member has a common seal, the certificate of appointment should be executed under seal in accordance with the constitution of the corporate member.

(b) If the corporate member does not have a common seal, the certificate of appointment should be affixed with the rubber stamp of the corporate member (if any) and executed by:
(1) at least two (2) authorised officers, of whom one shall be a director; or
(2) any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.

xii. For the purpose of determining who shall be entitled to attend this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company pursuant to Paragraph 7.16(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, a Record of Depositors as at 12 August 2021 and only a Depositor whose name appears on such Record of Depositors shall be entitled to attend this meeting or appoint proxies to attend and/or vote on his/her behalf.

xiii. In view of the constant evolving COVID-19 situation in Malaysia, we may be required to change the arrangements of our 32nd AGM at short notice. Kindly check Bursa Malaysia Securities Berhad's website and the Company's website at http://www.tiongnam.com/investor/announcement for the latest updates on the status of the 32nd AGM.

6. Explanatory Notes on Special Business

i. Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature ("RRPTs") ("Proposed Shareholders' Mandate")

The proposed Resolutions No. 6 to 8, if passed, will authorise the Company and/or its subsidiaries to enter into RRPTs with the respective related parties as set out in Section 2.3, Part B of the Circular to the Shareholders dated 23 July 2021. This authority, unless revoked or varied at a general meeting, will expire at the next Annual General Meeting of the Company. For further information on the Proposed Shareholders' Mandate for RRPTs, please refer to the Circular to Shareholders dated 23 July 2021 which was dispatched together with the Company's 2021 Annual Report.

ii. Proposed Renewal of Share Buy-Back Authority

The proposed Resolution No. 9, if passed, will empower the Company to purchase and/or hold up to ten percent (10%) of the total number of issued shares of the Company. This authority, unless revoked or varied at a general meeting, will expire at the next Annual General Meeting of the Company. For further information on the Proposed Share Buy-Back, please refer to Part A of the Circular to the Shareholders dated 23 July 2021 which is dispatched together with the Company's 2021 Annual Report.

iii. Proposed authority to issue shares pursuant to Section 76 of the Companies Act 2016

The proposed Resolution No. 10, if passed, will empower the Directors of the Company, from the date of the Thirty Second Annual General Meeting, with the authority to allot and issue shares in the Company up to an amount not exceeding in total 10% of the total number of issued shares of the Company (excluding treasury shares) for such purposes as the Directors consider would be in the best interest of the Company. This authority, unless revoked or varied at a general meeting, will expire at the next Annual General Meeting,

The general mandate is to provide flexibility to the Company to issue new shares without the need to convene a separate general meeting to obtain shareholders' approval so as to avoid incurring cost and time. The purpose of this general mandate is for fund raising exercise including but not limited to further placement of shares for purposes of funding current and/or future investment projects, working capital and/or acquisitions.

The mandate sought under Resolution 12 above is a renewal of an existing mandate. There were no shares issued under the previous mandate for the period from 26 September 2020 to 21 August 2021 and hence no proceeds raised.

Notice of Annual General Meeting
(cont'd)

iv. Retention of Independent Director, Mr Ling Cheng Fah @ Ling Cheng Ming pursuant to the Malaysian Code on Corporate Governance:

Mr Ling Cheng Fah @ Ling Cheng Ming was re-designated as an Independent Non-Executive Director of the Company on 01 April 2011 and has, therefore as at the date of the notice of the Thirty Second AGM, he has served the Company for more than nine (9) years. He has met the independence guidelines as set out in Chapter 1 of the Bursa Malaysia Securities Berhad Main Market Listing Requirements ("MMLR"). The Board, therefore, considers him to be independent and believes that he should be retained as Independent Non-Executive Director based on the justifications as set out in Appendix A.

v. Single tier final dividend of 1.0 sen per share in respect of the financial year ended 31 March 2021

Declaration of a Single Tier Final dividend for the year ended 31 March 2021 in accordance with Paragraph 8.26 of the Listing Requirements, the Single Tier Final Dividend, if approved, shall be paid not later than three (3) months from the date of the shareholders' approval.

Pursuant to Sections 131 and 132 of the Companies Act 2016, a company may only make a distribution to the shareholders out of profits of the company available if the company is solvent. Having performed the solvency test on the Company, the Board is satisfied that the Company will remain solvent for the period of twelve months after the date of declaration.

vi. Special Resolution – Proposed Amendments to the Constitution of the Company

The proposed Special Resolution, if passed, will provide more flexibility for the Company as well as to enhance administrative efficiency and provide greater clarity and consistency throughout.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, participate, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

APPENDIX A

1. Authority for **Mr Ling Cheng Fah @ Ling Cheng Ming** to continue in office as Independent Non-Executive Director

   Justifications

   a. Mr Ling Cheng Fah @ Ling Cheng Ming fulfilled the criteria under the definition on Independent Director as stated in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, and therefore is able to bring independent and objective judgment to the Board.
   b. He has been with the Company for more than nine years as Independent Non-Executive Director and therefore understand the Company's business operations which enable him to participate actively and contribute during deliberations or discussions at Board meetings without compromising his independence and objective judgement.
   c. He has contributed sufficient time and efforts and attended all Board meetings.
   d. He has exercised his due care during his tenure as Independent Non-Executive Director of the Company and carried out his professional duties in the interest of the Company and shareholders.
   e. The current independent directors are strong individuals demonstrating independence. Independence is a result of a director's state of mind and integrity and not dependent on years of service. The experience of the independent directors in the Company is valuable for determining the strategic direction for the continued stability and growth.

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TIONG NAM LOGISTICS HOLDINGS BERHAD
Company No. 198901005177 (182485-V)
(Incorporated in Malaysia)

FORM OF PROXY

No. of Shares held	CDS Account No.

I/We ____
(FULL NAME IN CAPITAL)

of ____
(ADDRESS)

being a member of **TIONG NAM LOGISTICS HOLDINGS BERHAD** hereby appoint ____________________

____
(FULL NAME)

of ____
(ADDRESS)

or failing him ____
(FULL NAME)

of ____
(ADDRESS)

or failing him, the Chairman of the Meeting as my/our proxy to vote for me/us on my/our behalf at the Thirty Second Annual General Meeting ("32nd AGM" or "AGM") of the Company to be held on fully virtual basis via remote participation and voting from the Online Meeting Platform at https://tiih.online on Saturday, 21 August 2021 at 9:30 a.m. or any adjournment thereof.

Please indicate with an "x" in the space below how you wish your votes to be cast. In the absence of specific directions, your proxy will vote or abstain as he thinks fit.

NO.	RESOLUTIONS	FOR	AGAINST
ORDINARY BUSINESS			
1.	Re-election of Director – Ong Yoong Nyock		
2.	Re-election of Director – Yong Kwee Lian		
3.	Re-election of Director – Yong Seng Huat		
4.	Payment of Directors' Fees of RM 332,204-00		
5.	Appointment of KPMG PLT as Auditors		
SPECIAL BUSINESS			
6.	Proposed Shareholders' Mandate for Recurrent Related Party Transactions – Mr Ong Yoong Nyock and Madam Yong Kwee Lian		
7.	Proposed Shareholders' Mandate for Recurrent Related Party Transactions – Mr Ong Wei Kuan		
8.	Proposed Shareholders' Mandate for Recurrent Related Party Transactions – Mr Chang Chu Shien		
9.	Proposed Renewal of Share Buy-Back Authority		
10	Proposed authority to issue shares pursuant to Section 75 and 76 of the Companies Act 2016		
11	Retention of Independent Director, Mr Ling Cheng Fah @ Ling Cheng Ming		
12	Proposed payment of a single tier final dividend of 1.0 sen per share in respect of the financial year ended 31 March 2021		
13	Proposed Amendments to the Constitution of the Company.		

For appointment of 2 proxies, percentage of shareholdings **to be represented by the proxies**:-

	No. of shares	Percentage
Proxy 1		
Proxy 2		
Total		**100%**

Signed this ____________ day of ______________ 2021

Signature of Member ______________________________

No. of shares held ______________________________

Notes:

1. *The 32nd AGM will be conducted on a fully virtual basis via TIIH Online website at https://tiih.online, members/proxies/corporate representatives/attorneys are advised to refer to the Administrative Details on the registration and voting process for the 32nd AGM.*

2. *Members/proxies/corporate representatives/attorneys are to attend, speak (including posing questions to the Board via real time submission of typed texts) and vote (collectively, "participate") remotely at the 32nd AGM via the Remote Participation and Voting facilities ("RPV") provided by Tricor Investor & Issuing House Services Sdn Bhd (the "Share Registrar", "Tricor" or "TIIH") via its TIIH Online website at https://tiih.online. Please follow the Procedures for RPV provided in the Administration Details of the 32nd AGM and read the notes therein in order to participate remotely via RPV.*

3. *Every member is entitled to appoint a proxy (or in the case of a corporation, to appoint a representative) to attend and vote in his place. A proxy need not be a member of the Company.*

4. *Where a Member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("Omnibus Account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds.*

5. *Where a member or authorised nominee appoints two (2) proxies, or when an exempt authorised nominee appoints two (2) or more proxies, the appointments shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.*

6. *A member who has appointed a proxy or attorney or corporate representative to attend and vote at the 32nd AGM must request his/her proxy or attorney or corporate representative to register himself/herself for RPV at TIIH Online website at https://tiih.online. Please follow the Procedures for RPV in the Administrative Details of the 32nd AGM.*

7. *The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the 32nd AGM or adjourned general meeting at which the person named in the appointment proposes to vote:*

   (a) In hard copy form
   In the case of an appointment made in hard copy form, the Form of Proxy must be deposited at the Company's Registered Office at Suite 9D, Level 9, Menara Ansar, 65 Jalan Trus, 80000 Johor Bahru, Johor, Malaysia not less than forty-eight (48) hours before the time of holding the Meeting or any adjournment thereof.

   (b) By electronic form
   The Form of Proxy can be electronically lodged via TIIH Online website at https://tiih.online. Kindly refer to the Administrative Details of the 32nd AGM on the procedure for electronic lodgement of proxy form via TIIH Online.

8. *Please ensure **ALL** the particulars as required in the Form of Proxy are completed, signed and dated accordingly.*

9. *Last date and time for lodging the Form of Proxy is **Thursday, 19 August 2021 at 9.30 a.m.***

10. *Any authority pursuant to which such an appointment is made by a power of attorney must be deposited at the Company's Registered Office at Suite 9D, Level 9, Menara Ansar, 65 Jalan Trus, 80000 Johor Bahru, Johor, Malaysia not less than forty-eight (48) hours before the time appointed for holding the 32nd AGM or adjourned general meeting at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.*

11. *For a corporate member who has appointed an authorised representative, please deposit the original or duly certified certificate of appointment of authorised representative at the Company's Registered Office at Suite 9D, Level 9, Menara Ansar, 65 Jalan Trus, 80000 Johor Bahru, Johor, Malaysia. The certificate of appointment of authorised representative should be executed in the following manner:*

    (a) If the corporate member has a common seal, the certificate of appointment should be executed under seal in accordance with the constitution of the corporate member.

    (b) If the corporate member does not have a common seal, the certificate of appointment should be affixed with the rubber stamp of the corporate member (if any) and executed by:
      (i) at least two (2) authorised officers, of whom one shall be a director; or
      (ii) any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.

12. *For the purpose of determining who shall be entitled to attend this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company pursuant to Paragraph 7.16(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, a Record of Depositors as at 12 August 2021 and only a Depositor whose name appears on such Record of Depositors shall be entitled to attend this meeting or appoint proxies to attend and/or vote on his/her behalf.*

13. *In view of the constant evolving COVID-19 situation in Malaysia, we may be required to change the arrangements of our 32nd AGM at short notice. Kindly check Bursa Malaysia Securities Berhad's website and the Company's website at http://www.tiongnam.com/investor/announcement for the latest updates on the status of the 32nd AGM.*

Personal Data Privacy:
By submitting an instrument appointing a proxy(ies) and /or representative(s), the member accepts and agrees to the personal data privacy terms pursuant to Personal Data Protection Act, 2010.

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AFFIX
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Tiong Nam Logistics Holdings Berhad
Suite 9D, Level 9, Menara Ansar,
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Johor Darul Takzim.

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www.tiongnam.com

TIONG NAM LOGISTICS HOLDINGS BERHAD

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