TIONG NAM
LOGISTICS HOLDINGS BERHAD
198901005177 (182485-V)

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ANNUAL REPORT 2023
YOU CALL • WE DELIVER

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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	2019	2020	2021	2022	2023
REVENUE	589,900	604,248	602,120	689,825	725,692
PROFIT BEFORE TAXATION	10,739	12,517	20,946	16,768	39,460
PROFIT AFTER TAXATION	604	2,183	11,882	6,291	28,068
BASIC EARNINGS PER SHARE (SEN)*	(0.31)	0.15	2.42	1.01	5.42
DILUTED EARNINGS PER SHARE (SEN)	(0.31)	0.15	2.42	1.01	5.42
DIVIDENDS PER SHARE (SEN)#	-	-	-	1.00	-
NET ASSET PER SHARE (RM)@	1.54	1.56	1.56	1.55	1.75

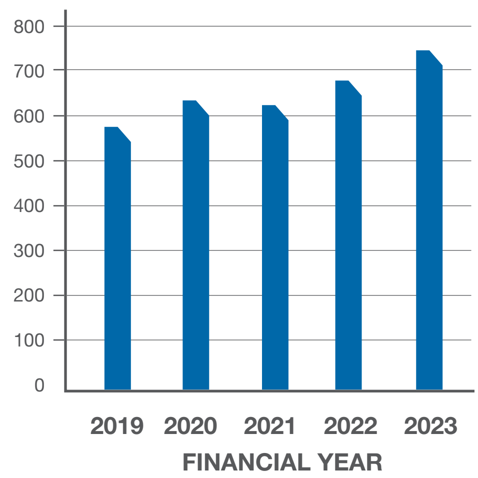
* *The basic earning per share are computed based on weighted average number of ordinary shares for the financial year under review.*

\# *Dividends per share are computed based on number of ordinary shares of 455,670,691 for year 2019, 448,499,891 for year 2020, 514,050,191 for year 2021, 514,048,191 for year 2022, and 514,046,191 for year 2023 after set off treasury shares.*

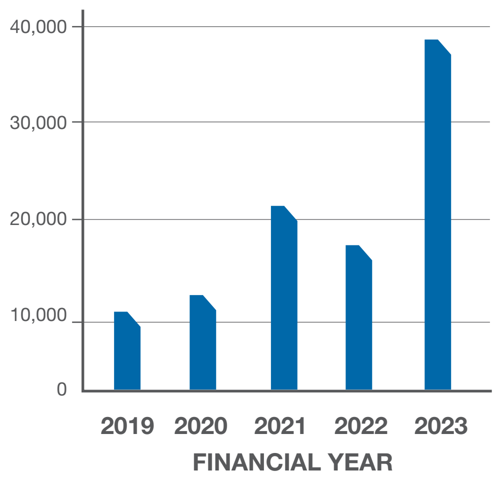
@ *Net asset per share are computed based on number of ordinary shares of 455,670,691 for year 2019, 448,499,891 for year 2020, 514,050,191 for year 2021, 514,048,191 for year 2022 and 514,046,191 for year 2023.*

SIMPLIFIED GROUP STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

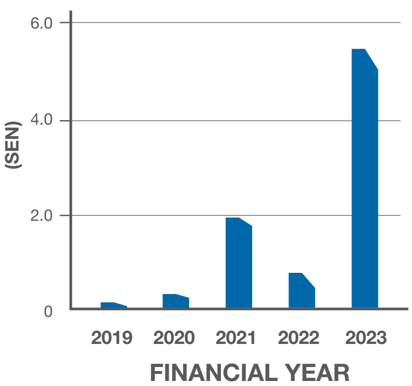
REVENUE (RM'000)



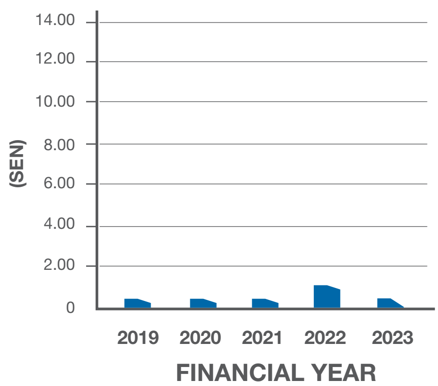
PROFIT BEFORE TAXATION (RM'000)



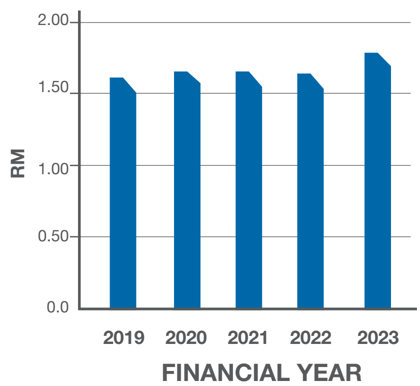
EARNINGS PER SHARE (SEN)*



DIVIDENDS PER SHARE (SEN)#



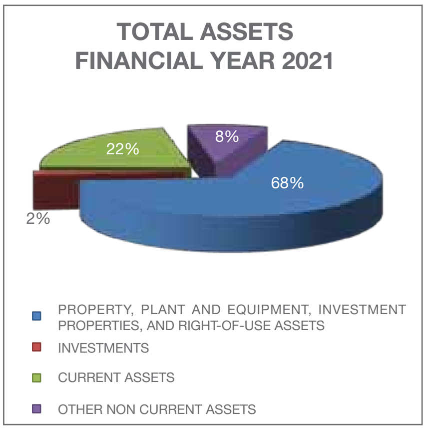
NET ASSET PER SHARE (RM)@

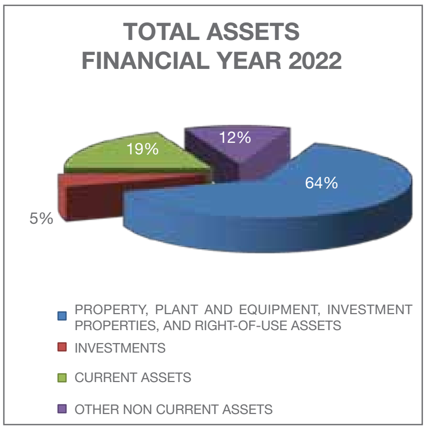


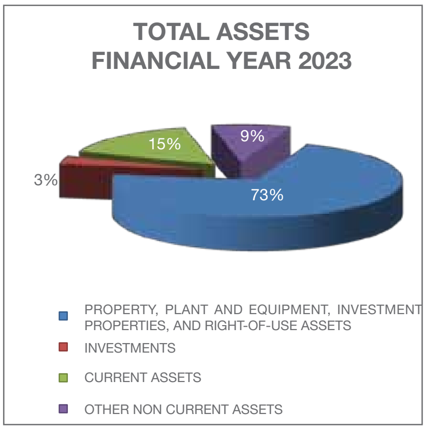
FIVE YEARS FINANCIAL HIGHLIGHTS (CONT'D)

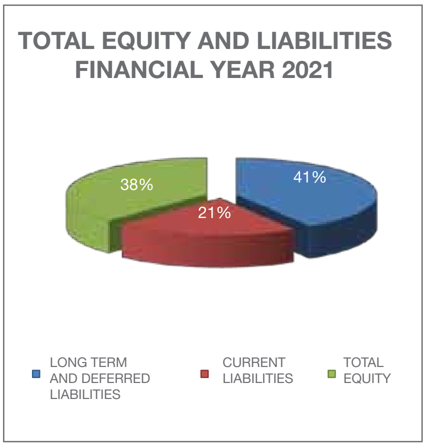
Consolidated Statements of Financial Position as at 31 March (RM'000)

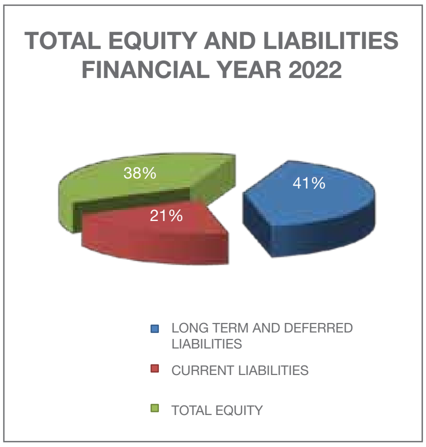
Year	2019	2020	2021	2022	2023
PROPERTY, PLANT AND EQUIPMENT, INVESTMENT PROPERTIES, AND RIGHT-OF-USE-ASSETS	1,225,950	1,331,572	1,445,625	1,353,074	1,895,414
INVESTMENTS	12,825	9,351	35,770	111,202	88,402
CURRENT ASSETS	478,313	409,121	459,610	395,865	394,007
OTHER NON CURRENT ASSETS	144,003	201,343	181,342	244,376	223,374
TOTAL ASSETS	**1,861,091**	**1,951,387**	**2,122,347**	**2,104,517**	**2,601,197**
LONG TERM AND DEFERRED LIABILITIES	609,131	777,878	876,081	862,551	1,130,840
CURRENT LIABILITIES	549,855	475,949	445,230	442,646	570,337
TOTAL EQUITY	**702,105**	**697,560**	**801,036**	**799,320**	**900,020**

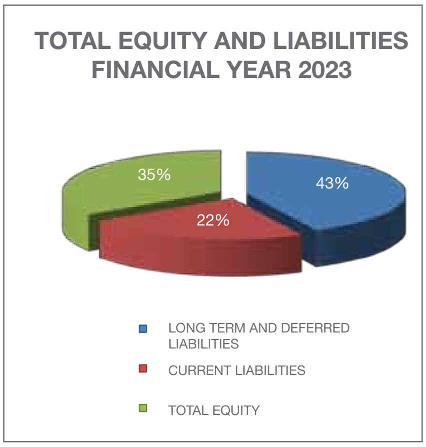












CHAIRMAN'S STATEMENT

Dear valued shareholders,

On behalf of Tiong Nam Logistics Holdings Berhad ("TNLHB" or "the Company") and its subsidiaries ("the Group" or "Tiong Nam Group"), I am pleased to present our Annual Report and Audited Financial Statements of TNLHB and the Group for the financial year ended 31 March 2023 ("FY2023").

The Group has successfully delivered another satisfactory performance in FY2023 with higher revenue and profits, despite navigating another challenging year of market headwinds. Our resilient performance stems from our industry leadership as an integrated logistics solutions provider in Malaysia and Southeast Asia, as well as notable strides in continued expansions of our operations.

ECONOMIC REVIEW

In 2022, global economic growth registered slower pace of 3.4% compared to 6.0% in 2021, exacerbated by highest inflation seen in several decades, rising cost of living, tightening financial conditions in most regions, and the lingering Covid-19 pandemic.

Additionally, the ongoing geopolitical conflict between Russia and Ukraine led to escalation of commodity and energy prices, as well as supply chain disruptions globally. Altogether, these challenges have a dampening effect on the prospects of global economic recovery.

Encouragingly, the first quarter of 2023 saw modest global growth as China reopened. However, rising inflation and interest rates, as well as ongoing geopolitical turmoil, continued to weigh on global recovery.

Malaysia's economy, on the other hand, performed well, with Gross Domestic Product ("GDP") increasing by 8.7% in 2022, compared to 3.1% in 2021. The significant GDP growth was driven by a good economic performance in the fourth quarter of 2022, an upturn in private spending and investment, and reduced unemployment.

BUSINESS REVIEW

In FY2023, Tiong Nam maintained our growth momentum to deliver record revenue of RM725.7 million, up 5.2% from RM689.8 million previously, largely due to new customers acquisition and increasing demand from existing clients in the logistic and warehousing services segment. This milestone is a testament to our position as a trusted provider of total logistics solutions to both domestic and multinational companies.

Meanwhile, the Group registered more than five-fold increase in net profit attributable to shareholders to RM27.9 million in FY2023 from RM5.2 million previously, mainly due to fair value gain on our warehouse property, and lower share of loss from our associate hospitality business.

Furthermore, our strategic focus on expanding our warehousing capacity has been fruitful. We are on track to complete a new 1.1 million square feet ("sq ft") of RM200.0 million mega-warehouse facility for lease to Mercedes-Benz in Senai, Johor. This facility, set to become the largest warehouse in our portfolio, is expected to be operational in November 2023, generating long-term recurring income for the Group.

CHAIRMAN'S STATEMENT (CONT'D)

To reinforce our future growth, the Group is also constructing three new warehouses and planning another six across Johor, Selangor, Penang, and Kedah. These expansions will increase our warehousing capacity to 7.9 million sq ft in FY2024 from 6.8 million sq ft in FY2023, thus enabling us to secure more business opportunities from our customers.

With our commitment to expanding our presence and diversifying our portfolio, Tiong Nam had, on 28 December 2022, entered a joint venture agreement ("JV") agreement with JLand Group Sdn Bhd ("JLand Group"), a wholly owned subsidiary of Johor Corporation, to develop a high-tech logistics industrial park on a 300-acre land at Sedenak Technology Valley, Johor.

The industrial park will serve as a key node for supply chains in Johor, attracting foreign and domestic enterprises. By leveraging our expertise in logistics, warehousing, and industrial parks, we aim to create a thriving hub that enhances business connectivity and efficiency. Construction of the logistics industrial park is estimated to begin in 2025.

Additionally, Tiong Nam's property development segment continued to be profitable in FY2023, mainly driven by contribution from the ongoing residential project in Kota Masai. We successfully launched the first phase of the Kota Masai Project with a total Gross Development Value of RM41.5 million in the third quarter of FY2023, and received positive response from buyers with a 72.5% take up rate as at 31 March 2023. Building on this success, we intend to launch the second phase of the project in the next financial year.

OUTLOOK

The international economic outlook remains uncertain in 2023 amid looming recession, inflation, and ongoing effects of geopolitical tensions between Ukraine and Russia. According to International Monetary Fund, global growth is projected to decrease to 2.9% in 2023 from 3.4% in 2022.

Meanwhile, within the domestic landscape, Malaysia has projected economic growth between 4.0% and 5.0% for 2023, supported by strong economic fundamentals and implementation of Budget 2023 measures.

Looking ahead, the Group remains cautiously optimistic about the future. While global and domestic economic uncertainties persist, we are confident in our ability to navigate challenges. Our strategic initiatives, including the expansion of our warehousing capacity, development of the high-tech logistics industrial park, and the positive contribution from our property development segment, will position us for long-term success.

We are committed to reinforcing our position as a leading total logistics solutions provider in Southeast Asia, supporting efficient supply chains of domestic and multinational enterprises. Our focus on investing in the expansion of our logistics and warehousing segment allows us to seize more growth opportunities and enhance our network connectivity.

Notwithstanding this, we remain mindful of the potential headwinds from challenging macro-economic conditions that might affect our business. As an immediate measure, we continue to institute prudent cost controls and efficient working capital management. Additionally, fostering innovation in our integrated logistics and warehousing services will be a key priority as we strive to maintain market share and deliver greater value to our clients.

APPRECIATION

Tiong Nam's achievements in FY2023 are the fruition of our team's focus and efforts. On behalf of the Board of Directors, I would like to convey our gratitude to the management and employees for their hard work, expertise, and dedication that have been the driving force behind our success.

We are grateful to our valued customers for their trust and confidence in Tiong Nam. We would also like to note our deepest appreciation to our stakeholders, including business partners, associates, suppliers, financial institutions, regulatory bodies, and shareholders for their constant support.

Sincerely,

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

MANAGEMENT DISCUSSION AND ANALYSIS ("MD&A")

Tiong Nam continued to achieve healthy performance in FY2023 despite market challenges. We are glad to report higher revenue and profit, as we maintained our growth momentum in our logistics and warehouse services business. We hereby present a review of the Group's performance for FY2023, growth strategies, as well as forward prospects in this MD&A.

BUSINESS OVERVIEW

Tiong Nam Group offers full-fledged and integrated logistics and warehousing services, comprising 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 96 warehouses and distribution centres across Malaysia, Thailand, Singapore, and Laos, and total warehousing capacity of 6.8 million sq ft as at 31 March 2023. The Group's logistics connectivity also extends to China, providing a fully integrated delivery network that caters to growing trade activity between Southeast Asia and China.

Our logistics operation is supported by a fleet of 3,012 transportation vehicles, comprising prime movers, container trailers, box and refrigerated trucks, lorry cranes, low-loader, delivery vans and others. These serve the full spectrum of customers' requirements from large to small deliveries, including specialist services.

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"), information technology ("IT"), electrical and electronic ("E&E"), and trading sectors.

The Group ventured into property development since 2011. We have completed various industrial, commercial, and residential projects amounting to gross development value ("GDV") of RM987.8 billion.

OVERALL FINANCIAL PERFORMANCE

This section highlights key financial information and performance of Tiong Nam Group of the financial year ended 31 March 2023 ("FY2023") compared to the financial year ended 31 March 2022 ("FY2022").

Income Statement	FY2023 RM'000	FY2022 RM'000
Revenue	725,692	689,825
Profit before taxation	39,460	16,768
Profit after taxation	28,068	6,291

Statement of Financial Position	FY2023 RM'000	FY2022 RM'000
Total assets	2,601,197	2,104,517
Total liabilities	1,701,177	1,305,197
Total equity	900,020	799,320

Financial Indicators	FY2023	FY2022
Earnings per share (sen)	5.4	1.0
Return on equity	3.3%	0.8%
Return on total assets	1.2%	0.3%
Net Gearing ratio	1.4	1.2
Net assets per share (RM)	1.7	1.5

1) **Revenue**

The Group's revenue increased by 5.2% to RM725.7 million in FY2023 from RM689.8 million in the previous year, mainly from higher contribution from the logistics and warehousing services segment.

The logistics and warehousing services segment recorded a 4.7% rise in revenue to RM706.8 million from RM675.2 million previously, driven by new customer acquisitions and growth in demand from existing customers.

The top three sectors that contributed to the segment's growth were Food and Beverage, Information Technology, and Electrical and Electronics, which collectively made up 52.6% of total segment revenue for FY2023.

The Group's property development revenue increased in FY2023 to RM14.9 million from RM6.5 million in the previous year, due to contribution from our latest residential project in Kota Masai.

Tiong Nam launched the first phase of the Kota Masai residential development in the third quarter of FY2023, comprising 91 units of double storey terrace houses with a total GDV of RM41.5 million. The project received positive response from buyers and achieved a healthy take up rate of 72.5% as at 31 March 2023.

Meanwhile, revenue from investments rose to RM3.4 million in FY2023 from RM2.4 million previously due to interest received from our associate company, Terminal Perintis Sdn Bhd ("TPSB").

Lastly, the hotel and dormitory segment reported lower revenue of RM0.6 million compared to RM5.7 million in the prior year, due to the exclusion of revenue from the Group's 49.0% owned associate TPSB, which was our wholly owned subsidiary before the disposal on 22 July 2021.

2) **Profit/Loss Before Taxation (P/LBT)**

Group PBT stood at RM39.5 million in FY2023, a jump of 135.1% from RM16.8 million previously on improved performance across all segments.

The logistics and warehousing services segment posted PBT of RM45.6 million, up 25.6% from RM36.3 million the previous year, largely due to fair value gain on warehouse properties, while demand for our services remained firmly supported by new customer acquisitions and growing orders from existing customers.

Due to an increase in interest received from our associate company, the investment segment LBT narrowed to RM7.2 million in FY2023 from RM9.4 million in the prior year.

Meanwhile, the ongoing residential project in Kota Masai led to the Group's property development segment returning to profitability, with PBT of RM4.2 million versus LBT of RM2.0 million in the previous year.

The Group's hotel and dormitory segment LBT decreased significantly to RM3.2 million from RM8.1 million previously mainly due to the Group's reduced stake in TPSB.

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

Group PATMI surged more than five-fold to RM27.9 million from RM5.2 million previously, mainly due to fair value gain on warehouse property and lower share of associate loss.

4) **Total Assets**

In FY2023, the Group's total assets grew to RM2.6 billion, up from RM2.1 billion previously.

Non-current assets climbed to RM2.2 billion in FY2023 from RM1.7 billion previously, mainly due to the acquisition of additional property, plant, and equipment, as well as increased investment properties. Current assets fell from RM426.1 million to RM410.3 million in FY2023, primarily due to reduced cash and cash equivalents and other investments.

5) **Total Liabilities**

The Group's total liabilities increased to RM1.7 billion in FY2023 from RM1.3 billion in the previous year.

Non-current liabilities increased to RM1.1 billion from RM862.6 million previously, predominantly due to long-term borrowings for the logistics and warehousing services segment. Current liabilities also rose to RM570.3 million compared to RM442.6 million in the prior year, on increased short-term borrowings to fund working capital requirements of the logistics and warehousing services segment.

Meanwhile, the Group's net gearing slightly increased to 1.43 times as at 31 March 2023, compared to 1.25 times as at 31 March 2022.

6) **Total Equity**

Due to higher reserves, the Group's total equity climbed to RM900.0 million at the end of FY2023 from RM799.3 million in the previous year.

CORPORATE DEVELOPMENTS

Tiong Nam has always prioritized expanding our warehouse capacity to meet the growing demand for logistics and warehousing services, as well as strengthening our position as an integrated logistics service provider in Malaysia and Southeast Asia.

MANAGEMENT DISCUSSION AND ANALYSIS ("MD&A") (CONT'D)

On 14 August 2022, Tiong Nam entered into a preliminary collaboration agreement with JLand Group Sdn Bhd ("JLand Group"), a wholly owned subsidiary of Johor Corporation ("JCorp"), to jointly develop a 300-acre state-of-the-art, technology-enabled logistics park in Sedenak Technology Valley.

With an estimated GDV of RM2.4 billion, the joint venture will manage the master planning, development, and promotion of the purpose-built logistics and warehousing hub. This project is set to bring more international players into Johor, and support the growth of pioneering multi-modal logistics solutions that will enhance regional supply chains.

Following the preliminary collaboration agreement, Tiong Nam entered a joint venture ("JV") agreement with JLand Group on 28 December 2022, encapsulating both parties' commitment to undertake the development of the industrial park. The JV with JLand Group is a recognition of the Group's capabilities and a major milestone in our track record in transforming Johor's logistics landscape over the past four decades.

The industrial park aims to attract foreign and domestic enterprises and serve as key node in the Group's supply chain management. The development will comprise ready-built and customized warehouses, factories, and commercial buildings, as well as integrated logistics infrastructure for global businesses.

Under the JV agreement, Tiong Nam will hold 51,000 ordinary shares, representing 51% equity stake, while JLand Group will hold the remaining 49,000 ordinary shares or 49% equity stake in the JV company. A JV company – JTN Logistics Park Sdn Bhd, would be used as the vehicle to undertake the acquisition of the land, as well as development and management of the industrial park. Construction of the logistics industrial park is estimated to begin in 2025.

PROSPECTS

The uncertainties caused by geopolitical tensions between Ukraine and Russia, supply chain constraints, looming recession, and strong inflationary pressures continue to pose challenges to the Group's business. The Group sees that FY2024 will remain challenging.

Nonetheless, the logistics and warehousing sector has become increasingly important in facilitating commerce and delivery of goods across enterprises and communities. As a result, despite various challenges, we believe Tiong Nam is well-positioned to capitalise on emerging opportunities from a rebound in demand for logistics and warehousing services.

Logistics and Warehousing Services

In view of the economy's ongoing path to recovery, the Group's logistics and warehousing services segment registered good growth in FY2023, as we continue to fulfil the growing demand for total logistics solutions from domestic and multinational customers ("MNC").

As a testament to our competitive edge and service quality, we are pleased that the Group met our MNC revenue contribution target of 39% in FY2023, and we have set a new aim of 45% in FY2025. To accomplish this, we intend to capitalise on the industry trend of businesses increasingly relying on third-party specialised logistics and warehousing providers.

Having stated that, the Group incurred RM366.1 million in capital expenditure invested for property, plant and equipment as well as investment property in FY2023, with the majority of the funds going towards expanding our logistics and warehousing services segment.

Tiong Nam is on track to complete our new 1.1 million sq ft of RM200.0 million mega-warehouse facility for lease to Mercedes-Benz in Senai, Johor. The warehouse is expected to be operational in November 2023 and will generate long term recurring income to the Group.

The Group is also constructing three new warehouses and planning another six across Johor, Selangor, Penang, and Kedah. Upon completion, the Group's warehousing capacity will increase to 7.9 million sq ft in FY2024 from 6.8 million sq ft previously.

In order to maintain our position as one of the top total logistics and warehousing service providers in Malaysia and Southeast Asia, the Group will continue to extend our logistics and warehousing footprint.

Property Development

The property market is expected to see a gradual improvement going forward, benefiting from accommodating policies, government assistance, the implementation of Malaysia's Budget 2023, as well as efforts under the 12th Malaysia Plan to provide quality and affordable housing for Malaysians, particularly B40 and M40.

Following the success of the first phase of our Kota Masai residential project, we are encouraged to launch the second phase of the project in the coming financial year which will continue to support the segment's performance.

Additionally, the Group has balance landbank of 241.2 acres in Johor and Klang Valley, where we will carefully assess market situation and readiness for future project launches.

As at 31 March 2023, the Group had unsold completed property units worth RM183.5 million in GDV to be gradually recognised, higher compared to RM157.5 million a year ago attributed to completion progress of the Kota Masai residential project.

Hotel and Dormitory

The hotel and dormitory segment will remain a minor contributor to overall performance of Tiong Nam. The segment currently captures contribution from the Group's dormitory operations in Pengerang, Johor.

SUSTAINABILITY STATEMENT

Tiong Nam Logistics Holdings Berhad is committed to embracing sustainability and optimizing the economic, environmental, and social ("EES") impact of our business activities.

Our Sustainability Statement for FY2023 reflects our commitment to practices that consider the interests of our stakeholders, while driving long-term growth and enhancing business performance. By aligning our strategies with sustainable principles, we aim to deliver value to both our stakeholders and our organization.

GOVERNANCE STRUCTURE

The sustainability governance structure facilitates effective implementation of key sustainability principles throughout the Group. Under this structure, the Board and Management work together to develop a strategic direction, guided by a sustainability framework that includes EES factors. The Management then carries out identified sustainability initiatives across the Group's business units.

STAKEHOLDER ENGAGEMENT

Stakeholder engagement enables us to understand latest demands and issues pertinent to the Group, helping us develop sound business strategies for greater sustainability. Through our stakeholder engagement, we have identified the following material sustainability matters:

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

SUSTAINABILITY STATEMENT
(CONT'D)

ECONOMIC

As an integrated logistics solutions provider, the Group is determined to drive long term and sustainable business growth, delivering on our commitments to our stakeholders.

a) Economic Performance

In FY2023, our revenue increased 5.2% to RM725.7 million from RM689.8 million in FY2022. The growth was primarily driven by the logistics and warehousing segment, attributed to new customer acquisitions and increased demand from existing customers. Our PATMI also improved to RM27.9 million in FY2023 from RM5.2 million in the previous year, attributed to a fair value gain from warehouse properties and reduced losses in our hospitality associate.

We aspire to achieve continuous and sustainable growth while considering the diverse objectives of our stakeholders.

b) Customer Satisfaction

We place strong emphasis on delivering quality services that consistently meet our customers' satisfaction. Our commitment to excellence is reflected in the recognition we have received from our customers and industry groups. The following are the awards won by the Group in 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

We actively engage with our customers, obtaining their feedback and building collaborative relationships to fulfil their evolving logistics and warehousing requirements. Our culture promotes open communication, trust, and reliability, enhancing strong customer relationships and our overall competitiveness.

c) Marketplace

The Group is committed to promoting and maintaining 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 with local laws and regulations in the markets we serve and operate in a fair and transparent manner.

Additionally, we recognize the critical importance of reliability in the smooth functioning of our customers' supply chains, and we strive to uphold high standards of reliability to support their operations effectively. Furthermore, our contribution to the local economy extends through the employment of local talent and tax payments that contribute to the nation's income.

ENVIRONMENT

The Group is committed to environmental preservation and adopts sustainable practices to minimize our environmental impact. We prioritize reducing fuel consumption and carbon emissions, and the majority of our trucks are equipped with environmentally-friendly Euro 2 engines. We have also converted some of our trucks to run on natural gas, further reducing our carbon footprint.

We have begun calculating the greenhouse gas (GHG) emissions of our fleet as part of our commitment to sustainability. This serves as a baseline for tracking our carbon footprint. Our logistics fleet fuel consumption in FY2023 resulted in GHG emissions of 66,490.6 tonnes of carbon dioxide equivalent (tCO2e) for Scope 1 emissions.

We also conduct regular servicing of our vehicles and accept periodic inspections by Puspakom to ensure vehicle safety and minimize air pollution from faulty machinery. Our Haulage Management System helps monitor and remind drivers about vehicle inspection dates, reducing breakdowns and traffic disruption.

To address excessive energy use, we practice efficient lighting and air conditioning in our premises and invest in eco-friendly lamps and fixtures to reduce heat generation. Additionally, our rooftop solar photovoltaic (PV) system at our Shah Alam warehousing facilities, with a rated capacity of 2,163 kWp, enables us to utilize cleaner energy sources and reduce our environmental impact.

Additionally, we have the capability to provide green solutions to our clientele, helping them achieve their global sustainability objectives. We are in the process of constructing a RM200.0 million mega-warehouse for Mercedes-Benz's Regional After Sales Logistics Centre, set to be operational in the second half of 2023. This facility will be Green Building Index certified and incorporate energy-efficient LED lighting system, promoting efficiency, potential energy savings, and lower GHG emissions.

SOCIAL

The Group is committed to improving employee well-being, retaining talent through training and development, reducing workplace accidents to zero, and contributing to local communities.

a) Employee Welfare and Workplace Environment

At Tiong Nam, we recognize the value of our employees and their contribution to the success of our Group. We prioritize human capital and talent management to ensure that every employee is equipped with the necessary skills and opportunities to thrive. Our commitment extends to providing fair employment opportunities to individuals irrespective of age, race, gender, or credentials. Additionally, we support professional development through rewarding learning experiences, and education and training opportunities that support employees in achieving their career objectives and advancement.

We also prioritize the welfare and compensation of our employees, and we ensure fair and equal compensation in compliance with Malaysian laws, as well as contributing to the Employees' Provident Fund and the Social Security Organization.

The safety and health of our employees are of utmost importance to us. We maintain a safe and conducive workplace environment, placing strong emphasis on the well-being of our logistics and warehousing employees. Regular health and safety training and briefings are provided to ensure that our employees are well-informed and prepared.

To further support our employees, we provide comprehensive medical, health care, and general insurance coverage. Additionally, we take measures to safeguard our vehicles by ensuring they have adequate insurance coverage for any replacement or repair costs.

The Group is committed to maintaining a secure environment and reducing the occurrence of adverse incidents such as cargo hijacking and theft. We implement various security measures, including convoyed trip arrangements and digital tracking devices for enhanced security during transportation. Additionally, closed-circuit surveillance systems monitor our facilities for prompt detection of any suspicious activities, ensuring a high level of security across our operations.

b) Community Engagement

Internship

The Group is actively involved in nurturing the local communities. We prioritize serving the community and making positive contributions, particularly in areas such as advancing education and supporting charitable organizations.

To support educational development, we regularly provide internship training programs for undergraduate students from various educational institutions. These programs offer valuable opportunities for students to acquire skills and competencies that foster their professional growth.

In FY2023, a total of 60 students and recent graduates joined us as interns. As at the end of FY2023, 45 individuals have completed their internships, while 15 individuals are still undergoing their internship experience. We are proud to provide these internship opportunities to young talent in our community.

Scholarships

We believe in fostering the future of the logistics industry through enhanced collaboration between industry and academia, and supporting aspiring individuals through scholarship awards.

In line with this vision, the Group has established a collaboration with Saito University College (Saito UC) through a Memorandum of Agreement signed on 20 June 2022. This collaboration aims to nurture professional talents in the logistics industry by implementing an integrated approach combining specialized logistics education with applied work experience. By equipping students with the latest skills in the era of Industry 4.0, we strive to prepare them for the evolving demands of the industry.

Through our collaboration, we also aim to provide scholarships to students from underprivileged financial backgrounds and those pursuing degree programs in logistics. This initiative aims to provide them with valuable insights into the future of logistics, latest trends in technology adoption and industry digitalization, including artificial intelligence and mobile technologies.

CONCLUSION

The Group prioritises sustainability as an integral aspect of our corporate responsibility to stakeholders. We are dedicated to improving our sustainability initiatives, bolstering our operations, and fulfilling our role as responsible stewards of the environment and communities in which we operate. By doing so, we aim to enhance stakeholder value and make a positive and lasting impact.

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
(Resigned on 1 April 2023)
(Non-Independent Non-Executive Director)

Ling Cheng Fah @ Ling Cheng Ming
(Resigned on 1 April 2023)
(Independent Non-Executive Director)

Datuk Haji Muhamad Shapiae bin Mat Ali
(Independent Non-Executive Director)

Ong Wei Kuan
(Non-Independent Deputy Managing Director)

Christina Ong Chu Voon
(Non-Independent Executive Director)

Chen Kuok Chin
(Independent Non-Executive Director)

Tan Chuan Gor
(Appointed on 15 January 2023)
(Independent Non-Executive Director)

Law Tik Long
(Appointed on 1 April 2023)
(Non-Independent Executive Director)

AUDIT COMMITTEE

Ling Cheng Fah @ Ling Cheng Ming
(Resigned on 1 April 2023)
Chairman
Tan Chuan Gor
(Appointed on 15 January 2023)
Chairperson
Datuk Haji Muhamad Shapiae bin Mat Ali
Member
Yong Seng Huat
(Resigned on 1 April 2023)
Member
Chen Kuok Chin
Member

REMUNERATION COMMITTEE

Chang Chu Shien
Chairman
Datuk Haji Muhamad Shapiae bin Mat Ali
Member
Ling Cheng Fah @ Ling Cheng Ming
(Resigned on 1 April 2023)
Member
Chen Kuok Chin
Member

NOMINATION COMMITTEE

Datuk Haji Muhamad Shapiae bin Mat Ali
Chairman
Yong Seng Huat
(Resigned on 1 April 2023)
Member
Ling Cheng Fah @ Ling Cheng Ming
(Resigned on 1 April 2023)
Member
Tan Chuan Gor
(Appointed on 15 January 2023)
Member
Chen Kuok Chin
Member

RISK COMMITTEE

Ling Cheng Fah @ Ling Cheng Ming
(Resigned on 1 April 2023)
Chairman
Tan Chuan Gor
(Appointed on 15 January 2023)
Chairperson
Datuk Haji Muhamad Shapiae bin Mat Ali
Member
Yong Seng Huat
(Resigned on 1 April 2023)
Member
Christina Ong Chu Voon
Member
Law Tik Long
(Appointed on 1 April 2023)
Member

COMPANY SECRETARIES

Tai Yit Chan
(MAICSA 7009143)
SSM Practicing Certificate No: 202008001023
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

AmBank (M) Berhad
Public Bank Berhad
Hong Leong Bank Berhad
Affin Bank Berhad
United Overseas Bank (M) 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.

BOARD OF DIRECTORS

Top from left to right:
Tan Chuan Gor, Datuk Haji Muhamad Shapiae bin Mat Ali, Chen Kuok Chin, Ong Wei Kuan, Law Tik Long, Christina Ong Chu Voon

Bottom from left to right:
Yong Kwee Lian, Ong Yoong Nyock, Dato' Fu Ah Kiow @ Oh (Fu) Soon Guan, Chang Chu Shien

PROFILE OF THE DIRECTORS

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

Non-Independent Non-Executive Director
Malaysian, Aged 74, Male

Dato' Fu Ah Kiow 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 2023.

Dato' Fu's equity interest in the Company's ordinary share is disclosed in page 167. He does not have any direct equity interest in the Company's subsidiaries.

MR ONG YOONG NYOCK

Non-Independent Managing Director
Malaysian, Aged 70, Male

Mr Ong Yoong Nyock 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. 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 2023.

Mr Ong Yoong Nyock, by virtue of his substantial shareholdings (direct and indirect) in the Company as disclosed in page 167, 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 32 to the financial statements.

MADAM YONG KWEE LIAN

Non-Independent Executive Director
Malaysian, Aged 71, Female

Madam Yong Kwee Lian was appointed to the Board of Directors of TNLHB on 31 January 1990. She has been in the logistics industry for more than thirty-five (35) 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 was 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 2023.

Madam Yong Kwee Lian, by virtue of her substantial shareholdings (direct and indirect) in the Company as disclosed in page 167, 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 32 to the financial statements.

MR CHANG CHU SHIEN

Non-Independent Non-Executive Director
Malaysian, Aged 72, Male

Mr Chang Chu Shien 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. 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 2023.

Mr Chang Chu Shien's equity interest in the Company's ordinary shares is disclosed in page 167 and he does not have any direct equity interest in the Company's subsidiaries.

PROFILE OF THE DIRECTORS
(CONT'D)

DATUK HAJI MUHAMAD SHAPIAE BIN MAT ALI

Independent Non-Executive Director
Malaysian, Aged 75, Male

Datuk Haji Muhamad Shapiae bin Mat Ali 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 2023.

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

MR ONG WEI KUAN

Non-Independent Deputy Managing Director
Malaysian, Aged 43, Male

Mr Ong Wei Kuan 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 Voon 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 2023.

Mr Ong Wei Kuan's equity interest in the Company's ordinary shares is disclosed in page 167 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 32 to the financial statements.

CHRISTINA ONG CHU VOON

Non-Independent Executive Director
Malaysian, Aged 35, Female

Christina Ong Chu Voon 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 2023.

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

MR CHEN KUOK CHIN

Independent Non-Executive Director
Malaysian, Aged 53, Male

Mr Chen Kuok Chin, was appointed to the Board of Directors of TNLHB on 22 June 2020. He is the member of Audit Committee and Nomination Committee. 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 2023.

Mr Chen Kuok Chin's indirect interest in the Company's ordinary shares is disclosed in page 167 and he does not have any equity interest in the Company's subsidiaries.

PROFILE OF THE DIRECTORS (CONT'D)

TAN CHUAN GOR

Independent Non-Executive Director
Malaysian, Aged 38, Female

Tan Chuan Gor was appointed to the Board of Directors of TNLHB on 15 January 2023. She is the Chair Person of Audit Committee and Risk Committee. She is also the member of Nomination Committee. She holds a Bachelor of Accounting from Multimedia University. In 2007, she was employed by BDO Binder as Senior Associates. In 2008, she joined Tiong Nam Logistics Solutions Sdn Bhd as an Internal Auditor. She joined Accenture's (PMT) Holdings Consultancy LLP as Event Coordinator in 2015 and G-Force Sdn Bhd as a Manager of Internal Auditor in 2019. She is currently the Financial Controller of FGG Transportation Sdn Bhd. She is a member of the Malaysian Institute of Accountants.

Madam Tan Chuan Gor has no family relationship with any of the Directors and/or major shareholders of TNLHB.

Madam Tan Chuan Gor has no conflict of interest with the Company and has no convictions of any offences within the past five (5) years.

Madam Tan Chuan Gor has attended one (1) Board meeting held during the financial year ended 31 March 2023.

Madam Tan Chuan Gor does not have any equity interest in the Company or its subsidiary companies.

MR LAW TIK LONG

Non-Independent Executive Director
Malaysian, Aged 49, Male

Mr Law Tik Long was appointed to the Board of Directors of TNLHB on 1 April 2023. He is the member of the Risk Committee. He is a member for 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 and Chief Financial Officer in November 2022. His current responsibilities include overseeing the corporate finance, accounting and compliance with audit and statutory requirements of Tiong Nam Group. He is Joint Secretary of Tiong Nam Logistics Holdings Bhd and its subsidiaries 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. In 2004, he was appointed as an Executive Director of Hong Nam (M) Industry Sdn Bhd, a subsidiary of PNE Micron Holdings Ltd. He was responsible for the overall operations, sales and marketing of Hong Nam (M) Industry Sdn Bhd.

Mr Law Tik Long has no family relationship with any of the Directors and/or major shareholders of TNLHB.

Mr Law Tik Long has no conflict of interest with the Company. He has no convictions of any offences within the past five (5) years.

Mr Law Tik Long's equity interest in the Company's ordinary shares is disclosed in page 167 and he does not have any direct equity interest in the Company's subsidiaries.

PROFILES FOR KEY MANAGEMENT

MR ONG YOONG NYOCK
Group Managing Director

Malaysian, Aged 70, Male
Date of Appointment : 31 January 1990

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

MADAM YONG KWEE LIAN
Executive Director

Malaysian, Aged 71, Female
Date of Appointment : 31 January 1990

Please refer to his/ her profile in the Board of Directors' profile section on page 19.

MR ONG WEI KUAN
Deputy Managing Director, Head of Information Technology and Cost Management Department

Malaysian, Aged 43, Male
Date of Joining : 1 April 2011

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

CHRISTINA ONG CHU VOON
Executive Director, Corporate Strategic Planning Director

Malaysian, Aged 35, Female
Date of Joining: October 2016

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

MR LAW TIK LONG
Executive Director, Chief Financial Officer, Company Secretary

Malaysian, Aged 49, Male
Date of Joining: September 2006

Please refer to his/ her profile in the Board of Directors' profile section on page 22.

MR CHUAH KOON JIN
Information Technology Director

Malaysian, Aged 54, Male

Mr Chuan Koon Jin graduated from University of Queensland, Brisbane Australia with Bachelor of Information Technology.

He commenced his career in the field of Information Technology since 1993. Over the years he had worked with industry such as Manufacturing, MNC Audit/Accounting firm Business Consulting division, local based IT Solutions and Services providers, Global Express Courier IT Services, European telco IT Solution and service provider, Japanese technology company and local based Logistics and Warehousing conglomerate.

He joined Tiong Nam Group in October 2017. As an IT Director, he primarily responsible for building the IT team, developing IT strategies, technology stacks and applications roadmap, overseeing network, server and security infrastructure and technical operations, developing and maintaining relevant IT policies and procedures. Lastly, overall responsible for IT Build and Run services delivery.

PROFILES FOR KEY MANAGEMENT (CONT'D)

MS LIM MAY WAN
Legal Manager

Malaysian, Aged 38, Female

Lim May Wan graduated from University of Northumbria at Newcastle with Bachelor of Laws on 29 June 2007. She was enrolled as an Advocate & Solicitor in the High Court of Malaya on 6 April 2012. She also obtained the Advanced Certificate in International Arbitration with Chartered Institute of Arbitrations (CIArb) in Singapore on 14 September 2017.

She commenced her career as legal executive in Fuji Xerox Asia Pacific Pte Ltd (Singapore) from February 2012 to March 2015 where she involved in drafting and reviewing of commercial contracts, handling regional projects and company secretarial matters. Subsequently, she joined Tiong Nam Logistics Solutions Sdn Bhd from 4 April 2015 and Tiong Nam Logistics (S) Pte Ltd from 1 April 2019 as the legal manager where she is responsible of drafting and reviewing of commercial and construction contracts, overseeing legal matters and contracts for the affiliates or related companies in Malaysia, Singapore and Thailand and providing legal advice to the company.

She was appointed as the director of Domesca Builders Sdn Bhd on 26 September 2018.

She was empanelled as an adjudicator with the Kuala Lumpur Regional Centre for Arbitration (KLRCA) (currently known as the Asian International Arbitration Centre (AIAC)) on 15 August 2016. She was appointed as the Commissioner for Oaths from 1 January 2022. She is also admitted as the Fellow (Pioneer Member) of Asian Institute of Alternative Dispute Resolution on 3 September 2018.

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 2023. 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 2021 ("MCCG 2021" 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 2023 ("FY 2023") except for the following:

Practice 5.2 – At least half of the board comprises independent directors.

Practice 5.3 - The tenure of an independent director does not exceed a cumulative term limit of nine years. Upon completion of the nine years, an independent director may continue to serve on the board as a non-independent director.

Practice 5.9 – The Board comprises at least 30% women directors.

Practice 5.10 - The board discloses in its annual report the company's policy on gender diversity for the board and senior management.

Practice 9.5 – All members of the Audit Committee should undertake continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

I. BOARD'S RESPONSIBILITIES

1. Clear Roles and Responsibilities

The Board is collectively 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 fiduciary duties and leadership functions, the Board delegates specific responsibilities and functions to various committees, namely Nomination Committee, Audit Committee, Remuneration Committee and Risk Committee. These Committees comprise of all Independent Non-Executive Directors ("INEDs"). Each of these Committees operates under clearly defined Terms of Reference ("TOR") as approved by the Board to oversee and deliberate matters within their purviews. 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 in achieving the objectives.

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

I. BOARD'S RESPONSIBILITIES (CONT'D)

1. Clear Roles and Responsibilities (cont'd)

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: (cont'd)

(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.

(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 the succession and development plans are in place; and
(c) ensuring that criteria and processes for recognition, promotion, development and appointment of senior management are consistent with the leadership requirements of the Company.

The Managing Director periodically discuss with the Nomination Committee and Chairman on his view as to a need for a successor in the event of the Managing Director's is in 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 on pages 55 to 59 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.

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

I. BOARD'S RESPONSIBILITIES (CONT'D)

1. Clear Roles and Responsibilities (cont'd)

Board	Responsibilities
Chairman	The Board is led by Dato' Fu Ah Kiow, Non-Independent Non-Executive Chairman who provides effective and strategic direction and necessary governance to the company. The Chairman provides leadership and governance in order to create a conducive environment geared towards building and enhancing the Board's effectiveness and ensures that all strategic and critical issues are discussed by the Board in a timely manner. The Chairman is also 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. The NC is satisfied the Chairman has discharged his duties effectively and continues to play a vital role in leading the Board.
Group Managing Director	The Managing Director ("MD") of the Company is Mr Ong Yoong Nyock, a Non-Independent Managing Director. The MD is responsible for the executive management of the Group's business and implementing operational decisions and managing day-to-day operations. MD is supported by the Executive Directors and management team in implementing the Group's strategic plan and overseeing the operations and business development of the Group.
Independent Non-Executive Director	The Company has four (4) Independent Non-Executive Directors. The Independent Non-Executive Directors are strong individuals demonstrating independence. 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 Company has three (3) Non-Independent Non-Executive Directors. 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 are 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.

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

I. BOARD'S RESPONSIBILITIES (CONT'D)

2. Access to Information and Advice (cont'd)

Prior to Board meetings, Board members are provided with an agenda which contained matters which are to be discussed at the Board meetings. The Board is provided with the relevant Board 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. The 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 Board is supported by professionally 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.

They are internal and external Company Secretaries with vast knowledge and experience from being in public practice and are supported by a dedicated team of company secretarial personnel.

The Company Secretaries play an important advisory role to the Board, on administrative, regulatory requirements and governance matters. The Company Secretaries are also responsible to ensure that accurate and proper recording of proceedings and resolutions at the Board, Board Committees meetings and general meetings.

The Board of 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.

4. Board Charter

The Board Charter serves as guidance for the Board 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. The Board observes the Company Directors' Code of Ethics as established by the Suruhanjaya Syarikat Malaysia (Companies Commission of Malaysia or "SSM") which is published on SSM's website at www.ssm.com.my.

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

I. BOARD'S RESPONSIBILITIES (CONT'D)

5. Code of Conduct and Ethics (cont'd)

To advocate good ethical and conduct among employees, the Group has established a Code of Conduct and Ethics 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.

The Code of Conduct and Ethics is reviewed periodically in accordance with the needs of the Company. The Code of Conduct and Ethics is available on the Company's website, www.tiongnam.com.

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.

Whistle-blower Policy are available on at the Company's website, 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, social and 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 pages 13 to 14 of this Annual Report.

II. BOARD COMPOSITION

1. Board Composition and Balance

During the financial year under review, the Board comprises eleven (11) members, of whom four (4) Independent Non-Executive Directors, three (3) Non-Independent Non-Executive Directors and four (4) Non-Independent Executive Directors with the composition as set out below: -

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
11. Tan Chuan Gor	Independent Non-Executive Director

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

II. BOARD COMPOSITION (CONT'D)

1. Board Composition and Balance (cont'd)

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 18 to 22 of this Annual Report.

The presence of four (4) Independent Non-Executive Directors, which represent 40% of the Board, facilitates the unbiased exercise of independent evaluation in Board deliberations and decision making. Their presence fulfils a central role in corporate accountability and serves to provide a check and balance on the Board. In the event of any vacancy on the Board, resulting in a non-compliance, the vacancy will be filled within three (3) months. The NC shall on annual basis assess the independence of the Independent Directors.

The Board is mindful that the Board still does not comprise of at least half INEDs as recommended by Practice 5.2 of MCCG 2021. The Board is of the view that the present INEDs, with the breadth of professional background, have enabled the Board to exercise objective judgement on various issues and decisions are made through their sharing of impartial, objective and unbiased opinion and viewpoints. Although all Directors shared equal responsibility for the Group's business directions and operations, the presence of INEDs are essential in ensuring that the management proposals are fully discussed, challenged and evaluated, by taking into account the interest of not only the Group but also all interested parties, including shareholders, employees, customers, suppliers and the communities as a whole.

Further, the current composition of the Board Committees comprises of all INEDs which affirmed the Board's commitment towards independence and provide strong check and balance in the Board's governance function. The significant contributions of the Independent Directors in the decision-making process are evidenced by their participation as members of the various Board Committees. Hence, the INEDs are able to carry out their duties and to provide an unfettered and unbiased independent judgement and to promote good corporate governance.

Nonetheless the Board will consider appointment of additional INEDs in the near future to ensure that the Board comprises at least half INEDs as per Practice 5.2 of the MCCG 2021.

2. Board Committee

a) Nomination Committee – Selection and Assessment of Directors

The Nomination Committee ("NC") was formed on 25 August 2001. The present composition of the NC is as follows:

Directors	Designation
Datuk Haji Muhamad Shapiae bin Mat Ali	Chairman (Independent Non-Executive Director)
Yong Seng Huat	Member (Non-Independent Non-Executive Director)
Ling Cheng Fah @ Ling Cheng Ming	Member (Independent Non-Executive Director)

The NC would meet at least once (1) annually with additional meetings convened as and when required.

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.

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)

During the FY2023 and up to the date of this Statement, the key activities undertaken by NC are summarised as follows: -

- Assessed and recommended to the Board the re-election and re-appointment of the Directors in accordance with the Fit and Proper Policy for tabling 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; and
- Reviewed and recommended to the Board for approval on the adoption of the Fit and Proper Policy.

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 2023, 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 FY2023, 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 2022, 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 2023, 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 four (4) members with composition as set out below:

Directors	Designation
Ling Cheng Fah @ Ling Cheng Ming	Chairman (Independent Non-Executive Director)
Yong Seng Huat	Member (Non-Independent Non-Executive Director)
Datuk Haji Muhamad Shapiae bin Mat Ali	Member (Independent Non-Executive Director)
Tan Chuan Gor	Member (Independent Non-Executive Director)

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

During the FY2023, the AC had seven (7) meetings. The AC reviewed and recommend the quarterly financial reports, internal audit processes and related party transactions.

Terms of reference and functions of the AC are found on pages 52 to 53 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 present composition of the RC is as follows:

Directors	Designation
Chang Chu Shien	Chairman (Non-Independent Non-Executive Director)
Datuk Haji Muhamad Shapiae bin Mat Ali	Member (Independent Non-Executive Director)
Ling Cheng Fah @ Ling Cheng Ming	Member (Independent Non-Executive Director)

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

II. BOARD COMPOSITION (CONT'D)

2. Board Committee (cont'd)

c) Remuneration Committee (cont'd)

The wealth of experience, skills and competencies of the Board members are detailed in the profile of Directors on pages 18 to 22. The RC is chaired by a Non-Independent Non-Executive Director. The RC comprised exclusively of all non-executive directors with majority of them are independent. The RC has written Terms of Reference which deals with its authority and duties and these terms are disclosed on the company's website at www.tiongnam.com.

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 their 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 and ensure the remuneration are comparable with the current market and similar industry. The Company has a Remuneration Policy which describes the policies and procedures on remuneration including reviewing and recommending matters relating to the remuneration of board and senior management.

The remuneration of Non-Executive Directors as recommended by RC, the Board agreed 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 MCCG 2021 recommendation 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.

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

II. BOARD COMPOSITION (CONT'D)

2. Board Committee (cont'd)

c) Remuneration Committee (cont'd)

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	80,000	–
Ling Cheng Fah @ Ling Cheng Ming	75,000	–
Yong Seng Huat	57,000	–
Datuk Haji Muhamad Shapiae bin Mat Ali	65,000	–
Chang Chu Shien	50,000	–
Chen Kuok Chin	42,000	–
Tan Chuan Gor	10,619	–
Total	**379,619**	**–**
Executive Directors		
Ong Yoong Nyock	–	2,022,189
Yong Kwee Lian	–	795,536
Ong Wei Kuan	–	416,580
Christina Ong Chu Voon	–	679,109
Total	**–**	3,913,414

The top5 key management of the Company whose remuneration falls within the following bands of RM50,000 is as set out below: -

Range of Remuneration	Number of Key Management
RM 400,001 to RM 450,000	2
RM 650,001 to RM 700,000	1
RM 750,001 to RM 800,000	1
RM 2,000,001 to RM 2,050,000	1

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

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

II. BOARD COMPOSITION (CONT'D)

2. Board Committee (cont'd)

d) Risk Committee

The Risk Committee was formed on 21 May 2011. The Risk Committee is comprised of four (4) members as follows:

Directors	Designation
Ling Cheng Fah	Chairman (Independent Non-Executive Director)
Datuk Haji Muhamad Shapiae bin Mat Ali	Member (Independent Non-Executive Director)
Yong Seng Huat	Member (Non-Independent Non-Executive Director)
Christina Ong Chu Voon	Member (Non-Independent Non-Executive Director)

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

The Risk Management Framework 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 55.

3. Attendance of Directors

The meeting attendance of individual Directors at the Board and the Board Committees during the financial year under review (FY2023) 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	4/4				
Non-Independent Non-Executive Director					
Yong Seng Huat	4/4	2/2	7/7	–	2/2
Chang Chu Shien	4/4	–	–	1/1	–

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

II. BOARD COMPOSITION (CONT'D)

3. Attendance of Directors (cont'd)

The meeting attendance of individual Directors at the Board and the Board Committees during the financial year under review (FY2023) are tabled as below: - (cont'd)

Director	Board	Nomination Committee	Audit Committee	Remuneration Committee	Risk Committee
Independent Non-Executive Director					
Ling Cheng Fah @ Ling Cheng Ming	4/4	2/2	7/7	1/1	2/2
Datuk Haji Muhamad Shapiae bin Mat Ali	4/4	2/2	7/7	1/1	2/2
Chen Kuok Chin	4/4	–	–	–	–
Tan Chuan Gor	1/1	–	2/2	–	–

4. Directors 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 FY2023.

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 in FY2023: -

Name of Director	Topic of programme/seminars/forum
Dato' Fu Ah Kiow @ Oh (Fu) Soon Guan	- Conflict Management Strategy - Digital Transformation In the Logistics Industry
Ong Yoong Nyock	- Conflict Management Strategy - Digital Transformation In the Logistics Industry
Yong Kwee Lian	- Conflict Management Strategy - Digital Transformation In the Logistics Industry
Chang Chu Shien	- Conflict Management Strategy - Digital Transformation In the Logistics Industry
Yong Seng Huat	- Conflict Management Strategy - Digital Transformation In the Logistics Industry
Ling Cheng Fah @ Ling Cheng Ming	- Conflict Management Strategy - Digital Transformation In the Logistics Industry
Datuk Haji Muhamad Shapiae bin Mat Ali	- Conflict Management Strategy - Digital Transformation In the Logistics Industry
Ong Wei Kuan	- Conflict Management Strategy - Digital Transformation In the Logistics Industry

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

II. BOARD COMPOSITION (CONT'D)

4. Directors Training (cont'd)

Name of Director	Topic of programme/seminars/forum
Christina Ong Chu Voon	- Conflict Management Strategy - Digital Transformation In the Logistics Industry
Chen Kuok Chin	- Conflict Management Strategy - Digital Transformation In the Logistics Industry
Tan Chuan Gor	- Bursa Malaysia Mandatory Accreditation Programme (MAP)

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 2024 which have direct relevance to the discharge of their duties and responsibility as Directors 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 Chief Financial Officer 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.

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 four (4) members as follows:

Directors	Designation
Ling Cheng Fah	Chairman (Independent Non-Executive Director)
Datuk Haji Muhamad Shapiae bin Mat Ali	Member (Independent Non-Executive Director)
Yong Seng Huat	Member (Non-Independent Non-Executive Director)
Tan Chuan Gor	Member (Independent Non-Executive Director)

The Chairman of the AC is an Independent Non-Executive Directors who is not the Chairman of the Board. The Board is committed in ensuring the effectiveness and independence of the Audit Committee. This includes to require any former key audit partner to observe a cooling off period of three (3) years before being appointed as a member of AC. No former key audit partners of the external auditors have been appointed to the Board thus far.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

I. AUDIT COMMITTEE (CONT'D)

1. Composition of Audit Committee (cont'd)

The composition of the Audit Committee, including its roles and responsibilities, are set out in the Audit Committee Report on pages 52 to 54 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 2023 and has recommended their re-appointment for the financial year ending 31 March 2024.

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

2. Relationship with External Auditors

The Group maintains a transparent and professional relationship with the external auditors in seeking professional advice towards ensuring compliance with accounting standards. 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.

The AC meets up with the external auditors at least twice a year for the external auditors present their audit plan, audit findings and their comments on the Group's financial statements.

The AC also met once with the external auditors without the presence of the Executive Board members and management during the financial year under review, to allow the AC and the external auditors to exchange independent views on crucial areas which require the AC's attention.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

I. AUDIT COMMITTEE (CONT'D)

2. Relationship with External Auditors (cont'd)

The AC has assessed the suitability and independence of the external auditors vis a vis adequacy of experience and resources of the external auditors before recommending their re-appointment to the Board.

The Board, having considered the recommendations by the AC, is satisfied with the level of independent and performance of the external auditors including quality of audit review procedures, adequacy of audit firm's expertise, its resources to carry out the audit work according to the audit plan and the Board had recommended their re-appointment for shareholders' approval at the forthcoming AGM.

3. Risk Management and Internal Control Framework

Recognising the importance of risk management, the Group has established a risk management and internal controls framework to identify, evaluate, control, monitor and manage significant business risks faced by the Group on an ongoing basis. 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.

The Group had formalized its internal audit function by setting up an in-house internal audit team, to carry out internal audits on various operating units within the Group on a risk-based approach based on the annual audit plan approved by the Risk Committee.

The Statement of Risk Management and Internal Control is set out on page 55 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 2021 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 Audit Committee will ensure the IA is able to function independently and effectively. 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 carried out in accordance with the Code of Ethics and the International Standards. 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 52 to 54 of this Annual Report.

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 2023. 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 Company encourage shareholders' participation in AGM by providing adequate notice. The Company had dispatched its Notice of the 33rd AGM held on 27th August 2022 to shareholders more than twenty-eight (28) days before the date of the meeting to allow sufficient time for shareholders to review the Annual Report.

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 33rd AGM, all Directors attended the AGM virtually to engage directly with the shareholders and be accountable to their stewardship in the Company. At the 33rd 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.

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. The minutes of Annual General Meeting is published at the Company's website. 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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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.

6. Leveraging on technology for voting in absentia and remote shareholders' participation

The Constitution of the Company provides for the use of any available technology or method that allows all shareholders of the Company to participate and to exercise the shareholders' rights to speak and vote at general meeting or any adjournment thereof subject to rules, regulations and laws prevailing. Based on an analysis of the investors, the Company does not have a large number of shareholders and, a large majority of investors are Malaysians. Further, all general meetings are held at a location which is easily accessible to all shareholders. As such, the concern over voting in absentia and/or remote shareholders' participation at AGM are not applicable.

As of now, the Company encourages participation of shareholders through the issuance of proxies when there is indication that shareholders are unable to attend and vote in person at general meetings. However, in the event that physical attendance at any of the Company's general meeting is curtailed and/or not permitted arising from unforeseen circumstances, the use of available technology is prioritised to allow shareholders' full participation including the right to speak and vote at such general meeting.

II. Other Compliance Information

1. Material Contract

For the financial year ended 31 March 2023, 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 27 August 2022.

2. Sanctions and Penalties

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

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

II. Other Compliance Information (cont'd)

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 2023 are as follows: -

	Group (RM)	**Company (RM)**
Audit Fees	432,000	70,000
Non-Audit Fees	171,000[Note 1]	24,000

Note 1: The non-audit fees are related to tax services.

4. Utilisation of Proceeds

No proceeds were raised from any corporate exercise during the financial year.

5. Share Buy-Back

Details of share repurchased during the financial year ended 31 March 2023 are as follows:

Month	**No. of shares repurchases**	**Lowest price paid (RM)**	**Highest price paid (RM)**	**Average price paid (RM)**	**Total consideration (RM)**
April 2022	1,000	0.730	0.730	0.730	729.71
November 2022	1,000	0.640	0.640	0.640	640.14
	2,000				1,369.85

At the end of the financial year, a total of 13,779,295 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.

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
(vi) Mr Yong Loy Huat ("YLH"), brother of YKL
(vii) Ms Lim Hooy, wife of OYM

	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 by Charlecote Sdn Bhd ("CSB") such as forwarding, handling stuffing and unstuffing, container haulage services and general warehousing facilities. The above services & warehouse facilities are provided by TNLS.	3,602

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
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
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 - Lot 15L, 17L, 18L The above warehouses and coldroom facilities are provided to TNLS.	29,925
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. Transportation and related services, handling, forklift services, trucking and sale of diesel provided by TNLS & TNLHB. Charges payable for transportation and related services such as forwarding, handling, forklifts services, labour, repairs, loading and unloading provided toTNLS, JBSB and TNHT.	4 10 272

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
e	Trinity Legend Sdn Bhd ("TLSB")	OYN – 50% OWK – 50% Both OYN and OWK are directors in TLSB	Rent payable of office at Lot 28689, Lot 28721 and Lot 28722 provided to TNLS	1,207
f	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.	3,853
g	Theak Yuan Elektrik Engineering Sdn Bhd ("TYESB")	WSS is a director in TYESB.	Charges payable for repair works provided to IKSB.	7
h	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")	OYN – 25% PCS – 20% 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, TNS, TNHT,TNEE, TNLSB and PTSB. Rental income for office at Lot 2-13, Shah Alam provided by TNLS.	283 14,533 48

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
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.	65
j	Ontime Privilege Sdn Bhd ("OPSB")	OYN – 64% YWL – 5% Both OYN and OWK are director in OPSB.	Income from project management provided by TNP.	65
k	Gold Vista Realty Sdn Bhd ("GVR")	OYN is the director in GVR	Rent payable for hostel at Blk 11, Taman Kenanga provided to TNLS.	20
l	Lim Hooy	Spouse of OYM	Rent payable for hostel at C-08-02 and C-09-06 provided to TNLS	40
m	Cold Warehouse Facility & Trading SdnBhd (CWFT")	OYM is director in CWFT	Freight income received from provision of transportation and related services such as forwarding and handling, stuffing and Unstuffing provided by TNLS	1
n	Nadi Eltra Sdn.Bhd. ("NESB")	OYN – 89% YKL – 11% Both OYN and YKL are directors in NESB.	Rent payables for warehouse at PTD 148494 provided to TNLS.	1,313

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 - Lot 24, Pasir Gudang - D28A, Pelabuhan Tanjung Pelepas - Lot 5, Port Klang	214
			Freight income received from provision of transportation and related services such as forwarding and handling, stuffing and unstuffing provided by TNLS.	64
			Charges payable for forwarding, custom clearance and related services, telephone, handling, stuffing and unstuffing, postages and travelling charges provided to TNLS, TNS and GFLS.	7,704
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.	10
			Charges for purchase of tyres and accessories provided to TNLS, FEWLSB,FFSB, PESB, SASB, TNLSB, TNHT, BPSB and GFLS.	5,521

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. Income from rental of warehouses and showroom, offices and service centre in Kuantan,provided by TNLS: - Lot 203D, Gebeng Industrial Estate, Kuantan - Lot 92, 93, 94 & 240, Shah Alam - Lot 204, Shah Alam Charges payable for repairs and maintenance of lorries (including smash repairs), forklifts, mobile cranes and motor vehicles rendered to TNLS, ASSB, PTSB, FEWLSB, PESB, SASB, TNLSB, TNHT, TNEE, TNLHB and TNTT.	215 648 5,048
d	TN Fabrication Assembly & Engineering Sdn Bhd ("TNFAESB") (formerly known as TN Autoparts Sdn Bhd) ("TNASB")	OWK – 7%	Income from freight provided by TNLS.	5

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 ii) Lot 2-13, Lion Industrial Park, Shah Alam	 768 492

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

II. Other Compliance Information (cont'd)

Statement on Compliance

The Board will continue to strive for sound standards of corporate governance throughout the Group. Presently, the Board is of the view that the Company has, in all material aspects satisfactory complied with the principles and practices set out in the Code, except for the departures set out in the CG Report.

STATEMENT ON DIRECTORS' RESPONSIBILITY IN RELATION TO THE AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

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 66 to 159 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.

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 four (4) members and has held seven (7) 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	7/7
Datuk Haji Muhamad Shapiae bin Mat Ali Independent Non-Executive Director	7/7
Mr Yong Seng Huat Non-Independent Non-Executive Director	7/7
Madam Tan Chuan Gor Independent Non-Executive Director	2/2

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 2023, final audited Financial Statement for the financial year ended 31 March 2022 and matters arising for the Audit of the Financial Statement for the year ended 31 March 2023.

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, trading and distribution, anti-bribery and anti-corruption compliance with Section 17(A) of the MACC Act 2009, billing, accounts payable and recurrent related party transactions. 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 2023 is approximately RM 400,000.

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. However, this statement does not include the state of risk management and internal control of the Group's associate companies and joint venture, which have not been deal with as part of the Group.

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.

Operational Risks (cont'd)

- **Health and safety**

  The Group has a Health and Safety Policy in placed to protect the well-being, health and safety of all our employees, customers, suppliers and general public. As the disease of Covid-19 in Malaysia has transitioned into endemic phase, the Group continuously monitors and updates the standard operating procedures and policies following the guidelines and recommendations from the Ministry of Health (MOH).

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 of 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 directors, employees, 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 mail box.

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.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

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, accounts payable, trading and distribution, anti-bribery and anti-corruption compliance with Section 17(A) of the MACC Act 2009, billing 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 Chief Financial Officer 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 2023, 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 2023 up to the date of this statement.

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2023

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 2023.

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	27,872	5,747
Non-controlling interests	196	–
	28,068	5,747

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 15 to the financial statements.

DIVIDENDS

No dividend has been paid or declared by the Company since the end of the previous financial year. The Directors do not recommend the payment of any dividend in respect of the current financial year.

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. Chang Chu Shien
Mr. Ong Wei Kuan**
Datuk Haji Muhamad Shapiae bin Mat Ali
Mr. Chen Kuok Chin
Ms. Christina Ong Chu Voon**
Mdm. Tan Chuan Gor (appointed on 15 January 2023)
Mr. Law Tik Long** (appointed on 1 April 2023)
Mr. Yong Seng Huat (resigned on 1 April 2023)
Mr. Ling Cheng Fah @ Ling Cheng Ming (resigned on 1 April 2023)

** These Directors are also Directors of the Company's subsidiaries.

The names of the Directors of the Company's subsidiaries in office since the beginning of the financial year to the date of this report (not including those Directors listed above) are:

Mr. Yong Loy Huat
Mr. Tham Yick Fun
Mr. Khoo Kim Leong
En. Mohd. Nizam bin Md. Shariff
Pn. Siti Supiah binti Hj. Jaffar
Mr. Derrick Yap Khiam Wee
En. Mhd Yusoff bin Ab Rahman (appointed on 8 July 2022)
Mr. Yuan Bin (appointed on 8 July 2022)
Mr. Liew Chee Long
Pn. Rohana binti Annuar

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 2022 '000**	**Bought '000**	**Sold '000**	**At 31 March 2023 '000**
Company				
Direct interest				
Dato' Fu Ah Kiow @ Oh (Fu) Soon Guan	765	–	–	765
Mr. Ong Yoong Nyock	128,601	–	–	128,601
Mdm. Yong Kwee Lian	6,650	–	–	6,650
Mr. Ling Cheng Fah @ Ling Cheng Ming	15	–	–	15
Mr. Chang Chu Shien	2,080	–	–	2,080
Mr. Ong Wei Kuan	255	–	–	255

DIRECTORS' INTERESTS IN SHARES (CONT'D)

Name of Directors	At 1 April 2022 '000	Number of ordinary shares Bought '000	Sold '000	At 31 March 2023 '000
Company				
Deemed interest				
Mr. Ong Yoong Nyock	145,899	–	–	145,899
Mdm. Yong Kwee Lian	267,850	–	–	267,850
Mr. Yong Seng Huat	10	–	–	10
Mr. Chen Kuok Chin	1,359	–	(132)	1,227
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.	408	–	–	408
- TNTT Packages Express Pte. Ltd.	5	–	–	5
- Tiong Nam PBA Sdn. Bhd.	–*	–	–	–*
- Memori Pintar Sdn. Bhd.	7	–	–	7
- Bagus Cekal Sdn. Bhd.	700	–	–	700
- Tiong Nam Distribution Sdn. Bhd.	100	195	(40)	255
- Tiong Nam Logistics Vietnam Co., Ltd.	200	–	(98)	102

* 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 2023 had any interest in the ordinary shares of the Company and of its related corporations during the financial year.

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 shown below) 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.

The Directors' benefits paid to or receivable by Directors in respect of the financial year ended 31 March 2023 are as follows:

	From the Company RM'000	From subsidiary companies RM'000
Directors of the Company:		
Fees	380	–
Remuneration	52	3,861
Trading between companies in which certain Directors/ Directors' close family members who have substantial financial interests and certain companies in the Group in the ordinary course of business		
- Sales	260	4,954
- Purchase	–	72,250
	692	81,065

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

There were no 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 was RM10,000.

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

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.

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, the financial performance of the Group and of the Company for the financial year ended 31 March 2023 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.

AUDITORS

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

The details of remuneration paid by the Group and the Company to auditors of the Group and the Company during the financial year are as follows:

	Group RM'000	Company RM'000
Auditors' remuneration		
Statutory audit		
- KPMG PLT	432	70
- Other auditors	81	–
Non-audit fees		
- KPMG PLT	23	13
- Local affiliates of KPMG PLT	148	11
	684	94

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: 27 July 2023

STATEMENTS OF FINANCIAL POSITION

AS AT 31 MARCH 2023

	Note	Group 2023 RM'000	Group 2022 RM'000	Company 2023 RM'000	Company 2022 RM'000
Assets					
Property, plant and equipment	3	944,540	808,802	57	34
Right-of-use assets	4	347,143	321,592	1,572	497
Investment properties	5	603,731	222,680	34,880	34,134
Investments in subsidiaries	6	–	–	49,462	50,801
Investments in associates	7	72,082	80,980	63,918	63,840
Investment in a joint venture	8	49	–	–	–
Inventories	9	127,471	154,935	–	–
Deferred tax assets	10	11,801	12,276	–	–
Trade and other receivables	11	84,102	77,165	261,901	235,300
Total non-current assets		2,190,919	1,678,430	411,790	384,606
Inventories	9	135,535	125,712	420	349
Contract assets	12	3,227	–	–	–
Trade and other receivables	11	239,728	254,981	10,162	7,455
Current tax assets		5,667	3,523	–	–
Other investments	13	16,271	30,222	16,261	30,212
Deposits, bank and cash balances	14	9,850	11,649	402	749
Total current assets		410,278	426,087	27,245	38,765
Total assets		2,601,197	2,104,517	439,035	423,371
Equity					
Share capital	15	200,236	200,236	200,236	200,236
Reserves	15	689,551	588,933	200,040	194,295
Equity attributable to owners of the Company		889,787	789,169	400,276	394,531
Non-controlling interests	6	10,233	10,151	–	–
Total equity		900,020	799,320	400,276	394,531
Liabilities					
Lease liabilities		89,368	73,328	1,508	405
Deferred tax liabilities	10	99,045	78,134	4,465	4,387
Other payables	16	21,573	–	–	–
Loans and borrowings	17	920,854	711,089	8,696	9,889
Total non-current liabilities		1,130,840	862,551	14,669	14,681
Lease liabilities		22,963	21,473	85	104
Trade and other payables	16	171,642	121,792	6,581	4,132
Loans and borrowings	17	374,643	298,504	16,620	9,487
Current tax liabilities		1,089	877	804	436
Total current liabilities		570,337	442,646	24,090	14,159
Total liabilities		1,701,177	1,305,197	38,759	28,840
Total equity and liabilities		2,601,197	2,104,517	439,035	423,371

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 2023

	Note	Group		Company	
		2023 RM'000	**2022 RM'000**	**2023 RM'000**	**2022 RM'000**
Revenue	18	725,692	689,825	67,751	71,761
Cost of sales	18	(602,389)	(571,017)	(54,550)	(52,502)
Gross profit		123,303	118,808	13,201	19,259
Other income		68,916	21,290	2,725	2,208
Selling, marketing and distribution expenses		(3,200)	(1,107)	–	–
Administrative expenses		(88,074)	(68,553)	(1,217)	(933)
Net gain/(loss) on impairment of financial instruments	20	125	(865)	8,011	(3,709)
Other expenses		(6,887)	(5,323)	(12,919)	(3,455)
Results from operating activities		94,183	64,250	9,801	13,370
Finance income	19	366	1,307	3	149
Finance costs	19	(46,548)	(39,046)	(1,125)	(623)
Net finance costs		(46,182)	(37,739)	(1,122)	(474)
Operating profit	20	48,001	26,511	8,679	12,896
Share of loss after tax in associates	7	(8,539)	(9,743)	–	–
Share of loss after tax in a joint venture	8	(2)	–	–	–
Profit before tax		39,460	16,768	8,679	12,896
Tax expense	21	(11,392)	(10,477)	(2,932)	(2,938)
Profit for the year		28,068	6,291	5,747	9,958
Other comprehensive income/(expense), net of tax					
Items that will not be reclassified subsequently to profit or loss					
Revaluation of properties, net of deferred tax		70,636	(3,098)	–	–
Items that are or may be reclassified subsequently to profit or loss					
Foreign currency translation differences for foreign operations		2,112	533	–	–
Other comprehensive income/(expense) for the year, net of tax		72,748	(2,565)	–	–
Total comprehensive income for the year		100,816	3,726	5,747	9,958

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 2023 (CONT'D)

	Note	Group 2023 RM'000	Group 2022 RM'000	Company 2023 RM'000	Company 2022 RM'000
Profit attributable to:					
Owners of the Company		27,872	5,203	5,747	9,958
Non-controlling interests		196	1,088	–	–
Profit for the year		28,068	6,291	5,747	9,958
Total comprehensive income attributable to:					
Owners of the Company		100,620	2,638	5,747	9,958
Non-controlling interests		196	1,088	–	–
Total comprehensive income for the year		100,816	3,726	5,747	9,958
Basic and diluted earnings per ordinary share (sen)	22	5.42	1.01		

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2023

		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 2021		200,236	175,760	(10,561)	(87)	426,325	791,673	9,363	801,036
Foreign currency translation differences for foreign operations		–	–	–	533	–	533	–	533
Revaluation of properties, net of deferred tax		–	(3,098)	–	–	–	(3,098)	–	(3,098)
Total other comprehensive (expense)/income for the year		–	(3,098)	–	533	–	(2,565)	–	(2,565)
Profit for the year		–	–	–	–	5,203	5,203	1,088	6,291
Total comprehensive (expense)/ income for the year		–	(3,098)	–	533	5,203	2,638	1,088	3,726
Contributions by and distributions to owners of the Company									
Own shares acquired	15	–	–	(2)	–	–	(2)	–	(2)
Dividend to the owners of the Company	23	–	–	–	–	(5,140)	(5,140)	–	(5,140)
Total transactions with owners of the Company		–	–	(2)	–	(5,140)	(5,142)	–	(5,142)
Subscription of shares by non-controlling interest		–	–	–	–	–	–	300	300
Dividends to non-controlling interests in subsidiaries		–	–	–	–	–	–	(600)	(600)
Realisation of revaluation reserve		–	(5,669)	–	–	5,669	–	–	–
At 31 March 2022		200,236	166,993	(10,563)	446	432,057	789,169	10,151	799,320

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2023 (CONT'D)

	Note	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 2022		200,236	166,993	(10,563)	446	432,057	789,169	10,151	799,320
Foreign currency translation differences for foreign operations		–	–	–	2,112	–	2,112	–	2,112
Revaluation of properties, net of deferred tax		–	70,636	–	–	–	70,636	–	70,636
Total other comprehensive income for the year		–	70,636	--	2,112	–	72,748	–	72,748
Profit for the year		–	–	–	–	27,872	27,872	196	28,068
Total comprehensive income for the year		–	70,636	–	2,112	27,872	100,620	196	100,816
Contributions by and distributions to owners of the Company									
Own shares acquired/ **Total transactions with owners of the Company**	15	–	–	(2)	–	–	(2)	–	(2)
Subscription of shares by non-controlling interest		–	–	–	–	–	–	205	205
Dividends to non-controlling interests in subsidiaries		–	–	–	–	–	–	(600)	(600)
Realisation of revaluation reserve		–	(6,349)	–	–	6,349	–	–	–
Decrease in Group's interest due to disposal of shares in subsidiaries		–	–	–	–	–	–	281	281
At 31 March 2023		200,236	231,280	(10,565)	2,558	466,278	889,787	10,233	900,020

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

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2023

		Attributable to owners of the Company			
		Non-distributable		Distributable	
	Note	Share capital RM'000	Treasury shares RM'000	Retained earnings RM'000	Total equity RM'000
Company					
At 1 April 2021		200,236	(10,561)	200,040	389,715
Profit and total comprehensive income for the year		–	–	9,958	9,958
Contributions by and distributions to owners of the Company					
Own shares acquired	15	–	(2)	–	(2)
Dividend to the owners of the Company	23	–	–	(5,140)	(5,140)
Total transactions with owners of the Company		–	(2)	(5,140)	(5,142)
At 31 March 2022/1 April 2022		200,236	(10,563)	204,858	394,531
Profit and total comprehensive income for the year		–	–	5,747	5,747
Contributions by and distributions to owners of the Company					
Own shares acquired/ **Total transactions with owners of the Company**	15	–	(2)	–	(2)
At 31 March 2023		200,236	(10,565)	210,605	400,276

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2023

	Note	Group 2023 RM'000	Group 2022 RM'000	Company 2023 RM'000	Company 2022 RM'000
Cash flows from operating activities					
Profit before tax		39,460	16,768	8,679	12,896
Adjustments for:					
Depreciation:					
- Property, plant and equipment		33,673	34,665	5	3
- Right-of-use assets		29,600	29,774	109	113
Finance costs	19	46,548	39,046	1,125	806
Negative goodwill		–	(500)	–	–
Impairment loss on:					
- Investments in subsidiaries		–	–	9,839	191
- Investments in associates		82	–	82	–
Share of loss in associates		8,539	9,743	–	–
Share of loss in a joint venture		2	–	–	–
Fair value gain upon transfer from inventories to investment properties		(7,580)	(1,152)	–	–
Change in fair value of investment properties		(40,786)	(381)	(746)	–
Gain on disposal of:					
- A subsidiary		(215)	–	–	–
- Other investments		(939)	(1,170)	(939)	(1,170)
- Property, plant and equipment		(364)	(68)	–	–
Gain arising from deconsolidation of a subsidiary	27	–	(9,526)	–	–
Property, plant and equipment written off		414	502	–	–
Finance income	19	(3,495)	(3,421)	(10,593)	(10,666)
Net (gain)/loss on impairment of financial instruments:					
- Trade receivables		(125)	865	–	–
- Amounts due from subsidiaries		–	–	(8,011)	3,709
Other investments:					
- Fair value loss		2,998	3,264	2,998	3,264
- Gross dividends		(292)	(329)	(292)	(329)
Dividends from:					
- Subsidiaries		–	–	–	(7,000)
- Associate		–	–	(305)	–
Operating profit before changes in working capital		107,520	118,080	1,951	1,817
Change in inventories		(7,779)	(20,724)	(71)	117
Change in contract assets		(3,227)	–	–	–
Change in trade and other receivables		16,420	(45,138)	(2,707)	(104)
Change in trade and other payables		45,217	(7,370)	2,449	(773)
Cash generated from operations		158,151	44,848	1,622	1,057
Payment of tax, net of refunded		(10,357)	(12,130)	(2,486)	(1,836)
Net cash from/(used in) operating activities		147,794	32,718	(864)	(779)

STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2023 (CONT'D)

	Note	Group 2023 RM'000	Group 2022 RM'000	Company 2023 RM'000	Company 2022 RM'000
Cash flows from investing activities					
Acquisition of:					
- property, plant and equipment	24	(83,420)	(66,921)	(28)	(27)
- investment properties	25	(280,318)	(60,432)	–	–
- right-of-use assets		(2,329)	(26,282)	–	–
- a subsidiary	26	–	(6,221)	–	–
Proceeds from disposal of:					
- other investments		12,307	13,214	12,307	13,114
- subsidiaries		568	–	300	–
- property, plant and equipment		964	296	–	–
- investment in associate		40	–	40	–
Investment in:					
- other investments		(415)	(10,138)	(415)	(10,138)
- subsidiaries		–	–	(9,000)	(7,757)
- a joint venture		(51)	–	–	–
Effect of deconsolidation of a subsidiary	27	–	(425)	–	–
Interest received	19	3,495	3,421	10,593	10,666
Dividends received		597	329	597	7,329
Changes in amounts due to subsidiaries		–	–	(10,380)	(82,147)
Changes in amounts due from an associate		(8,210)	54,354	(8,210)	54,354
Net cash used in investing activities		(356,772)	(98,805)	(4,196)	(14,606)
Cash flows from financing activities					
Drawndown of term loans		258,257	142,283	–	–
(Repayment of)/Proceeds from:					
- term loans		(37,019)	(51,931)	(1,185)	(902)
- hire purchase liabilities		(12,124)	(14,835)	–	–
- short term borrowings		60,211	26,931	7,125	(4,231)
Proceeds from issue of shares to non-controlling interests		205	300	–	–
Payment of lease liabilities		(21,510)	(23,572)	(100)	(101)
Interest paid	19	(52,564)	(42,221)	(1,125)	(806)
Change in pledged deposits		(874)	(321)	–	–
Dividends paid to non-controlling interests of subsidiaries		(600)	(600)	–	–
Dividends paid to owners of the Company		–	(5,140)	–	(5,140)
Repurchase of treasury shares		(2)	(2)	(2)	(2)
Net cash from/(used in) financing activities		193,980	30,892	4,713	(11,182)

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

STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2023 (CONT'D)

	Note	Group 2023 RM'000	Group 2022 RM'000	Company 2023 RM'000	Company 2022 RM'000
Exchange differences on translation of the financial statements of foreign subsidiaries		2,112	533	–	–
Net decrease in cash and cash equivalents		(12,886)	(34,662)	(347)	(26,567)
Cash and cash equivalents at 1 April		(13,681)	20,981	749	27,316
Cash and cash equivalents at 31 March	14	(26,567)	(13,681)	402	749

Cash outflows for leases as a lessee

	Note	Group 2023 RM'000	Group 2022 RM'000	Company 2023 RM'000	Company 2022 RM'000
Included in net cash from operating activities					
Payment relating to short-term leases	20	64,148	54,231	309	96
Payment relating to variable lease payments not included in the measurement of lease liabilities	20	–	34	–	–
Included in net cash from financing activities					
Payment of lease liabilities		21,510	23,572	100	101
Interest paid in relation to lease liabilities	19	4,328	4,377	26	19
Total cash outflows for leases		89,986	82,214	435	216

STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2023 (CONT'D)

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

	At 1 April 2022 RM'000	Net changes from financing cash flows RM'000	Acquisition of new leases RM'000	Acquisition of new hire purchase liabilities (Note 24) RM'000	At 31 March 2023 RM'000
Group					
Term loans	731,638	221,238	–	–	952,876
Hire purchase liabilities	34,815	(12,124)	–	6,366	29,057
Lease liabilities	94,801	(21,510)	39,040	–	112,331
Short term borrowings	219,218	60,211	–	–	279,429
Total liabilities from financing activities	1,080,472	247,815	39,040	6,366	1,373,693

	At 1 April 2021 RM'000	Net changes from financing cash flows RM'000	Acquisition of new leases RM'000	Acquisition of new hire purchase liabilities (Note 24) RM'000	Deconsoli -dation of a subsidiary (Note 27) RM'000	At 31 March 2022 RM'000
Group						
Term loans	775,535	90,352	–	–	(134,249)	731,638
Hire purchase liabilities	42,080	(14,835)	–	7,883	(313)	34,815
Lease liabilities	84,623	(23,572)	33,771	–	(21)	94,801
Short term borrowings	202,287	26,931	–	–	(10,000)	219,218
Total liabilities from financing activities	1,104,525	78,876	33,771	7,883	(144,583)	1,080,472

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

STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2023 (CONT'D)

Reconciliation of movement of liabilities to cash flows arising from financing activities (cont'd)

	At 1 April 2021 RM'000	Net changes from financing cash flows RM'000	At 31 March 2022/ 1 April 2022 RM'000	Net changes from financing cash flows RM'000	Acquisition of new leases RM'000	At 31 March 2023 RM'000
Company						
Term loans	12,012	(902)	11,110	(1,185)	–	9,925
Short term borrowings	12,497	(4,231)	8,266	7,125	–	15,391
Lease liabilities	610	(101)	509	(100)	1,184	1,593
Total liabilities from financing activities	25,119	(5,234)	19,885	5,840	1,184	26,909

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 2023 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 associates and joint venture. The financial statements of the Company as at and for the financial year ended 31 March 2023 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 27 July 2023.

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 January 2023

- MFRS 17, *Insurance Contracts*
- Amendments to MFRS 17, *Insurance Contracts – Initial application of MFRS 17 and MFRS 9 – Comparative Information*
- Amendments to MFRS 101, *Presentation of Financial Statements – 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 and International Tax Reform – Pillar Two Model Rules*

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2024

- Amendments to MFRS 16, *Leases – Lease Liability in a Sale and Leaseback*
- Amendments to MFRS 101, *Presentation of Financial Statements – Non-current Liabilities with Covenants and Classification of Liabilities as Current or Non-current*
- Amendments to MFRS 107, *Statement of Cash Flows* and MFRS 7, *Financial Instruments: Disclosures – Supplier Finance Arrangements*

1. BASIS OF PREPARATION (CONT'D)

(a) Statement of compliance (cont'd)

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. As at 31 March 2023, the Group's current liabilities exceeded its current assets by RM160,059,000.

As at 31 March 2023, the Group has unutilised banking facilities of RM120.7 million for working capital purposes. Given the available financing facilities and the ability of the Group to generate sufficient operating cash flows based on historical trend of positive operating cashflows, the Directors are of the opinion that the Group will be able to meet its liabilities as and when they fall due.

(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.

(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 - Valuation of right-of-use assets
- Note 5 - Valuation of investment properties
- Note 9 - Valuation of inventories - completed properties held for sales
- Note 30.4 - 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.

(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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Basis of consolidation (cont'd)

(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.

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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Basis of consolidation (cont'd)

(vi) Joint arrangements

Joint arrangements are arrangements of which the Group has joint control, established by contracts requiring unanimous consent for decisions about the activities that significantly affect the arrangements' returns.

Joint arrangements are classified and accounted for as follows:

- A joint arrangement is classified as "joint operation" when the Company has rights to the assets and obligations for the liabilities relating to an arrangement. The Company account for each of its share of the assets, liabilities and transactions, including its share of those held or incurred jointly with the other investors, in relation to the joint operation.

- A joint arrangement is classified as "joint venture" when the Group or the Company has rights only to the net assets of the arrangements. The Group accounts for its interest in the joint venture using the equity method. Investments in joint venture 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.

(vii) 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.

(viii) 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.

(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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Foreign currency (cont'd)

(i) Foreign currency transactions (cont'd)

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.

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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Financial instruments (cont'd)

(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.

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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Financial instruments (cont'd)

(ii) Financial instrument categories and subsequent measurement (cont'd)

Financial assets **(cont'd)**

(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.

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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Financial instruments (cont'd)

(ii) Financial instrument categories and subsequent measurement (cont'd)

Financial liabilities (cont'd)

(a) Fair value through profit or loss (cont'd)

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.

(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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Financial instruments (cont'd)

(iv) Regular way purchase or sale of financial assets (cont'd)

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.

(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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Property, plant and equipment (cont'd)

(i) Recognition and measurement (cont'd)

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.

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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(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.

(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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) Leases (cont'd)

(ii) Recognition and initial measurement (cont'd)

(a) As a lessee (cont'd)

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.

(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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) Leases (cont'd)

(iii) Subsequent measurement (cont'd)

(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 and joint venture.

(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.

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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(g) Investment property (cont'd)

(ii) Reclassification to/from investment property

When an item of property, plant and equipment or right-of-use asset 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 an item of inventories 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 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 (CONT'D)

(h) Inventories (cont'd)

(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) Contract asset

A contract asset is recognised when the Group's right to consideration is conditional on something other than the passage of time. A contract asset is subject to impairment in accordance to MFRS 9, *Financial Instruments* (see Note 2(k)(i)).

(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.

(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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(k) Impairment (cont'd)

(i) Financial assets (cont'd)

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.

(ii) Other assets

The carrying amounts of other assets except for inventories, contract assets, deferred tax assets and investment property measured at fair value 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(k) Impairment (cont'd)

(ii) Other assets (cont'd)

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.

(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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(m) 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.

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.

(n) 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.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(o) 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.

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.

(p) 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 (CONT'D)

(q) 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.

(r) 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.

(s) 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.

(t) 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.

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 2021	927,862	137,809	109,268	34,736	1,209,675
Additions	44,421	13,872	6,368	10,253	74,914
Transfer	26,716	–	–	(26,716)	–
Deconsolidation of a subsidiary (Note 27)	(236,913)	(663)	(21,247)	–	(258,823)
Transfer to investment properties (Note 5)	(49,631)	–	–	–	(49,631)
Disposals	–	(1,456)	(328)	–	(1,784)
Written off	–	(733)	–	–	(733)
At 31 March 2022/1 April 2022	712,455	148,829	94,061	18,273	973,618
Additions	19,247	14,196	8,328	53,388	95,159
Transfer	4,660	–	–	(4,660)	–
Revaluation	66,982	–	–	–	66,982
Disposal of a subsidiary	(10)	–	–	–	(10)
Disposals	–	(2,666)	(11)	–	(2,677)
Written off	(6,216)	(124)	–	–	(6,340)
At 31 March 2023	797,118	160,235	102,378	67,001	1,126,732
Representing items at:					
Cost	74,833	160,235	102,378	67,001	404,447
Valuation adopted by Directors					
- 2021	405,485	–	–	–	405,485
- 2023	316,800	–	–	–	316,800
	797,118	160,235	102,378	67,001	1,126,732
Accumulated depreciation					
At 1 April 2021	14,924	63,811	58,647	–	137,382
Depreciation charge	16,622	10,976	7,067	–	34,665
Deconsolidation of a subsidiary (Note 27)	(2,855)	(184)	(2,174)	–	(5,213)
Transfer to investment properties (Note 5)	(231)	–	–	–	(231)
Disposals	–	(1,321)	(235)	–	(1,556)
Written off	–	(231)	–	–	(231)
At 31 March 2022/1 April 2022	28,460	73,051	63,305	–	164,816
Depreciation charge	13,386	12,422	7,865	–	33,673
Disposal of a subsidiary	(2)	–	–	–	(2)
Revaluation	(8,292)	–	–	–	(8,292)
Disposals	–	(2,066)	(11)	–	(2,077)
Written off	(5,898)	(28)	–	–	(5,926)
At 31 March 2023	27,654	83,379	71,159	–	182,192

3. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	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					
Carrying amounts					
At 1 April 2021	912,938	73,998	50,621	34,736	1,072,293
At 31 March 2022/1 April 2022	683,995	75,778	30,756	18,273	808,802
At 31 March 2023	769,464	76,856	31,219	67,001	944,540

	Equipment, furniture and fittings/ Total RM'000
Company	
At cost	
At 1 April 2021	814
Additions	27
At 31 March 2022/1 April 2022	841
Additions	28
At 31 March 2023	869
Accumulated depreciation	
At 1 April 2021	804
Depreciation charge	3
At 31 March 2022/1 April 2022	807
Depreciation charge	5
At 31 March 2023	812
Carrying amounts	
At 1 April 2021	10
At 31 March 2022/1 April 2022	34
At 31 March 2023	57

3. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Group	
	2023 RM'000	2022 RM'000
Carrying amounts of land and buildings		
At valuation		
Freehold land	225,350	203,500
Buildings	482,772	406,631
	708,122	610,131
At cost		
Freehold land	51,665	37,305
Buildings	9,677	36,559
	61,342	73,864
	769,464	683,995

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 and February/ March 2023. The fair value of land and buildings is categorised as Level 3.

Level 3 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.

The fair values of buildings have been generally derived using depreciated replacement approach. The most significant input into this valuation approach is gross replacement or reproduction costs per square foot and depreciation rate.

3. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

3.1 Fair value information (cont'd)

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 RM3 - RM184) (2021: RM3 - RM188).	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 RM61 - RM218) (2021: RM61 - RM203). • Depreciation rate ranges from 0% - 50% (2021: 0% - 50%)	• 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 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

Land and buildings and construction-in-progress with an aggregate carrying amount of RM747,361,000 (2022: RM626,843,000) are charged to banks as security for banking facilities granted to the Group.

At 31 March 2023, the net carrying amount of the motor vehicles pledged for hire purchase liabilities is RM50,786,000 (2022: RM55,321,000).

3.3 Construction-in-progress

The construction-in-progress consists of several warehouses.

3. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

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	
	2023 RM'000	**2022 RM'000**
Lease income	3,799	3,252

The operating lease payments to be received are as follow:

	Group	
	2023 RM'000	**2022 RM'000**
Less than one year	1,839	2,536
One to two years	844	572
Total undiscounted lease payments	2,683	3,108

3.5 Others

a) At 31 March 2023, included in the building and construction-in-progress is an interest expense capitalised of RM642,000 (2022: RM1,730,000) at a rate of 4.23% (2022: 3.74%) per annum.

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

	Group	
	2023 RM'000	**2022 RM'000**
Freehold land	135,272	164,657
Buildings	396,952	346,651
	532,224	511,308

4. RIGHT-OF-USE ASSETS

	Land RM'000	Buildings RM'000	Equipment RM'000	Total RM'000
Group				
At cost/valuation				
At 1 April 2021	241,600	85,644	138	327,382
Additions	26,282	33,771	–	60,053
Depreciation	(5,086)	(24,550)	(138)	(29,774)
Deconsolidation of a subsidiary	–	(21)	–	(21)
Transfer to investment properties (Note 5)	(31,972)	–	–	(31,972)
Revaluation	(4,076)	–	–	(4,076)
At 31 March 2022/1 April 2022	226,748	94,844	–	321,592
Additions	2,329	37,876	1,164	41,369
Depreciation	(5,186)	(24,155)	(259)	(29,600)
Revaluation	13,782	–	–	13,782
At 31 March 2023	237,673	108,565	905	347,143
Representing items at:				
Cost	21,414	108,565	905	130,884
Valuation adopted by Directors				
- 2021	174,059	–	–	174,059
- 2023	42,200	–	–	42,200
	237,673	108,565	905	347,143

	Building/ Total RM'000
Company	
At cost	
At 1 April 2021	610
Depreciation	(113)
At 31 March 2022/1 April 2022	497
Addition	1,184
Depreciation	(109)
At 31 March 2023	1,572

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 2 years with an option to renew the lease after the end of the contract term.

4. RIGHT-OF-USE ASSETS (CONT'D)

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 and February/ March 2023. Fair value of land is categorised as Level 3.

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**
2023		
Buildings	2,531	6,459
2022		
Buildings	4,549	9,008

The Group assesses the probability of extending the options is low based on past practice.

The Group applied assumptions in determining the incremental borrowing rate of the lease. The Group first determine the closest available borrowing rates before it determines the adjustments required to reflect the term, security, value or economic environment of the respective leases.

4.3 Security

The land are charged to banks as security for banking facilities granted to the Group.

4. RIGHT-OF-USE ASSETS (CONT'D)

4.4 Transfer to investment properties

During the financial year ended 31 March 2022, three leasehold industrial land were transferred to investment properties because they were leased to third parties.

Immediately before the transfer, the Group remeasured the leasehold industrial land at fair value and recognised a revaluation deficit of RM4,076,000 in other comprehensive income. The valuation techniques and significant unobservable inputs used in measuring the fair value of the building at the date of transfer were the same as those applied to investment property at the reporting date (see Note 5).

4.5 Others

Had the revalued land been carried at cost model, their carrying amounts would have been RM85,816,000 (2022: RM88,848,000).

5. INVESTMENT PROPERTIES

	Group		Company	
	2023 RM'000	**2022 RM'000**	**2023 RM'000**	**2022 RM'000**
At 1 April	222,680	45,950	34,134	34,134
Additions	307,265	61,877	–	–
Acquisition of a subsidiary (Note 26)	–	30,500	–	–
Net transfer from:				
- Property, plant and equipment (Note 3)	–	49,400	–	–
- Right-of-use assets (Note 4)	–	31,972	–	–
- Inventories	33,000	2,600	–	–
Change in fair value	40,786	381	746	–
At 31 March	603,731	222,680	34,880	34,134

Included in the above are:

	Group		Company	
	2023 RM'000	**2022 RM'000**	**2023 RM'000**	**2022 RM'000**
At fair value				
Freehold land	219,500	37,600	34,880	34,134
Leasehold land	61,620	48,920	–	–
Buildings	109,800	75,930	–	–
	390,920	162,450	34,880	34,134
At cost				
Buildings under construction	212,811	60,230	–	–
	603,731	222,680	34,880	34,134

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5. INVESTMENT PROPERTIES (CONT'D)

Investment properties comprise a number of freehold and leasehold vacant land, factories/ warehouses, workshops and petrol kiosk with a drive-thru restaurant that are leased to third parties.

Buildings under construction comprise of a hotel and a single storey warehouse to be used as distribution centre by a customer.

Freehold and leasehold land and buildings were revalued in February/March 2023 by independent professional valuers based on open market value basis.

Buildings under construction are measured at cost until either the fair value becomes reliably determinable or when construction is completed, whichever is earlier.

At 31 March 2023, included in the buildings under construction is an interest expense capitalised of RM5,374,000 (2022: RM1,445,000) at a rate of 4.23% (2022: 3.74%) per annum.

5.1 Fair value information

Fair values of investment properties are categorised as Level 3.

Level 3 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.

The fair values of buildings have been generally derived using depreciated replacement approach. The most significant input into this valuation approach is gross replacement or reproduction costs per square foot and depreciation rate.

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 RM40 - RM736) (2022: RM32 - RM869).	The estimated fair value would increase (decrease) if the price per square foot is higher (lower).

5. INVESTMENT PROPERTIES (CONT'D)

5.1 Fair value information (cont'd)

Level 3 fair value (cont'd)

Description of valuation technique and inputs used	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
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 RM128 - RM367) (2022: RM118 - RM203). • Depreciation rate ranges from 0% - 42.5% (2022: 0% - 40%)	• 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 certain subsidiaries.

5.3 Others

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

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Lease income	11,333	8,761	1,024	1,024
Direct operating expenses				
- income generating investment properties	765	634	–	–
- non-income generating investment properties	221	14	–	–

5. INVESTMENT PROPERTIES (CONT'D)

5.3 Others (cont'd)

The operating lease payments to be received are as follows:

	Group 2023 RM'000	Group 2022 RM'000
Less than one year	7,883	10,000
One to two years	3,156	5,018
Two to five years	1,203	790
Total undiscounted lease payments	12,242	15,808

6. INVESTMENTS IN SUBSIDIARIES

	Company 2023 RM'000	Company 2022 RM'000
Cost of investment	76,843	68,343
Less: Impairment loss	(27,381)	(17,542)
	49,462	50,801

In the current year, the Company recognised impairment losses of RM9,839,000 (2022: RM191,000) for certain loss making subsidiaries. The Company has determined the recoverable amounts of the investment in these subsidiaries based on the fair value less costs of disposal of the respective subsidiaries. The fair value is determined based on the adjusted net assets.

During the year, the Company has capitalised loan to a subsidiary amounting to RM9,000,000 (2022: NIL) as cost of investment.

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 2023 %	Effective ownership interest and voting interest 2022 %
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

6. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Name of entity	Principal place of business/ Country of incorporation	Principal activities	Effective ownership interest and voting interest 2023 %	2022 %
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	Property investment holding, transportation services, and leasing of trucks	100	100
Tiong Nam Heavy Transport & Lifting Sdn. Bhd.	Malaysia	Transportation and related services	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	Dormant	100	100
Medini Heritage Sdn. Bhd.	Malaysia	Property development	100	100
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	70
Tiong Nam PBA Sdn. Bhd.	Malaysia	Dormant	60	60
Bagus Cekal Sdn. Bhd.	Malaysia	Dormant	70	70
Yakin Kaliber Sdn. Bhd.	Malaysia	Dormant	–**	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
VM Andaman Sdn. Bhd.	Malaysia	Property investment holding	100	100
Subsidiary of Semangat Angkut Sdn. Bhd.				
LT Growth Sdn. Bhd.	Malaysia	Trading and distributing of food groceries	100	100

6. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Name of entity	Principal place of business/ Country of incorporation	Principal activities	Effective ownership interest and voting interest 2023 %	Effective ownership interest and voting interest 2022 %
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	51	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
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	51	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	Dormant	100	100

** Yakin Kaliber Sdn. Bhd. has ceased to be a subsidiary and became an associate to the Group.

@ 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.

6. INVESTMENTS IN SUBSIDIARIES (CONT'D)

6.1 Non-controlling interests in subsidiaries

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

	2023			
	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	7,308	902	2,023	10,233
Profit/(Loss) and total comprehensive income/(expense) allocated to NCI	91	240	(135)	196

	2023	
	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	19,237	14,292
Current assets	231	2,525
Non-current liabilities	(3,099)	(682)
Current liabilities	(1,453)	(7,111)
Net assets	14,916	9,024
Year ended 31 March		
Revenue	–	12,888
Profit for the year/ Total comprehensive income	186	2,398
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	–	200

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6. INVESTMENTS IN SUBSIDIARIES (CONT'D)

6.1 Non-controlling interests in subsidiaries (cont'd)

	2022			
	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	7,217	863	2,071	10,151
Profit and total comprehensive income allocated to NCI	548	208	332	1,088

	2022	
	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	18,664	12,882
Current assets	370	2,705
Non-current liabilities	(3,920)	(109)
Current liabilities	(386)	(6,852)
Net assets	14,728	8,626
Year ended 31 March		
Revenue	–	11,356
Profit for the year/ Total comprehensive income	1,119	2,081
Cash flows from operating activities	755	1,826
Cash flows (used in)/from investing activities	(2,584)	502
Cash flows from/(used in) financing activities	2,044	(2,307)
Net increase in cash and cash equivalents	215	21
Dividends paid to NCI	–	200

7. INVESTMENT IN ASSOCIATES

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Investment in shares	90,401	90,385	64,000	63,840
Share of post-acquisition reserves	(18,237)	(9,405)	–	–
	72,164	80,980	64,000	63,840
Less: Impairment loss	(82)	–	(82)	–
	72,082	80,980	63,918	63,840

Details of material associates are as follows:

Name of entity	Principal place of business and country of incorporation	Effective ownership interest and voting interest	
		2023 %	2022 %
Complete Bayview Sdn. Bhd.	Malaysia	–	40
Terminal Perintis Sdn. Bhd.	Malaysia	49	49
Yakin Kaliber Sdn. Bhd.	Malaysia	40	–

The following table summarises the information of the Group's material associate, adjusted for any differences in accounting policies and reconciles the information to the carrying amount of the Group's interest in the associates.

	2023		
	Terminal Perintis Sdn. Bhd. RM'000	Other immaterial associate RM'000	Total RM'000
Summarised financial information			
As at 31 March			
Non-current assets	250,863		
Current assets	119,404		
Non-current liabilities	(188,578)		
Current liabilities	(34,509)		
Net assets	147,180		
Year ended 31 March			
Loss from continuing operations/ Total comprehensive expense	(17,408)		
Included in the total comprehensive income is:			
Revenue	11,598		

7. INVESTMENT IN ASSOCIATES (CONT'D)

	2023 Terminal Perintis Sdn. Bhd. RM'000	2023 Other immaterial associate RM'000	Total RM'000
Summarised financial information (cont'd)			
Reconciliation of net assets to carrying amount as at 31 March			
Group's share of net assets/ Carrying amount in the statement of financial position	72,118	46	72,164
Group's share of total comprehensive expenses for the year ended 31 March	(8,530)	(9)	(8,539)

Summarised financial information	2022 Terminal Perintis Sdn. Bhd. RM'000	2022 Other immaterial associate RM'000	Total RM'000
As at 31 March			
Non-current assets	262,665		
Current assets	110,658		
Non-current liabilities	(181,353)		
Current liabilities	(27,383)		
Net assets	164,587		
Year ended 31 March			
Loss from continuing operations/ Total comprehensive expense	(19,792)		
Included in the total comprehensive income is:			
Revenue	11,958		
Reconciliation of net assets to carrying amount as at 31 March			
Group's share of net assets/ Carrying amount in the statement of financial position	80,648	332	80,980
Group's share of total comprehensive expenses for the year ended 31 March	(9,698)	(45)	(9,743)

7. INVESTMENT IN ASSOCIATES (CONT'D)

Contingent liabilities

Arbitration

In prior year, 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.

Arbitration proceeding is presently on hold as TNH is in liquidation and there is no update from Liquidator whether to proceed with the Arbitration.

Corporate guarantee to financial institutions

	2023 RM'000	2022 RM'000
Share of associates' contingent liabilities incurred jointly with other investor		
- Guaranteed bank facilities	19,896	21,093

8. INVESTMENT IN A JOINT VENTURE

	Group	
	2023 RM'000	2022 RM'000
Investment in shares	51	–
Share of post-acquisition reserves	(2)	–
	49	–

The joint venture is JTN Logistics Park Sdn. Bhd., a company incorporated in Malaysia in which the Group held an equity interest of 51%. Its principal activities consist of those relating to the logistics and warehousing services, property investment and property development.

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

9. INVENTORIES

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Non-current				
Properties under development	127,471	154,935	–	–
Current				
Trading stocks	6,076	10,406	420	349
Properties under development	52,734	36,090	–	–
Completed properties held for sale	76,725	79,216	–	–
	135,535	125,712	420	349
	263,006	280,647	420	349

	Group	
	2023 RM'000	2022 RM'000
Carrying amount of properties under development and completed properties held for sale pledged as security for borrowings (see Note 17)	132,917	144,024

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Recognised in profit or loss:				
- Inventories recognised as cost of sales	58,367	48,478	54,550	52,319

10. DEFERRED TAX ASSETS/(LIABILITIES)

Recognised deferred tax assets/(liabilities)

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	2023 RM'000	**2022 RM'000**	**2023 RM'000**	**2022 RM'000**	**2023 RM'000**	**2022 RM'000**
Group						
Property, plant and equipment						
- capital allowances	–	–	(31,748)	(33,145)	(31,748)	(33,145)
- revaluation	–	–	(60,575)	(42,557)	(60,575)	(42,557)
Trade receivables	1,567	1,739	–	–	1,567	1,739
Provisions	1,502	1,629	–	–	1,502	1,629
Unabsorbed capital allowances	3,050	2,346	–	–	3,050	2,346
Unutilised tax losses	1,228	1,536	–	–	1,228	1,536
Fair value gain on investment properties	–	–	(10,583)	(6,396)	(10,583)	(6,396)
Inventories	8,712	8,241	–	–	8,712	8,241
Advances received from property buyers	421	1,581	–	–	421	1,581
Right-of-use assets	–	–	(21,053)	(17,875)	(21,053)	(17,875)
Lease liabilities	22,565	18,614	–	–	22,565	18,614
Interest receivables	–	–	(1,571)	(1,571)	(1,571)	(1,571)
Others	–	–	(759)	–	(759)	–
	39,045	35,686	(126,289)	(101,544)	(87,244)	(65,858)
Set off of tax	(27,244)	(23,410)	27,244	23,410	–	–
Net tax assets/(liabilities)	11,801	12,276	(99,045)	(78,134)	(87,244)	(65,858)

	Assets		Liabilities		Net	
	2023 RM'000	**2022 RM'000**	**2023 RM'000**	**2022 RM'000**	**2023 RM'000**	**2022 RM'000**
Company						
Property, plant and equipment						
- capital allowances	–	–	(7)	(2)	(7)	(2)
Fair value gain on investment properties	–	–	(2,892)	(2,817)	(2,892)	(2,817)
Interest receivables	–	–	(1,571)	(1,571)	(1,571)	(1,571)
Right-of-use assets	–	–	(377)	(119)	(377)	(119)
Lease liabilities	382	122	–	–	382	122
Tax liabilities	382	122	(4,847)	(4,509)	(4,465)	(4,387)

10. DEFERRED TAX ASSETS/(LIABILITIES) (CONT'D)

Movements in temporary differences during the year are as follows:

	At 1 April 2021 RM'000	Recognised in profit or loss (Note 21) RM'000	Deconsoli -dation of a subsidiary (Note 27) RM'000	Revaluation reserve RM'000	At 31 March 2022/ 1 April 2022 RM'000	Recognised in profit or loss (Note 21) RM'000	Revaluation reserve RM'000	At 31 March 2023 RM'000
Group								
Property, plant and equipment								
- capital allowances	(31,368)	(6,961)	5,184	–	(33,145)	1,397	–	(31,748)
- revaluation	(45,447)	905	1,007	978	(42,557)	403	(18,421)	(60,575)
Trade receivables	1,530	209	–	–	1,739	(172)	–	1,567
Provisions	1,877	262	(510)	–	1,629	(127)	–	1,502
Unabsorbed capital allowances	7,824	2,286	(7,764)	–	2,346	704	–	3,050
Unutilised tax losses	11,252	2,086	(11,802)	–	1,536	(308)	–	1,228
Fair value gain on investment properties	(6,358)	(38)	–	–	(6,396)	(4,187)	–	(10,583)
Inventories	8,769	229	(757)	–	8,241	471	–	8,712
Advance received from property buyers	2,557	(265)	(711)	–	1,581	(1,160)	–	421
Right-of-use assets	(16,060)	(1,815)	–	–	(17,875)	(3,178)	–	(21,053)
Lease liabilities	16,489	2,125	–	–	18,614	3,951	–	22,565
Interest receivables	–	(1,571)	–	–	(1,571)	–	–	(1,571)
Others	–	–	–	–	–	(759)	–	(759)
	(48,935)	(2,548)	(15,353)	978	(65,858)	(2,965)	(18,421)	(87,244)

10. DEFERRED TAX ASSETS/(LIABILITIES) (CONT'D)

Movements in temporary differences during the year are as follows: (cont'd)

	At 1 April 2021 RM'000	Recognised in profit or loss (Note 21) RM'000	At 31 March 2022/ 1 April 2022 RM'000	Recognised in profit or loss (Note 21) RM'000	At 31 March 2023 RM'000
Company					
Property, plant and equipment					
- capital allowances	–	(2)	(2)	(5)	(7)
Fair value gain on investment properties	(2,817)	–	(2,817)	(75)	(2,892)
Interest receivables	–	(1,571)	(1,571)	–	(1,571)
Right-of-use assets	–	(119)	(119)	(258)	(377)
Lease liabilities	–	122	122	260	382
	(2,817)	(1,570)	(4,387)	(78)	(4,465)

Unrecognised deferred tax assets

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

	Group 2023 RM'000	Group 2022 RM'000
Taxable temporary differences	2,871	346
Unabsorbed capital allowances	5,837	4,926
Unutilised tax losses	32,257	20,052
	40,965	25,324

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.

The comparative figures have been restated to reflect the revised taxable temporary differences, capital allowances and tax losses carry-forward available to the Group.

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

	Group 2023 RM'000	Group 2022 RM'000
2028	8,450	8,346
2029	4,634	3,673
2030	3,679	2,213
2031	4,302	3,130
2032	2,600	2,690
2033	8,592	–
	32,257	20,052

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

11. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Non-current				
Trade receivables	–	1,273	–	–
Due from subsidiaries				
- non-trade	–	–	177,799	159,408
Due from an associate				
- non-trade	84,102	75,892	84,102	75,892
	84,102	77,165	261,901	235,300
Current				
Trade receivables	178,653	174,335	4,485	3,111
Other receivables, deposits and prepayments	61,074	80,646	1,402	123
Due from subsidiaries				
- trade	–	–	4,274	4,221
Due from an associate				
- trade	1	–	1	–
	239,728	254,981	10,162	7,455
	323,830	332,146	272,063	242,755

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

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Other receivables	13,182	11,372	1,278	–
Deposits for purchase of:				
- property, plant and equipment	18,299	43,721	–	–
Deposits for rental and utilities	26,065	22,108	124	123
Prepayments	3,528	3,445	–	–
	61,074	80,646	1,402	123

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	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Due from related parties				
- trade	1,863	1,720	67	61
- non-trade	7	25	–	–
	1,870	1,745	67	61

The non-current non-trade amounts due from subsidiaries/associate are unsecured and will not be repayable within a year. Interests are charged at a fixed rate of 4.6% (2022: 3.5%) per annum on monthly outstanding balances.

12. CONTRACT ASSETS

Contract assets consist of unbilled amount resulting from sales of properties under development when the revenue recognised exceeds the amount billed to the customers. Contract assets are transferred to receivables when the right to economic benefits become unconditional.

The Group issue billings to purchasers based on the billing schedule as stipulated in the contracts.

13. OTHER INVESTMENTS

	Group		Company	
	2023 RM'000	**2022 RM'000**	**2023 RM'000**	**2022 RM'000**
Financial assets at fair value through profit or loss:				
- Shares	16,261	30,212	16,261	30,212
- Unit trust fund	10	10	–	–
	16,271	30,222	16,261	30,212

14. DEPOSITS, BANK AND CASH BALANCES

	Group		Company	
	2023 RM'000	**2022 RM'000**	**2023 RM'000**	**2022 RM'000**
Fixed deposits placed with licensed banks	1,518	1,408	–	–
Cash and bank balances	8,332	10,241	402	749
Deposits, bank and cash balances in the statements of financial position	9,850	11,649	402	749
Less: Pledged deposits and restricted cash	(2,282)	(1,408)	–	–
Bank overdrafts	(34,135)	(23,922)	–	–
Cash and cash equivalents in the statements of cash flows	(26,567)	(13,681)	402	749

The pledged deposits with licensed banks of the Group of RM1,518,000 (2022: RM1,408,000) and restricted cash of RM764,000 (2022: NIL) are pledged for bank facilities granted to certain subsidiaries.

Included in the cash and bank balances of the Group is an amount of RM642,000 (2022: RM602,000) 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.

15. CAPITAL AND RESERVES

Share capital

	Group/Company		Group/Company Number of ordinary shares	
	2023 RM'000	**2022 RM'000**	**2023 '000**	**2022 '000**
Issued and fully paid shares with no par value classified as equity instruments:				
Ordinary shares	200,236	200,236	527,825	527,825

Reserves

	Group		Company	
	2023 RM'000	**2022 RM'000**	**2023 RM'000**	**2022 RM'000**
Distributable				
Retained earnings	466,278	432,057	210,605	204,858
Non-distributable				
Revaluation reserve	231,280	166,993	–	–
Treasury shares	(10,565)	(10,563)	(10,565)	(10,563)
Exchange fluctuation reserve	2,558	446	–	–
	223,273	156,876	(10,565)	(10,563)
	689,551	588,933	200,040	194,295

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 27 August 2022, 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 2,000 (2022: 2,000) of its issued ordinary shares capital from the open market. The average price paid for the shares repurchased was RM0.68 (2022: RM0.93) per share including transaction costs, and the repurchase transactions were financed by internally generated funds.

15. CAPITAL AND RESERVES (CONT'D)

At 31 March 2023, a total of 13,779,295 (2022: 13,777,295) repurchased shares are being held as treasury shares. The number of outstanding shares in issue after the set off is 514,046,191 (2022: 514,048,191).

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.

16. TRADE AND OTHER PAYABLES

	Group		Company	
	2023 RM'000	**2022 RM'000**	**2023 RM'000**	**2022 RM'000**
Non-current				
Other payables	21,573	–	–	–
Current				
Trade payables	79,328	46,817	5,157	3,075
Other payables and accrued expenses	92,314	74,975	1,416	1,057
Due to subsidiaries - trade	–	–	8	–
	171,642	121,792	6,581	4,132
	193,215	121,792	6,581	4,132

Included in other payables and accrued expenses are:

	Group		Company	
	2023 RM'000	**2022 RM'000**	**2023 RM'000**	**2022 RM'000**
Non-current				
Investment properties creditors (Note 25)	21,573	–	–	–
Current				
Other payables	18,043	12,273	1	2
Advances received from property buyers	4,680	8,776	–	–
Property, plant and equipment creditors (Note 24)	4,731	–	–	–
Deposits for rental of trucks and properties	18,084	15,837	574	574
Due to a Director	11,500	–	–	–
Accrued expenses	35,276	38,089	841	481
	92,314	74,975	1,416	1,057
	113,887	74,975	1,416	1,057

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

16. TRADE AND OTHER PAYABLES (CONT'D)

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

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Trade	7,522	4,177	–	–
Non-trade	58	5	1	2
	7,580	4,182	1	2

The amount due to a Director is unsecured, interest free and repayable on demand.

The amount owing to an investment properties creditor represent the outstanding purchase consideration for acquisition of a piece of land under deferred payment scheme. The amount is subject to an interest rate of 4.15% per annum.

17. LOANS AND BORROWINGS

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Non-current				
Secured				
- Hire purchase liabilities	17,013	20,641	–	–
- Term loans	457,492	227,519	8,696	9,889
- Islamic term loans	446,349	462,929	–	–
	920,854	711,089	8,696	9,889
Current				
Secured				
- Hire purchase liabilities	12,044	14,174	–	–
- Term loans	17,041	17,581	1,229	1,221
- Islamic term loans	31,994	23,609	–	–
	61,079	55,364	1,229	1,221
Unsecured				
- Revolving credits	145,811	135,500	5,311	–
- Islamic revolving credits	23,000	20,500	–	–
- Bankers' acceptances	100,618	55,736	10,080	8,266
- Islamic trade bills	10,000	7,482	–	–
- Bank overdrafts	27,950	19,470	–	–
- Islamic bank overdraft	6,185	4,452	–	–
	313,564	243,140	15,391	8,266
	374,643	298,504	16,620	9,487
Total borrowings	1,295,497	1,009,593	25,316	19,376

17. LOANS AND BORROWINGS (CONT'D)

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 9 respectively;
ii) negative pledge on certain assets of a subsidiary;
iii) fixed deposits of the Group as disclosed in Note 14; and
iv) corporate guarantee by the Company.

Significant covenants

Certain borrowings are subject to the following covenants:

i) To maintain Group gearing ratio of not more than 1.7 to 2.25 times as defined by the respective financial institutions;
ii) To maintain the Group's shareholders' equity of not less than RM700 million; and
iii) The Managing Director shall maintain more than 40% of direct and indirect shareholdings in the Company.

18. REVENUE AND COST OF SALES

18.1 Revenue

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Revenue from contracts with customers				
Services rendered	645,502	616,596	–	–
Hotel and dormitory income	564	5,693	–	–
Property development	14,249	6,083	–	–
Goods sold	46,788	48,253	56,564	53,915
	707,103	676,625	56,564	53,915
Other revenue				
Rental income	15,168	10,757	–	–
Interest income	3,129	2,114	10,590	10,517
Dividend income				
- Other investments	292	329	292	329
- Subsidiaries	–	–	–	7,000
- Associate	–	–	305	–
	18,589	13,200	11,187	17,846
Total revenue	725,692	689,825	67,751	71,761

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

18. REVENUE AND COST OF SALES (CONT'D)

18.1.1 Disaggregation of revenue

	Group 2023 RM'000	Group 2022 RM'000	Company 2023 RM'000	Company 2022 RM'000
Timing and recognition				
- At a point in time	52,118	54,336	56,564	53,915
- Over time	654,985	622,289	–	–
Revenue from contracts with customers	707,103	676,625	56,564	53,915
Other revenue	18,589	13,200	11,187	17,846
Total revenue	725,692	689,825	67,751	71,761

18.1.2 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	Variable element in consideration	Warranty
Services rendered	Revenue is recognised over time for service transactions, such as freight services, based on the cost incurred method.	Credit period of 0 - 90 days from invoice date	Not applicable	Not applicable
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	Not applicable	Not applicable
Property development	Revenue is recognised over time by reference to the progress towards satisfaction of the performance obligation	Credit period of 30 days from invoice date	Rebates are given to purchasers upon signing of the Sale and Purchase Agreement	Defect liability period of 2 years is given to purchasers

18. REVENUE AND COST OF SALES (CONT'D)

18.1.2 Nature of goods or services (cont'd)

Nature of goods or services	Timing of recognition or method used to recognise revenue	Significant payment terms	Variable element in consideration	Warranty
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	Not applicable	Not applicable
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	Not applicable	Not applicable

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.

18.2 Cost of sales

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Cost of services	(544,022)	(522,539)	–	(183)
Cost of properties sold	(10,287)	(3,558)	–	–
Cost of goods sold	(48,080)	(44,920)	(54,550)	(52,319)
Total cost of sales	(602,389)	(571,017)	(54,550)	(52,502)

19. FINANCE INCOME AND FINANCE COSTS

19.1 Finance income

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Interest income of financial assets that are not at fair value through profit or loss	3,495	3,421	10,593	10,666
Finance income included in:				
Revenue	3,129	2,114	10,590	10,517
Finance income	366	1,307	3	149
	3,495	3,421	10,593	10,666

19. FINANCE INCOME AND FINANCE COSTS (CONT'D)

19.2 Finance costs

	Group		Company	
	2023 RM'000	**2022 RM'000**	**2023 RM'000**	**2022 RM'000**
Interest expense of financial liabilities that are not at fair value through profit or loss	48,236	37,844	1,099	787
Interest expense on lease liabilities	4,328	4,377	26	19
	52,564	42,221	1,125	806
Recognised in profit or loss	46,548	39,046	1,125	806
Interest expense of financial liabilities that are not at fair value through profit or loss capitalised into qualifying assets:				
- property, plant and equipment	642	1,730	–	–
- investment properties	5,374	1,445	–	–
	52,564	42,221	1,125	806

Finance costs included in:

	Group		Company	
	2023 RM'000	**2022 RM'000**	**2023 RM'000**	**2022 RM'000**
Cost of sales	–	–	–	183
Finance costs	46,548	39,046	1,125	623
	46,548	39,046	1,125	806

20. OPERATING PROFIT

	Note	Group 2023 RM'000	Group 2022 RM'000	Company 2023 RM'000	Company 2022 RM'000
Operating profit is arrived at after charging/(crediting):					
Auditors' remuneration					
Audit fees:					
- KPMG PLT					
- Current year		432	415	70	68
- Under provision in prior year		47	–	2	–
- Other auditors		81	75	–	–
Non-audit fees					
- KPMG PLT		23	23	13	9
- Local affiliates of KPMG PLT		148	134	11	10
Material expenses/(income)					
Depreciation:					
- Property, plant and equipment		33,673	34,665	5	3
- Right-of-use assets		29,600	29,774	109	113
Impairment loss on:					
- Investments in subsidiaries		–	–	9,839	191
- Investments in associates		82	–	82	–
Personnel expenses (including key management personnel):					
- Contributions to state plans		9,190	8,677	11	12
- Wages, salaries and others		124,383	110,075	282	298
Property, plant and equipment written off		414	502	–	–
Change in fair value of investment properties		(40,786)	(381)	(746)	–
Gain arising from deconsolidation of a subsidiary		–	(9,526)	–	–
Gain on disposal of:					
- Other investments		(939)	(1,170)	(939)	(1,170)
- Property, plant and equipment		(364)	(68)	–	–
- A subsidiary		(215)	–	–	–
Net foreign exchange gain		(713)	(138)	–	–
Negative goodwill		–	(500)	–	–
Other investments:					
- Fair value loss		2,998	3,264	2,998	3,264
Fair value gain upon transfer from inventories to investment properties		(7,580)	(1,152)	–	–
Expenses/(income) arising from leases					
Expenses relating to short-term leases	a	64,148	54,231	309	96
Expenses relating to variable lease payments not included in the measurement of lease liabilities		–	34	–	–
Rental income from land and buildings		(1,797)	(1,682)	(1,024)	(1,024)

20. OPERATING PROFIT (CONT'D)

	Group 2023 RM'000	Group 2022 RM'000	Company 2023 RM'000	Company 2022 RM'000
Net (gain)/loss on impairment of financial instruments:				
Trade receivables	(125)	865	–	–
Amounts due from subsidiaries	–	–	(8,011)	3,709
	(125)	865	(8,011)	3,709

Note a

The Group and the Company lease a number of warehouses, hostels and equipment with contract term of 1 year or less. The Group and the Company have elected not to recognise right-of-use assets and lease liabilities for these leases.

21. TAX EXPENSE

Recognised in profit or loss

Major components of income tax expense include:

	Group 2023 RM'000	Group 2022 RM'000	Company 2023 RM'000	Company 2022 RM'000
Current tax expense				
- Current year	8,417	8,507	2,856	1,315
- Prior years	10	(578)	(2)	53
	8,427	7,929	2,854	1,368
Deferred tax expense				
- Origination and reversal of temporary differences	7,093	2,151	75	1,570
- (Over)/Under provision in prior years	(4,128)	397	3	–
	2,965	2,548	78	1,570
	11,392	10,477	2,932	2,938
Share of tax of equity-accounted associates	3,478	4,538	–	–
	14,870	15,015	2,932	2,938

21. TAX EXPENSE (CONT'D)

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Reconciliation of tax expense				
Profit for the year	28,068	6,291	5,747	9,958
Total tax expense	14,870	15,015	2,932	2,938
Profit before tax	42,938	21,306	8,679	12,896
Income tax calculated using Malaysian tax rate of 24% (2022: 24%)	10,305	5,113	2,083	3,095
Effect of different tax rates in foreign jurisdictions	257	(111)	–	–
Non-deductible expenses	6,801	5,818	3,243	1,830
Effect of fair value change in investment properties	(4,008)	(54)	(104)	–
Non-taxable income	(1,599)	(709)	(2,291)	(2,040)
Unrecognised deferred tax assets	3,754	601	–	–
	15,510	10,658	2,931	2,885
Share of tax of equity-accounted associates	3,478	4,538	–	–
(Over)/Under provision in prior years	(4,118)	(181)	1	53
Tax expense	14,870	15,015	2,932	2,938

22. EARNINGS PER ORDINARY SHARE

Basic earnings per ordinary share

The calculation of basic earnings per ordinary share at 31 March 2023 was based on the profit attributable to ordinary shareholders and a weighted average number of ordinary shares calculated as follows:

	Group	
	2023 RM'000	2022 RM'000
Profit for the year attributable to ordinary shareholders	27,872	5,203

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

22. EARNINGS PER ORDINARY SHARE (CONT'D)

Basic earnings per ordinary share (cont'd)

Weighted average number of ordinary shares are determined as follows:

	Group	
	2023 '000	**2022 '000**
Number of ordinary shares as at 31 March	527,825	527,825
Effect of own shares acquired	(13,778)	(13,777)
Weighted average number of ordinary shares at 31 March	514,047	514,048
Basic earnings per ordinary share (sen)	5.42	1.01

Diluted earnings per ordinary share

There is no outstanding dilutive potential ordinary shares.

23. DIVIDEND

Dividends recognised by the Company were:

	Sen per share	**Total amount RM'000**	**Date of payment**
2022			
Final dividend 2021	1.0	5,140	22 September 2021

24. ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT

	Group		Company	
	2023 RM'000	**2022 RM'000**	**2023 RM'000**	**2022 RM'000**
Current year additions	95,159	74,914	28	27
Less: Amount financed by hire purchase liabilities	(6,366)	(7,883)	–	–
Finance cost capitalised	(642)	(1,730)	–	–
(Less)/Add:				
Balances in respect of acquisition of property, plant and equipment included in other payables				
- at the end of year	(4,731)	–	–	–
- at the beginning of year	–	1,620	–	–
	83,420	66,921	28	27

25. ACQUISITION OF INVESTMENT PROPERTIES

	Group	
	2023	**2022**
	RM'000	**RM'000**
Current year additions	307,265	61,877
Less: Finance cost capitalised	(5,374)	(1,445)
(Less)/Add:		
Balances in respect of acquisition of investment properties included in other payables at the end of year (Note 16)	(21,573)	–
	280,318	60,432

26. ACQUISITION OF A SUBSIDIARY

On 9 June 2021, the Group entered into a Sale and Purchase Agreement of Shares to acquire 100% equity interest in VM Andaman Sdn. Bhd. ("VM"). The principal activities of the VM are holding and leasing of logistics and warehouse properties. The acquisition is to expand the Group's warehousing capacity to meet increasing demand for logistics and warehousing services. The acquisition was completed on 31 July 2021. The cost of acquisition is satisfied via internally generated fund.

From 1 August 2021 to 31 March 2022, the subsidiary contributed revenue of RM1,552,000 and profit of RM463,000. If the acquisition had occurred on 1 April 2021, management estimates that consolidated revenue would have been RM691,183,000 and consolidated profit for the financial year would have been RM6,972,000.

The following summarises the major classes of consideration transferred, and the recognised amounts of assets acquired and liabilities assumed at the acquisition date:

Fair value of consideration transferred

	2022
	RM'000
Purchase consideration, net of shareholder loans	6,000
Adjusted net assets as at the completion date to be settled in cash	1,038
Consideration settled in cash and cash equivalents	7,038

Identifiable assets acquired and liabilities assumed

	2022
	RM'000
Investment properties	30,500
Trade and other receivables	675
Current tax assets	180
Cash and cash equivalents	817
Shareholder loans	(24,000)
Trade and other payables	(634)
Total identifiable net assets	7,538

26. ACQUISITION OF A SUBSIDIARY (CONT'D)

The investment properties were revalued in June 2021 by independent professional valuers based on open market value basis. The carrying values of other assets and liabilities on completion date are recognised based on their estimate fair values.

Net cash outflow arising from acquisition of a subsidiary

	2022 **RM'000**
Consideration settled in cash and cash equivalents	7,038
Cash and cash equivalents acquired	(817)
	6,221

Negative Goodwill

Negative goodwill was recognised as a result of the acquisition as follows:

	2022 **RM'000**
Total consideration transferred	7,038
Fair value of identifiable net assets	(7,538)
Negative goodwill arising from acquisition	(500)

27. DECONSOLIDATION OF A SUBSIDIARY

On 22 July 2021, the Group entered into a Shareholders Agreement with Create Fortune Enterprise Sdn. Bhd. ("CFESB") for the subscription of 5,204,000 new ordinary shares of Terminal Perintis Sdn. Bhd. ("TPSB") for a total consideration of RM36,698,478 representing additional 51% of the total issued shares of TPSB. The shares subscription resulted in dilution of the Group's interest in TPSB to 49% and consequently, TPSB no longer meets the criteria of a subsidiary as the Group has lost control in TPSB on 1 November 2021, resulting it to become an associate company of the Group.

Effect of deconsolidation of a subsidiary on the financial position of the Group

	Note	2022 RM'000
Property, plant and equipment	3	253,610
Right-of-use assets	4	21
Deferred tax assets	9	15,353
Inventories		94,285
Trade and other receivables		4,442
Current tax assets		4,787
Cash and cash equivalents		425
Loans and borrowings		(144,562)
Trade and other payables		(206,321)
Lease liabilities		(21)
Total identifiable net assets		22,019
Fair values of TPSB as at 1 November 2021		64,378
Fair values of interest retained by Group in TPSB at 49%		31,545
Net assets of TPSB		(22,019)
Gain arising from deconsolidation of a subsidiary		9,526
Cash and cash equivalents deconsolidated		425

28. CAPITAL COMMITMENTS

	Group	
	2023 RM'000	2022 RM'000
Capital expenditure commitments		
Property, plant and equipment and investment properties		
Contracted but not provided for	179,621	281,473

29. 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 fast-moving consumer goods. 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.

29. OPERATING SEGMENTS (CONT'D)

	Logistics and warehousing services		Investment		Property development		Hotel and dormitory		Total	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Segment profit/(loss) before tax, interest, depreciation and amortisation	144,863	119,846	1,362	349	11,505	(477)	(274)	(555)	157,456	119,163
Depreciation	(61,981)	(60,086)	–	–	(69)	(428)	(1,223)	(3,925)	(63,273)	(64,439)
Interest income	73	1,062	–	–	293	245	–	–	366	1,307
Finance costs	(37,348)	(24,500)	–	–	(7,524)	(7,122)	(1,676)	(7,424)	(46,548)	(39,046)
Gain arising from deconsolidation of a subsidiary	–	–	–	–	–	5,752	–	3,774	–	9,526
Share of loss in associate	–	–	(8,539)	(9,743)	–	–	–	–	(8,539)	(9,743)
Share of loss in a joint venture	–	–	(2)	–	–	–	–	–	(2)	–
Profit/(Loss) before tax	45,607	36,322	(7,179)	(9,394)	4,205	(2,030)	(3,173)	(8,130)	39,460	16,768
Included in the measure of segment profit are:										
Revenue from external customers	706,831	675,200	3,421	2,443	14,876	6,489	564	5,693	725,692	689,825

29. OPERATING SEGMENTS (CONT'D)

	Logistics and warehousing services		Investment		Property development		Hotel and dormitory		Total	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Segment assets	2,070,916	1,585,719	172,505	187,094	323,195	296,540	34,581	35,164	2,601,197	2,104,517
Additions to non-current assets other than inventories, financial instruments and deferred tax assets	442,359	192,911	–	–	374	3,836	1,295	97	444,028	196,844
Segment liabilities	1,598,867	1,217,123	--	--	87,665	73,266	14,645	14,808	1,701,177	1,305,197

Major customers
Revenue from one customer of the Group represents approximately RM73.7 million (2022: RM85.2 million) of the Group's total revenue.

30. FINANCIAL INSTRUMENTS

30.1 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
2023			
Financial assets			
Group			
Other investments	16,271	–	16,271
Trade and other receivables*	320,302	320,302	–
Cash and cash equivalents	9,850	9,850	–
	346,423	330,152	16,271
Company			
Other investments	16,261	–	16,261
Trade and other receivables	272,063	272,063	–
Cash and cash equivalents	402	402	–
	288,726	272,465	16,261
2022			
Financial assets			
Group			
Other investments	30,222	–	30,222
Trade and other receivables*	328,701	328,701	–
Cash and cash equivalents	11,649	11,649	–
	370,572	340,350	30,222
Company			
Other investments	30,212	–	30,212
Trade and other receivables	242,755	242,755	–
Cash and cash equivalents	749	749	–
	273,716	243,504	30,212

* excluding prepayments

30. FINANCIAL INSTRUMENTS (CONT'D)

30.1 Categories of financial instruments (cont'd)

	Carrying amount RM'000	AC RM'000
2023		
Financial liabilities		
Group		
Loans and borrowings	1,295,497	1,295,497
Trade and other payables^	188,535	188,535
	1,484,032	1,484,032
Company		
Loans and borrowings	25,316	25,316
Trade and other payables	6,581	6,581
	31,897	31,897
2022		
Financial liabilities		
Group		
Loans and borrowings	1,009,593	1,009,593
Trade and other payables^	113,016	113,016
	1,122,609	1,122,609
Company		
Loans and borrowings	19,376	19,376
Trade and other payables	4,132	4,132
	23,508	23,508

^ excluding advances received from property buyers.

30.2 Net gains and losses arising from financial instruments

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Net gains/(losses) on:				
Fair value through profit or loss:				
- Mandatorily required by MFRS 9	(1,767)	(1,765)	(1,767)	(1,765)
Financial assets at amortised cost	4,333	2,694	18,604	6,957
Financial liabilities at amortised cost	(48,236)	(37,844)	(1,099)	(787)
	(45,670)	(36,915)	15,738	4,405

30. FINANCIAL INSTRUMENTS (CONT'D)

30.3 Financial risk management

The Group has exposure to the following risks from its financial instruments:

- Credit risk
- Liquidity risk
- Market risk

30.4 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 and contract assets. The Company's exposure to credit risk arises principally from receivables from customers, advances to subsidiaries/associates and financial guarantees given to banks for credit facilities granted to subsidiaries/associates. There are no significant changes as compared to prior period.

Trade receivables and contract assets

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 and contract assets 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 and contract assets are credit impaired.

The gross carrying amounts of credit impaired trade receivables and contract assets 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 and contract assets 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 and contract assets 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.

30. FINANCIAL INSTRUMENTS (CONT'D)

30.4 Credit risk (cont'd)

Trade receivables and contract assets (cont'd)

Recognition and measurement of impairment loss (cont'd)

For property development activities, the progress billings are due within 14 days or 30 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.

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

	Gross carrying amount RM'000	Loss allowance RM'000	Net balance RM'000
2023			
Group			
Current (not past due)	87,269	2,603	84,666
1 – 30 days past due	56,113	1,110	55,003
31 – 60 days past due	19,108	522	18,586
61 – 90 days past due	5,097	419	4,678
	167,587	4,654	162,933
Credit impaired			
More than 90 days past due	9,451	4,170	5,281
Individually impaired	288	288	–
	177,326	9,112	168,214

30. FINANCIAL INSTRUMENTS (CONT'D)

30.4 Credit risk (cont'd)

Trade receivables and contract assets (cont'd)

Recognition and measurement of impairment loss (cont'd)

Logistics and warehousing services (cont'd)

	Gross carrying amount RM'000	Loss allowance RM'000	Net balance RM'000
2023			
Company			
Current (not past due)	523	–	523
1 – 30 days past due	712	–	712
31 – 60 days past due	1,724	–	1,724
61 – 90 days past due	937	–	937
	3,896	–	3,896
Credit impaired			
More than 90 days past due	589	–	589
	4,485	–	4,485

	Gross carrying amount RM'000	Loss allowance RM'000	Net balance RM'000
2022			
Group			
Current (not past due)	81,293	3,296	77,997
1 – 30 days past due	60,834	779	60,055
31 – 60 days past due	21,755	438	21,317
61 – 90 days past due	5,394	152	5,242
	169,276	4,665	164,611
Credit impaired			
More than 90 days past due	8,561	3,469	5,092
Individually impaired	288	288	–
	178,125	8,422	169,703

30. FINANCIAL INSTRUMENTS (CONT'D)

30.4 Credit risk (cont'd)

Trade receivables and contract assets (cont'd)

Recognition and measurement of impairment loss (cont'd)

Logistics and warehousing services (cont'd)

	Gross carrying amount RM'000	Loss allowance RM'000	Net balance RM'000
2022			
Company			
Current (not past due)	24	–	24
1 – 30 days past due	931	–	931
31 – 60 days past due	1,302	–	1,302
61 – 90 days past due	651	–	651
	2,908	–	2,908
Credit impaired			
More than 90 days past due	203	–	203
	3,111	–	3,111

The movements in the allowance for impairment in respect of trade receivables from logistics and warehousing services during the year are shown below.

	Lifetime ECL RM'000	Credit impaired RM'000	Total RM'000
Group			
Balance at 1 April 2021	3,304	4,464	7,768
Net remeasurement of loss allowance	1,779	(704)	1,075
Exchange difference	(418)	(3)	(421)
Balance at 31 March 2022/1 April 2022	4,665	3,757	8,422
Net remeasurement of loss allowance	323	701	1,024
Amounts written off	(205)	–	(205)
Exchange difference	(129)	–	(129)
At 31 March 2023	4,654	4,458	9,112

30. FINANCIAL INSTRUMENTS (CONT'D)

30.4 Credit risk (cont'd)

Trade receivables and contract assets (cont'd)

Recognition and measurement of impairment loss (cont'd)

Property development

	Gross carrying amount RM'000	Loss allowance RM'000	Net balance RM'000
Group			
2023			
Current (not past due)	8,325	–	8,325
1 – 30 days past due	2,377	–	2,377
31 – 60 days past due	1,478	–	1,478
61 – 90 days past due	1,003	–	1,003
	13,183	–	13,183
Credit impaired			
More than 90 days past due	49	8	41
Individually impaired	760	318	442
	13,992	326	13,666
Trade receivables	10,765	326	10,439
Contract assets	3,227	–	3,227
	13,992	326	13,666
2022			
Current (not past due)	6,102	920	5,182
1 - 30 days past due	24	–	24
	6,126	920	5,206
Credit impaired			
More than 90 days past due	30	8	22
Individually impaired	1,224	547	677
	7,380	1,475	5,905
Trade receivables	7,380	1,475	5,905

30. FINANCIAL INSTRUMENTS (CONT'D)

30.4 Credit risk (cont'd)

Trade receivables and contract assets (cont'd)

Recognition and measurement of impairment loss (cont'd)

Property development (cont'd)

The movements in the allowance for impairment in respect of trade receivables from property development during the year are shown below.

	Credit impaired 2023 RM'000	2022 RM'000
Balance at 1 April	1,475	2,500
Net remeasurement of loss allowance	(1,149)	(210)
Deconsolidation of a subsidiary	–	(815)
Balance at 31 March	326	1,475

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 are not material and hence, it is not provided for.

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 and an associate. The Company monitors the ability of certain subsidiaries and an associate 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 RM1,268 million (2022: RM989 million) representing the outstanding banking facilities of certain subsidiaries as at the end of the reporting period.

The maximum exposure to credit risk of the Group amounts to RM20 million (2022: RM21 million) representing the outstanding banking facilities of an associate as at the end of the reporting period.

The financial guarantees are provided as credit enhancements to the subsidiaries' and associate's secured loans.

30. FINANCIAL INSTRUMENTS (CONT'D)

30.4 Credit risk (cont'd)

Financial guarantee (cont'd)

Recognition and measurement of impairment loss

The Company assumes that there is a significant increase in credit risk when the subsidiaries' and associate's financial position deteriorates significantly. The Company considers a financial guarantee to be credit impaired when:

- The subsidiaries and associate are unlikely to repay its credit obligation to the bank in full; or
- The subsidiaries and associate 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.

Inter-company loans and advances/amount due from an associate

Risk management objectives, policies and processes for managing the risk

The Group provides unsecured advances to an associate. Other than trade transactions with subsidiaries, the Company also provides unsecured loans and advances to subsidiaries. The Company monitors the ability of the subsidiaries and associate 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 Group or the Company considers advances to subsidiaries and amount due from an associate have low credit risk. The Group or the Company assumes that there is a significant increase in credit risk when the subsidiaries' and associate's financial position deteriorates significantly. As the Group or the Company is able to determine the timing of payments of the amounts due when they are payable, the Group or the Company considers the advances to be in default when the subsidiaries or associate are not able to pay when demanded. The Group or the Company considers amounts due from subsidiaries or associate to be credit impaired when:

- The subsidiaries or associate are unlikely to repay the amounts to the Group or to the Company in full; or
- The subsidiaries or associate are continuously loss making and are having a deficit shareholders' fund.

The Group or the Company determine the probability of default for these advances individually using internal information available.

30. FINANCIAL INSTRUMENTS (CONT'D)

30.4 Credit risk (cont'd)

Inter-company loans and advances/amount due from an associate (cont'd)

Recognition and measurement of impairment loss (cont'd)

The following table provides information about the exposure to credit risk and ECLs for subsidiaries' and associate's outstanding balances as at the end of reporting period:

	Carrying amount RM'000	Impairment loss allowance RM'000	Net balance RM'000
Group			
2023			
Low credit risk	84,103	–	84,103
2022			
Low credit risk	75,892	–	75,892
Company			
2023			
Low credit risk	266,176	–	266,176
Credit impaired	1,812	1,812	–
	267,988	1,812	266,176
2022			
Low credit risk	239,521	–	239,521
Credit impaired	9,823	9,823	–
	249,344	9,823	239,521

The movement in the allowance for impairment in respect of subsidiaries' outstanding balances during the year is as follows:

	Credit impaired 2023 RM'000	2022 RM'000
Company		
Balance at 1 April	9,823	6,114
Net remeasurement of loss allowance	(8,011)	3,709
Balance at 31 March	1,812	9,823

30. FINANCIAL INSTRUMENTS (CONT'D)

30.5 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.

30. FINANCIAL INSTRUMENTS (CONT'D)

30.5 Liquidity risk (cont'd)

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							
2023							
Non-derivative financial liabilities							
Trade and other payables	166,962	–	166,962	166,962	–	–	–
Other payables	21,573	4.15	24,258	895	895	22,468	–
Secured hire purchase liabilities	29,057	4.00 - 6.46	31,765	13,430	7,770	10,565	–
Secured term loans	474,533	4.15 - 5.69	702,672	37,651	42,792	140,683	481,546
Secured Islamic term loans	478,343	4.25 - 5.21	628,445	48,376	51,791	137,129	391,149
Unsecured revolving credits	145,811	4.26 - 5.01	146,219	146,219	–	–	–
Unsecured Islamic revolving credits	23,000	4.18 - 4.98	23,104	23,104	–	–	–
Unsecured bankers' acceptances	100,618	2.83 - 6.35	100,618	100,618	–	–	–
Unsecured Islamic trade bills	10,000	4.75 - 4.85	10,000	10,000	–	–	–
Unsecured bank overdrafts	27,950	4.07 - 6.89	27,950	27,950	–	–	–
Unsecured Islamic bank overdraft	6,185	5.06 - 5.70	6,185	6,185	–	–	–
Lease liabilities	112,331	2.18 - 5.00	136,975	27,116	18,824	33,963	57,072
Financial guarantees*		–	19,896	19,896	–	–	–
	1,596,363		2,025,049	628,402	122,072	344,808	929,767

30. FINANCIAL INSTRUMENTS (CONT'D)

30.5 Liquidity risk (cont'd)

Maturity analysis (cont'd)

Group	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
2022							
Non-derivative financial liabilities							
Trade and other payables	113,016	–	113,016	113,016	–	–	–
Secured hire purchase liabilities	34,815	3.78 - 6.46	37,849	15,702	11,146	11,001	–
Secured term loans	245,100	3.15 - 4.07	293,760	26,037	25,216	105,065	137,442
Secured Islamic term loans	486,538	3.33 - 4.15	630,643	41,021	51,354	144,208	394,060
Unsecured revolving credits	135,500	3.12 - 4.00	135,860	135,860	–	–	–
Unsecured Islamic revolving credits	20,500	3.30 - 3.43	20,561	20,561	–	–	–
Unsecured bankers' acceptances	55,736	1.84 - 3.57	55,736	55,736	–	–	–
Unsecured Islamic trade bills	7,482	3.00 - 3.10	7,482	7,482	–	–	–
Unsecured bank overdrafts	19,470	4.07 - 6.89	19,470	19,470	–	–	–
Unsecured Islamic bank overdraft	4,452	5.06 - 5.70	4,452	4,452	–	–	–
Lease liabilities	94,801	3.50 - 5.00	118,385	25,187	16,119	26,657	50,422
Financial guarantees*	–	–	21,093	21,093	–	–	–
	1,217,410		1,458,307	485,617	103,835	286,931	581,924

30. FINANCIAL INSTRUMENTS (CONT'D)

30.5 Liquidity risk (cont'd)

Maturity analysis (cont'd)

Company	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
2023							
Non-derivative financial liabilities							
Trade and other payables	6,581	–	6,581	6,581	–	–	–
Secured term loans	9,925	4.55	11,570	1,650	1,650	4,949	3,321
Unsecured bankers' acceptances	10,080	2.83 - 4.34	10,080	10,080	–	–	–
Revolving credit	5,311	5.01	5,578	5,578	–	–	–
Lease liabilities	1,593	4.60	2,145	156	156	468	1,365
Financial guarantees*	–	–	1,287,679	1,287,679	–	–	–
	33,490		1,323,633	1,311,724	1,806	5,417	4,686
2022							
Non-derivative financial liabilities							
Trade and other payables	4,132	–	4,132	4,132	–	–	–
Secured term loans	11,110	3.55	12,745	1,591	1,591	4,771	4,792
Unsecured bankers' acceptances	8,266	1.84 - 2.74	8,266	8,266	–	–	–
Lease liabilities	509	3.50	550	120	120	310	–
Financial guarantees*	–	–	1,009,821	1,009,821	–	–	–
	24,017		1,035,514	1,023,930	1,711	5,081	4,792

* The amount represents the outstanding banking facilities of the subsidiaries and an associate as at the end of the reporting period.

30. FINANCIAL INSTRUMENTS (CONT'D)

30.6 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	
	2023	**2022**
	RM'000	**RM'000**
Group		
Trade and other receivables	10,140	10,983
Cash and cash equivalents	201	891
Trade and other payables	3	1
Net exposure	10,344	11,875

Currency risk sensitivity analysis

A 10% (2022: 10%) strengthening of the Ringgit Malaysia against SGD at the end of the reporting period would have decreased post-tax profit or loss by RM786,000 (2022: RM903,000). 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% (2022: 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.

30. FINANCIAL INSTRUMENTS (CONT'D)

30.6 Market risk (cont'd)

Interest rate risk (cont'd)

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	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Fixed rate instruments				
Financial assets	85,620	77,300	261,901	235,300
Financial liabilities	(308,486)	(254,033)	(15,390)	(8,266)
Lease liabilities	(112,331)	(94,801)	(1,594)	(509)
	(335,197)	(271,534)	244,917	226,525
Floating rate instruments				
Financial liabilities	(987,011)	(755,560)	(9,925)	(11,110)

Interest rate risk sensitivity analysis

(a) Fair value sensitivity analysis for fixed rate instruments

The Group and the Company do not account for any fixed rate financial assets and liabilities at fair value through profit or loss, and the Group and the Company do 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 RM7,501,000 (2022: RM5,742,000) and RM75,000 (2022: RM84,000) 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

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.

30. FINANCIAL INSTRUMENTS (CONT'D)

30.6 Market risk (cont'd)

Other price risk (cont'd)

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% (2022: 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 RM1,627,000 (2022: RM3,022,000) and RM1,626,000 (2022: RM3,021,000) respectively. A 10% (2022: 10%) weakening in FBMKLCI would have had equal but opposite effect on the post-tax profit or loss.

30.7 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) an associate/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				
2023				
Financial assets				
Other investments	16,271	–	16,271	16,271
Financial liabilities				
Term loans	–	(952,876)	(952,876)	(952,876)
Hire purchase liabilities	–	(29,188)	(29,188)	(29,057)
	–	(982,064)	(982,064)	(981,933)
2022				
Financial assets				
Other investments	30,222	–	30,222	30,222
Financial liabilities				
Term loans	–	(731,638)	(731,638)	(731,638)
Hire purchase liabilities	–	(35,782)	(35,782)	(34,815)
	–	(767,420)	(767,420)	(766,453)

30. FINANCIAL INSTRUMENTS (CONT'D)

30.7 Fair value information (cont'd)

	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
Company				
2023				
Financial assets				
Other investments	16,261	–	16,261	16,261
Financial liabilities				
Term loans	–	(9,925)	(9,925)	(9,925)
2022				
Financial assets				
Other investments	30,212	–	30,212	30,212
Financial liabilities				
Term loans	–	(11,110)	(11,110)	(11,110)

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 (2022: no transfer in either directions).

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.

31. 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 2023 and at 31 March 2022 were as follows:

	2023 RM'000	2022 RM'000
Total loans and borrowings (Note 17)	1,295,497	1,009,593
Total equity attributable to owners of the Company	889,787	789,169
Gearing ratio	1.5	1.3

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 gearing ratio as disclosed in Note 17, failing which, the bank may call an event of default.

32. 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 subsidiaries, associates, joint venture and key management personnel.

32. RELATED PARTIES (CONT'D)

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 11 and 16.

		Company	
		2023	**2022**
		RM'000	**RM'000**
	<u>Transactions</u>		
A.	**Subsidiaries**		
	Interest income	7,461	8,403
	Interest expense	–	(183)
	Dividend income	–	7,000
	Sales of diesel, NGV gas and canvas	43,648	43,788
	Storage income	1,024	1,024
	Storage expense	(96)	(96)
B.	**Associates**		
	Interest income	3,129	2,114
	Dividend income	305	–
C.	**Companies in which certain Directors have financial interest**		
	Sales of diesel, NGV gas and canvas	260	279
D.	**Key management personnel**		
	Directors		
	- Fee	380	369
	- Remuneration	52	50
		432	419

32. RELATED PARTIES (CONT'D)

Significant related party transactions (cont'd)

	Group 2023 RM'000	Group 2022 RM'000
A. Associates		
Interest income	3,129	2,114
B. Companies in which certain Directors' close family members have financial interest		
Loading and unloading expense	–	(86)
Construction of warehouse	(195)	(3,660)
Lease expenses	(29,965)	(27,587)
Freight charges expense	(243)	(990)
C. Companies in which certain Directors have financial interest		
Sales of diesel, NGV, cargo and canvas	260	279
Freight charges income	3,844	4,205
Freight charges expenses	(14,533)	(12,442)
Rental income on land and buildings	982	917
Lease expenses	(9,039)	(6,769)
Repair and maintenance	(5,049)	(4,563)
Purchase of tyres and tubes	(5,522)	(6,118)
Custom forwarding expense	(7,704)	(5,215)
Project management fee	128	213
D. Key management personnel		
Directors		
- Remuneration	3,913	2,431
- Fee	380	369
Total short-term employee benefits	4,293	2,800
Other key management personnel		
- Wages, salaries and others	9,785	9,209
- Contributions to state plans	1,065	1,023
	10,850	10,232
	15,143	13,032

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.

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 66 to 159 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 2023 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: 27 July 2023

STATUTORY DECLARATION PURSUANT TO

SECTION 251(1)(b) OF THE COMPANIES ACT 2016

I, **Law Tik Long**, the Director 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 66 to 159 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 abovenamed Law Tik Long, NRIC: 740224-01-5089, MIA CA 18452, at Johor Bahru in the State of Johor on 27 July 2023.

Law Tik Long

Before me:

Lim May Wan
Commissioner For Oaths
J-353

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 2023 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 66 to 159.

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 2023, 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 2023, property, plant and equipment and right-of-use assets with carrying amount of RM317 million and RM42 million respectively were stated at their fair values based on independent external valuations performed in 2023. 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.

Key Audit Matters (cont'd)

(i) Valuation of property, plant and equipment and right-of-use assets - Group (cont'd)

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 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 trade receivables from the logistics and warehousing services segment - Group

Refer to Note 2(k)(i) - Significant accounting policy: Impairment and Note 11 - Trade and other receivables and Note 30.4 - 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*.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TIONG NAM LOGISTICS HOLDINGS BERHAD (CONT'D)

Key Audit Matters (cont'd)

(iii) 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 RM391 million and RM35 million respectively as at 31 March 2023 are 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.

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 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.

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.

Auditors' Responsibilities for the Audit of the Financial Statements (cont'd)

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.

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

Chua See Guan
Approval Number: 03169/02/2025 J
Chartered Accountant

Johor Bahru

Date: 27 July 2023

ANALYSIS OF SHAREHOLDINGS

AS AT 30 JUNE 2023

Total Number of Issued Shares	:	527,825,486
Class of Shares	:	Ordinary Share
Voting Rights	:	One (1) Vote Per Ordinary Share
Number of Shareholders	:	5,812

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	Number of Shareholders	%	Number of Shares Held	%
Less than 100	451	7.759	15,213	0.002
100 to 1,000	526	9.051	288,212	0.057
1,001 to 10,000	2,721	46.817	14,352,330	2.793
10,001 to 100,000	1,784	30.696	53,003,041	10.311
100,001 to less than 5% of issued shares	328	5.643	308,388,980	59.992
5% and above of issued shares	2	0.034	137,997,415	26.845
Total	5,812	100.000	514,045,191	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. Christina Ong Chu Voon	–	–	–	–
6. Chang Chu Shien	2,080,000	0.405	–	–
7. Datuk Haji Muhamad Shapiae bin Mat Ali	–	–	–	–
8. Chen Kuok Chin	–	–	1,226,700	0.238
9. Tan Chuan Gor	–	–	–	–
10. Law Tik Long	45,400	0.009	–	–

LIST OF SUBSTANTIAL SHAREHOLDERS

Name	Interest in Shares			
	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 13,780,295 ordinary shares held as Treasury Shares.*

ANALYSIS OF SHAREHOLDINGS
(CONT'D)

LIST OF THIRTY LARGEST SHAREHOLDERS
As At 30 June 2023

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	60,000,000	11.672
3	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR TNTT REALTY SDN BHD (PB)	23,000,000	4.474
4	AMSEC NOMINEES (TEMPATAN) SDN BHD AMBANK (M) BERHAD	19,693,600	3.831
5	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR BAKAT IMPIAN SDN BHD (8124505)	14,978,000	2.913
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	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TNTT REALTY SDN BHD	13,098,000	2.548
9	HLIB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ONG YOONG NYOCK	10,000,000	1.945
10	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ONG YOONG NYOCK (CEB)	7,353,100	1.430
11	HLB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TNTT REALTY SDN BHD	7,000,000	1.361
12	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR YONG KWEE LIAN	6,650,000	1.293
13	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ONG YOONG NYOCK	6,632,040	1.290
14	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR ONG YOONG NYOCK (M04)	5,950,000	1.157
15	UOB KAY HIAN NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TEO KWEE HOCK	5,053,600	0.983
16	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ONG YOONG NYOCK	5,000,000	0.972
17	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR RENITRANS SDN BHD (501392110894)	4,488,000	0.873

LIST OF THIRTY LARGEST SHAREHOLDERS (CONT'D)
As At 30 June 2023

No.	Name	Number of Shares	%*
18	PHILLIP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ONG YOONG NYOCK	3,544,060	0.689
19	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ONG YOONG NYOCK	3,458,480	0.672
20	AMBANK (M) BERHAD PLEDGED SECURITIES ACCOUNT FOR ONG YOONG NYOCK (SMART)	3,404,500	0.662
21	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHEONG BOON LONG (E-TSA)	3,230,000	0.628
22	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ANG CHIN WOI (E-SPT/MIN)	3,140,000	0.610
23	TAJUKON SDN BHD	3,100,000	0.603
24	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR CHEONG BOON LONG (PB)	3,000,000	0.583
25	HLIB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ASTINAS CONSTRUCTION & DEVELOPMENT SDN. BHD. (MG0037-222)	2,650,598	0.515
26	TEO KWEE HOCK	2,637,502	0.513
27	HLB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ONG YOONG NYOCK	2,550,000	0.496
28	THROTECH INDUSTRIES SDN.BHD	2,500,000	0.486
29	BAKAT IMPIAN SDN BHD	2,468,400	0.480
30	MAYBANK NOMINEES (TEMPATAN) SDN BHD SURAYA BINTI AB MAJID	2,325,500	0.452
TOTAL		**333,108,165**	**64.790**

LIST OF PROPERTIES

AS AT 31 MARCH 2023

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 2023 (RM)
H.S.(D) 79959 PT 14386 Mukim Damansara Daerah Petaling	5 Blocks of warehouses cum office	Office & warehouse	Leasehold 70 years	26.09. 2092	Land 871,152 Built up 604,510	16	Mar-21	187,091,501
H.S.(M) 4392 PTD 112714, MK Senai - Kulai	2 Blocks of Warehouse	Warehouse	Freehold		Land 987,357 Built up 527,022	4	Mar-23	143,500,000
H.S.(D) 620623 PTD 209393, Mukim Tebrau, Johor	Warehouse	Warehouse	Freehold		Land 2,178,000		Mar-23	117,600,000
PT 853, (HSD 316148) Lion Industrial Park Shah Alam	4 Blocks of warehouses/ office cum canteen	Office warehouse & Coldrooms	Freehold		Land 564,996 Built up 302,909	27	Mar-21	114,771,976
H.S.(D) 303868 PTD 2423 (Plot D28A) Mukim of Tanjung Kupang District of Johor Bahru	Warehouse	Warehouse	Leasehold 33 years	22.03. 2055	Land 435,600 Built up 272,217	4	Mar-23	71,800,000
D25A (PTD 2423, HS(D) 303868) Mukim of Tanjung Kupang District of Johor Bahru	Warehouse	Warehouse	Leasehold 33 years	22.03. 2055	Land 221,241 Built up 252,780	6	Mar-23	57,200,000
PTD 171026 - 171029 & PTD 175231 - PTD 175235, Mukim Of Plentong, District Of Johor Bahru	Residential Development	Vacant land	Freehold		Land 4,927,507		Nov-14	69,299,173
LOT PT 3925, Seksyen 39, title HS(M) 16450 (formerly LOT 3176), Section 39, Bandar Kulim, District Kulim, Kedah	Office/ warehouse	Warehouse	Freehold		Land 612,789 Built up 125,703	1	Mar-23	50,300,000
H.S.(D) 84877 PTD 11971, Mukim of Krubong, District of Melaka Tengah.	Warehouse	Warehouse	Freehold		Land 357,082 Built up 211,857	7	Mar-23	47,300,000
PLO 232, Tanjung Langsat Marine Terminal, Kompleks Perindustrian Tanjung Langsat, Pasir Gudang, Johor	Warehouse	Warehouse	Leasehold 23 years	15.11. 2045	Land 871,200 Built up 141,605	6	Mar-21	43,328,660

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Thirty-Fourth (34th) Annual General Meeting ("34th AGM" or "AGM") of **TIONG NAM LOGISTICS HOLDINGS BERHAD** will be held virtually through live streaming from the Broadcast Venue at Lot 30462, Jalan Kempas Baru, 81200 Johor Bahru, Johor Darul Takzim, Malaysia and Remote Participation and Voting facilities provided by Tricor Investor & Issuing House Services Sdn. Bhd. ("Tricor") via its TIIH Online website at https://tiih.online on Saturday, 26 August 2023 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 2023 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 Regulation in the Constitution of the Company:

Dato' Fu Ah Kiow @ Oh (Fu) Soon Guan	- Regulation 104	**Resolution 1**
Ong Wei Kuan	- Regulation 104	**Resolution 2**
Chen Kuok Chin	- Regulation 104	**Resolution 3**
Tan Chuan Gor	- Regulation 111	**Resolution 4**
Law Tik Long	- Regulation 111	**Resolution 5**

3. To approve the payment of the Directors' Fees amounting to RM 379,619-00 in respect of the financial year ended 31 March 2023. **Resolution 6**

4. To appoint KPMG PLT as Auditors and to authorise the Directors to fix their remuneration. **Resolution 7**

AS SPECIAL BUSINESS

5. 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 subsection 2.3.1 as specified in the Circular to Shareholders dated 28 July 2023 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 9**

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 28 July 2023 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".

7. To consider and if thought fit, pass the following resolution as an ordinary resolution **Resolution 10**

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 28 July 2023 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 thought fit, to pass with or without modifications the following resolutions: **Resolution 11**

Proposed Renewal of Shareholders' approval for Share Buy-Back ("Proposed Renewal of Share Buy-Back")

"**THAT** subject to the provisions of the CA 2016, the Constitution of the Company, the Main Market Listing Requirements ("**MMLR**") of Bursa Securities and/or regulatory authorities, the Company be and is hereby authorised to purchase such number 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 of the Company may deem fit, necessary and expedient in the interest of the Company provided that the aggregate number of shares purchased pursuant to this resolution shall not exceed ten percent (10%) of the total number of issued shares of the Company at any point in time; and the Directors of the Company shall allocate an amount of funds which will not be more than the aggregate sum of the retained profits of the Company based on the latest audited financial statements and/or the latest management accounts (where applicable) available at the time of purchase of the Proposed Renewal of Share Buy-Back.

THAT the Directors of the Company be and is hereby authorised to deal with the shares purchased at their absolute discretion, either partially or fully, in the following manner:

a) cancel all the shares so purchased; or
b) distribute the shares as share dividends to the shareholders; or
c) resell the shares through Bursa Securities in accordance with the rules of Bursa Securities; or
d) transfer the shares for the purpose of or under an employees' share scheme; or
e) transfer the shares as purchase consideration; or
f) such other manners as may be permitted by the CA 2016, the MMLR of Bursa Securities and any other relevant authorities for the time being in force.

THAT the Directors of the Company be and is hereby authorised to take all such necessary steps to give effect to the Proposed Renewal of Share Buy-Back with full powers to assent to any conditions, variations, modifications and/or amendments in any manner as may be required by the relevant authorities or deemed by the Directors to be in the best interest of the Company, and to take all steps and to do all such acts and matters as they may consider necessary or expedient to implement, finalise and give full effect to the Proposed Renewal of Share Buy-Back.

AND THAT the authority conferred by this resolution shall commence immediately upon the passing of this resolution and continue to be in force until:

a) the conclusion of the next AGM of the Company at which time the authority shall lapse, unless by ordinary resolution passed at the meeting, the authority is renewed either unconditionally or subject to conditions; or
b) the expiration of the period within the next AGM of the Company is required by law to be held; or
c) revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting,

whichever occurs first."

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 thought fit, to pass with or without modifications the following resolutions: **Resolution 12**

Proposed authority to issue and allot shares by the Directors pursuant to Sections 75 and 76 of the Companies Act 2016 ("CA 2016") and waiver of pre-emptive rights pursuant to the CA 2016

"**THAT** pursuant to Sections 75 and 76 of the CA 2016, the Directors be and are hereby authorised to issue and allot shares in the Company at any time, at such price, upon such terms and conditions, for such purposes and to such person or persons whomsoever as the Directors may in their absolute discretion, deem fit provided that the aggregate number of shares to be issued does not exceed ten percent (10%) of the total number of issued shares (excluding treasury shares) of the Company at the time of issue **AND THAT** the Directors be and are also authorised to obtain the approval of Bursa Malaysia Securities Berhad ("Bursa Securities") for listing of and quotation for the additional shares so issued AND THAT such authority shall continue to be in force until the conclusion of the next AGM of the Company.

THAT in connection with the above, pursuant to Section 85 of the CA 2016 to be read together with Clause 13 of the Constitution of the Company, the shareholders do hereby waive the statutory pre-emptive rights of the offered shares in proportion of their holdings at such price and at such terms to be offered arising from any issuance of the new shares above by the Company."

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

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 **18 August 2023** 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

TAI YIT CHAN (MAICSA 7009143)
SSM Practising Cert. No.: 202008001023

SANTHI A/P SAMINATHAN (MAICSA 7069709)
SSM Practising Cert. No.: 201908002933

LAW TIK LONG (MIA 18452)
SSM Practising Cert. No.: 201908003258
Secretaries

Date: 28 July 2023

***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 6, 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 379,619-00 is for the period of 1 April 2022 to 31 March 2023.

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 35 in this Annual Report 2023.

4. Appointment of Auditors

Ordinary Resolution 7, 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. 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 7, 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 34th AGM will be conducted virtually through live streaming from the Broadcast Venue at Lot 30462, Jalan Kempas Baru, 81200 Johor Bahru, Johor Darul Takzim, Malaysia and Remote Participation and Voting facilities provided by Tricor Investor & Issuing House Services Sdn. Bhd. ("Tricor") via its 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 34th 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 34th 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 34th 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 34th 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 34th 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 34th 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 (with the Share Registrar of the Company at 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, Malaysia or alternatively, Tricor Customer Services Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, 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 34th 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, 24 August 2023 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 (with the Share Registrar of the Company at 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, Malaysia or alternatively, Tricor Customer Services Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia) not less than forty-eight (48) hours before the time appointed for holding the 34th 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 (with the Share Registrar of the Company at 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, Malaysia or alternatively, Tricor Customer Services Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, 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 18 August 2023 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.

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. 8,9 and 10 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 28 July 2023. 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 28 July 2023 which was dispatched together with the Company's 2023 Annual Report.

ii. Proposed Renewal of Share Buy-Back Authority

The proposed Resolution No. 11, 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 28 July 2023 which is dispatched together with the Company's 2023 Annual Report.

iii. Proposed authority to issue and allot shares by the Directors pursuant to Sections 75 and 76 of the CA 2016 and waiver of pre-emptive rights pursuant to the CA 2016

The Proposed authority to issue shares, Ordinary Resolution 12, if passed, will give the Directors of the Company, from the date of the 34th AGM, authority to issue not more than ten percent (10%) of the total number of issued shares of the Company for such purposes as they consider would be in the best interest of the Company without having to convene separate general meetings. Such issuance of shares will still be subject to the approvals of the Securities Commission and Bursa Securities. This authority, unless revoked or varied at a General Meeting, will expire at the conclusion of the next AGM of the Company.

The rationale for this resolution is to eliminate the need to convene general meeting(s) from time to time to seek shareholders' approval as and when the Company issues new shares and thereby reducing administrative time and cost associated with the convening of such meeting(s).

The mandate sought under Ordinary Resolution 12 above is a renewal of an existing mandate. There was no issuance of share and thus no proceed being raised since the last renewal was sought.

The renewal of the general mandate above, if approved will provide flexibility to the Company for any potential fund-raising activities and there is no specific purpose and utilisation for the proceeds to be raised under this mandate. Hence, the proceed to be raised, if any, may be used for funding future investments, working capital, repayment of bank borrowings and/or any acquisition.

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.

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-Fourth Annual General Meeting of the Company to be held at ____________________
on Saturday, 26 August 2023 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 – Dato' Fu Ah Kiow @ Oh (Fu) Soon Guan		
2.	Re-election of Director – Ong Wei Kuan		
3.	Re-election of Director – Chen Kuok Chin		
4.	Re-election of Director – Tan Chuan Gor		
5.	Re-election of Director – Law Tik Long		
6.	Payment of Directors' Fees of RM 379,619-00		
7.	Appointment of KPMG PLT as Auditors		
SPECIAL BUSINESS			
8.	Proposed Shareholders' Mandate for Recurrent Related Party Transactions - Mr Ong Yoong Nyock and Madam Yong Kwee Lian		
9.	Proposed Shareholders' Mandate for Recurrent Related Party Transactions – Mr Ong Wei Kuan		
10.	Proposed Shareholders' Mandate for Recurrent Related Party Transactions – Mr Chang Chu Shien		
11.	Proposed Renewal of Share Buy-Back Authority		
12.	Proposed authority to issue shares pursuant to Section 75 and 76 of the Companies Act 2016		

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 ______________ 2023

Signature of Member ______________________

No. of shares held ______________________

Notes:

1. *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.*
2. *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.*
3. *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.*
4. *The Proxy Form must be signed by the member and in the case of a corporation, executed under its common seal or attorney duly authorised in writing or in that behalf. In the case of joint holders, all holders must sign the Proxy Form.*
5. *The Proxy Form must be deposited at the Share Registrar of the Company at 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, Malaysia or alternatively, Tricor Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia not less than 48 hours before the time of holding the Meeting or any adjournment thereof. The last date and time to lodge this proxy form is on Thursday, 24 August 2023 at 9:30 a.m.*

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AFFIX
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Tiong Nam Logistics Holdings Berhad
Suite 9D, Level 9, Menara Ansar,
65 Jalan Trus,
80000 Johor Bahru,
Johor Darul Takzim.

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6. *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 18 August 2023 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.*

Fold This Flap For Sealing

23

TIONG NAM LOGISTICS HOLDINGS BERHAD
198901005177 (182485-V)
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