

**(k) 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 value. For the purpose of the cash flow statement, cash and cash equivalents are presented net of bank overdrafts and pledged deposits, if any.

**(l) Payables**

Payables are measured initially and subsequently at cost. Payables are recognised when there is a contractual obligation to deliver cash or another financial asset to another entity.

**(m) Impairment of assets**

The carrying amounts of assets except for financial assets, inventories, investment property that is measured at fair value and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. 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. 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 groups of assets (the "cash-generating unit").

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount unless the asset is carried at a revalued amount, in which case the impairment loss is recognised directly against any revaluation surplus for the asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same asset. Impairment losses are recognised in the income statements. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (groups of units) on a pro rata basis.

Impairment losses recognised in prior periods are assessed at each reporting date 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. 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 the income statements in the year in which the reversals are recognised, unless it reverses an impairment loss on a revalued asset, in which case it is credited directly to revaluation surplus. Where an impairment loss on the same revalued asset was previously recognised in the income statements, a reversal of that impairment loss is also recognised in the income statements.

**(n) Loans and borrowings**

Loans and borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the income statement over the period of the loans and borrowings using the effective interest method.

**(o) Equity Instruments**

All equity instruments are stated at cost on initial recognition and are not re-measured subsequently.

**(i) Issue expenses**

Incremental costs directly attributable to issue of equity instruments are recognised as a deduction from equity.

**(ii) Repurchase of share capital**

When share capital recognised as equity is repurchased, the amount of the consideration paid, including directly attributable costs, is recognised as a deduction from equity and is not re-valued for subsequent changes in the fair value or market price of shares. Repurchased shares are classified as treasury shares and are presented as a deduction from total equity.

Where treasury shares are distributed as share dividends, the cost of the treasury shares is applied in the reduction of the share premium account or distributable reserves, or both.

Where treasury shares are reissued by re-sale in the open market, the difference between the sales consideration net of directly attributable costs and the carrying amount of the treasury shares is recognised in equity.

**(p) Tax expense**

Tax expense comprises current and deferred tax. Tax expense is recognised in the income statements except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for reporting purposes and the amounts used for taxation purposes. 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 (tax 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 balance sheet date.

Deferred tax liability is recognised for all taxable temporary differences.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Unutilised investment tax allowance are treated as tax base of assets and are recognised as a reduction of tax expense as and when they are utilised.

Company No. 182485-V
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**(q) Employee benefits*****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 provision is recognized 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.

The Group's contribution to statutory pension funds are charged to the income statements in the year to which they relate. Once the contributions have been paid, the Group has no further payment obligations.

**(r) 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.

Where the Group enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the Group considers these to be insurance arrangements, and accounts for them as such. In this respect, the Group treats the guarantee contract as a contingent liability until such time as it becomes probable that the Group will be required to make a payment under the guarantee.

**(s) Revenue recognition*****(i) Services rendered***

Revenue is recognised upon completion of rendering the transportation and related services.

***(ii) Rental income***

Rental income from investment property is recognised in the income statement 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 when the right to receive payment is established.

***(iv) Interest income***

Interest income is recognised in the income statement as it accrues, using the effective interest method.

**(t) Interest income and borrowing costs**

Interest income is recognised as it accrues, using the effective interest method.

All borrowing costs are recognised in the income statements using the effective interest method, in the period in which they are incurred except to the extent that they are capitalised as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to be prepared for its intended use.

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.

**(u) Earnings per share**

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. 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. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which comprise convertible Notes and share options granted to employees, if any.

**(v) Segment reporting**

A segment is a distinguishable component of the Group that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

### 3. Property, plant and equipment

	Land and buildings RM'000	Motor vehicles RM'000	Equipment, furniture and fittings RM'000	Total RM'000
<i>Group</i>				
<i>At cost/valuation</i>				
At 1 April 2008	90,468	152,043	26,207	268,718
Additions	17,355	4,560	1,781	23,696
Disposals	--	(4,176)	--	(4,176)
At 31 March 2009/1 April 2009	107,823	152,427	27,988	288,238
Additions	12,846	6,313	1,941	21,100
Transfer from investment property	515	--	--	515
Disposals	--	(44,246)	--	(44,246)
Reclassified to assets held for sale	--	(61,545)	(979)	(62,524)
At 31 March 2010	121,184	52,949	28,950	203,083
<i>Representing items at:</i>				
Cost	81,734	52,949	28,950	163,633
2006 valuation adopted by Directors	39,450	--	--	39,450
	121,184	52,949	28,950	203,083
<i>Accumulated depreciation</i>				
At 1 April 2008	2,608	93,026	18,718	114,352
Depreciation charge	2,326	11,496	1,401	15,223
Disposals	--	(2,925)	--	(2,925)
At 31 March 2009/1 April 2009	4,934	101,597	20,119	126,650
Depreciation charge	2,651	11,494	1,529	15,674
Disposals	--	(29,474)	--	(29,474)
Reclassified to assets held for sale	--	(43,471)	(844)	(44,315)
At 31 March 2010	7,585	40,146	20,804	68,535
<i>Carrying amounts</i>				
At 31 March 2010	113,599	12,803	8,146	134,548
At 31 March 2009	102,889	50,830	7,869	161,588

Company No. 182485-V

**3. Property, plant and equipment (continued)**

	<b>Freehold building RM'000</b>
<i>Company</i>	
<i>At cost/valuation</i>	
At 1 April 2008/31 March 2009	<u>1,070</u>
At 1 April 2009/31 March 2010	<u>1,070</u>
<i>Accumulated depreciation</i>	
At 1 April 2008	25
Depreciation charge	<u>28</u>
At 31 March 2009/1 April 2009	53
Depreciation charge	<u>29</u>
At 31 March 2010	<u>82</u>
<i>Carrying amounts</i>	
At 31 March 2010	<u>988</u>
At 31 March 2009	<u>1,017</u>

	<b>Group</b>		<b>Company</b>	
	2010	2009	2010	2009
	RM'000	RM'000	RM'000	RM'000
<i>Carrying amounts of land and buildings</i>				
<i>At valuation</i>				
Freehold land	25,094	25,094	--	--
Buildings	<u>13,127</u>	<u>13,633</u>	<u>686</u>	<u>706</u>
	38,221	38,727	686	706
<i>At cost</i>				
Land	<u>2,667</u>	<u>--</u>	<u>--</u>	<u>--</u>
Buildings	<u>72,711</u>	<u>64,162</u>	<u>302</u>	<u>311</u>
	75,378	64,162	302	311
	<u>113,599</u>	<u>102,889</u>	<u>988</u>	<u>1,017</u>

**Revaluation**

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

	<b>Group</b>		<b>Company</b>	
	2010	2009	2010	2009
	RM'000	RM'000	RM'000	RM'000
Freehold land	17,171	17,171	--	--
Buildings	<u>11,478</u>	<u>11,710</u>	<u>609</u>	<u>638</u>
	<u>28,649</u>	<u>28,881</u>	<u>609</u>	<u>638</u>

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 December 2005 to June 2006.

### 3. Property, plant and equipment (continued)

#### *Leased plant and machinery*

Included in property, plant and equipment of the Group are motor vehicles acquired under finance lease agreements with carrying amount of RM4,206,000 (2009: RM6,546,000). The leased motor vehicles secure lease obligations (see Note 16).

### 4. Investment properties

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
At 1 April	68,344	49,267	9,352	8,600
Additions	68	17,099	34	152
Disposals	(8,400)	--	--	--
Transfer to property, plant and equipment	(515)	--	--	--
Changes in fair value	982	1,978	(34)	600
At 31 March	<u>60,479</u>	<u>68,344</u>	<u>9,352</u>	<u>9,352</u>

Included in the above are:

Freehold land	57,024	63,439	9,352	9,352
Leasehold land with unexpired lease period of more than 50 years	1,080	1,080	--	--
Buildings	<u>2,375</u>	<u>3,825</u>	<u>--</u>	<u>--</u>
	<u>60,479</u>	<u>68,344</u>	<u>9,352</u>	<u>9,352</u>

All the investment properties were revalued in April 2010 by an independent professional valuer based on open market value basis using comparison method and cost method.

#### *Security*

Certain land and buildings of a subsidiary with net book value of RM12,800,000 (2009: RM11,900,000) are charged to a bank as security for bank guarantee facility granted to the Company.

The following are recognised in the income statement in respect of investment properties:

	Group	
	2010 RM'000	2009 RM'000
Rental income	1,172	1,283
Direct operating expenses		
- income generating investment properties	9	19
- non income generating investment properties	<u>41</u>	<u>55</u>

Company No. 182485-V

## 5. Prepaid lease payments

	Group	
	2010 RM'000	2009 RM'000
<i>At cost</i>		
At 1 April	30,761	29,309
Additions	268	1,452
Disposals	(267)	--
At 31 March	<u>30,762</u>	<u>30,761</u>
<i>Accumulated amortisation</i>		
At 1 April	1,370	861
Amortisation charge	500	509
At 31 March	<u>1,870</u>	<u>1,370</u>
<i>Carrying amounts</i>		
At 31 March	<u>28,892</u>	<u>29,391</u>

Included in the above are:

	Group	
	2010 RM'000	2009 RM'000
Leasehold land with:		
- unexpired lease period of more than 50 years	25,825	26,017
- unexpired lease period of less than 50 years	3,067	3,374
	<u>28,892</u>	<u>29,391</u>

## 6. Investments in subsidiaries

	Company	
	2010 RM'000	2009 RM'000
Unquoted shares, at cost	12,234	11,593
Less: Impairment losses		
At 1 April	1,320	650
Addition	--	670
At 31 March	<u>1,320</u>	<u>1,320</u>
	<u>10,914</u>	<u>10,273</u>

Details of the subsidiaries, which are all incorporated in Malaysia except as otherwise stated, are as follows:

Name of company	Percentage of shareholding		Principal activities
	2010 %	2009 %	
Tiong Nam Logistics Solutions Sdn. Bhd.	100	100	Transportation, warehousing and related services and property investment
Pacific Transport Sdn. Bhd.	100	100	Transportation services, property letting and trading of diesel and petrol. Subsequent to year end, the company ceased its transportation services.

## 6. Investments in subsidiaries (continued)

Name of company	Percentage of shareholding		Principal activities
	2010 %	2009 %	
Semangat Angkut Sdn. Bhd.	100	100	Transportation services
Pengangkutan Enepec Sdn. Bhd.	100	100	Transportation services
Jelas Bagus Sdn. Bhd.	100	100	Transportation and related services
Belaian Pinang Sdn. Bhd.	100	100	Transportation services
Anugerah Sensasi Sdn. Bhd.	100	100	Transportation services and property letting. Subsequent to year end, the Company ceased its transportation services
Front Field Sdn. Bhd.	100	100	Transportation services
Far East West Lands Sdn. Bhd.	100	100	Transportation services
Fair Vista Sdn. Bhd.	100	100	Property letting
Tiong Nam Logistics Sdn. Bhd.	100	100	Transportation, warehousing and related services
Tiong Nam Heavy Transport & Lifting Sdn. Bhd.	100	100	Transportation and related services
Tiong Nam Logistic (S) Pte. Ltd.* (Incorporated in the Republic of Singapore)	100	100	Property letting
TNTT Packages Express Pte. Ltd.* (Incorporated in the Republic of Singapore)	100	100	Provision of courier and related services
<b><i>Subsidiaries of Tiong Nam Logistics Solutions Sdn. Bhd.</i></b>			
Japan Original Electric (M) Sdn. Bhd.	100	100	Dormant
Tiong Nam Truck Rental Services Sdn. Bhd.	100	100	Letting of forklift and trucks
Tiong Nam Coldroom & Distribution Centre Sdn. Bhd.	100	100	Management of cold room storage and distribution services
Melatrans Sdn. Bhd.	100	100	Dormant
Triumph Alliance Sdn. Bhd. ©	95	95	Transportation and related services
TNTT Packages Express Sdn. Bhd.	60	60	Provision of courier and related services

Company No. 182485-V
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## 6. Investments in subsidiaries (continued)

Name of company	Percentage of shareholding		Principal activities
	2010 %	2009 %	
<i>Subsidiary of TNTT Packages Express Sdn. Bhd.</i>			
Tiong Nam Resources Sdn. Bhd.	60	100 @	Sales agent for air, land and sea logistics activities

\* Audited by other firm of accountants

@ Owned by Tiong Nam Logistics Holdings Berhad in prior year

© Reclassified to assets held for sale (Note 13)

## 7. Investment in an associate

	Group/Company	
	2010 RM'000	2009 RM'000
Unquoted shares, at cost	155	155

The Group's share of post acquisition results and reserves of the associate has not been included in the consolidated financial statements under the equity method as the effect is not material.

Had the equity method been applied, the Group's share of post acquisition results and reserves in the associate would be as follows:

	Group	
	2010 RM'000	2009 RM'000
Unquoted shares, at cost	155	155
Share of post acquisition reserves	209	213
	364	368
Represented by:		
Share of net assets in an associate	364	368

Company No. 182485-V
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## 7. Investment in an associate (continued)

Summarised financial information of the associate, which is incorporated in the Republic of Singapore, is as follows:

Name of company	Effective ownership interest (%)	Revenue (100%) RM'000	Profit (100%) RM'000	Total assets (100%) RM'000	Total liabilities (100%) RM'000
<b>2010</b>					
Bechtrans International (S) Pte. Ltd.	26	9,960	16	3,568	(1,873)
<b>2009</b>					
Bechtrans International (S) Pte. Ltd.	26	12,237	39	4,427	(2,701)

The associate has no contingent liabilities as at year end.

## 8. Investment in a jointly controlled entity

The Group's interest in the assets and liabilities, revenue and expenses of a jointly controlled entity are as follows:

	Group	
	2010 RM'000	2009 RM'000
Property, plant and equipment	4,059	4,309
Current assets	1,305	2,033
Current liabilities	(875)	(1,418)
Non-current liabilities	(2,862)	(3,337)
Net assets	<u>1,627</u>	<u>1,587</u>
Profit before tax	91	226
Tax expense	(51)	(67)
Profit after tax	<u>40</u>	<u>159</u>

The jointly controlled entity has no contingent liabilities as at year end.

Details of the jointly controlled entity are as follows:

Name of company	Place of incorporation	Percentage of shareholding		Principal activities
		2010 %	2009 %	
Tiong Nam Allied Container Depot Services Sdn. Bhd.	Malaysia	50	50	Storage and management of empty containers

The results of the jointly controlled entity was equity accounted based on the management accounts as at 31 December 2009.

Company No. 182485-V
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## 9. Other investments

	Group/Company	
	2010 RM'000	2009 RM'000
Unquoted		
- subordinated bonds	2,360	2,360
- bonds	44,500	44,500
	<u>46,860</u>	<u>46,860</u>
Less: Allowance for diminution in value	<u>(2,360)</u>	<u>(2,360)</u>
	44,500	44,500
Quoted shares, in Malaysia	10,198	1,959
Less: Allowance for diminution in value	--	(611)
	<u>10,198</u>	<u>1,348</u>
	<u>54,698</u>	<u>45,848</u>
Market value of quoted shares	<u>10,858</u>	<u>1,348</u>

The investment in unquoted bonds represents RM44.5 million 11% Class D Sukuk bond in accordance with the assets backed securitisation scheme of the Company.

The salient features of Class D Sukuk bonds are as follows:-

- the coupon interest from Class D Sukuk bonds will only be receivable at end of year 10; and
- in the event of default by the Issuer, Class D Sukuk bonds will rank behind Class A, B and C Sukuk bonds in terms of principal repayment.

Quoted shares in Malaysia with carrying amount of RM1.772 million (2009: NIL) are pledged for share margin facility granted to the Company.

## 10. Deferred tax assets and liabilities

### Recognised deferred tax assets and liabilities

The amounts determined after appropriate offsetting are as follows:

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Deferred tax assets	(1,069)	--	--	--
Deferred tax liabilities	<u>7,526</u>	<u>9,006</u>	<u>2,312</u>	<u>1,325</u>
	<u>6,457</u>	<u>9,006</u>	<u>2,312</u>	<u>1,325</u>

Company No. 182485-V

**10. Deferred tax assets and liabilities (continued)**

Deferred tax assets and liabilities are attributable to the following:

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Property, plant and equipment				
- capital allowances	5,914	11,337	--	--
- revaluation	1,859	2,203	--	--
Trade receivables	(1,692)	(1,038)	--	--
Provisions	(30)	(28)	--	--
Unabsorbed capital allowances	(1,071)	(660)	--	--
Unutilised tax losses	(30)	(3,213)	--	--
Deferred income	(805)	(920)	--	--
Bond interest receivables	2,312	1,325	2,312	1,325
	<u>6,457</u>	<u>9,006</u>	<u>2,312</u>	<u>1,325</u>

**Unrecognised deferred tax assets**

Deferred tax assets have not been recognised in respect of the following items:

	Group	
	2010 RM'000	2009 RM'000
Taxable temporary differences		
- capital allowances	230	2,063
Trade receivables	(574)	(2,753)
Unabsorbed capital allowances	(100)	(1,435)
Unutilised tax losses	(301)	(635)
	<u>(745)</u>	<u>(2,760)</u>

The unabsorbed capital allowances and unutilised tax losses do not expire under current tax legislation. 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 subsidiaries can utilise the benefits there from.

Movement in temporary differences during the year.

	At	Recognised	Recognised	At	Recognised	Liabilities	At
	1 April 2008 RM'000	in income statements RM'000	in revaluation reserves RM'000	31 March 2009 RM'000	in income statements RM'000	classified as held for sale RM'000	31 March 2010 RM'000
<b>Group</b>							
Property, plant and equipment							
- Capital allowances	11,403	(66)	--	11,337	(1,957)	(3,466)	5,914
- Revaluation, net of related depreciation	2,920	(350)	(367)	2,203	(344)	--	1,859
Trade receivables	(761)	(277)	--	(1,038)	(654)	--	(1,692)
Provisions	(38)	10	--	(28)	(2)	--	(30)
Unabsorbed capital allowances	(428)	(232)	--	(660)	(411)	--	(1,071)
Unutilised tax losses	(3,535)	322	--	(3,213)	730	2,453	(30)
Deferred income	--	(920)	--	(920)	115	--	(805)
Bond interest receivables	406	919	--	1,325	987	--	2,312
	<u>9,967</u>	<u>(594)</u>	<u>(367)</u>	<u>9,006</u>	<u>(1,536)</u>	<u>(1,013)</u>	<u>6,457</u>
<b>Company</b>							
Bond interest receivables	406	919	--	1,325	987	--	2,312

## 11. Trade and other receivables

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
<i>Non-current</i>				
Other receivables	10,762	6,811	10,762	6,811
Due from subsidiaries – non-trade	--	--	50,326	71,514
	<u>10,762</u>	<u>6,811</u>	<u>61,088</u>	<u>78,325</u>
<i>Current</i>				
Trade receivables	66,769	75,567	--	--
Other receivables, deposits and prepayments	18,750	14,982	1	1
	<u>85,519</u>	<u>90,549</u>	<u>1</u>	<u>1</u>
	<u>96,281</u>	<u>97,360</u>	<u>61,089</u>	<u>78,326</u>

Included in other receivables, deposits and prepayments are:

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Other debtors	1,549	2,406	--	--
Outstanding sales proceed from the disposal of property	839	--	--	--
Due from a jointly controlled entity	2,450	2,775	--	--
Deposits for purchase of property, plant and equipment	6,545	547	--	--
Deposits for rental and utilities	6,355	8,231	1	1
Prepayments	1,012	1,023	--	--
	<u>18,750</u>	<u>14,982</u>	<u>1</u>	<u>1</u>

Included in the trade receivables of the Group are allowance for doubtful debts of RM10,141,546 (2009: RM8,888,000). Allowance for doubtful debts is made for debtors that the management considers the recoverability to be doubtful.

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

	Group	
	2010 RM'000	2009 RM'000
Trade	4,374	3,709
Non-trade	24	144
	<u>4,398</u>	<u>3,853</u>
Key management personnel – non-trade	30	30
	<u>4,428</u>	<u>3,883</u>

## 11. Trade and other receivables (continued)

The non-current other debtors represent interest receivable from the unquoted bonds (Note 9) which will be receivable in year 2018 in accordance with the assets backed securitisation scheme of the Company.

The amounts due from subsidiaries are non-trade in nature and unsecured. Interests are charged at a fixed rate of 3.15% (2009: 3.15%) per annum on monthly outstanding balances.

Significant receivables outstanding at year end that are not in the functional currency of the Group entities are as follows:

	Group	
	2010 RM'000	2009 RM'000
<b>Foreign currency</b>		
SGD	10,563	10,671
Thai Baht	1,982	523
USD	84	39
	<u>12,629</u>	<u>11,233</u>

## 12. Inventories

	Group	
	2010 RM'000	2009 RM'000
Trading stocks	2,251	1,340
	<u>2,251</u>	<u>1,340</u>

## 13. Assets classified as held for sale

On 19 March 2010, the Company entered into agreement with a third party to dispose its entire shareholding in a subsidiary, Triumph Alliance Sdn. Bhd. for sales consideration equivalent to the net tangible assets as at the date of completion of the proposal. The Company is not expected to realise any gains or losses from this disposal. As at 31 March 2010, the assets and liabilities of the subsidiary are as follows (see Note 32):

	2010 RM'000	2009 RM'000
<b>Assets classified as held for sale</b>		
Property, plant and equipment	16,581	--
Trade and other receivables	657	--
Cash and cash equivalents	9	--
	<u>17,247</u>	<u>--</u>
Motor vehicles (Note 13.1)	1,628	--
Assets classified as held for sale	<u>18,875</u>	<u>--</u>
<b>Reserves</b>		
Amount recognised directly in equity relating to assets held for sale	920	--
	<u>920</u>	<u>--</u>
<b>Liabilities classified as held for sale</b>		
Deferred tax liabilities	1,013	--
Loan and borrowings		
- non-current	562	--
- current	3,933	--
Trade and other payables	1,264	--
Liabilities classified as held for sale	<u>6,772</u>	<u>--</u>

### 13. Assets classified as held for sale (continued)

The gain/loss of the subsidiary classified as held for sale recognised in income statements for the year is not material to the Group's results. The sale has been completed on 30 June 2010.

#### 13.1 Motor vehicles

Under the same scheme, certain motor vehicles of the Group were also disposed to the same party for consideration equivalent to the carry amount at the time of completion of the transaction (see Note 32).

Motor vehicles held for sale comprise the following:

	2010 RM'000	2009 RM'000
<b>Motor vehicles</b>		
At cost	8,157	--
Less: Accumulated depreciation	<u>(6,529)</u>	<u>--</u>
	<u>1,628</u>	<u>--</u>

### 14. Cash and cash equivalents

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Cash and bank balances	3,655	3,394	679	35
Fixed deposits with licensed banks	<u>8,878</u>	<u>7,169</u>	<u>--</u>	<u>--</u>
	<u>12,533</u>	<u>10,563</u>	<u>679</u>	<u>35</u>

Included in the deposits placed with licensed banks is RM988,000 (2009: NIL) of the Group pledged for bank facilities granted to certain subsidiaries.

### 15. Share capital and reserves

#### Share capital

	Group/Company		Group/Company Number of ordinary shares	
	2010 RM'000	2009 RM'000	2010 '000	2009 '000
Ordinary shares of RM1.00 each:				
Authorised	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>
Issued and fully paid	<u>84,103</u>	<u>84,103</u>	<u>84,103</u>	<u>84,103</u>

## 15. Share capital and reserves (continued)

### Treasury shares

In the annual general meeting held on 26 September 2009, 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 did not repurchase any shares.

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.

### Reserves

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
<b><i>Distributable</i></b>				
Retained earnings	103,311	95,168	14,413	11,594
<b><i>Non-distributable</i></b>				
Share premium	5,435	5,435	5,435	5,435
Revaluation reserves				
- property, plant and equipment	10,773	10,773	--	--
Exchange fluctuation reserve	(119)	--	--	--
	<u>16,089</u>	<u>16,208</u>	<u>5,435</u>	<u>5,435</u>
	<u>119,400</u>	<u>111,376</u>	<u>19,848</u>	<u>17,029</u>

### Section 108 tax credit and tax exempt account

Subject to agreement by the Inland Revenue Board, the Company has sufficient Section 108 tax credit and tax exempt account to frank payment of dividends out of its entire retained earnings at 31 March 2010.

The Finance Act, 2007 introduced a single tier company income tax system with effect from year of assessment 2008. As such, the Section 108 tax credit as at 31 December 2007 will be available to the Company until such time the credit is fully utilised or upon expiry of the six-year transitional period on 31 December 2013, whichever is earlier.



Company No. 182485-V

## 16. Loans and borrowings (continued)

### Terms and debt repayment schedule (continued)

Group 2009	Year of maturity	Carrying amount RM'000	Under 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000
Bank overdrafts	--	3,919	3,919	--	--
Banker's acceptances	2010	19,000	19,000	--	--
Revolving credits	2010	91,300	91,300	--	--
Islamic trade bills	2010	1,872	1,872	--	--
Finance lease liabilities	2010 - 2011	3,536	2,293	1,243	--
Term loans	2012	2,024	971	1,041	12
Islamic term loans	2011 - 2013	18,847	5,786	5,664	7,397
		<u>140,498</u>	<u>125,141</u>	<u>7,948</u>	<u>7,409</u>
<b>Company 2010</b>					
Share margin financing	--	<u>1,772</u>	<u>1,772</u>	--	--

### Finance lease liabilities

Finance lease liabilities are payable as follows:

Group	← 2010 →			← 2009 →		
	Minimum lease payments RM'000	Interest RM'000	Principal RM'000	Minimum lease payments RM'000	Interest RM'000	Principal RM'000
Less than one year	2,620	131	2,489	2,452	159	2,293
Between one and five years	<u>1,005</u>	<u>50</u>	<u>955</u>	<u>1,283</u>	<u>40</u>	<u>1,243</u>
	<u>3,625</u>	<u>181</u>	<u>3,444</u>	<u>3,735</u>	<u>199</u>	<u>3,536</u>

### Security

All the borrowings are guaranteed by the Company and are subject to negative pledges that the Group shall not charge, pledge or encumber any of their present and future assets.

### Covenants

Certain borrowings of the subsidiaries are subject to the following covenants:

- not to permit the gearing ratio of the Group to exceed the ratio of 1.2:1.

## 17. Deferred income

	Group	
	2010 RM'000	2009 RM'000
Non-current	12,994	15,160
Current	<u>2,166</u>	<u>2,166</u>
	<u>15,160</u>	<u>17,326</u>

Company No. 182485-V

**17. Deferred income (continued)**

Deferred income represents:

	Group	
	2010 RM'000	2009 RM'000
Gain arising from disposal of properties	21,658	21,658
Less: Amortisation		
At 1 April	(4,332)	(2,166)
Recognised during the year	(2,166)	(2,166)
At 31 March	(6,498)	(4,332)
	<u>15,160</u>	<u>17,326</u>

Pursuant to the assets backed securitisation scheme of the Company, certain properties were sold at the fair market value to a special purpose vehicle. In accordance with FRS 117, Leases, the excess of the fair value over the carrying amount is deferred and amortised over the lease period of the scheme.

**18. Trade and other payables**

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
<i>Non-current</i>				
Due to a subsidiary – non-trade	--	--	28,622	41,624
Other payables	5,299	9,715	--	--
	<u>5,299</u>	<u>9,715</u>	<u>28,622</u>	<u>41,624</u>
<i>Current</i>				
Trade payables	8,803	14,370	--	--
Other payables and accrued expenses	27,799	27,688	551	194
	<u>36,602</u>	<u>42,058</u>	<u>551</u>	<u>194</u>
	<u>41,901</u>	<u>51,773</u>	<u>29,173</u>	<u>41,818</u>

Included in other payables and accrued expenses are:

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
<i>Current</i>				
Other creditors	8,794	8,831	--	--
Deposits for rental of trucks and properties	5,552	7,881	--	--
Property, plant and equipment creditors	6,997	5,055	--	--
Other accrued expenses	6,456	5,921	551	194
	<u>27,799</u>	<u>27,688</u>	<u>551</u>	<u>194</u>
<i>Non-current</i>				
Other payables	5,299	9,715	--	--
	<u>33,098</u>	<u>37,403</u>	<u>551</u>	<u>194</u>

## 18. Trade and other payables (continued)

The non-current other payables represent balance of purchase price of an investment property on deferred payment terms. The amount is expected to be settled by August 2011.

Payables denominated in currencies other than the functional currency comprise RM216,220 (2009: RM630,577) of trade payables denominated in Thai Baht and RM1,018,487 (2009: RM1,043,375) denominated in Singapore Dollar.

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

	Group	
	2010 RM'000	2009 RM'000
Trade	3,260	4,205
Non-trade	4,191	1,026
	<u>7,451</u>	<u>5,231</u>

The amount due to a subsidiary is unsecured and will not be repayable within a year. Interest is charged at a fixed rate of 3.15% (2009: 3.15%) per annum on monthly outstanding balances.

## 19. Finance costs

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Finance costs	<u>6,837</u>	<u>8,229</u>	<u>1,385</u>	<u>1,025</u>
Finance costs included in:				
Cost of services	--	--	1,377	1,025
Finance costs	<u>6,837</u>	<u>8,229</u>	<u>8</u>	<u>--</u>
	<u>6,837</u>	<u>8,229</u>	<u>1,385</u>	<u>1,025</u>

**20. Operating profit**

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
<b>Operating profit is arrived at after charging/(crediting)</b>				
Allowance for doubtful debts	1,253	3,577	--	--
Audit fees				
- Holding company auditors	166	140	25	25
- Other auditors	9	11	--	--
Depreciation	15,674	15,223	29	28
Amortisation of prepaid leases payments	500	509	--	--
Impairment loss on investment in a subsidiary	--	--	--	670
Personnel expenses (including key management personnel):				
- Contributions to Employees Provident Fund	2,446	2,535	--	--
- Wages, salaries and others	28,985	30,722	--	--
Rental of land and buildings	30,335	30,669	300	221
Rental of machineries and equipment	2,889	3,333	--	--
(Gain)/Loss on disposal of:-				
- quoted investments	(1,347)	423	(1,347)	423
- property, plant and equipment	(182)	(260)	--	--
- properties	(2,166)	(2,166)	--	--
- investment properties	(100)	--	--	--
- prepaid lease payments	(572)	--	--	--
Changes in fair value of investment properties	(982)	(1,978)	34	(600)
Rental income from land and buildings	(3,783)	(3,920)	--	--
Realised gain on foreign exchange	(1,428)	(2,074)	--	--
(Reversal of)/Allowance for diminution in value of:-				
- quoted investments	(611)	128	(611)	128
- unquoted subordinated bond	--	(40)	--	(40)
Gross dividends from:-				
- subsidiaries	--	--	--	(10,843)
- quoted investments, in Malaysia	(368)	(30)	(368)	(30)

**Key management personnel compensation**

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel includes all the Directors of the Group, and certain members of senior management of the Group.

Company No. 182485-V

## 20. Operating profit (continued)

Key management personnel compensation are as follows:

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Directors				
- Fees	234	177	234	177
- Remuneration	710	995	--	--
Total short-term employee benefits	<u>944</u>	<u>1,172</u>	<u>234</u>	<u>177</u>
Other key management personnel:				
- Wages, salaries and others	1,744	1,836	--	--
- Contributions to Employees Provident Fund	187	181	--	--
	<u>1,931</u>	<u>2,017</u>	<u>--</u>	<u>--</u>
	<u>2,875</u>	<u>3,189</u>	<u>234</u>	<u>177</u>

Other key management personnel comprises persons other than the Directors of Group entities, having authority and responsibility for planning, directing and controlling the activities of the entity either directly or indirectly.

## 21. Tax expense

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Tax expense				
- Current year	3,377	2,596	117	810
- Under/(Over) provided in prior years	158	(350)	(77)	--
	3,535	2,246	40	810
Deferred tax (income)/expense				
- Origination and reversal of temporary differences	(1,953)	664	987	919
- Under/(Over) provided in prior years	417	(1,258)	--	--
	<u>(1,536)</u>	<u>(594)</u>	<u>987</u>	<u>919</u>
	1,999	1,652	1,027	1,729
Tax expense on share of profit of a jointly controlled entity	51	67	--	--
	<u>2,050</u>	<u>1,719</u>	<u>1,027</u>	<u>1,729</u>

Company No. 182485-V

**21. Tax expense (continued)**

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
<b>Reconciliation of effective tax expense</b>				
Profit for the year	12,110	2,487	5,342	6,001
Total tax expense	<u>2,050</u>	<u>1,719</u>	<u>1,027</u>	<u>1,729</u>
Profit before tax	<u>14,160</u>	<u>4,206</u>	<u>6,369</u>	<u>7,730</u>
Tax at Malaysian tax rate of 25%	3,540	1,052	1,592	1,933
Effect of different tax rates in foreign jurisdictions	(153)	--	--	--
Non-deductible expenses	2,286	4,897	134	2,101
Non-taxable income	(2,374)	(2,325)	(622)	(2,305)
Unrecognised deferred tax assets	(548)	(257)	--	--
Tax incentive	(907)	--	--	--
Others	<u>(420)</u>	<u>(107)</u>	<u>--</u>	<u>--</u>
	1,424	3,260	1,104	1,729
Tax expense on share of profit of a jointly controlled entity	51	67	--	--
Under/(Over) provided in prior years	<u>575</u>	<u>(1,608)</u>	<u>(77)</u>	<u>--</u>
Tax expense	<u>2,050</u>	<u>1,719</u>	<u>1,027</u>	<u>1,729</u>

Subject to the agreement of the Inland Revenue Board, the Group has unutilised investment tax allowance of RM13.3 million (2009: RM16.9 million) to set off against future taxable income in one of the subsidiary subject to satisfying certain conditions.

**22. Earnings per ordinary share***Group***a) Basic earnings per ordinary share**

The calculation of basic earnings per ordinary share at 31 March 2010 was based on the profit attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding calculated as follows:

	2010 RM'000	2009 RM'000
Profit for the year attributable to shareholders	<u>11,586</u>	<u>2,160</u>

## 22. Earnings per ordinary share (continued)

### a) Basic earnings per ordinary share (continued)

Weighted average number of ordinary shares are determined as follows:

	2010 '000	2009 '000
Issued ordinary shares at 1 April/ Weighted average number of ordinary shares at 31 March	<u>84,103</u>	<u>84,103</u>
Basic earnings per ordinary share (sen)	<u>13.78</u>	<u>2.57</u>

### b) Diluted earnings per ordinary share

There are no dilutive potential ordinary shares.

## 23. Dividends

Dividends recognised in the current year by the Group and the Company are:

	Sen per share	Total amount RM'000	Date of payment
<b>2010</b>			
2009 - Final, net of tax	3.00	<u>2,523</u>	27 October 2009
<b>2009</b>			
2008 - Final, net of tax	3.00	<u>2,523</u>	28 October 2008

After the balance sheet date, the following dividend was proposed by the Directors. This dividend will be recognised in subsequent financial reports upon approval by the shareholders.

	Sen per share	Total amount RM'000
2010 - Final, net of tax	<u>5.25</u>	<u>4,415</u>

## 24. Acquisition of property, plant and equipment

	Group	
	2010 RM'000	2009 RM'000
Current year's additions	21,100	23,696
Less: Plant and equipment acquired under finance lease liabilities	<u>(2,577)</u>	<u>(3,219)</u>
	<u>18,523</u>	<u>20,477</u>

Company No. 182485-V
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## 25. Acquisition of investment properties

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Current year's additions	68	17,099	34	152
Less: Investment property acquired under deferred payment terms	--	(14,131)	--	--
	68	2,968	34	152
Add: Payment of investment property acquired under deferred payment terms	4,416	--	--	--
	<u>4,484</u>	<u>2,968</u>	<u>34</u>	<u>152</u>

## 26. Operating leases

Non cancellable operating lease rental are as follows:-

### *Leases as lessee*

	Group		Company	
	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Less than one year	22,895	28,633	300	300
Between one and five years	63,729	68,849	1,200	1,200
More than 5 years	42,597	57,583	12,002	12,303
	<u>129,221</u>	<u>155,065</u>	<u>13,502</u>	<u>13,803</u>

The Group leases a number of land and buildings under operating leases. The leases typically run for an initial period of one to five years, with an option to renew the leases after that date. None of the lease includes contingent rentals.

Pursuant to the assets backed securitization scheme of the Company, the Group entered into a conditional lease agreement with a special purpose vehicle ("the lessor") for the sale and leaseback of the land and buildings ("leased assets") over a lease term of 10 years. The Group has an option but not obligation from the fifth year onwards up to the end of lease period of ten years to repurchase the leased assets at fair market value to be determined by valuers. In the event that the Group does not exercise the option at year 10 or defaults in the lease payment during the lease term, the lessor may terminate the lease agreement and start proceedings to sell the leased assets to third parties at fair market value.

The lease agreement is subject to the following pertinent covenants:-

- the gearing ratio of the Group shall not exceed the ratio of 1.2:1
- the group is responsible for all repair and maintenance and payment of utilities and outgoings in respect of the leased assets

## 27. Capital commitment

	Group	
	2010 RM'000	2009 RM'000
<i>Property, plant and equipment</i> Contracted but not provided for	<u>25,820</u>	<u>1,236</u>

## 28. Contingent liabilities (unsecured)

	Company	
	2010 RM'000	2009 RM'000
Corporate guarantees given to financial institutions in respect of outstanding term loans, short term borrowings, lease and hire purchase facilities of subsidiaries	<u>159,895</u>	<u>140,087</u>

## 29. Segment reporting - Group

Segment information is presented in respect of the Group's business and geographical segments. The primary format, business segments, is based on the Group's management and internal reporting structure.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items mainly comprise of unproductive landed properties and borrowings.

Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment, investment properties and prepaid leases.

### *Business segments*

The Group comprises the following main business segments:

- Transportation and related services
- Property letting and warehousing

Other operations of the Group mainly comprise investment holding and sales of goods, neither of which are of a sufficient size to be reported separately.

### *Geographical segments*

No secondary segmental analysis by geographical location is presented as the Group's operations are located mainly in Malaysia.

## 29. Segment reporting - Group (continued)

	Transportation and related services		Property letting and warehousing		Others		Consolidated	
	2010	2009	2010	2009	2010	2009	2010	2009
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<i>Business segments</i>								
Revenue from external customers	238,248	238,256	29,758	33,951	4,320	3,699	272,326	275,906
<b>Segment result</b>	<u>8,867</u>	<u>2,781</u>	<u>7,324</u>	<u>5,583</u>	<u>4,686</u>	<u>3,158</u>	<u>20,877</u>	<u>11,522</u>
Interest income							29	687
Financing costs							(6,837)	(8,229)
Share of profit after tax in a jointly controlled entity							40	159
<b>Profit before tax</b>							<u>14,109</u>	<u>4,139</u>
Tax expense							(1,999)	(1,652)
Minority interest							(524)	(327)
<b>Profit for the year</b>							<u>11,586</u>	<u>2,160</u>

## 29. Segment reporting - Group (continued)

	Transportation and related services		Property letting and warehousing		Others		Consolidated	
	2010	2009	2010	2009	2010	2009	2010	2009
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Segment assets</b>	101,970	140,505	269,369	247,386	10,198	3,090	381,537	390,981
Investment in an associate and a jointly controlled entity			1,782	1,742			1,782	1,742
Tax recoverable and deferred tax assets							1,306	428
Unallocated assets							27,020	23,453
<b>Total assets</b>							<u>411,645</u>	<u>416,604</u>
<b>Segment liabilities</b>	28,612	32,947	28,449	18,826	--	--	57,061	51,773
Unallocated liabilities							139,386	157,824
Tax and deferred tax liabilities							8,633	9,938
<b>Total liabilities</b>							<u>205,080</u>	<u>219,535</u>
Capital expenditure	6,313	4,560	13,182	35,906	1,941	1,781	21,436	42,247
Depreciation and amortisation	11,495	11,496	3,150	2,835	1,529	1,401	16,174	15,732
Non-cash expenses/(income) other than depreciation	(182)	(260)	(1,654)	(1,978)	(1,958)	511	(3,794)	(1,727)

### **30. Financial instruments**

The Group is exposed to credit risk, liquidity and cash flow risk, currency risk and interest rate risk in the normal course of business.

#### *Credit risk*

The Group has a credit policy in place. However, the Board of Directors is of the view that the exposure to credit risk through the direct involvement of Executive Directors monitoring on an on-going basis is deemed sufficient.

At balance sheet date, there were no significant concentrations of credit risk. The maximum exposure to credit risk for the Group and the Company are represented by the carrying amount of trade and other receivables.

#### *Liquidity and cash flow risk*

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

#### *Foreign currency risk*

The Group and the Company incur foreign currency risk on sales that is denominated in a currency other than Ringgit Malaysia. The Group operates primarily in Malaysia and its exposure to the fluctuation of foreign currency rates is minimal.

#### *Interest rate risk*

The Group and the Company have exposure to interest rate risk arising primarily from their cash and cash equivalents and borrowings. The Group and the Company managed this risk through effective use of floating and fixed rate debts.



### 30. Financial instruments (continued)

#### Effective interest rate and repricing analysis (continued)

Group 2009	Average effective interest rate %	Total RM'000	Less than 1 year RM'000	1 - 2 years				4 - 5 years RM'000	More than 5 years RM'000
				RM'000	RM'000	RM'000	RM'000		
<b>Fixed rate instruments</b>									
Other investment	7.70	44,500	--	--	--	--	--	44,500	
- unquoted bonds	0.83 - 2.02	7,169	7,169	--	--	--	--	--	
Fixed deposits with licensed banks	4.93 - 6.03	(3,536)	(2,293)	(1,243)	--	--	--	--	
Finance lease liabilities	5.27 - 7.05	(18,847)	(5,786)	(5,664)	(4,393)	(3,004)	--	--	
Islamic term loans	3.34 - 4.35	(91,300)	(91,300)	--	--	--	--	--	
Revolving credits	2.85 - 3.47	(19,000)	(19,000)	--	--	--	--	--	
Bankers' acceptances	2.12	(1,872)	(1,872)	--	--	--	--	--	
Islamic trade bills									
		(82,886)	(113,082)	(6,907)	(4,393)	(3,004)	--	44,500	
<b>Floating rate instruments</b>									
Term loans	7.45	(2,024)	(2,024)	--	--	--	--	--	
Bank overdrafts	6.75 - 7.00	(3,919)	(3,919)	--	--	--	--	--	
		(5,943)	(5,943)	--	--	--	--	--	

### 30. Financial instruments (continued)

#### *Effective interest rate and repricing analysis (continued)*

Company 2010	Average effective interest rate %	Total RM'000	Less than 1 year RM'000	1 - 2 years RM'000	Over 5 years RM'000
<b>Fixed rate instruments</b>					
Other investment					
- unquoted bonds	7.70	44,500	--	--	44,500
Due from subsidiaries	3.15	50,326	--	50,326	--
Due to a subsidiary	3.15	(28,622)	--	--	(28,622)
Share margin financing	4.50	(1,772)	(1,772)	--	--
		<u>64,432</u>	<u>(1,772)</u>	<u>50,326</u>	<u>15,878</u>
<b>2009</b>					
<b>Fixed rate instruments</b>					
Other investment					
- unquoted bonds	7.70	44,500	--	--	44,500
Due from subsidiaries	3.15	71,514	--	71,514	--
Due to a subsidiary	3.15	(41,624)	--	--	(41,624)
		<u>74,390</u>	<u>--</u>	<u>71,514</u>	<u>2,876</u>

#### *Fair values*

#### *Recognised financial instruments*

The carrying amounts of financial assets and liabilities approximate their fair values due to the relatively short term nature of these financial instruments.

The fair value of other financial assets and financial liabilities which are not carried at fair value in the balance sheet at 31 March is represented in the following table:

Group	2010		2009	
	Carrying amount RM'000	Fair value RM'000	Carrying amount RM'000	Fair value RM'000
<b>Financial assets</b>				
Other investments				
- quoted shares	10,198	10,858	1,348	1,348
Bond interest receivables	<u>10,762</u>	<u>8,008</u>	<u>6,811</u>	<u>4,713</u>
<b>Financial liabilities</b>				
Islamic term loans - fixed rate	13,045	11,561	18,847	19,047
Financial lease liabilities	3,444	3,444	3,536	3,536
Other payables	<u>9,715</u>	<u>9,078</u>	<u>14,131</u>	<u>12,368</u>

### 30. Financial instruments (continued)

<i>Company</i>	2010		2009	
	Carrying amount RM'000	Fair value RM'000	Carrying amount RM'000	Fair value RM'000
<b>Financial assets</b>				
Other investments				
- quoted shares	10,198	10,858	1,348	1,348
Bond interest receivable	<u>10,762</u>	<u>8,008</u>	<u>6,811</u>	<u>4,713</u>

No disclosure of fair value is made for amounts due from/to subsidiaries, as it is not practicable to determine its fair values with sufficient reliability since the balance has no fixed terms of repayment.

No disclosure is made for fair value for unquoted bonds as it is not practicable to determine the fair value of these financial assets with sufficient reliability.

The carrying amount of floating rates term loans approximate its fair value as its effective interest rate changes accordingly to movements in the market interest rate.

The Company provides financial guarantees to banks for credit facilities extended to certain subsidiaries. The fair value of such financial guarantees is not expected to be material as the probability of the subsidiaries defaulting on the credit lines is remote.

### 31. 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 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 or common significant influence. Related parties may be individuals or other entities.

The significant related party transactions of the Group and the Company are as follows:

<u>Transactions</u>	Company	
	2010 RM'000	2009 RM'000
<i>Subsidiaries</i>		
Gross dividend income	--	10,843
Interest income	2,335	1,675
Interest expense	<u>1,377</u>	<u>1,025</u>

### 31. Related parties (continued)

	Group	
	2010 RM'000	2009 RM'000
<i>Companies in which certain Directors' family members have substantial financial interest</i>		
Sales of diesel and canvas	7,414	5,379
Sales of motor vehicles	556	782
Sales of land	8,500	--
Repair and maintenance	12,454	11,021
Rental expenses on forklift/lorries/motor vehicle	874	496
Freight charges expense	8,060	6,235
Freight charges income	3,887	9,395
Purchase of tyres	2,814	4,331
Purchase of spare parts	--	242
Purchase of motor vehicle	1,389	847
Rental income on buildings	5,839	4,770
Rental income on motor vehicles	1,791	173
Rental expenses on motor vehicles/equipment	3,211	--
Rental expenses on buildings	8,610	7,603
Handling custom charges	5,154	5,688
Purchase of land	789	--
<i>Companies in which certain Directors have substantial financial interest</i>		
Purchase of land	1,306	--
Rental expenses	750	750

### 32. Significant events

On 19 March 2010, the Company and certain subsidiaries, entered into the following agreements:-

- i) Truck sales agreements between the Company and its subsidiaries, Tiong Nam Logistics Solutions Sdn. Bhd. ("TNLS"), Anugerah Sensasi Sdn. Bhd. ("ASSB") and Pacific Transport Sdn. Bhd. ("PTSB") and a third party for the disposal of trucks for an aggregate initial sale price of RM16.492 million;
- ii) Master Share Sale Agreement between the Company and the same party for the disposal of subsidiaries namely, Triumph Alliance Sdn. Bhd. ("TASB"), Pengangkutan Enepec Sdn. Bhd. ("PESB") and Far East West Lands Sdn. Bhd. ("FEWL") for the initial sale price of RM15.737 million; and
- iii) Transportation Service Agreements ("TSA") between the Company and the same party.

The aggregate initial sale price of RM32.229 million for the above proposals will be satisfied via cash of RM10.0 million whilst the balance consideration will be satisfied by the issuance of Redeemable Convertible Unsecured Loan Stocks ("RCULS") by the third party.

The initial sale price will be adjusted to the carrying amount of these assets as at the date of completion of the proposals. The Group is not expected to realise any gains or losses from these transactions.

### **32. Significant events (continued)**

The salient terms of the TSA amongst others, include that the same party shall be appointed to provide transporting, trucking and/or any related transportation services to the Group for a period of 5 years, which shall be extended for a further period of 5 years subject to such terms and conditions to be mutually agreed upon.

On 12 May 2010, the Company entered into a Supplementary Master Share Sale Agreement to exclude the disposal of PESB and FEWL and the consideration to be excluded is RM0.877 million.

The above proposals have been completed on 30 June 2010.