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**TIONG NAM LOGISTICS HOLDINGS BERHAD**  
**(Company No. 182485-V)**  
**(Incorporated in Malaysia under the Companies Act 2016)**

**PART A**

**SHARE BUY-BACK STATEMENT**

**in relation to the**

**PROPOSED RENEWAL OF SHAREHOLDERS' APPROVAL  
FOR SHARE BUY-BACK BY THE COMPANY UP TO TEN PERCENT (10%) OF  
THE TOTAL NUMBER OF ISSUED SHARE OF THE COMPANY**

**AND**

**PART B**

**CIRCULAR TO SHAREHOLDERS**

**in relation to the**

**PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR  
RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE**

The Notice convening the Twenty Ninth Annual General Meeting of Tiong Nam Logistics Holdings Berhad to be held at Lot 30462, Jalan Kempas Baru, 81200 Johor Bahru, Johor Darul Takzim on Saturday, 25 August 2018 at 9.30 a.m. together with the Form of Proxy are set out in the Annual Report for the financial year ended 31 March 2018.

The Form of Proxy must be deposited at the Registered Office of Tiong Nam Logistics Holdings Berhad at Suite 7E, Level 7, Menara Ansar, 65 Jalan Trus, 80000 Johor Bahru, Johor Darul Takzim on or before the date and time indicated below or any adjournment thereof. The lodging of the Form of Proxy will not preclude you from attending and voting in person at the Annual General Meeting should you subsequently wish to do so.

Last day and time for lodging the Form of Proxy: 23 August 2018 at 9.30 a.m.

Date and time of Twenty Ninth Annual General Meeting: 25 August 2018 at 9.30 a.m.

## DEFINITIONS

Except where the context otherwise requires, the following definitions shall apply throughout this Circular:-

“Act”	:	The Companies Act 2016 as amended from time to time and any re-enactment thereof
“AGM”	:	Annual General Meeting
“Board”	:	The Board of Directors of TNL
“Bursa Securities”	:	Bursa Malaysia Securities Berhad (Company No. 635998-W)
“Code”	:	Malaysian Code on Take-Overs and Mergers, 1998 as amended from time to time
“Directors”	:	Shall have the meaning given in Section 2(1) of the Capital Markets and Services Act 2007 (“CMSA”) and includes any person who is or was within the preceding six (6) months of the date on which the terms of the transaction were agreed upon - i. a director of TNL, its subsidiary or holding company; or ii. a chief executive of TNL, its subsidiary or holding company; and iii. In relation to a Special Purpose Acquisition Company (“SPAC”), a member of the SPAC’s management team
“EPS”	:	Earnings per share
“FYE”	:	Financial year ended / ending, as the case may be
“Listing Requirements”	:	Main Market Listing Requirements of Bursa Securities including any amendments thereto that may be made from time to time
“Major Shareholder”	:	A person who has an interest or interests in one (1) or more voting shares in TNL and the nominal amount of that share, or the aggregate of the nominal amounts of those shares, is:-  (a) equal to or more than 10% of the aggregate of the nominal amounts of all the voting shares in TNL; or  (b) equal to or more than 5% of the aggregate of the nominal amounts of all the voting shares in TNL where such person is the largest shareholder of TNL.  This includes any person who is or was within the preceding six (6) months of the date on which the terms of the transaction were agreed upon, a major shareholder of TNL as defined above or any other company which is a subsidiary of TNL or TNL’s holding company. For the purpose of this definition, “interest in shares” shall have the meaning given in Section 6A of the Act
“Market Day(s)”	:	Any day on which Bursa Securities is open for trading of securities

## DEFINITIONS (CON'T)

“Proposed Share Buy-Back Renewal”	:	The proposed renewal of the authority for TNL to purchase and/or hold its own shares of an aggregate amount of up to ten percent (10%) of its prevailing total number of issued shares at any time.
“Proposed Renewal of Shareholders’ Mandate”	:	Proposed renewal of shareholders’ mandate pursuant to Paragraph 10.09, Chapter 10 and Practice Note 12 of the Listing Requirements, in relation to RRPTs
“Purchased Shares”	:	TNL Shares purchased pursuant to the Proposed Renewal of Share Buy-Back Authority
“RRPT”	:	Recurrent related party transactions of a revenue or trading nature, which are necessary for the day-to-day operations of TNL and/or its subsidiaries and which are expected to occur at least once in three (3) years and is within the ordinary course of business of TNL and/or its subsidiaries
“Related Party (ies)”	:	Director(s), Major Shareholder(s) or person(s) connected with such Director or Major Shareholder.
“RM” and “sen”	:	Ringgit Malaysia and sen, respectively
“SC”	:	Securities Commission of Malaysia
“Subsidiaries”	:	Anugerah Sensasi Sdn Bhd (Company No. 265049-T) Belaian Pinang Sdn Bhd (Company No. 292127-U) Dragon 2012 Sdn Bhd (Company No. 976926-M) Fair Vista Sdn Bhd (Company No. 393029-H) Far East West Lands Sdn Bhd (Company No. 294905-M) Front Field Sdn Bhd (Company No. 268529-M) G-Force Logistics Solutions Sdn Bhd (Company No.1041257-X) Integriti Kaliber Sdn Bhd (Company No. 1189905-P) Japan Original Electric (M) Sdn Bhd (Company No. 190203-A) Jelas Bagus Sdn Bhd (Company No. 304354-W) LT Growth Sdn Bhd (Company No. 389469-K) Medini Heritage Sdn Bhd (1052685-D) Pacific Transport Sdn Bhd (Company No. 62965-P) Pengangkutan Enepec Sdn Bhd (Company No. 194978-P) Semangat Angkut Sdn Bhd (Company No. 63118-X) Tiong Nam (Sarawak) Sdn Bhd (Company No.171513-T) Tiong Nam Warehousing (Sarawak) Sdn Bhd (Company No. 244517-D) Terminal Perintis Sdn Bhd (Company No. 910573 T) Tiong Nam Allied Container Depot Services Sdn Bhd (Company No. 379361-X) Tiong Nam Ebiz Express Sdn Bhd (Company No. 632209-X) Tiong Nam Heavy Transport & Lifting Sdn Bhd (Company No. 222507-H) Tiong Nam Logistics Myanmar Co Ltd (Company No. 894 FC(2016-2017)) Tiong Nam Logistics Sdn Bhd (Company No. 496260-T) Tiong Nam Logistics Solutions (Lao) Co Ltd (Company No. N016-2016 32254) Tiong Nam Logistics Solutions (Shenzhen) Co Ltd (Company No. 91440300MA5EDWTA3T) Tiong Nam Logistics Solutions Sdn Bhd (Company No. 043831-V) Tiong Nam Logistics Vietnam Co Ltd (Company No. 0107740906)

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**DEFINITIONS (CON'T)**

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“Subsidiaries” (Con’t)		Tiong Nam Properties Sdn Bhd (Company No. 391090-X) Tiong Nam Resources Sdn Bhd (Company No. 672904-T) Tiong Nam Truck Rental Services Sdn Bhd (Company No. 284630-V) Tiong Nam Logistics (S) Pte Ltd (Company No. 200205434G) TNTT Packages Express Sdn Bhd (Company No. 532719-M) TNTT Packages Express Pte Ltd (Company No. 200717178G) Yakin Kaliber Sdn Bhd (Company No. 1210989-D)
“TNL” or “the Company”	:	Tiong Nam Logistics Holdings Bhd (Company No. 182485-V)
“TNL Group” or “Group”	:	TNL and its subsidiaries
“TNL Share(s)” or “Share(s)”	:	Ordinary share(s) of TNL
“TNLS”	:	Tiong Nam Logistics Solutions Sdn Bhd (Company No. 043831-V)
“WAMP”	:	Weighted average market price

Words incorporating the singular shall, where applicable, include the plural and vice versa and words incorporating the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Reference to persons shall include a corporation, unless otherwise specified.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any reference to a time of day in this Circular shall be a reference to Malaysian time, unless otherwise specified.

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**PART A**

**SHARE BUY-BACK STATEMENT**

in relation to the

**PROPOSED RENEWAL OF SHAREHOLDERS' APPROVAL FOR SHARE BUY-BACK BY  
THE COMPANY UP TO TEN PERCENT (10%) OF THE TOTAL NUMBER OF ISSUED  
SHARES OF THE COMPANY  
("PROPOSED SHARE BUY-BACK")**

## 1. INTRODUCTION

Tiong Nam Logistics Holdings Bhd (“TNL” or “the Company”) had on 7 June 2018, announced that the Company proposes to seek shareholders’ approval for the proposed renewal of shareholders’ approval for the share buy-back by the Company up to ten percent (10%) of the total number of issued shares of the Company (“Proposed Share Buy-Back”) at the forthcoming Twenty Ninth Annual General Meeting (“29<sup>th</sup> AGM”) to be convened.

The purpose of this Statement is to provide you with information on the Proposed Share Buy-Back, to set out the recommendation of your Board of Directors (“Board”) and to seek your approval for the resolution pertaining the renewal of shareholders’ approval for the Proposed Share Buy-Back to be tabled at the forthcoming 29<sup>th</sup> AGM of the Company to be convened at Lot 30462, Jalan Kempas Baru, 81200 Johor Bahru, Johor Darul Takzim on Saturday, 25 August 2018 at 9.30 a.m., notice of which is set out on page 148 to 154 of the Annual Report of the Company.

## 2. DETAILS OF THE PROPOSED SHARE BUY-BACK

At the Annual General Meeting of the Company held on 26 August 2017, the Company obtained its shareholders’ approval for the Company to continue to purchase and/or hold up to ten percent (10%) of the total number of issued shares of the Company.

In accordance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) governing the purchase of own shares by a listed company, the aforesaid approval obtained at the Company’s AGM held on 26 August 2017 will expire at the conclusion of the forthcoming 29<sup>th</sup> AGM of the Company which will be held on 25 August 2018 unless the mandate is renewed.

The Board proposes to seek approval from the shareholders for a renewal of shareholders’ approval for the Proposed Share Buy-Back. As at 29 June 2018, the total issued share of TNL is RM 137,218,866, comprising 460,345,050 TNL shares.

The Company purchased 4,652,000 TNL shares during the financial year ended 31 March 2018.

The total number of TNL Shares purchased by the Company for the previous twelve (12) months preceding the date of this Statement and held as treasury shares up to and including 29 June 2018 is 4,652,000 ordinary shares for a total consideration of RM 8,263,460.87. The total cumulative treasury shares held to date up to and including 29 June 2018 is 4,582,795 ordinary shares.

Month	No of Purchased Shares	Minimum Price (RM) Per Share	Maximum Price (RM) Per Share	Average Price (RM) Per Share	Total Amount Paid (RM)
April 2017	1,100,000	1.71	1.79	1.75	1,931,787.51
June 2017	1,050,000	1.79	1.83	1.81	1,913,241.80
August 2017	2,500,000	1.70	1.82	1.76	4,415,701.92
October 2017	1,000	1.60	1.60	1.60	1,644.91
April 2018	1,000	1.04	1.04	1.04	1 084.73
<b>Total</b>	<b>4,652,000</b>				<b>8,263,460.87</b>



## **2. DETAILS OF THE PROPOSED SHARE BUY-BACK (Con't)**

The renewal of shareholders' approval for the Proposed Share Buy-Back shall be effective upon the passing of the resolution in the forthcoming 29<sup>th</sup> AGM on 25 August 2018 until:-

- (a) the conclusion of the next AGM of the Company following the AGM at which such resolution was passed at which time it shall lapse by ordinary resolution passed at that AGM, the shareholders' approval is renewed, either unconditionally or subject to conditions;
- (b) the expiration of the period within which the next AGM after the date it 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) the authority is revoked or varied by ordinary resolution passed by the shareholders of the Company at a general meeting of the Company,

whichever occurs first.

## **3. RATIONALE, POTENTIAL ADVANTAGES AND DISADVANTAGES FOR PROPOSED SHARE BUY BACK**

The Proposed Share Buy-Back is expected to potentially benefit the Company and its shareholders as follows:-

- (a) The Company may be able to stabilize the supply and demand of TNL Shares in the open market thereby supporting their fundamental value;
- (b) The Proposed Share Buy-Back provides TNL the option to return its surplus financial resources to the shareholders of TNL by enhancing the return-on-equity of TNL Shares via the purchase of TNL Shares in the market;
- (c) The Proposed Share Buy-Back may enhance the earnings per share of the Company (in the case where the Board resolves to cancel the shares so purchased) and thereby long term and genuine investors are expected to enjoy a corresponding increase in the value of their investments in the Company; and
- (d) If the shares bought back are kept as treasury shares, it will give the Board an option to sell the shares so purchased at a higher price and therefore make an exceptional gain for the Company. Alternatively, the shares so purchased can be distributed as share dividends to shareholders.

However, the Proposed Share Buy-Back, if exercised, will reduce the financial resources of the Company, which may result in the Company foregoing other investment opportunities that may emerge in the future and may also reduce the amount of cash dividends that can be declared to shareholders. Nevertheless, the Board will be mindful of the interests of the Company and the shareholders in implementing the Proposed Share Buy-Back.

## **4. SOURCE OF FUNDS AND TREATMENT**

### **4.1 SOURCE OF FUNDS**

The Company proposes to utilize internally generated funds to finance the Proposed Share Buy-Back. The Board proposes to allocate a maximum amount of up to the latest audited retained profits and/or share premium account of the Company for the purchase of its own shares subject to compliance with Section 127 of the Companies Act 2016 (“the Act”) and any prevailing laws, rules, regulations, orders, guidelines and requirements issued by the relevant authorities at the time of purchase. As at 31 March 2018, the Company’s audited retained earnings amounted to RM 61.0 million. As at 29 June 2018, the latest date practicable prior to the printing of this statement, the latest quarterly report of the Company as at 30 June 2018 were not yet available.

### **4.2 TREATMENT OF PURCHASED SHARES**

Section 127 of the Act allows treatment of purchased shares to be cancelled upon purchase, held as treasury shares or combination of both. Purchased shares held as treasury shares may be distributed as share dividends, resold on Bursa Securities in accordance with the relevant rules of Bursa Securities and/or subsequently cancelled.

TNL may only purchase its own shares at a price which is not more than 15% above the weighted average market price (“WAMP”) of TNL Shares for the past five (5) market days immediately preceding the date of the purchase(s).

While the purchased shares are held as treasury shares, the rights attached to them in relation to voting, dividends and participation in other distributions or otherwise are suspended and the 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 shareholdings, takeovers, notices, the requisitioning of meetings, the quorum for a meeting and the results of a vote on a resolution at a meeting.

The treasury shares arising from the share buy-back shall be resold, if so determined by the Board, at a price that is:-

- (a) not less than the weighted average market price (“WAMP”) of TNL Shares for the past five (5) market days immediately preceding the date of the resale(s); or
- (b) at a discount of not more than five percent (5%) to the five (5) market days WAMP of TNL Shares immediately prior to the resale, provided that:-
  - (i) the resale take place no earlier than thirty (30) days from the date of purchase; and
  - (ii) the resale price is not less than the cost of purchase of the shares being resold.

An immediate announcement will be made to Bursa Securities in respect of the intention of our Directors to either retain the purchased Shares or cancel them or a combination of both following any transactions executed pursuant to the approval granted under the Proposed Share Buy-Back.

## 5. EFFECTS OF THE PROPOSED SHARE BUY-BACK

The effects of the Proposed Share Buy-Back on the share capital, net tangible assets (“NTA”), working capital, cash flow, earnings, substantial shareholders’ shareholdings in TNL and Directors’ shareholdings in TNL assuming that the Company purchases up to a maximum of ten percent (10%) of the total number of issued shares as at 29 June 2018 and that the TNL Shares purchased are cancelled, are as set out below.

### 5.1 SHARE CAPITAL

The effect of the Proposed Share Buy-Back on the total number of issued shares of the Company as at 29 June 2018 is as follows:

	Minimum Scenario* No. of TNL Shares <sup>#</sup>	Maximum Scenario** No. of TNL Shares <sup>#</sup>
Total number of issued shares as at 29 June 2018	460,345,050	460,345,050
To be issued upon the:		
- exercise of all Warrants outstanding as at 29 June 2018	-	170,430,450
	<hr/>	<hr/>
	460,345,050	630,775,500
Maximum no. of ordinary shares to be purchased and cancelled pursuant to the Proposed Share Buy-Back	(46,034,505)	(63,077,550)
	<hr/>	<hr/>
Resultant total number of issued shares after the Proposed Share Buy-Back	414,310,545	567,697,950

Notes:

\* *Minimum scenario assumes that there is no exercise of Warrants outstanding as at 30 June 2018, prior to the implementation of the Proposed Share Buy-Back.*

\*\* *Maximum scenario assumes that all Warrants outstanding as at 29 June 2018 are exercised and converted prior to the implementation of the Proposed Share Buy-Back.*

# *The total number of issued shares is inclusive of the treasury shares held by the Company. As at 29 June 2018, the number of TNL Shares held as treasury shares are 4,582,800 none of which are cancelled.*

However, the Proposed Share Buy-Back will have no effect on the total number of issued shares if all the TNL Shares purchased are to be retained as treasury shares.

### 5.2 NET TANGIBLE ASSETS (“NTA”), WORKING CAPITAL AND CASH FLOW

The effect of the Proposed Share Buy-Back on the consolidated NTA per ordinary share will depend on the purchase prices of the TNL Shares and any loss in interest income to the Company.

The Proposed Share Buy-Back would reduce the consolidated NTA per ordinary share when the purchase price exceeds the consolidated NTA per ordinary share at the relevant point in time. Conversely, the consolidated NTA per ordinary share would be increased when the purchase price is less than the consolidated NTA per ordinary share at the relevant point in time.

## **5.2 NET TANGIBLE ASSETS (“NTA”), WORKING CAPITAL AND CASH FLOW (CON’T)**

The Proposed Share Buy-Back would reduce the working capital and cash flow of the TNL Group, the quantum of which will depend on the purchase prices of the TNL Shares and the number of TNL Shares purchased.

## **5.3 EARNINGS**

The effect of the Proposed Share Buy-Back on the EPS of the TNL Group will depend on the purchase prices of the TNL Shares and any loss in interest income to the Company. In the event the TNL Shares purchased are held as treasury shares or cancelled, the lower number of TNL Shares used in the computation of the earnings per share is expected to result in a general increase in the earnings per share of the TNL Group for the financial year ending 31 March 2019.

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#### 5.4 MAJOR SHAREHOLDERS' AND DIRECTORS' SHAREHOLDINGS

Assuming that the Proposed Share Buy-Back is implemented in full and that the TNL Shares are purchased from shareholders other than the Directors, major shareholders and person connected of the Company, the effect of the Proposed Share Buy-Back on the shareholdings of the existing major shareholders, directors and persons connected to them as at 29 June 2018, are as follows:-

Directors, Major Shareholders and/or Persons Connected	As at 29 June 2018			After the Proposed Share Buy-Back		
	No. of Shares (Direct)	%	No. of Shares (Indirect)	No. of Shares (Direct)	%	No. of Shares (Indirect)
<b>Directors</b>						
Dato' Fu Ah Kiow @ Oh (Fu) Soon Guan	765,000	0.17	-	765,000	0.19	-
Ong Yoong Nyock <sup>(a)</sup>	88,116,180	19.33	<sup>(a)</sup> 140,899,865	88,116,180	21.27	<sup>(a)</sup> 140,899,865
Yong Kwee Lian <sup>(b)</sup>	4,896,000	1.07	<sup>(b)</sup> 224,120,045	4,896,000	1.18	<sup>(b)</sup> 224,120,045
Ong Wei Kuan	255,000	0.06	-	255,000	0.06	-
Chang Chu Shien	1,224,000	0.27	-	1,224,000	0.30	-
Ong Eng Teck @ Ong Eng Fatt	-	-	-	-	-	-
Yong Seng Huat <sup>(c)</sup>	-	-	<sup>(c)</sup> 10,200	-	-	<sup>(c)</sup> 10,200
Ling Cheng Fah @ Ling Cheng Ming	15,300	*	-	15,300	*	-
Dr. Sia Teck Chin	793,050	0.17	-	793,050	0.19	-
<b>Major Shareholders</b>						
TNTT Realty Sdn Bhd	117,850,415	25.86	-	117,850,415	28.45	-
Ong Yoong Nyock <sup>(a)</sup>	88,116,180	19.33	<sup>(a)</sup> 140,899,865	88,116,180	21.27	<sup>(a)</sup> 140,899,865
Yong Kwee Lian <sup>(b)</sup>	4,896,000	1.07	<sup>(b)</sup> 224,120,045	4,896,000	1.18	<sup>(b)</sup> 224,120,045
<b>Persons Connected</b>						
Ong Weng Seng	54,000	0.01	-	54,000	0.01	-
Ong Yong Meng	64,260	0.01	-	64,260	0.02	-
Yong Wei Lian	-	-	-	-	-	-
Pan Chee Seng <sup>(d)</sup>	-	-	<sup>(d)</sup> -	-	-	<sup>(d)</sup> -
Wong Swee Siong	439,020	0.10	-	439,020	0.11	-

#### 5.4 Major Shareholders' and Directors' Shareholdings (Con't)

Directors, Major Shareholders and/or Persons Connected	As at 29 June 2018			Assuming full exercise of Warrants (1)			After (1) and Proposed Share Buy-Back		
	No. of Shares (Direct)	%	No. of Shares (Indirect)	No. of Shares (Direct)	%	No. of Shares (Indirect)	No. of Shares (Direct)	%	No. of Shares (Indirect)
<b>Directors</b>									
Dato' Fu Ah Kiow @ Oh (Fu) Soon Guan	765,000	0.17	-	765,000	0.12	-	765,000	0.14	-
Ong Yoong Nyock (a)	88,116,180	19.33	(a) 140,899,865	121,604,780	19.28	(a) 194,671,365	121,604,780	21.42	(a) 194,671,365
Yong Kwee Lian (b)	4,896,000	1.07	(b) 224,120,045	7,296,000	1.16	(b) 308,980,145	7,296,000	1.26	(b) 308,980,145
Ong Wei Kuan	255,000	0.06	-	380,000	0.06	-	380,000	0.07	-
Chang Chu Shien	1,224,000	0.27	-	1,224,000	0.19	-	1,224,000	0.22	-
Ong Eng Teck @ Ong Eng Fatt	-	-	-	-	-	-	-	-	-
Yong Seng Huat (c)	-	-	(c) 10,200	-	-	(c) 12,000	-	-	(c) 12,000
Ling Cheng Fah @ Ling Cheng Ming	15,300	*	-	15,300	*	-	15,300	*	-
Dr. Sia Teck Chin	793,050	0.17	-	793,050	0.13	-	793,050	0.14	-
<b>Major Shareholders</b>									
TNTT Realty Sdn Bhd	117,850,415	25.86	-	159,523,665	24.38	-	159,523,665	28.1	-
Ong Yoong Nyock (a)	88,116,180	19.33	(a) 140,899,865	121,604,780	19.28	(a) 194,671,365	121,604,780	21.73	(a) 194,671,365
Yong Kwee Lian (b)	4,896,000	1.07	(b) 224,120,045	7,296,000	1.16	(b) 308,980,145	7,296,000	1.27	(b) 308,980,145
<b>Persons Connected</b>									
Ong Weng Seng	54,000	0.01	-	54,000	0.01	-	54,000	0.01	-
Ong Yong Meng	64,260	0.01	-	64,260	0.01	-	64,260	0.01	-
Yong Wei Lian	-	-	(d)	-	-	(d)	-	-	(d)
Pan Chee Seng (d)	-	-	-	-	-	-	-	-	-
Wong Swee Siong	439,020	0.10	-	439,020	0.07	-	439,020	0.08	-

**Notes:**

\* Negligible

(a) Deemed interested by virtue of his substantial shareholdings in TNTT Realty Sdn Bhd and Rentrans Sdn Bhd and the shareholdings of his spouse, Madam Yong Kwee Lian.

(b) Deemed interested by virtue of her substantial shareholdings in TNTT Realty Sdn Bhd and Rentrans Sdn Bhd and the shareholdings of her spouse, Mr. Ong Yoong Nyock.

(c) Deemed interested by virtue of the shareholdings of his spouse, Madam. Ng Lee Lee.

(d) Deemed interested by virtue of the shareholdings of his spouse, Madam. Yong Wei Lian.

## **6. PUBLIC SHAREHOLDING SPREAD**

The Proposed Share Buy-Back will be carried out in accordance with prevailing laws at the time of the purchase including compliance with the twenty-five percent (25%) public shareholding spread as required under Paragraph 3.06 (1) of the Listing Requirements. As at 29 June 2018, the Record of Depositors of TNL showed 455,762,255 Shares representing approximately 45.58% of the total number of issued shares of TNL, being held by 4,745 public shareholders holding not less than 100 TNL Shares each.

## **7. DIRECTORS' AND MAJOR SHAREHOLDERS' INTERESTS**

Save for the inadvertent increase in the percentage shareholdings and/or voting rights of the directors and major shareholders of TNL as a consequence of the Proposed Share Buy-Back, none of the directors and/or major shareholders of the Company or persons connected to them, have any interest, direct or indirect, in the Proposed Share Buy-Back and, if any, the resale of treasury shares.

## **8. RECOMMENDATION OF DIRECTORS**

The Board, having considered all aspects of the Proposed Share Buy-Back, is of the opinion that it is in the best interest of TNL and accordingly, recommends that you vote in favour of the ordinary resolution pertaining to renewal of shareholders' approval for the Proposed Share Buy-Back at the forthcoming AGM.

## **9. IMPLICATION OF THE MALAYSIAN CODE ON TAKE-OVER AND MERGERS, 1998 ("THE CODE")**

As at 29 June 2018, Mr. Ong Yoong Nyock ("OYN") and Madam. Yong Kwee Lian ("YKL") collectively hold 50.25% of the total number of issued shares of TNL.

Assuming that the Proposed Share Buy-Back Authority is carried in full, the collective shareholding of OYN and YKL will increase to 55.28% of the total number of issued shares of TNL.

Pursuant to the Code, if a person or a group of persons acting in concert holding more than 33% but less than 50% of the voting shares of the Company and such person or group of persons acting in concert acquiring in any period of six (6) months more than 2% of the voting shares of the Company, there is an obligation to undertake a mandatory general offer for the remaining TNL Shares not held by the said persons or group of persons acting in concert.

However, a waiver may be granted by the Securities Commission ("SC") under Practice Note 2.9.10 of the Code, subject to the affected substantial shareholder complying with certain conditions, if the obligation is triggered as a result of action outside its direct participation.

In the event that TNL decides to purchase its own Shares which will result in OYN, YKL and such person or group of persons acting in concert's shareholdings in TNL increasing to more than 2% in any period of six (6) months, OYN and YKL will seek a waiver from the SC under Practice Note 2.9.10 of the Code before the Company purchases its own Shares.

## **10. DIRECTORS' RESPONSIBILITY STATEMENT**

This Statement has been seen and approved by the Directors of the Company, who collectively and individually accept full responsibility for the accuracy of the information given and confirm that after having made all reasonable enquiries and to the best of their knowledge and belief, there are no other facts, the omission of which would make any information, data or statement herein misleading.

## **11. FURTHER INFORMATION**

Shareholders are advised to refer to Appendix I for further information.

This Statement is dated 27 July 2018.



**PART B**

**CIRCULAR TO SHAREHOLDERS**

in relation to the

**PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED**

**PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE**

**(“PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE”)**



**TIONG NAM LOGISTICS HOLDINGS BERHAD**  
(Company No. 182485-V)  
(Incorporated in Malaysia under the Companies Act 2016)

**Registered Office**

Suite 7E, Level 7  
Menara Ansar  
65 Jalan Trus  
80000 Johor Bahru  
Johor Darul Takzim

27 July 2018

**Board of Directors**

Dato' Fu Ah Kiow @ Oh (Fu) Soon Guan (*Independent Non-Executive Chairman*)  
Ong Yoong Nyock (*Non-Independent Managing Director*)  
Yong Kwee Lian (*Non-Independent Executive Director*)  
Ong Wei Kuan (*Non-Independent Executive Director*)  
Chang Chu Shien (*Non-Independent Non-Executive Director*)  
Ong Eng Teck @ Ong Eng Fatt (*Non-Independent Non-Executive Director*)  
Yong Seng Huat (*Non-Independent Non-Executive Director*)  
Ling Cheng Fah @ Ling Cheng Ming (*Independent Non-Executive Director*)  
Dr. Sia Teck Chin (*Independent Non-Executive Director*)

**To: The Shareholders of Tiong Nam Logistics Holdings Berhad**

Dear Sir/Madam

**PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE**

---

**1. INTRODUCTION**

On 26 August 2017, the shareholders of the Company had approved the shareholders' mandate in relation to the recurrent related party transactions of revenue or trading nature for the TNL Group. The aforesaid Shareholders' Mandate is subject to annual renewal and will expire at the conclusion of the Company's forthcoming Twenty Ninth Annual General Meeting ("29<sup>th</sup> AGM") unless such authority is renewed by an ordinary resolution passed at the AGM.

On 7 June 2018, the Board of Directors of the Company announced the Company's intention to seek shareholders' approval for the proposed shareholders' mandate for Recurrent Related Party Transactions of revenue or trading nature at the forthcoming 29<sup>th</sup> AGM of the Company which will be held on 25 August 2018.

The purpose of this Circular is to provide you with details of the Proposed Renewal of Shareholders' Mandate and to seek the approval of the shareholders of the Company for the Proposed Renewal of Shareholders' Mandate at the forthcoming AGM.

**SHAREHOLDERS ARE ADVISED TO READ AND CAREFULLY CONSIDER THE CONTENTS OF PART B OF THIS CIRCULAR BEFORE VOTING ON THE ORDINARY RESOLUTION PERTAINING TO THE PROPOSED SHAREHOLDERS' MANDATE TO BE TABLED AT THE FORTHCOMING**

## **2. DETAILS OF THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE**

### **2.1 INTRODUCTION**

Pursuant to paragraph 10.09, Chapter 10 of the Listing Requirements and Practice Note 12, where any Related Party Transactions of a revenue or trading nature in the ordinary course of business are entered into between a listed issuer or its subsidiaries with a Related Party, the listed issuer may seek a shareholders' mandate in respect of such transactions subject to the following:-

- (i) the transactions are in the ordinary course of business and are on terms not more favourable to the Related Party than those generally available to the public and not to the detriment of the minority shareholders;
- (ii) the shareholders' mandate is subject to annual renewal and disclosure is made in the Annual Report of the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year, where:
  - (a) in relation to a listed issuer with an issued and paid-up capital of RM 60 million and above:
    - (aa) the consideration, value of assets, capital outlay or costs of the recurrent transactions is equal to or exceeds RM 1 million; or
    - (bb) the percentage ratios of such recurrent transactions is equal to or exceeds 1%whichever is the higher; or
  - (b) in relation to a listed issuer with an issued and paid-up capital which is less than RM 60 million:
    - (aa) the consideration, value of assets, capital outlay or costs of the recurrent transactions is equal to or exceeds RM 1 million; or
    - (bb) the percentage ratios of such recurrent transactions is equal to or exceeds 1%whichever is the lower.
- (iii) issuing of a circular to shareholders by the listed issuer; and
- (iv) where it involves the interest of a Director, Major Shareholder or person connected with a Director or Major Shareholder, such Director or Major Shareholder must not vote on the resolutions approving the transactions. An interested Director or interested Major Shareholder must ensure that persons connected with him abstain from voting on the resolutions approving the transactions.
- (v) the listed issuer announces to the Exchange when the actual value of a Recurrent Related Party Transaction entered into by the listed issuer, exceeds the estimated value of the Recurrent Related Party Transaction disclosed in the Circular by 10% or more and must include the information as may be prescribed by the Exchange in its announcement.

The Board is now seeking the approval of the shareholders of the Company for the Proposed Renewal of Shareholders' Mandate, which will allow TNL Group, in its ordinary course of business, to enter into the Recurrent Related Party Transactions referred to below with the classes

of Related Parties provided that such transactions are made on an arms length basis, on TNL Group's normal commercial terms which are not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders.

The Proposed Renewal of Shareholders' Mandate, if approved at the forthcoming 29<sup>th</sup> AGM, will continue to be in force until:

- (i) the conclusion of the next AGM following the 29<sup>th</sup> AGM at which such ordinary resolutions for the Proposed Renewal of Shareholders' Mandate will be passed, at which time it will lapse, unless by a resolution passed at a general meeting, the authority is renewed.
- (ii) the expiration of the period within the next AGM after the date it 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 resolution passed by the shareholders in general meeting. whichever is the earlier.

Thereafter, approval from shareholders for a renewal of the mandate in relation to the RRPTs will be sought at each subsequent AGM of the Company.

Disclosure made on the recurring related party transactions can be found in the Annual Report of the Group for the FYE 31 March 2018 in Note 30 of the said report.

## **2.2 PRINCIPAL ACTIVITIES OF TNL AND TNL GROUP**

The principal activities of the Company are investment holding, trading of diesel and petrol, and provision of management services.

The principal activities of its subsidiaries are as follows:

<b>Subsidiaries</b>	<b>% in Equity Interest</b>	<b>Immediate Holding Company</b>	<b>Principal Activities</b>
Anugerah Sensasi Sdn Bhd ("ASSB")	100	TNL	Property investment
Belaian Pinang Sdn Bhd ("BPSB")	100	TNL	Provision of transportation services
Dragon 2012 Sdn Bhd ("D2012SB")	100	TNL	Property development
Fair Vista Sdn Bhd ("FVSB")	90	TNL	Property development
Far East West Lands Sdn Bhd ("FEWLSB")	100	TNL	Provision of transportation services
Front Field Sdn Bhd ("FFSB")	100	TNL	Provision of transportation services

<b>Subsidiaries</b>	<b>% in Equity Interest</b>	<b>Immediate Holding Company</b>	<b>Principal Activities</b>
G-Force Logistics Solutions Sdn Bhd (“GFLS”)	100	TNL	Provision of total logistic services, transportation, general and bonded warehouse facilities, coldroom facilities, container facilities, container haulage services, forwarding, project cargoes
Integriti Kaliber Sdn Bhd (“IKSB”)	100	TNL	Hostel management and related services
Japan Original Electric (M) Sdn Bhd (“JOESB”)	51	TNLS	Property development
Jelas Bagus Sdn Bhd (“JBSB”)	100	TNL	Property development
LT Growth Sdn Bhd (“LTG”)	100	TNLS	Trading of foodstuff
Medini Heritage Sdn Bhd (“MHSB”)	100	TNL	Property development
Pacific Transport Sdn Bhd (“PTSb”)	100	TNL	Property letting
Pengangkutan Enepec Sdn Bhd (“PESB”)	100	TNL	Provision of transportation services
Semangat Angkut Sdn Bhd (“SASB”)	100	TNL	Provision of transportation services
Tiong Nam (Sarawak) Sdn Bhd (“TNSWK”)	100	TNLS	Provision of air, ocean & overland freight forwarding, custom brokerage, heavy bulking, long length equipment/machinery transportation & rigging, container inland haulage, general cargo transportation & bonded truck facilities, container depot & warehousing & distribution, project transportation & handling
Terminal Perintis Sdn Bhd (“TPSB”)	100	TNL	Property development
Tiong Nam Allied Container Depot Services Sdn Bhd (“TNASB”)	100	TNLS	Provision of container warehouse and services
Tiong Nam Ebiz Express Sdn Bhd (“TNEE”)	100	TNLS	Provision of transport and distribution services
Tiong Nam Heavy Transport & Lifting Sdn Bhd (“TNHT”)	100	TNL	Provision of transportation of heavy and project cargo
Tiong Nam Logistics Myanmar Co Ltd (“TNLMN”)	100	TNLS	Provision of total logistics services and warehousing

<b>Subsidiaries</b>	<b>% in Equity Interest</b>	<b>Immediate Holding Company</b>	<b>Principal Activities</b>
Tiong Nam Logistics Sdn Bhd (“TNLSB”)	100	TNL	Provision of transportation services, warehousing and property development
Tiong Nam Logistics Solutions (Lao) Co Ltd (“TNLS(L)”)	100	TNL	Provision of total logistics services and warehousing
Tiong Nam Logistics Solutions (Shenzhen) Co Ltd (“TNLS(SZ)”)	100	TNLS	Provision of total logistics services and warehousing
Tiong Nam Logistics Solutions Sdn Bhd (“TNLS”)	100	TNL	Provision of total logistic services, transportation, general and bonded warehouse facilities, coldroom facilities, container facilities, container haulage services, forwarding, project cargoes
Tiong Nam Logistics Vietnam Co Ltd (“TNLVN”)	100	TNLS	Provision of total logistics services and warehousing
Tiong Nam Logistics (S) Pte. Ltd. (“TNS”)	100	TNL	Provision of total logistics services and warehousing
Tiong Nam Properties Sdn Bhd (“TNP”)	100	TNL	Administrative and agent commission agents
Tiong Nam Resources Sdn Bhd (“TNR”)	60	TNTTSB	Provision of air freight and cargo services
Tiong Nam Truck Rental Services Sdn Bhd (“TNTR”)	100	TNLS	Rental of material handling equipments
Tiong Nam Warehousing (Sarawak) Sdn Bhd (“TNW”)	100	TNLS	Provision of public bonded warehousing and distribution services, total gas and chemical warehousing management and services
TNTT Packages Express Pte Ltd (“TNTTPL”)	90	TNL	Dormant
TNTT Packages Express Sdn Bhd (“TNTTSB”)	60	TNEE	Provision of transport and distribution services
Yakin Kaliber Sdn Bhd (“YKSB”)	100	TNL	Dormant

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## 2.3 CLASS AND NATURE OF RELATED PARTY TRANSACTIONS

2.3.1 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 persons connected to them are as follows:

- (a) Mr Ong Weng Seng (“OWS”) and Mr Ong Yong Meng (“OYM”), both are brothers of OYN,
- (b) Madam Yong Wei Lian (“YWL”), sister of YKL,
- (c) Mr Pan Chee Seng (“PCS”), husband of YWL,
- (d) Mr Wong Swee Siong (“WSS”), brother-in-law of YKL.

Transacting Party	Shareholders/ % in Equity Interest	Nature of Transaction	Estimated Value disclosed in preceding year’s Circular to Shareholders dated 28.7.2017 RM’000	Actual Value transacted from date of last AGM on 26.8.2017 to latest practicable date (29.6.2018) RM’000	Estimated value of transactions from 25.8.2018 to next AGM RM’000
(1) Linocraft Printers Sdn Bhd (“LPSB”)	LPSB is 70% owned by Charlecote Sdn Bhd (“CSB”) CSB is 50% and 50% owned by OYN and YKL respectively.  OYN is a director in LPSB and owned 11% share.	Freight income received from provision of transportation and related services such as forwarding, handling stuffing and unstuffing, container haulage services and general warehousing facilities provided by TNL & TNLS.  Charge payable for printing of company’s shareholders’ circulars, annual report, carton box, A4 (TN) manual and ad-hoc brochures provided to TNL.	3,000	3,047	3,350
			100	-	100

Transacting Party	Shareholders/ % in Equity Interest	Nature of Transaction	Estimated Value disclosed in preceding year's Circular to Shareholders dated 28.7.2017 RM'000	Actual Value transacted from date of last AGM on 26.8.2017 to latest practicable date (29.6.2018) RM'000	Estimated value of transactions from 25.8.2018 to next AGM RM'000
		The actual value transaction is higher than the estimated value disclosed in preceding year's Circular to Shareholders dated 28 July 2017 due to more transportation services provided to the LPSB.			
(2) TN Transport & Warehousing Pte Ltd ("TNTW") (Singapore)	OYN – 50% YKL – 50% Both OYN and YKL are directors in TNTW.	Rent payable for rental of general warehouse at 25 Senoko Loop, Woodland East Industrial Estate, Singapore 758158. - size of rented premise: 16,562 sq ft. - frequency of payment: Monthly provided to TNLS  Forwarding and related services such as handling, forklifts services, stuffing and unstuffing provided to TNLS.  Warehouse management services provided to TNLS.	1,650	1,117	1,650
			7,500	3,814	7,500
			4,500	4,100	4,500



Transacting Party	Shareholders/ % in Equity Interest	Nature of Transaction	Estimated Value disclosed in preceding year's Circular to Shareholders dated 28.7.2017 RM'000	Actual Value transacted from date of last AGM on 26.8.2017 to latest practicable date (29.6.2018) RM'000	Estimated value of transactions from 25.8.2018 to next AGM RM'000
(3) 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 in TNH and OWS and OYM are directors in the following wholly owned subsidiaries: - GE	Rent payable for rental of parking lot at PT 14340 & 14341, Mukim Damansara, Shah Alam - size of rented premise: 110,000 sq ft. - frequency of payment: Monthly provided to TNLS	1,200	1,050	1,200
(4) Blossom Paragon Sdn Bhd ("BPSB")	PCS – 50% PCS is a director in BPSB.	Income from freight provided by TNL Group. Charges payable for printing and installation of signage provided to TNL Group.	60 40	- -	60 40

Transacting Party	Shareholders/ % in Equity Interest	Nature of Transaction	Estimated Value disclosed in preceding year's Circular to Shareholders dated 28.7.2017 RM'000	Actual Value transacted from date of last AGM on 26.8.2017 to latest practicable date (29.6.2018) RM'000	Estimated value of transactions from 25.8.2018 to next AGM RM'000
(5) 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 - GFA	Income from rental of general warehouse in Shah Alam. - size of rented space :5,000 sq ft. - frequency of payment : Monthly  Transportation and related services, container haulage services, sale of diesel, NGV gas, and other transportation accessories.  Rent payable for rental of general warehouses in Shah Alam and Johor Bahru and coldroom facilities in Shah Alam.  Address  Lot 16875 & 16876, Mukim Damansara, Shah Alam 4,500 - size of rented premise: 86,012 sq ft. - frequency of payment: Monthly	100  10,000  13,420	-  -  12,202	100  10,000  13,420

Transacting Party	Shareholders/ % in Equity Interest	Nature of Transaction	Estimated Value disclosed in preceding year's Circular to Shareholders dated 28.7.2017 RM'000	Actual Value transacted from date of last AGM on 26.8.2017 to latest practicable date (29.6.2018) RM'000	Estimated value of transactions from 25.8.2018 to next AGM RM'000
(5) GFSB and the following wholly owned subsidiaries: - TC - GFA (Cont')		<p style="text-align: center;">Estimated Rental Payable RM '000</p> <p style="text-align: center;">Address</p> <p>Lot 61383, Bangi Coldroom                      1,300 - size of rented premise: 40,004 sq ft. - frequency of payment: Monthly</p> <p>Plo 26, Pasir Gudang, Johor                      1,420 Bahru - size of rented premise: 94,500 sq ft. - frequency of payment: Monthly</p> <p>Lot 41431, Pekan Hicom,                      1,400 Shah Alam - size of rented premise: 85,000 sq ft. - frequency of payment: Monthly</p> <p>Shah Alam Premier                      3,500 Industrial Park - size of rented premise: 151,728 sq ft. - frequency of payment: Monthly</p>			

Transacting Party	Shareholders/ % in Equity Interest	Nature of Transaction	Estimated Value disclosed in preceding year's Circular to Shareholders dated 28.7.2017 RM'000	Actual Value transacted from date of last AGM on 26.8.2017 to latest practicable date (29.6.2018) RM'000	Estimated value of transactions from 25.8.2018 to next AGM RM'000
(5) GFSB and the following wholly owned subsidiaries: - TC - GFA (Cont')		<p>Address</p> <p>Estimated Rental Payable RM '000 1,300</p> <p>Lot 640, Kuching -size of rented premise: 94,600 sq ft -frequency of payment : Monthly</p> <p>The above warehouse and coldroom facilities are provided to TNLS.</p> <p>Charges payable for forwarding and transportation services, handling and provision of accountancy service provided to TNLS, PTSB, GFLS and TNSWK.</p>	5,900	2	5,900
(6) Terbit Watan Sdn Bhd ("TWBSB")	YWL – 50%	Income from sale of trucks.	1,000	4	1,000

Transacting Party	Shareholders/ % in Equity Interest	Nature of Transaction	Estimated Value disclosed in preceding year's Circular to Shareholders dated 28.7.2017 RM'000	Actual Value transacted from date of last AGM on 26.8.2017 to latest practicable date (29.6.2018) RM'000	Estimated value of transactions from 25.8.2018 to next AGM RM'000
(7) Tiong Wang Movers (JB) Sdn Bhd ("TWMJB")	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 - size of rented premise: 558 sq ft. - frequency of payment: Monthly provided by TNLS  Transportation and related services, handling, forklift services and trucking provided by TNLS and TNHT.  Charges payable for transportation and related services such as forwarding, handling, forklifts services, labour, repairs, loading and unloading, maintenance of warehouses provided to TNLS, TNHT and TNS.	25  130  1,600	3  19  857	25  130  1,600
(8) Trinity Legend Sdn Bhd ("TLSB")	OYN – 50% OWK – 50%	Rent payable for rental of parking lot at Lot PT 28722, Mukim Damansara, Selangor - size of rented premise: 48,420 sq ft. - frequency of payment: Monthly provided to TNHT.	300	195	300

<b>Transacting Party</b>	<b>Shareholders/ % in Equity Interest</b>	<b>Nature of Transaction</b>	<b>Estimated Value disclosed in preceding year's Circular to Shareholders dated 28.7.2017 RM'000</b>	<b>Actual Value transacted from date of last AGM on 26.8.2017 to latest practicable date (29.6.2018) RM'000</b>	<b>Estimated value of transactions from 25.8.2018 to next AGM RM'000</b>
(9) Fastrans Sdn Bhd ("FTSB")	OYN – 70% YKL – 30%	Rent payable for rental of office block at Lot 30462, Kempas, provided to TNLS. - size of rented premise: 87,120 sq ft. - frequency of payment: Monthly	3,500	2,722	3,500
(10) Theak Yuan Elektrik Engineering Sdn Bhd ("TYESB")	WSS is a director in TYESB.	Charges payable for construction works provided to FVSB	4,000	21	4,000
(11) Tiong Wang Movers (KL) Sdn Bhd ("TWMKL")	OYM - 49% OYM is a director in TWMKL.	Charge payable for hire of motor vehicle for TNHT.	50	-	50

Transacting Party	Shareholders/ % in Equity Interest	Nature of Transaction	Estimated Value disclosed in preceding year's Circular to Shareholders dated 28.7.2017 RM'000	Actual Value transacted from date of last AGM on 26.8.2017 to latest practicable date (29.6.2018) RM'000	Estimated value of transactions from 25.8.2018 to next AGM RM'000
(12) TN Logistics Solutions Co Ltd ("TNLSCL")	OYN, OYM and OKW are directors in TNLSCL.	Freight income received from provision of transportation and related services such as forwarding, handling stuffing and unstuffing provided by TNLS.  Freight income received from provision of transportation and related services such as forwarding, handling stuffing and unstuffing provided by TNLS.	1,000  50	6  10	1,000  50
(13) Attractive Zone Sdn Bhd ("AZSB")	OYN – 55% OYN is a director in AZSB.	Charge payable for project management fee provided to TNP and FVSB.	500	392	550

Transacting Party	Shareholders/ % in Equity Interest	Nature of Transaction	Estimated Value disclosed in preceding year's Circular to Shareholders dated 28.7.2017 RM'000	Actual Value transacted from date of last AGM on 26.8.2017 to latest practicable date (29.6.2018) RM'000	Estimated value of transactions from 25.8.2018 to next AGM RM'000
(14) GF Equipment Rental Sdn Bhd ("GFER") and the following wholly owned subsidiaries: - GF Forklift Services (Penang) Sdn Bhd ("GFFS") - G-Force Equipment Services Sdn Bhd ("GFES") - Mach 1 Equipment Services Sdn Bhd ("M1ES") - Mach 1 Heavylift & Equipment Sdn Bhd ("M1HE") - Mach 1 Hyster Sdn Bhd ("M1H")	PCS –25%	Purchase, hire and repair & maintenance of crane and forklifts provided to TNLS, TNS, TNHT and PTSB.  Freight income received from provision of transportation and related services such as forwarding, handling stuffing and unstuffing and sale of diesel provided by TNLS and TNLHB.  The actual value transaction is higher than the estimated value disclosed in preceding year's Circular to Shareholders dated 28 July 2017 due to more repair and maintenance services provided to the TNL Group.	4,800  90	9,050  106	9,950  130



Transacting Party	Shareholders/ % in Equity Interest	Nature of Transaction	Estimated Value disclosed in preceding year's Circular to Shareholders dated 28.7.2017 RM'000	Actual Value transacted from date of last AGM on 26.8.2017 to latest practicable date (29.6.2018) RM'000	Estimated value of transactions from 25.8.2018 to next AGM RM'000
(16) Aspirasi Ternama Sdn Bhd ("ATSB")	OYN – 47.5%	Charge payable for project management fee provided to TNP.  The actual value transaction is higher than the estimated value disclosed in preceding year's Circular to Shareholders dated 28 July 2017 due to additional management services provided to the ATSB.	300	360	400
<b>Total</b>			<b>64,865</b>	<b>39,075</b>	<b>70,510</b>

**2.3.2** 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	Shareholders/ % in Equity Interest	Nature of Transaction	Estimated Value disclosed in preceding year’s Circular to Shareholders dated 28.7.2017 RM’000	Actual Value transacted from date of last AGM on 26.8.2017 to latest practicable date (29.6.2018) RM’000	Estimated value of transactions from 25.8.2018 to next AGM RM’000
(1) Semangat Forwarding Agent Sdn Bhd (“SFA”)	OWK – 5.5 %	<p>Income from rental of offices at:-</p> <p>i) Lot 2 Padang Besar - size of rented premise: 1,000 sq ft. - frequency of payment: Monthly</p> <p>ii) Lot 24 Johor Port Pasir Gudang -size of rented premise: 1,000 sq ft. - frequency of payment: Monthly</p> <p>iii) D28A, Pelabuhan Tanjung Pelepas -size of rented premise: 1,500 sq ft. - frequency of payment: Monthly</p> <p>iv) Lot 5, Port Klang. -size of rented premise: 5,000 sq ft. - frequency of payment: Monthly</p> <p>The above office rentals are provided by TNLS and GFSL.</p> <p>Freight income received provided by TNLS.</p>	15	14	15
			15	14	15
			40	21	40
			100	91	100
			5	1	5

Transacting Party	Shareholders/ % in Equity Interest	Nature of Transaction	Estimated Value disclosed in preceding year's Circular to Shareholders dated 28.7.2017 RM'000	Actual Value transacted from date of last AGM on 26.8.2017 to latest practicable date (29.6.2018) RM'000	Estimated value of transactions from 25.8.2018 to next AGM RM'000
(1) Semangat Forwarding Agent Sdn Bhd ("SFA") (Cont')		<p>Charges payable for forwarding, custom clearance and related services, telephone, handling, stuffing and unstuffing, postages and travelling charges by TNLS and GFLS.</p> <p>The actual value transaction is higher than the estimated value disclosed in preceding year's Circular to Shareholders dated 28 July 2017 due to more transportation services provided to SFA.</p>	7,000	12,495	13,700
(2) Dynamic Tyre Sdn Bhd ("DT")	OWK – 7 %	<p>Income from rental of warehouse at Lot 30462 Jalan Kempas Baru, Johor Bahru provided by TNLS.</p> <p>-size of rented premise: 4,000 sq ft.</p> <p>- frequency of payment: Monthly</p> <p>Income from labour charges/freight income received from transportation services provided by TNLS.</p> <p>Charges payable for purchases of tyres and accessories by TNLS, BPSB, FEWLSB, FFSSB, PESB, SASB, TNLSB and TNHT.</p>	90	84	90
			15	12	15
			4,000	5,461	6,000

Transacting Party	Shareholders/ % in Equity Interest	Nature of Transaction	Estimated Value disclosed in preceding year's Circular to Shareholders dated 28.7.2017 RM'000	Actual Value transacted from date of last AGM on 26.8.2017 to latest practicable date (29.6.2018) RM'000	Estimated value of transactions from 25.8.2018 to next AGM RM'000
(2) Dynamic Tyre Sdn Bhd ("DT") (Cont')		The actual value transaction is higher than the estimated value disclosed in preceding year's Circular to Shareholders dated 28 July 2017 due to more repair and maintenance services provided to the TNL Group.			
(3) Vyos Technology Sdn Bhd ("VTSB")	OWK – 7 %	Income from rental of offices at i) Lot 30462 Jalan Kempas Baru, Johor Bahru -size of rented premise: 3,600 sq ft. - frequency of payment: Monthly ii) Lot 204, Lion Industrial park, Shah Alam -size of rented premise: 2,500 sq ft. - frequency of payment: Monthly both provided by TNLS  Income from telephone and telex services provided by GFLS.  Charges payable for information technology services provided to TNLS, BPSB, JBSB, JOESB, FVSB, PTSB, PESB, TNL, TNS, TNHT, TNL, TNTR, TNTTSB, TNR, TPSB, FEWLSB, FFSB, SASB, TNCD and GFLS.	80  40  5  1,800	76  35  -  1,315	80  40  5  1,800

Transacting Party	Shareholders/ % in Equity Interest	Nature of Transaction	Estimated Value disclosed in preceding year's Circular to Shareholders dated 28.7.2017 RM'000	Actual Value transacted from date of last AGM on 26.8.2017 to latest practicable date (29.6.2018) RM'000	Estimated value of transactions from 25.8.2018 to next AGM RM'000
(4) TN Engineering Sdn Bhd ("TNE") and the following subsidiaries: - Power Auto Marketing Sdn Bhd ("PAM") (70%)	OWK – 10 %	<p>Income from freight and sale of diesel provided by TNLS and PTSB respectively.</p> <p>Income from rental of warehouse and showroom, office and service center at</p> <p>i) Lot 203D, Gebeng Industrial Estate, Kuantan, provided by TNLS - size of rented premise: 1,000 sq ft. - frequency of payment: Monthly</p> <p>ii) Plot 112E, Bukit Mertajam, Seberang Perai, provided by TNL - size of rented premise: 1,000 sq ft. - frequency of payment: Monthly</p> <p>iii) PTD 56039, Jalan Kempas Lama, Johor, provided by TNLS - size of rented premise: 6,862 sq ft. - frequency of payment: Monthly</p> <p>Charges payable for repairs and maintenance services of lorries (including smash repairs), forklifts, mobile cranes and motor vehicles rendered to TNLS, BPSB, FEWLSB, FFSB, PTSB, PESB, SASB, TNLSB and TNHT.</p>	120	120	120
			25	53	58
			15	20	21
			120	-	120
			2,000	7,954	8,700

Transacting Party	Shareholders/ % in Equity Interest	Nature of Transaction	Estimated Value disclosed in preceding year's Circular to Shareholders dated 28.7.2017 RM'000	Actual Value transacted from date of last AGM on 26.8.2017 to latest practicable date (29.6.2018) RM'000	Estimated value of transactions from 25.8.2018 to next AGM RM'000
(4) TNE and the following subsidiaries: - PAM (70%) (Cont')		The actual value transaction is higher than the estimated value disclosed in preceding year's Circular to Shareholders dated 28 July 2017 due to more repair and maintenance services provided to the TNL Group.			
(5) TN Engineering (SA) Sdn Bhd ("TNESA")	OWK – 8 %	Income from freight and sale of diesel provided by TNLS and PTSB.  Income from rental of service centers and hostel at i) Lot 92, 93, 94 & 240, Shah Alam - size of rented premise: 27,137 sq ft. - frequency of payment: Monthly  ii) Lot 204, Shah Alam, - size of rented premise: 1,826.13 sq ft. - frequency of payment: Monthly both provided by TNLS  Charges payable for repairs and maintenance services of lorries (including smash repairs), forklifts, mobile cranes, motor vehicles and compressor rendered to TNLS, BPSB, FEWLSB, FFSB, PTSB, PESB, SASB, TNLSB, TNHT and TNTTSB.	120  750  20  1,200	82  525  12  788	120  750  20  1,200

Transacting Party	Shareholders/ % in Equity Interest	Nature of Transaction	Estimated Value disclosed in preceding year's Circular to Shareholders dated 28.7.2017 RM'000	Actual Value transacted from date of last AGM on 26.8.2017 to latest practicable date (29.6.2018) RM'000	Estimated value of transactions from 25.8.2018 to next AGM RM'000
(6) TN Fabrication & Assembly Engineering Works Sdn Bhd ("TNFA")	OWK – 7 %	<p>Income from freight provided by TNLS.</p> <p>Charges payable for purchases of trailers and trucks accessories by TNL Group.</p> <p>The actual value transaction is higher than the estimated value disclosed in preceding year's Circular to Shareholders dated 28 July 2017 due to more purchase of trailers and trucks accessories provided to the TNL Group.</p>	<p>10</p> <p>1,800</p>	<p>-</p> <p>2,795</p>	<p>10</p> <p>3,075</p>

Transacting Party	Shareholders/ % in Equity Interest	Nature of Transaction	Estimated Value disclosed in preceding year's Circular to Shareholders dated 28.7.2017 RM'000	Actual Value transacted from date of last AGM on 26.8.2017 to latest practicable date (29.6.2018) RM'000	Estimated value of transactions from 25.8.2018 to next AGM RM'000
(7) Create Fortune Enterprise Sdn Bhd ("CFE")	OWK is a director in CFE.	Rent payable for rental of land at Lot 351, Pelabuhan Tanjung Pelepas - size of rented land: 8,000 sq ft. - frequency of payment: Monthly provided to TNLS  Charges payable for warehouse utilities by TNLS.	120	25	120
<b>Total</b>			<b>19,515</b>	<b>31,997</b>	<b>36,209</b>



**2.3.3** 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:

<b>Transacting Party</b>	<b>Shareholders/ % in Equity Interest</b>	<b>Nature of Transaction</b>	<b>Estimated Value disclosed in preceding year’s Circular to Shareholders dated 28.7.2017 RM’000</b>	<b>Actual Value transacted from date of last AGM on 26.8.2017 to latest practicable date (29.6.2018) RM’000</b>	<b>Estimated value of transactions from 25.8.2018 to next AGM RM’000</b>
(1) Straits View Hotel Sdn Bhd	CCS – 20.49% CCS is a director in Straits View Hotel Sdn Bhd	Rent payable for rental of a general warehouse at (i) Lot 2-43 & 2-45, Lion Industrial Park, Shah Alam. - size of rented premise: 46,866 sq ft. - frequency of payment: Monthly (ii) Lot 2-13, Lion Industrial Park, Shah Alam. - size of rented premise: 34,197 sq ft. - frequency of payment: Monthly both provided to TNLS  The actual value transaction is higher than the estimated value disclosed in preceding year’s Circular to Shareholders dated 28 July 2017 due to increase of rental charged to the TNL Group.	630	840	920
			420	557	610
<b>Total</b>			<b>1,050</b>	<b>1,397</b>	<b>1,530</b>

**2.3.4** The nature of transactions with the Related Parties involving the interest of Directors, major shareholders and person connected of the Company are as follows:

<b>Transacting Party</b>	<b>Shareholders/ % in Equity Interest</b>	<b>Nature of Transaction</b>	<b>Estimated Value disclosed in preceding year's Circular to Shareholders dated 28.7.2017 RM'000</b>	<b>Actual Value transacted from date of last AGM on 26.8.2017 to latest practicable date (29.6.2018) RM'000</b>	<b>Estimated value of transactions from 25.8.2018 to next AGM RM'000</b>
(1) OYN and YKL and person connected to them <sup>(a)</sup>	N/A	Property letting to or from related party - Rental of land and buildings  Constructions related activities with related party - Constructions works of warehouses, property developments  Provision of transportation and related services - Provision of total logistics services, transportation, general and bonded warehouse facilities, coldroom facilities, container facilities, coldroom facilities, container haulage services, forwarding, and project cargoes.	10,000	6,458	30,000
<b>Total</b>			<b>10,000</b>	<b>6,458</b>	<b>30,000</b>

Notes:

(a) Mr Ong Weng Seng, Mr Ong Yong Meng, Mdm Yong Wei Lian, Mr Pan Chee Seng, Mr Wong Swee Siang.

## **2.4 AMOUNT DUE OR OWING TO TNL GROUP BY RELATED PARTIES**

As at 31 March 2018, the amount due or owing by related parties under the recurrent transactions which exceeded the credit terms are as follows:-

Related Party	Amount due which exceeded the credit terms ("Overdue Sum") (RM'000)			
	≤ 1 year	> 1 years to 3 years	> 3 years to 5 years	> 5 years
Linocraft Printers Sdn Bhd ("LPSB")	184	-	-	-

There is no late payment charges imposed by the Group for the above overdue trade receivables as a gesture of goodwill taking into consideration the on-going relationship between the parties. The management monitors and analyses the outstanding debts on regular basis and follow up on the status of the case and will take appropriate action to recover outstanding amounts. The Board is aware of the outstanding amount that exceed the credit period and opined that outstanding debts exceeding credit period do occur in the normal course of business and is of the opinion that there will be no recoverable issue as the related parties is the Group's long trading partners with good credit standing. The amount owing by LPSB have been fully settled in June 2018.

The Board has instructed the management to monitor and follow up on related parties collection. The Group will continue its policy to recover outstanding debts by regular contact and phone calls with the debtors, including related parties, failing which to initiate legal action to recover the debts.

## **2.5 METHODS OR PROCEDURES ON WHICH TRANSACTIONS PRICES ARE DETERMINED AND REVIEW PROCEDURES FOR RECURRENT RELATED PARTY TRANSACTIONS ("RRPT")**

The Group has established the following procedures to ensure that the RRPT are undertaken at arm's length basis and on normal commercial terms consistent with the Group's usual business practices and policies, which are generally no more favourable to the Related Parties than those generally available to the public and are not detrimental to TNL's minority shareholders.

These procedures include the following:

- (i) All companies within the Group have been informed of the definition of Related Party(ies) and that all RRPT are required to be undertaken on arm length basis and on normal commercial terms and on terms not more favourable to the Related Parties than those generally available to the public;
- (ii) All RRPT are necessary for day-to-day operations. These transactions may be constrained by the proprietary nature and confidentiality of such transactions. For transaction where it is vital that confidentiality be maintained, it will not be feasible for the Group to obtain quotation or comparative pricing from unrelated third parties as this will entail the release of details of the transaction and may adversely affect the interests of the Group and place the Group at a disadvantage to its competitors. Where practical and/or feasible, at least 2 other contemporaneous transactions with unrelated third parties for similar products/services and/or quantities would be used as comparison, to determine whether the price and terms offered to/by the related parties are fair and reasonable and comparable to those offered to/by other unrelated

third parties for the same or substantially similar type of products/services and or quantities. The rental is determined based on per square foot basis at prevailing market rates after taking into consideration of the building structural conditions and is on terms that are not more favourable to the Related Party than those generally available to the public and not detrimental to the minority shareholders. Where it is impractical to obtain quotation or comparative pricing from unrelated third party, the transaction should be transacted at the usual commercial terms (including where appropriate usual preferential rates and discounts) and otherwise in accordance with applicable industry norms. Preferential rates and discounts shall be considered based on volume and total value of transactions per month;

- (iii) Where applicable, the terms of the pricing of the RRPT will be consistent with the Group's usual business practices and policies and will take into consideration the terms and conditions, level of service and expertise required, quality, reliability and consistency of products and services as compared with the prevailing market rate of prices and general practices by other service providers of similar capacity and capability;
- (iv) All RRPT will be reviewed by the Audit Committee of the Company on a yearly basis. Any member of the Audit Committee may as he deems fit, request for additional information pertaining to the RRPT from independent sources or advisers;
- (v) The Audit Committee shall review procedures, and shall continue to review the procedures, as and when required, with the authority to sub-delegate to individuals or committees within the Company as they deem appropriate;
- (vi) The annual internal audit plan shall incorporate procedures to ensure that the RRPT have been entered into in accordance with the review procedures. Any divergence will be reported to the Audit Committee;
- (vii) If a member of the Board or the Audit Committee has an interest in the transaction, he will abstain from any decision making by the Board or the Audit Committee in respect of the transaction; and
- (viii) There is no specific threshold for approval of RRPT. However, all RRPT are approved by authorized senior executives such as Chief Operating Officer, Financial Controller and General Managers who are having authority and responsibility for planning, directing and controlling the activities of the entity directly or indirectly.

## **2.6 DISCLOSURE**

Disclosure will be made in accordance with Section 3.1.5 of the Practice Note No. 12 of the Listing Requirements, which requires a breakdown of the aggregate value of the Recurrent Related Party Transactions made during the financial year, amongst others, based on the following information:-

- (i) the type of Recurrent Related Party Transactions; and
- (ii) the names of the Related Parties involved in each type of the Recurrent Related Party Transactions made and their relationship with the Company,

in the Company's Annual Report pursuant to the Proposed Shareholders' Mandate and in the Annual Reports for the subsequent financial years that the Proposed Shareholders' Mandate continues to be in force.

## **2.7 AUDIT COMMITTEE STATEMENT**

The Audit Committee members are Mr. Ling Cheng Fah, Dr Sia Teck Chin and Mr Yong Seng Huat.

The Audit Committee has seen and reviewed the procedures and prices of the Recurrent Related Party Transactions and is satisfied that the Recurrent Related Party Transactions are carried out on terms not more favourable to the Related Parties than those generally available to the general public and are not detrimental to the minority shareholders. The Audit Committee is satisfied with the guidelines in relation to Recurrent Related Party Transactions and that the procedures in Section 2.5 are sufficient to ensure that the Recurrent Related Party Transactions are not more favourable to the related party than those generally available to the public and are not detrimental to the minority shareholders.

The Group has in place adequate procedures and processes to monitor, track and identify RRPT in a timely and orderly manner. The Audit Committee shall review the RRPT at least once a year and also review the established guidelines and procedures to ascertain their compliance. If during the periodic reviews, the Audit Committee is of the opinion that the guidelines and procedures are not sufficient to ensure that the RRPT:

- (i) will be conducted on an arm's length basis;
- (ii) are on normal commercial terms in the ordinary course of business;
- (iii) are not more favourable to the Related Parties than those generally available to the public;
- (iv) are not more prejudicial to the interests of shareholders; and
- (v) are not detrimental to the interests of minority shareholders,

the Company will seek a fresh mandate based on new guidelines and procedures.

## **3. RATIONALE AND BENEFITS**

The Group has long standing business relationship of between one (1) to thirty (30) years with the Related Parties. The principal activities of the Group are the provision of total logistics services, transportation, forwarding, handling stuffing and unstuffing, general and bonded warehouse services, container haulage services, coldroom facilities and sale of diesel, NGV gas and accessories and property development. The Group outsources forwarding services, repair and maintenance services (including smash repairs), purchase of tyres and tubes, spare parts, accessories and trailers for trucks and related accessories, information technology services on software and hardware, customization of logistics, total logistics and warehouse management systems to the mandated Related Parties to ensure

that such services are provided efficiently to our customers. Conversely, our Group also provides rental of offices and warehouses, freight and labour services and sale of used trucks to these related parties.

In the case of purchase of properties by the Related Parties, this reflects the confidence and commitment of the Related Parties in/to the Group's own property development projects. The transaction price will be determined by the Group based on that offered by/to other unrelated parties for the same or substantially similar type of transaction to ensure that the Recurrent Related Party Transaction is not detrimental to the Group.

The obtaining of the Proposed Shareholders' Mandate on an annual basis will eliminate the need to convene separate general meeting from time to time to seek shareholders approval as and when the Recurring Related Party Transactions with mandated Related Parties arise thereby reducing substantially administrative time, inconveniences and expenses associated with convening such meetings.

The transactions with mandated Related Parties over the last one (1) to thirty (30) years have benefited the Group substantially as the mandated Related Parties have introduced to the Group their customers in Singapore and Peninsular Malaysia for total logistics services, transportation, forwarding, handling stuffing and unstuffing, general and bonded warehouse facilities, coldroom facilities, project cargo facilities and container haulage facilities for mutual benefits. These transactions have enhanced the revenue and services provided by the Group and has enable the Group to continue to expand its customer base and thereby expand its total logistics services, transportation, forwarding, handling stuffing and unstuffing, general and bonded warehousing services, coldroom facilities, project cargo facilities and container haulage facilities.

#### **4. FINANCIAL EFFECTS OF THE PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE**

The Proposed Shareholders' Mandate is not expected to have any effect on the issued and paid-up share capital of the Company but is expected to have a positive effect on the earnings and the net assets of the Group for the FYE 31 March 2019 as a result of increase in revenue and also increase in number of customers.

#### **5. CONDITION OF THE PROPOSED SHAREHOLDERS' MANDATE**

The Proposed Renewal of Shareholders' Mandate are subject to the approval of the shareholders of the Company to be obtained at the forthcoming AGM.

#### **6. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED TO THEM**

Save as disclosed in Section 2.3 above, none of the other Directors, Major Shareholders and/or persons connected to them has any interest, direct or indirect, in the Proposed Shareholders' Mandate. The interested Directors and interested Major Shareholders, Mr. Ong Yoong Nyock and Madam Yong Kwee Lian, and interested Directors, Mr. Ong Wei Kuan and Mr. Chang Chu Shien will abstain from voting on Resolution 6 to Resolution 8 respectively in the Proposed Shareholders' Mandate in respect of their direct or indirect shareholdings in the Company at the forthcoming AGM.

In addition, the said interested Directors and interested Major Shareholders have undertaken to ensure that persons connected to them as disclosed in 2.3.1, from page 14 to page 21 of this Circular, Mr. Ong Yong Meng and Mr. Ong Weng Seng, who are brothers of Mr. Ong Yoong Nyock; and Madam Yong Wei Lian, who is sister of Madam Yong Kwee Lian; and Mr. Pan Chee Seng, who is husband of Madam Yong Wei Lian, and Mr. Wong Swee Siong, who is brother-in-law of Madam Yong Kwee

Lian, will abstain from voting on Resolution 6 deliberating or approving on the Proposed Shareholder's Mandate in respect of their direct or indirect shareholdings in the Company at the forthcoming AGM. Mr. Ong Yong Meng, Mr. Ong Weng Seng, Madam Yong Wei Lian, Mr. Pan Chee Seng and Mr. Wong Swee Siong will also abstain from voting on Resolution 6 deliberating or approving on the Proposed Shareholders' Mandate in respect of their direct or indirect shareholdings in the Company at the forthcoming AGM. The interested Directors, Mr. Ong Wei Kuan and Mr. Chang Chu Shien have undertaken that they will ensure that the persons connected with them abstain from voting on the Resolution 7 and Resolution 8 deliberating or approving on the Proposed Shareholders' Mandate in respect of their direct or indirect shareholdings in the Company at the forthcoming AGM.

The interested major shareholder, TNTT Realty Sdn Bhd, will abstain from voting in respect of its direct and/or indirect shareholdings at the forthcoming AGM in respect of the resolution in which it has an interest as particularized in Section 2.3.

TNTT Realty Sdn Bhd has undertaken that they will ensure that persons connected with them as particularized in Section 2.3 will abstain from voting in respect of their direct and/or indirect shareholdings at the forthcoming AGM in respect of the resolution deliberating or approving in which they have an interest.

The aforesaid interested Directors have abstained and will continue to abstain from Board of Directors' deliberation and voting on the Board Resolution in relation to the Proposed Shareholders' Mandate.

The direct and indirect shareholdings of the interested Directors, Major Shareholders, Mr. Ong Weng Seng, Mr. Ong Yong Meng, Madam Yong Wei Lian, Mr. Pan Chee Seng and Mr. Wong Swee Siong in the Company as at 29 June 2018 are as follows:-

<b><u>Interested Director(s) / Major Shareholder(s) and/or Person Connected to them</u></b>	<b>← Direct →</b>		<b>← Indirect →</b>	
	<b><u>No. of Shares</u></b>	<b><u>%</u></b>	<b><u>No. of Shares</u></b>	<b><u>%</u></b>
Ong Yoong Nyock <sup>(a)</sup>	88,116,180	19.33	<sup>(a)</sup> 140,899,865	30.92
Yong Kwee Lian <sup>(b)</sup>	4,896,000	1.07	<sup>(b)</sup> 224,120,045	49.18
Ong Wei Kuan	255,000	0.06	-	-
Chang Chu Shien	1,224,000	0.27	-	-
TNTT Realty Sdn Bhd	117,850,415	25.86	-	-
Ong Weng Seng	54,000	0.01	-	-
Ong Yong Meng	64,260	0.01	-	-
Yong Wei Lian	-	-	-	-
Pan Chee Seng <sup>(c)</sup>	-	-	<sup>(c)</sup> -	-
Wong Swee Siong	439,020	0.10	-	-

The direct and indirect shareholdings of the Directors of the Company as at 29 June 2018 are as follows:

<u>Director(s)</u>	<u>Direct</u>		<u>Indirect</u>	
	<u>No. of Shares</u>	<u>%</u>	<u>No. of Shares</u>	<u>%</u>
Dato Fu Ah Kiow	765,000	0.17	-	-
Ong Yoong Nyock <sup>(a)</sup>	88,116,180	19.33	<sup>(a)</sup> 140,899,865	30.92
Yong Kwee Lian <sup>(b)</sup>	4,896,000	1.07	<sup>(b)</sup> 224,120,045	49.18
Ong Wei Kuan	255,000	0.06	-	-
Chang Chu Shien	1,224,000	0.27	-	-
Yong Seng Huat <sup>(d)</sup>	-	-	<sup>(d)</sup> 10,200	*
Ong Eng Teck @ Ong Eng Fatt	-	-	-	-
Ling Cheng Fah @ Ling Cheng Ming	15,300	*	-	-
Dr Sia Teck Chin	793,050	0.17	-	-

Notes:-

\* Negligible

(a) Deemed interested by virtue of his substantial shareholdings in TNTT Realty Sdn Bhd, Renitrans Sdn Bhd and Tiong Nam Holdings Sdn Bhd and the shareholdings of his spouse, Madam. Yong Kwee Lian and his child, Mr Ong Wei Kuan.

(b) Deemed interested by virtue of her substantial shareholdings in TNTT Realty Sdn Bhd, Renitrans Sdn Bhd and Tiong Nam Holdings Sdn Bhd and the shareholdings of her spouse, Mr. Ong Yoong Nyock and his child, Mr Ong Wei Kuan.

(c) Deemed interested by virtue of the shareholdings of his spouse, Madam. Yong Wei Lian.

(d) Deemed interested by virtue of the shareholdings of his spouse, Madam. Ng Lee Lee.

The direct and indirect warrant holdings of the interested Directors, Major Shareholders, Mr. Ong Weng Seng, Mr. Ong Yong Meng, Madam Yong Wei Lian, Mr. Pan Chee Seng and Mr. Wong Swee Siong in the Company as at 29 June 2018 are as follows:-

<u>Interested Director(s) / Major Shareholder(s) and/or Person Connected to them</u>	<u>Direct</u>		<u>Indirect</u>	
	<u>No. of Warrant</u>	<u>%</u>	<u>No. of Warrant</u>	<u>%</u>
Ong Yoong Nyock <sup>(a)</sup>	33,488,600	19.65	<sup>(a)</sup> 53,771,500	31.55
Yong Kwee Lian <sup>(b)</sup>	2,400,000	1.41	<sup>(b)</sup> 84,860,100	49.79
Ong Wei Kuan	125,000	0.07	-	-
Chang Chu Shien	-	-	-	-
TNTT Realty Sdn Bhd	41,673,250	24.45	-	-
Ong Weng Seng	-	-	-	-
Ong Yong Meng	-	-	-	-
Yong Wei Lian	-	-	-	-
Pan Chee Seng <sup>(c)</sup>	-	-	-	-
Wong Swee Siong	-	-	-	-



The direct and indirect warrant holdings of the Directors of the Company as at 29 June 2018 are as follows:

<u>Director(s)</u>	<u>Direct</u>		<u>Indirect</u>	
	<u>No. of Warrant</u>	<u>%</u>	<u>No. of Warrant</u>	<u>%</u>
Dato Fu Ah Kiow	-	-	-	-
Ong Yoong Nyock <sup>(a)</sup>	33,488,600	19.65	<sup>(a)</sup> 53,771,500	31.55
Yong Kwee Lian <sup>(b)</sup>	2,400,000	1.41	<sup>(b)</sup> 84,860,100	49.79
Ong Wei Kuan	125,000	0.07	-	-
Chang Chu Shien	-	-	-	-
Yong Seng Huat <sup>(d)</sup>	-	-	-	-
Ong Eng Teck @ Ong Eng Fatt	-	-	-	-
Ling Cheng Fah @ Ling Cheng Ming <sup>(c)</sup>	-	-	-	-
Dr Sia Teck Chin	-	-	-	-

Notes:-

\* Negligible

(a) Deemed interested by virtue of his substantial shareholdings in TNTT Realty Sdn Bhd, Renitrans Sdn Bhd and Tiong Nam Holdings Sdn Bhd and the shareholdings of his spouse, Madam. Yong Kwee Lian and his child, Mr Ong Wei Kuan.

(b) Deemed interested by virtue of her substantial shareholdings in TNTT Realty Sdn Bhd, Renitrans Sdn Bhd and Tiong Nam Holdings Sdn Bhd and the shareholdings of her spouse, Mr. Ong Yoong Nyock and his child, Mr Ong Wei Kuan.

(c) Deemed interested by virtue of the shareholdings of his spouse, Madam. Yong Wei Lian.

(d) Deemed interested by virtue of the shareholdings of his spouse, Madam. Ng Lee Lee.

## 7. RECOMMENDATION OF DIRECTORS

Save for Mr. Ong Yoong Nyock, Madam Yong Kwee Lian, Mr Ong Wei Kuan and Mr. Chang Chu Shien, who are interested parties in their respective Recurrent Related Party Transactions, the Board is of the opinion that the Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of the revenue or trading nature are fair, reasonable and in the best interest of the Company and recommends that you vote in favour of the Proposed Renewal of Shareholders' Mandate for the Recurrent Related Party Transactions.

## 8. AGM

The Notice of the AGM, which is set out in the Annual Report for the FYE 31 March 2018 (which is sent together with this Circular) will be held at Lot 30462 Jalan Kempas Baru, 81200 Johor Bahru, Johor Darul Takzim on 25 August 2018 at 9.30 a.m for the purpose of considering and, if thought fit, passing the ordinary resolutions to give effect to the Proposed Shareholders' Mandate for Recurrent Related Party Transactions.

If you are unable to attend and vote in person at the AGM, you are requested to complete and return the proxy form in accordance with the instructions printed thereon so as to arrive at the Registered office of the Company not less than forty eight (48) hours before the time set for the AGM. The lodging of the Proxy Form will not preclude you from attending and voting in person at the AGM should you subsequently wish to do so.

## **9. FURTHER INFORMATION**

Shareholders are advised to refer to **Appendix I** for further information.

Yours faithfully  
for and on behalf of the Board of Directors  
**TIONG NAM LOGISTICS HOLDINGS BERHAD**

**LING CHENG FAH @ LING CHENG MING**  
Independent Non-Executive Director

## APPENDIX I – GENERAL INFORMATION

### 1. DIRECTORS' RESPONSIBILITY STATEMENT

This Circular has been seen and approved by the Board of TNL and they collectively and individually accept full responsibility for the accuracy of the information contained in this Circular and confirm that, after having made all reasonable enquiries, and to the best of their knowledge and belief, there are no false or misleading statements or other facts the omission of which would make any statement herein false or misleading.

### 2. MATERIAL CONTRACTS

Save as disclosed below, there are no material contracts (not being contracts entered into in the ordinary course of business) which have been entered into by TNL and its subsidiaries during the two (2) years immediately preceding the date of this Circular.

- (i) TNP had on 31 October 2016 entered into a Memorandum Of Understanding ("MOU") with Encorp Bukit Katil Sdn Bhd (Company No. 1169161-W) ("EBKSB") to jointly develop commercial and housing projects on 100 acres of land. However, there was no conclusion on the negotiations between the parties as at the expiry date of the MOU. In view thereof, the MOU expires and lapses on 30 August 2017 ("MOU expiry")

### 3. MATERIAL LITIGATION

#### (i) Terminal Perintis Sdn Bhd vs Tan Ngee Hong Construction Sdn Bhd

Tiong Nam Logistics Holdings Berhad ("**Company**") wishes to announce that its wholly owned subsidiary Terminal Perintis Sdn Bhd ("**TPSB**") had, on 10 June 2016 made a filing of statement of defence and counter claim in the matter of arbitration initiated by Tan Ngee Hong Construction Sdn Bhd ("**Contractor**") regarding the alleged losses and damages pertaining to, inter alia the termination of Agreement and Conditions of PAM Contract 2006 ("**Contract**") dated 23 December 2014 ("**Arbitration**").

On 23 December 2014, TPSB and the Contractor (as main contractor) entered into the Contract the Proposed Mixed Commercial Strata Development of 1 block of Service Apartment, 1 block of 22 storey Hotel, 5 Storey Podium Carpark inclusive of 2 storey basement, 19 lot retail space, management office, refuse chamber, 1 unit Stesen Suis Utama (SSU) and 1 unit Guard House for the development of the Pinetree Marina Resort at Johor Bahru, Johor Darul Ta'zim ("**Project**").

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

On 18 August 2015, TPSB exercised its rights pursuant to clause 25.1 of the Contract to determine the Contract between TPSB and the Contractor.

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

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

On 1 October 2015, the Contractor serves TPSB an Originating Summons No. 24NCvC-613 - 09/2015 dated 1 October 2015 together with a sealed copy of the Ex Parte Order dated 27

September 2015 by the Contractor through its solicitors, Messrs. Tan Swee Im, P.Y. Hoh & Tai to order TPSB to either pay back the sum received to MBB, or place the sum received on trust and in favour of the Contractor until further notice from the Court.

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

The alleged claim from the Contractor under this Arbitration amounting to RM 56,897,448.58, which among other includes request to refund RM 15,738,100 on the above mentioned BG, contained within its Point of Claim filed on 22 April 2016.

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

The initial hearing dates are on 4 Jan 2017 to 6 Jan 2017, 9 Jan 2017 to 13 Jan 2017, 16 Jan 2017 and 17 Jan 2017. This hearing date has been postponed to 13 April 2017, 14 April 2017, 2 May 2017, 3 May 2017, 4 May 2017, 5 May 2017, 8 May 2017, 9 May 2017, 11 May 2017, 12 May 2017, 15-19 May 2017 and 28-30 June 2017.

The hearing date has been postponed pending the decision of an appeal case of a similar nature which is a judicial precedent to this case with the consent from the Arbitrator.

As advised by the TPSB’s solicitors, the Company is of the view that the TPSB has a reasonably good chance of succeeding in defending the claim by the Contractor and a reasonable chance of succeeding in the Counter Claim. This assessment is based on the legal issues and is subject to TPSB establishing that the delay was due to the Contractor which will be assessed at a later stage. The Company does not foresee that the alleged claim from the Contractor will have any material impact on the operational position of the Company.

The total cost of investment by the Company in TPSB is RM 5,000,000.

The Claim and Counter Claim represent approximately 12% and 18% respectively of the net assets of the Tiong Nam Logistics Holdings Berhad Group as at 31 March 2015.

The Company does not foresee that the alleged claim from the Contractor and the Counter Claim will have any material impact on the operational position of the Company.

#### **4. DOCUMENTS FOR INSPECTION**

Copies of the following documents are available for inspection at the Company's Registered Office at Suite 7E, Level 7, Menara Ansar, 65 Jalan Trus, 80000 Johor Bahru, Johor Darul Takzim, Malaysia during normal business hours between Mondays to Fridays (except for public holidays) from the date of this Circular up to and including the date of the AGM;

- (i) the Memorandum and Articles of Association of TNL;
- (ii) the audited consolidated accounts of the TNL Group for the two (2) financial years ended 31 March 2017 and 31 March 2018;
- (iii) Latest Quarterly Results for the Quarter ended 31 March 2018; and
- (iv) the material contracts and litigation referred to in Section 2 of this Appendix.