



**TIONG NAM LOGISTICS HOLDINGS BERHAD**

Company No. 198901005177 (182485V)

**(Incorporated in Malaysia)**

**INTERIM FINANCIAL REPORT**

**30 JUNE 2022**



# TIONG NAM LOGISTICS HOLDINGS BERHAD

Company No. 198901005177 (182485V)

(Incorporated in Malaysia)

## CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE PERIOD ENDED 30 JUNE 2022 – UNAUDITED

|  | INDIVIDUAL 3 MONTHS<br>ENDED 30 JUNE |                 |          | CUMULATIVE 3 MONTHS<br>ENDED 30 JUNE |                 |          |
|--|--------------------------------------|-----------------|----------|--------------------------------------|-----------------|----------|
|  | 2022<br>RM '000                      | 2021<br>RM '000 | CHANGES  | 2022<br>RM '000                      | 2021<br>RM '000 | CHANGES  |
| Revenue  | 177,867                              | 166,912         | 6.56%    | 177,867                              | 166,912         | 6.56%    |
| Direct operation expenses                        | (134,521)                            | (121,200)       | 10.99%   | (134,521)                            | (121,200)       | 10.99%   |
| Depreciation and amortization                    | (15,645)                             | (15,885)        | -1.51%   | (15,645)                             | (15,885)        | -1.51%   |
| Finance cost                                     | (9,723)                              | (10,342)        | -5.99%   | (9,723)                              | (10,342)        | -5.99%   |
| Other overhead expenses                          | (14,599)                             | (16,496)        | -11.50%  | (14,599)                             | (16,496)        | -11.50%  |
| Operating profit                                 | 3,379                                | 2,989           | 13.06%   | 3,379                                | 2,989           | 13.06%   |
| Share of profit / (loss) after tax in associates | (727)                                | (21)            | 3361.90% | (727)                                | (21)            | 3361.90% |
| Profit before tax                                | 2,652                                | 2,968           | -10.64%  | 2,652                                | 2,968           | -10.64%  |
| Tax expenses                                     | (2,152)                              | (1,249)         | 72.33%   | (2,152)                              | (1,249)         | 72.33%   |
| Net profit for the period                        | 500                                  | 1,719           | -70.92%  | 500                                  | 1,719           | -70.92%  |
| Attributable to:                                 |                                      |                 |          |                                      |                 |          |
| Equity holders of the Company                    | 382                                  | 1,549           | -75.34%  | 382                                  | 1,549           | -75.34%  |
| Non-controlling Interest                         | 118                                  | 170             | -30.59%  | 118                                  | 170             | -30.59%  |
| Net profit for the period                        | 500                                  | 1,719           | -70.92%  | 500                                  | 1,719           | -70.92%  |
| Basic earnings per ordinary shares (sen)         | 0.07                                 | 0.30            | -75.24%  | 0.07                                 | 0.30            | -75.24%  |
| Diluted earnings per ordinary shares (sen)       | 0.07                                 | 0.30            | -75.24%  | 0.07                                 | 0.30            | -75.24%  |

The Condensed Consolidated Income Statement should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2022 and the accompanying explanatory notes attached to the financial statements.



# TIONG NAM LOGISTICS HOLDINGS BERHAD

Company No. 198901005177 (182485V)  
(Incorporated in Malaysia)

## CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 JUNE 2022 – UNAUDITED

|   | INDIVIDUAL 3 MONTHS<br>ENDED 30 JUNE |                 |          | CUMULATIVE 3 MONTHS<br>ENDED 30 JUNE |                 |          |
|---|--------------------------------------|-----------------|----------|--------------------------------------|-----------------|----------|
|   | 2022<br>RM '000                      | 2021<br>RM '000 | CHANGES  | 2022<br>RM '000                      | 2021<br>RM '000 | CHANGES  |
| Profit/(Loss) for the period                                | 500                                  | 1,719           | -70.92%  | 500                                  | 1,719           | -70.92%  |
| Currency translation differences arising from consolidation | 832                                  | 28              | 2872.51% | 832                                  | 28              | 2872.51% |
| Total comprehensive income/(loss)                           | 1,332                                | 1,747           | -23.74%  | 1,332                                | 1,747           | -23.74%  |
| Total comprehensive income/(loss) attributed to:            |                                      |                 |          |                                      |                 |          |
| Equity holders of the Company                               | 1,214                                | 1,577           | -23.01%  | 1,214                                | 1,577           | -23.01%  |
| Non-controlling interests                                   | 118                                  | 170             | -30.59%  | 118                                  | 170             | -30.59%  |
| Net profit/(loss) for the period                            | 1,332                                | 1,747           | -23.74%  | 1,332                                | 1,747           | -23.74%  |

The Condensed Consolidated Statement of Other Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2022 and the accompanying explanatory notes attached to the financial statements.



# TIONG NAM LOGISTICS HOLDINGS BERHAD

Company No. 198901005177 (182485V)

(Incorporated in Malaysia)

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2022 – UNAUDITED

|   | 30 JUNE 2022<br>RM '000 | 31 MARCH 2022<br>RM '000 |
|---|-------------------------|--------------------------|
| <b>Assets</b>   |                         |                          |
| Property, plant and equipment                                     | 817,209                 | 808,802                  |
| Right-of-use assets   | 318,988                 | 321,592                  |
| Investment properties   | 248,892                 | 222,680                  |
| Investment in associates  | 79,920                  | 80,980                   |
| Inventories   | 155,607                 | 154,935                  |
| Deferred tax assets   | 13,023                  | 12,276                   |
| Trade and other receivables                                       | 78,404                  | 77,165                   |
| <b>Total non-current assets</b>                                   | <b>1,712,043</b>        | <b>1,678,430</b>         |
| Inventories   | 127,239                 | 125,712                  |
| Trade and other receivables                                       | 264,795                 | 254,981                  |
| Current tax assets  | 5,192                   | 3,523                    |
| Other Investments   | 27,282                  | 30,222                   |
| Cash and cash equivalents   | 11,544                  | 11,649                   |
| <b>Total current assets</b>                                       | <b>436,052</b>          | <b>426,087</b>           |
| <b>Total assets</b>   | <b>2,148,095</b>        | <b>2,104,517</b>         |
| <b>Equity</b>   |                         |                          |
| Share capital   | 200,236                 | 200,236                  |
| Reserves  | 590,145                 | 588,933                  |
| <b>Total equity attributable to equity holders of the Company</b> | <b>790,381</b>          | <b>789,169</b>           |
| <b>Non-controlling interests</b>                                  | <b>9,940</b>            | <b>10,151</b>            |
| <b>Total equity</b>   | <b>800,321</b>          | <b>799,320</b>           |
| <b>Liabilities</b>  |                         |                          |
| Lease liabilities   | 72,547                  | 73,328                   |
| Deferred tax liabilities  | 78,736                  | 78,134                   |
| Loans and borrowings  | 725,602                 | 711,089                  |
| <b>Total non-current liabilities</b>                              | <b>876,885</b>          | <b>862,551</b>           |
| Lease liabilities   | 21,021                  | 21,473                   |
| Trade and other payables  | 115,828                 | 121,792                  |
| Loans and borrowings  | 330,990                 | 297,504                  |
| Current tax liabilities   | 3,050                   | 877                      |
| <b>Total current liabilities</b>                                  | <b>470,889</b>          | <b>442,646</b>           |
| <b>Total liabilities</b>  | <b>1,347,774</b>        | <b>1,305,197</b>         |
| <b>Total equity and liabilities</b>                               | <b>2,148,095</b>        | <b>2,104,517</b>         |
| Net Assets per share (RM)   | 1.54                    | 1.54                     |

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2022 and the accompanying explanatory notes attached to the interim financial statements.



# TIONG NAM LOGISTICS HOLDINGS BERHAD

Company No. 198901005177 (182485V)  
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## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 2022 – UNAUDITED

|   | Attributable to shareholders of the Company |                                    |                               |  |                                |                  |                                 | Total Equity<br>RM '000 |
|---|---|------------------------------------|-------------------------------|--|--------------------------------|------------------|---------------------------------|-------------------------|
|   | Non-distributable                           |                                    |                               |  | Distributable                  |                  |                                 |                         |
|   | Share Capital<br>RM '000                    | Revaluation<br>Reserves<br>RM '000 | Treasury<br>Shares<br>RM '000 | Exchange<br>Fluctuation<br>Reserves<br>RM '000 | Retained<br>Profits<br>RM '000 | Total<br>RM '000 | Minority<br>Interest<br>RM '000 |                         |
| At 01 April 2022                                    | 200,236                                     | 166,993                            | (10,563)                      | 446  | 432,057                        | 789,169          | 10,151                          | 799,320                 |
| Total comprehensive<br>Income/(loss) for the period | -   | -                                  | -                             | 832  | 382                            | 1,214            | 118                             | 1,332                   |
| Purchase of own shares                              | -   | -                                  | (1)                           | -  | -                              | (1)              | -                               | (1)                     |
| Capital Injection of<br>subsidiaries                | -   | -                                  | -                             | -  | -                              | -                | -                               | -                       |
| Disposal of subsidiaries                            | -   | -                                  | -                             | -  | -                              | -                | 271                             | 271                     |
| Revaluation of Properties,<br>net of deferred tax   | -   | (1)                                | -                             | -  | -                              | (1)              | -                               | (1)                     |
| Dividend paid to minority<br>interest               | -   | -                                  | -                             | -  | -                              | -                | (600)                           | (600)                   |
| Dividends to owners of the<br>Company               | -   | -                                  | -                             | -  | -                              | -                | -                               | -                       |
| At 30 June 2022                                     | 200,236                                     | 166,992                            | (10,564)                      | 1,278  | 432,439                        | 790,381          | 9,940                           | 800,321                 |

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2022 and the accompanying explanatory notes attached to the interim financial statements.



# TIONG NAM LOGISTICS HOLDINGS BERHAD

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## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW FOR THE PERIOD ENDED 30 JUNE – UNAUDITED

|   | 30 JUNE 2022<br>RM '000 | 30 JUNE 2021<br>RM '000 |
|---|-------------------------|-------------------------|
| Cash flows from operating activities                                |                         |                         |
| Profit / (loss) before tax  | 2,652                   | 2,968                   |
| Adjustment for: -   |                         |                         |
| Impairment loss / (Reversal of impairment loss) on trade receivable | 1,269                   | 377                     |
| Depreciation of PPE   | 7,712                   | 9,151                   |
| Depreciation of right-of use assets                                 | 7,933                   | 6,734                   |
| Interest expenses   | 9,723                   | 10,342                  |
| Loss/ (Gain) on disposals of: -                                     |                         |                         |
| - quoted investments  | -                       | (262)                   |
| - property, plant & equipment                                       | -                       | -                       |
| Share of (profit)/loss in associates                                | 1,060                   | 21                      |
| Interest income   | (22)                    | (41)                    |
| Quoted investment   |                         |                         |
| - Fair value (gain) / loss  | 2,977                   | 388                     |
| - Gross dividends   | (43)                    | (177)                   |
|   | 33,261                  | 29,501                  |
| Changes in working capital:   |                         |                         |
| Changes in inventories  | (2,199)                 | (8,392)                 |
| Changes in trade and other receivables                              | (12,322)                | (8,524)                 |
| Changes in trade and other payables                                 | (5,964)                 | 10,038                  |
|   | 12,775                  | 22,623                  |
| Tax refunded/(paid)   | (1,794)                 | (1,387)                 |
| Net cash from operating activities                                  | 10,982                  | 21,235                  |



# TIONG NAM LOGISTICS HOLDINGS BERHAD

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## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW FOR THE PERIOD ENDED 30 JUNE – UNAUDITED – CONTINUATION

|   | 30 JUNE 2022<br>RM '000 | 30 JUNE 2021<br>RM '000 |
|---|-------------------------|-------------------------|
| Cash flows from investing activities  |                         |                         |
| Acquisition of: -   |                         |                         |
| - property, plant and equipment   | (12,077)                | (8,818)                 |
| - right-of-use assets   | -                       | -                       |
| - investment properties   | (26,212)                | (5)                     |
| Non-Controlling Interest acquired shares  | 271                     | -                       |
| Proceeds from disposal of: -  |                         |                         |
| - quoted investments  | -                       | 1,808                   |
| Investment in   |                         |                         |
| - quoted shares   | (37)                    | (847)                   |
| Interest received   | 22                      | 41                      |
| Dividend received   | 43                      | 177                     |
| Net cash used in investing activities   | (37,990)                | (7,644)                 |
| Cash flows from financing activities  |                         |                         |
| Drawdown of term loan   | 23,949                  | 2,297                   |
| (Repayment of) / Proceeds from:   |                         |                         |
| - term loan   | (7,652)                 | (21,600)                |
| - finance lease liabilities   | (3,846)                 | (4,123)                 |
| - short term borrowings   | 22,292                  | 17,441                  |
| Payment of lease liabilities  | (5,976)                 | (4,760)                 |
| Purchase of own shares  | (1)                     | (1)                     |
| Interest paid   | (9,723)                 | (10,342)                |
| (Increase) / decrease in pledged deposits with licensed bank                          | (773)                   | (641)                   |
| Dividend paid to shareholders of the Company  |                         |                         |
| - Current year  | -                       | -                       |
| Dividend paid to minority shareholders of Subsidiaries                                | (600)                   | (600)                   |
| Net cash from financing activities  | 17,671                  | (22,329)                |
| Exchange differences on translation of the financial statements of foreign subsidiary | 247                     | (239)                   |
| Net increase / (decrease) in cash and cash equivalents                                | (9,090)                 | (8,977)                 |
| Cash & cash equivalents at beginning of year  | (13,681)                | 20,981                  |
| Cash & cash equivalents at end of year  | (22,771)                | 12,004                  |



## TIONG NAM LOGISTICS HOLDINGS BERHAD

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### CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW FOR THE PERIOD ENDED 30 JUNE – UNAUDITED – CONTINUATION

|                                     | 30 JUNE 2022<br>RM '000 | 30 JUNE 2021<br>RM '000 |
|-------------------------------------|-------------------------|-------------------------|
| Cash and cash equivalents comprise: |                         |                         |
| Cash and bank balances              | 9,363                   | 34,164                  |
| Fixed deposits with licensed banks  | 2,181                   | 1,728                   |
| Bank overdraft                      | (32,134)                | (22,160)                |
|                                     | (20,590)                | 13,732                  |
| Less: Deposits pledged              | (2,181)                 | (1,728)                 |
|                                     | (22,771)                | 12,004                  |

The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2022 and the accompanying explanatory notes attached to the interim financial statements.





# TIONG NAM LOGISTICS HOLDINGS BERHAD

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## A NOTES TO THE INTERIM FINANCIAL REPORT

### A1 Basis of Preparation

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

The interim financial statements should be read in conjunction with the Group's financial statement for the year ended 31 March 2022. This interim report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the financial year 2018 annual financial statements.

### A2 Accounting Policies

The significant accounting policies, method of computation and basis of consolidation applied in the consolidated condensed interim financial statements are consistent with those of the audited financial statements for the financial year ended 31 March 2022.

### A3 Audit Opinion

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

### A4 Seasonality or Cyclicity of Interim Operations

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

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

There are no unusual items affecting assets, liabilities, equity, net income or cash flows for the current quarter ended 30 June 2022.

### A6 Material Changes in Estimates

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



# TIONG NAM LOGISTICS HOLDINGS BERHAD

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

There are no issuance, cancellation, repurchase, resale, and repayment of debts and equity securities for the financial period ended 30 June 2022 other than the following: -

- i) The Group repaid term loans of RM 7.7 million for the quarter ended 30 June 2022.
- ii) During the first quarter ended 30 June 2022, the Company purchased 1,000 units of its issued ordinary shares from the open market. The Company held a total of 13,778,295 treasury shares as at 30 June 2022.

## A8 Dividend Paid

No dividend was paid in the quarter ended 30 June 2022.

## A9 Segmental Report

|                                  | As at 30 June 2022<br>RM '000 | As at 31 March 2022<br>RM '000 |
|----------------------------------|-------------------------------|--------------------------------|
| <u>Assets Employed</u>           |                               |                                |
| Logistics & Warehousing Services | 1,635,013                     | 1,585,719                      |
| Investments                      | 184,107                       | 187,094                        |
| Property Development Projects    | 295,125                       | 296,540                        |
| Dormitory                        | 33,850                        | 35,164                         |
|                                  | 2,148,095                     | 2,104,517                      |

|                                  | Individual 3 months<br>ended 30 June |                 | Cumulative 3 months<br>ended 30 June |                 |
|----------------------------------|--------------------------------------|-----------------|--------------------------------------|-----------------|
|                                  | 2022<br>RM '000                      | 2021<br>RM '000 | 2022<br>RM '000                      | 2021<br>RM '000 |
| <u>Revenue</u>                   |                                      |                 |                                      |                 |
| Logistics & Warehousing Services | 172,464                              | 163,840         | 172,464                              | 163,840         |
| Investments                      | 709                                  | 177             | 709                                  | 177             |
| Property development             | 4,562                                | 1,179           | 4,562                                | 1,179           |
| Dormitory                        | 132                                  | 1,716           | 132                                  | 1,716           |
|                                  | 177,867                              | 166,912         | 177,867                              | 166,912         |



# TIONG NAM LOGISTICS HOLDINGS BERHAD

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## A9 Segmental Report (cont.)

|  | Individual 3 months ended 30 June  |              |                |           |                      |                |              |                |              |              |
|--|------------------------------------|--------------|----------------|-----------|----------------------|----------------|--------------|----------------|--------------|--------------|
|  | Logistics and warehousing services |              | Investment     |           | Property development |                | Dormitory    |                | Total        |              |
|  | 2022                               | 2021         | 2022           | 2021      | 2022                 | 2021           | 2022         | 2021           | 2022         | 2021         |
|  | RM '000                            | RM '000      | RM '000        | RM '000   | RM '000              | RM '000        | RM '000      | RM '000        | RM '000      | RM '000      |
| Segment profit, profit before tax, interest, depreciation and amortisation | 28,146                             | 29,635       | (2,268)        | 51        | 2,887                | (125)          | (40)         | (386)          | 28,725       | 29,175       |
| Depreciation and amortisation  | (15,331)                           | (14,238)     | -              | -         | (17)                 | (172)          | (297)        | (1,475)        | (15,645)     | (15,885)     |
| Interest Income  | 16                                 | 23           | -              | -         | 6                    | 18             | -            | -              | 22           | 41           |
| Finance costs  | (7,753)                            | (5,483)      | -              | -         | (1,595)              | (1,968)        | (375)        | (2,891)        | (9,723)      | (10,342)     |
| Share of profit of associates  | -                                  | -            | (727)          | (21)      | -                    | -              | -            | -              | (727)        | (21)         |
| <b>Profit before tax</b>   | <b>5,078</b>                       | <b>9,937</b> | <b>(2,995)</b> | <b>30</b> | <b>1,281</b>         | <b>(2,247)</b> | <b>(712)</b> | <b>(4,752)</b> | <b>2,652</b> | <b>2,968</b> |

|  | Cumulative 3 months ended 30 June  |              |                |           |                      |                |              |                |              |              |
|--|------------------------------------|--------------|----------------|-----------|----------------------|----------------|--------------|----------------|--------------|--------------|
|  | Logistics and warehousing services |              | Investment     |           | Property development |                | Dormitory    |                | Total        |              |
|  | 2022                               | 2021         | 2022           | 2021      | 2022                 | 2021           | 2022         | 2021           | 2022         | 2021         |
|  | RM '000                            | RM '000      | RM '000        | RM '000   | RM '000              | RM '000        | RM '000      | RM '000        | RM '000      | RM '000      |
| Segment profit, profit before tax, interest, depreciation and amortisation | 28,146                             | 29,635       | (2,268)        | 51        | 2,887                | (125)          | (40)         | (386)          | 28,725       | 29,175       |
| Depreciation and amortisation  | (15,331)                           | (14,238)     | -              | -         | (17)                 | (172)          | (297)        | (1,475)        | (15,645)     | (15,885)     |
| Interest Income  | 16                                 | 23           | -              | -         | 6                    | 18             | -            | -              | 22           | 41           |
| Finance costs  | (7,753)                            | (5,483)      | -              | -         | (1,595)              | (1,968)        | (375)        | (2,891)        | (9,723)      | (10,342)     |
| Share of profit of associates  | -                                  | -            | (727)          | (21)      | -                    | -              | -            | -              | (727)        | (21)         |
| <b>Profit before tax</b>   | <b>5,078</b>                       | <b>9,937</b> | <b>(2,995)</b> | <b>30</b> | <b>1,281</b>         | <b>(2,247)</b> | <b>(712)</b> | <b>(4,752)</b> | <b>2,652</b> | <b>2,968</b> |



## TIONG NAM LOGISTICS HOLDINGS BERHAD

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### A10 Valuation of Property, Plant & Equipment

Under MFRS140, investment properties were measured at fair value. All the land and buildings and investment properties were revalued in March 2022 by an independent professional valuer based on open market basis using comparison method and cost method. Trucks, trailers and machineries and equipment are stated at cost less accumulated depreciation.

### A11 Significant Events and Transactions

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

### A12 Changes in the Composition of the Group

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

### A13 Contingent Liabilities and Contingent Assets

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

### A14 Capital Commitments

As at the end of the reporting quarter, the Group has approved and contracted for capital commitments of RM 276.0 million in respect of property, plant and equipment.



## TIONG NAM LOGISTICS HOLDINGS BERHAD

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### B ADDITIONAL INFORMATION IN THE INTERIM FINANCIAL REPORT REQUIRED BY BURSA MALAYSIA SECURITIES BERHAD'S LISTING REQUIREMENTS

#### B1 Review of Performance of the Group

Revenue for the current quarter has increased by 6.6% to RM 177.9 million as compared to RM 166.9 million for the preceding year corresponding quarter.

Revenue for Logistics and Warehousing Services has increased by 5.3% to RM 172.5 million as compared to RM 163.8 million for the preceding year corresponding quarter. This increase is due to securing new total logistics customers as well as business expansion from our existing customers.

Property Development revenue increased by 2.8% to RM 4.6 million compared to RM 1.2 million for the preceding year corresponding quarter.

Revenue for dormitory has decreased by 94.1% to RM 0.1 million as compared to RM 1.7 million for the preceding year corresponding quarter. This is due to dilute stake in our hotel segment.

The Group posted a pre-tax profit of RM 2.7 million for the current quarter as compared to the pre-tax of RM 3.0 million for the preceding year corresponding quarter.

#### B2 Variation of Results Against the Preceding Quarter

Revenue for the current quarter has decreased by 1.2% to RM 177.9 million as compared to RM 180.0 million for the preceding quarter.

Revenue for Logistics and Warehousing Services is flat at RM 172.5 million as compared to RM 171.2 million for the preceding quarter.

Property Development revenue has increased by 4.6% to RM 4.6 million as compared to RM 4.4 million for the preceding quarter.

Revenue for dormitory has decreased by 50.0% to RM 0.1 million as compared to RM 0.2 million for the preceding quarter. This is due to dilute stake in our hotel segment.

The Group posted a pre-tax profit of RM 2.7 million compared to the pre-tax profit of RM 7.6 million for the preceding quarter.



## TIONG NAM LOGISTICS HOLDINGS BERHAD

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### B3 Current Year Prospects

The global and regional economic climate for the financial year 2023 is expected to be affected by COVID-19, higher interest rate and inflation. Hence the Group is expected to be affected by the slow down. Nevertheless, the Group is confident to pass on the cost increase to customers.

However, the Group will continue to strategize to maintain our market shares, focus on operational efficiency, cost control, service innovation to sustain its core logistics & warehousing business over the long term, and we are confident to maintain profitability of this segment.

The property development and dormitory segments are expected to incur operating loss in financial year 2023.

### B4 Profit Forecast

Not applicable.

### B5 Tax Expense

|                   | Individual 3 months<br>ended 30 June |                 | Cumulative 3 months<br>ended 30 June |                 |
|-------------------|--------------------------------------|-----------------|--------------------------------------|-----------------|
|                   | 2022<br>RM '000                      | 2021<br>RM '000 | 2022<br>RM '000                      | 2021<br>RM '000 |
| Income Tax        | 2,302                                | 3,335           | 2,302                                | 3,335           |
| Deferred Taxation | (150)                                | (2,086)         | (150)                                | (2,086)         |
|                   | <u>2,152</u>                         | <u>1,249</u>    | <u>2,152</u>                         | <u>1,249</u>    |

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

### B6 Profit / (Loss) on Sale on Unquoted Investments

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



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### B7 Status of Corporate Proposals

There are no corporate proposals pending completion as at 30 June 2022.

### B8 Group Borrowings and Debt Securities

Borrowings in Malaysian Ringgit

|                             | 30 June 2022<br>RM '000 | 31 March 2022<br>RM '000 |
|-----------------------------|-------------------------|--------------------------|
| Non-current                 |                         |                          |
| Secured                     |                         |                          |
| - Hire purchase liabilities | 20,751                  | 20,641                   |
| - Term loans                | 704,851                 | 690,448                  |
|                             | 725,602                 | 711,089                  |
| Current                     |                         |                          |
| Secured                     |                         |                          |
| - Hire purchase liabilities | 14,261                  | 14,174                   |
| - Term loans                | 43,084                  | 41,190                   |
|                             | 57,345                  | 55,364                   |
| Unsecured                   |                         |                          |
| - Revolving credits         | 168,500                 | 156,000                  |
| - Bankers' acceptances      | 73,011                  | 63,218                   |
| - Bank overdrafts           | 32,134                  | 23,922                   |
|                             | 273,645                 | 243,140                  |
|                             | 330,990                 | 298,504                  |
| Total borrowings            | 1,056,592               | 1,009,593                |

### B9 Off Balance Sheet Financial Instruments

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



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### B10 Material Litigation

#### (a) Terminal Perintis Sdn Bhd vs TNH Maju Sdn Bhd (f.k.a. Tan Ngee Hong Construction Sdn Bhd)

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

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

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

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

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

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

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

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

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

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

The initial hearing dates are on 4 Jan 2017 to 6 Jan 2017, 9 Jan 2017 to 13 Jan 2017, 16 Jan 2017 and 17 Jan 2017. This hearing date has been further postponed to 24 October 2017, 27 October 2017, 30-31 October 2017, 1-2 November 2017 and 27-30 November 2017.

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





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### B10 Material Litigation (cont.)

Arbitration proceeding are presently stopped as the Contractor is in liquidation and there is no update from the Liquidator whether to proceed the Arbitration. There is no hearing date fixed by both TPSB and the Contractor.

### B11 Dividends

The Board of Directors did not recommend the payment of dividend for the current quarter ended 30 June 2022.

### B12 Earnings Per Share

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

|                            | Individual 3 months<br>ended 30 June |              | Cumulative 3 months<br>ended 30 June |              |
|----------------------------|--------------------------------------|--------------|--------------------------------------|--------------|
|                            | 2022<br>'000                         | 2021<br>'000 | 2022<br>'000                         | 2021<br>'000 |
| Basic                      | 514,050                              | 514,050      | 514,050                              | 514,050      |
| Diluted earnings per share | 514,050                              | 514,050      | 514,050                              | 514,050      |



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## B13 Notes to Statements of Comprehensive Income

|  | INDIVIDUAL 3 MONTHS<br>ENDED 30 JUNE |                 | CUMULATIVE 3 MONTHS<br>ENDED 30 JUNE |                 |
|--|--------------------------------------|-----------------|--------------------------------------|-----------------|
|  | 2022<br>RM '000                      | 2021<br>RM '000 | 2022<br>RM '000                      | 2021<br>RM '000 |
| Net profit for the period is arrived at after charging / (crediting) |                                      |                 |                                      |                 |
| Audit fees   | 231                                  | 158             | 231                                  | 158             |
| Depreciation of: -   |                                      |                 |                                      |                 |
| - Property, Plant & Equipment  | 7,715                                | 9,937           | 7,715                                | 9,937           |
| - Right-of-use Assets  | 7,933                                | 6,735           | 7,933                                | 6,735           |
| Contributions to Employees Provident Fund                            | 2,107                                | 2,097           | 2,107                                | 2,097           |
| Wages, salaries and others   | 31,180                               | 28,243          | 31,180                               | 28,243          |
| (Gain)/loss on disposal of: -  |                                      |                 |                                      |                 |
| - quoted investments   | -                                    | (262)           | -                                    | (262)           |
| - property, plant and equipment                                      | (82)                                 | -               | (82)                                 | -               |
| Net foreign exchange (gain) / loss                                   | (330)                                | (10)            | (330)                                | (10)            |
| Quoted investments:  |                                      |                 |                                      |                 |
| - fair value (gain) / loss   | 2,977                                | 388             | 2,977                                | 388             |
| - gross dividends  | (43)                                 | (177)           | (43)                                 | (177)           |
| Interest income  | (22)                                 | (41)            | (22)                                 | (41)            |
| Expenses relating to short-term leases                               | 14,877                               | 12,809          | 14,877                               | 12,809          |
| Impairment loss / (gain) on:   |                                      |                 |                                      |                 |
| - Trade receivables  | (1,459)                              | 377             | (1,459)                              | 377             |