

# TRI-MODE SYSTEM (M) BERHAD

Company No. 229265-X  
(Incorporated in Malaysia)

## INTERIM FINANCIAL REPORT FOR THE FIRST (1<sup>ST</sup>) QUARTER ENDED 31 MARCH 2018

### UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME <sup>(1)</sup>

	3-MONTH ENDED		PERIOD-TO-DATE	
	31.3.2018	31.3.2017 <sup>(2)</sup>	31.3.2018	31.3.2017 <sup>(2)</sup>
	RM'000	RM'000	RM'000	RM'000
Revenue	22,060	N/A	22,060	N/A
Cost of sales	(17,255)	N/A	(17,255)	N/A
<b>Gross Profit</b>	<b>4,805</b>	N/A	<b>4,805</b>	N/A
Others income	107	N/A	107	N/A
Administration expenses	(2,816)	N/A	(2,816)	N/A
Finance costs	(275)	N/A	(275)	N/A
Share of results of associate companies	161	N/A	161	N/A
<b>Profit before taxation</b>	<b>1,982</b>	N/A	<b>1,982</b>	N/A
Taxation	(126)	N/A	(126)	N/A
<b>Profit for the period</b>	<b>1,856</b>	<b>N/A</b>	<b>1,856</b>	<b>N/A</b>
<b>Other comprehensive income/(loss)</b>				
Share of other comprehensive income in associate	840	N/A	840	N/A
<b>Total comprehensive income</b>	<b>2,696</b>	<b>N/A</b>	<b>2,696</b>	<b>N/A</b>
<b>Profit for the period attributable to:</b>				
- Owners of the Company	1,856	N/A	1,856	N/A
- Non-controlling interests	-	N/A	-	N/A
	<b>1,856</b>	<b>N/A</b>	<b>1,856</b>	<b>N/A</b>
<b>Total comprehensive income attributable to:</b>				
- Owners of the Company	2,696	N/A	2,696	N/A
- Non-controlling interests	-	N/A	-	N/A
	<b>2,696</b>	<b>N/A</b>	<b>2,696</b>	<b>N/A</b>
Weighted average number of ordinary shares	122,793	N/A	122,793	N/A
Earnings per share attributable to owners of the Company (sen):				
- Basic <sup>(3)</sup>	1.51	N/A	1.51	N/A
- Diluted <sup>(4)</sup>	1.51	N/A	1.51	N/A

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## INTERIM FINANCIAL REPORT FOR THE FIRST (1<sup>ST</sup>) QUARTER ENDED 31 MARCH 2018

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### UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME <sup>(1)</sup> (CONT'D)

**Notes:**

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statements of Comprehensive Income are disclosed in Note A1 and should be read in conjunction with the Accountants' Report as disclosed in the Prospectus dated 18 April 2018 and the accompanying explanatory notes attached to this interim financial report.
- (2) There are no comparative figures for the preceding quarter available as this is the first interim financial report for the first quarter ended 31 March 2018 announced in compliance with the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities").
- (3) Basic earnings per share of the Group for the quarter and year to date is calculated based on weighted average of ordinary shares of 122,793,000 before the public issue.
- (4) Diluted earnings per share of the Group for the quarter and year to date is equivalent to the basic earnings per share as the Group does not have any convertible options as at the end of the reporting period.

N/A – Not applicable.

# TRI-MODE SYSTEM (M) BERHAD

Company No. 229265-X  
(Incorporated in Malaysia)

## INTERIM FINANCIAL REPORT FOR THE FIRST (1<sup>ST</sup>) QUARTER ENDED 31 MARCH 2018

### UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION <sup>(1)</sup>

	AS AT 31.3.2018	AS AT 31.3.2017 <sup>(2)</sup>
	RM'000	RM'000
<b>ASSETS</b>		
<b>Non- current assets</b>		
Property, plant and equipment	58,075	N/A
Other investments	175	N/A
Investment in associate companies	2,460	N/A
Deferred tax assets	-	N/A
	60,710	N/A
<b>Current assets</b>		
Inventories	74	N/A
Trade receivables	15,809	N/A
Other receivables	3,282	N/A
Tax recoverable	70	N/A
Fixed deposits with licensed banks	2,106	N/A
Cash and bank balances	1,385	N/A
	22,726	N/A
<b>TOTAL ASSETS</b>	<b>83,436</b>	<b>N/A</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	21,147	N/A
Acquisition reserves	(5,533)	N/A
Retained earnings	28,646	N/A
<b>Total equity attributable to owners of the Company</b>	<b>44,260</b>	<b>N/A</b>
Non-controlling interest	-	N/A
<b>Total Equity</b>	<b>44,260</b>	<b>N/A</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Finance lease Payables	6,669	N/A
Bank borrowings	6,922	N/A
Deferred tax liabilities	4,327	N/A
	<b>17,918</b>	<b>N/A</b>

# TRI-MODE SYSTEM (M) BERHAD

Company No. 229265-X  
(Incorporated in Malaysia)

## INTERIM FINANCIAL REPORT FOR THE FIRST (1<sup>ST</sup>) QUARTER ENDED 31 MARCH 2018

### UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION <sup>(1)</sup> (CONT'D)

	AS AT 31.3.2018	AS AT 31.3.2017 <sup>(2)</sup>
	RM'000	RM'000
<b>Current liabilities</b>		
Trade payables	4,381	N/A
Other payables	3,658	N/A
Amount due to associates	4,110	N/A
Finance lease payables	4,100	N/A
Bank borrowings	4,904	N/A
Tax payable	105	N/A
	<b>21,258</b>	<b>N/A</b>
<b>Total liabilities</b>	<b>39,176</b>	<b>N/A</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>83,436</b>	<b>N/A</b>
<b>NET ASSETS PER SHARE <sup>(3)</sup></b>	<b>0.36</b>	N/A
Weighted average number of ordinary shares	122,793	N/A

#### Notes:

- (1) The basis of preparation of Unaudited Condensed Consolidated Statements of Financial Position are disclosed in Note A1 and should be read in conjunction with the Prospectus dated 18 April 2018 and the accompanying explanatory notes attached to this interim financial report.
- (2) There are no comparative figures for the preceding quarter available as this is the first interim financial report for the first quarter ended 31 March 2018 announced in compliance with the Listing Requirements.
- (3) Net assets per share is calculated based on weighted average of ordinary shares of 122,793,000 before the public issue.

N/A – Not applicable.

# TRI-MODE SYSTEM (M) BERHAD

Company No. 229265-X  
(Incorporated in Malaysia)

## INTERIM FINANCIAL REPORT FOR THE FIRST (1<sup>ST</sup>) QUARTER ENDED 31 MARCH 2018

### UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY <sup>(1)</sup>

	Non-distributable		Distributable	Total
	Share capital	Acquisition reserves	Retained profits	
	RM'000	RM'000	RM'000	RM'000
<b>Balance at 1 January 2018</b>	8,260	(369)	25,950	33,841
Profit for the period	-	-	1,856	1,856
Share of other comprehensive income in associate			840	840
Acquisitions	12,887	(5,164)	-	7,723
<b>Balance at 31 March 2018</b>	<b>21,147</b>	<b>(5,533)</b>	<b>28,646</b>	<b>44,260</b>

**Note:**

- (1) The basis of preparation of the Unaudited Combined Statements of Changes in Equity are detailed in Note A1 and should be read in conjunction with the Accountants' Report as disclosed in the Prospectus of the Company dated 18 April 2018 and the accompany explanatory notes attached to this interim financial report.
- (2) There are no comparative figures for the preceding quarter available as this is the first interim financial report for the first quarter ended 31 March 2018 announced in compliance with the Listing Requirements.

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# TRI-MODE SYSTEM (M) BERHAD

Company No. 229265-X  
(Incorporated in Malaysia)

## INTERIM FINANCIAL REPORT FOR THE FIRST (1<sup>ST</sup>) QUARTER ENDED 31 MARCH 2018

### UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS <sup>(1)</sup>

	PERIOD-TO-DATE	
	31.3.2018	31.3.2017 <sup>(2)</sup>
	RM'000	RM'000
<b>Cash flow From Operating Activities</b>		
Profit before tax	1,982	N/A
<u>Adjustments for:</u>		
Depreciation of property, plant and equipment (PPE)	629	N/A
Interest paid	275	N/A
Gain on disposal of PPE	(31)	N/A
Interest received	(16)	N/A
Share of profit in associated	(161)	N/A
<b>Operating profit before working capital changes</b>	<b>2,678</b>	<b>N/A</b>
<u>Changes in working capital</u>		
Receivables	(1,224)	N/A
Payables	692	N/A
Associate companies	369	N/A
Directors	(7,276)	N/A
	<b>(7,439)</b>	<b>N/A</b>
<b>Cash generated from operating activities</b>	<b>(4,761)</b>	<b>N/A</b>
Interest paid	(275)	N/A
Interest received	16	N/A
Tax paid	(412)	N/A
<b>Net Cash flows from operating activities</b>	<b>(5,432)</b>	<b>N/A</b>
<b>Cash flow From Investing Activities</b>		
Dividend Receivable	100	N/A
Purchase of property, plant and equipment	(151)	N/A
Proceed from disposal of PPE	252	N/A
<b>Net Cash flows from investing activities</b>	<b>201</b>	<b>N/A</b>

# TRI-MODE SYSTEM (M) BERHAD

Company No. 229265-X  
(Incorporated in Malaysia)

## INTERIM FINANCIAL REPORT FOR THE FIRST (1<sup>ST</sup>) QUARTER ENDED 31 MARCH 2018

### UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS <sup>(1)</sup> (CONT'D)

	PERIOD-TO-DATE	
	31.3.2018	31.3.2017 <sup>(2)</sup>
	RM'000	RM'000
<b>Cash flow From Financing Activities</b>		
Proceeds from issuance of shares	7,263	N/A
Drawdown of term loan	100	N/A
Repayment of bank borrowings	(53)	N/A
Repayment of finance lease liabilities	(1,164)	N/A
(Increase)/decrease in fixed deposits pledged	(32)	N/A
<b>Net Cash flows used in financing activities</b>	<b>6,114</b>	<b>N/A</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>883</b>	<b>N/A</b>
Cash and cash equivalents at beginning of the period	(3,077)	N/A
<b>Cash and cash equivalents at the end of the period</b>	<b>(2,194)</b>	<b>N/A</b>
<b>Cash and Cash Equivalents</b>		
Cash and cash equivalents in the condensed consolidated statements of cash flows comprise:		
Cash and bank balances	1,385	N/A
Fixed deposits with licensed banks	2,106	N/A
Bank overdraft	(3,579)	N/A
	(88)	N/A
Less: Fixed deposits with licensed banks	(2,106)	N/A
	<b>(2,194)</b>	<b>N/A</b>

#### Notes:

- (1) The basis of preparation of the unaudited condensed consolidated statement of comprehensive income are disclosed in Note A1 and should be read in conjunction with the Accountants' Report as disclosed in the Prospectus dated 18 April 2018 and the accompanying explanatory notes attached to this interim financial report.
- (2) There are no comparative figures for the preceding quarter available as this is the first interim financial report for the first quarter ended 31 March 2018 announced in compliance with the Listing Requirements.

N/A – Not applicable.

# TRI-MODE SYSTEM (M) BERHAD

Company No. 229265-X  
(Incorporated in Malaysia)

## INTERIM FINANCIAL REPORT FOR THE FIRST (1<sup>ST</sup>) QUARTER ENDED 31 MARCH 2018

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### NOTES TO THE INTERIM FINANCIAL REPORT

#### A. EXPLANATORY NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2018

##### A1. Basis of preparation

The interim financial report of Tri-Mode System (M) Berhad (“**TMS**” or “**the Company**”) and its subsidiary (“**the Group**”) are unaudited and have been prepared in accordance with the requirements of Malaysian Financial Reporting Standards (“MFRS”) No. 134: Interim Financial Reporting and Rule 9.22 and Appendix 9B of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“Listing Requirement”).

This is the first interim financial statements on the combined results for the first quarter ended 31 March 2018 announced by the Company in compliance with the Listing Requirements and at such, there are no comparative figures for the preceding year’s corresponding period.

The interim financial statements should be read in conjunction with the Accountant’s Report as disclosed in the Prospectus dated 18 April 2018 and the accompanying explanatory notes attached to this interim financial report.

##### A2. Significant Accounting Policies

The accounting policies adopted in the interim financial statements are consistent with those adopted in the audited financial statements for the financial year ended 31 December 2017. The Group has adopted those standards, amendments and interpretations that have become effective and such adoptions do not have material impact on the financial position and performance of the Group.

##### A3. Auditors’ report

The auditors’ report on the preceding year audited financial statements was not subject to any qualification.

##### A4. Seasonal or cyclical factors

We experience sales fluctuations in our business during festive periods such as Hari Raya and Chinese New Year. Our revenue is lower during the first quarter as compared to the rest of the quarters under review as there are lesser working days during the current quarter under review.

##### A5. Unusual items affecting assets, liabilities, equity, net income or cash flows

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group during the current financial quarter and financial period-to-date.



# TRI-MODE SYSTEM (M) BERHAD

Company No. 229265-X  
(Incorporated in Malaysia)

## INTERIM FINANCIAL REPORT FOR THE FIRST (1<sup>ST</sup>) QUARTER ENDED 31 MARCH 2018

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### A6. Material changes in estimates

There were no material changes in the estimates in the current financial quarter under review.

### A7. Debt and equity securities

Save as disclosed below, there were no issuances, cancellations, repurchases, resale and repayment of debts and equity securities during the financial quarter under review.

The Company has issued a total of 117,793,000 new ordinary shares pursuant to the pre-IPO reorganization as following:

<u>Date</u>	<u>Pre-IPO reorganization</u>	<u>No. of new ordinary shares issued</u>
30 Jan 2018	Subscription by Dato Hew Han Seng	4,000,000
31 Jan 2018	Share split	85,500,000
16 Mar 2018	Capitalizations	10,524,000
20 Mar 2018	Subscription by third party	1,000
26 Mar 2018	Acquisitions	17,768,000
	<b>Total new ordinary shares issued</b>	<b>117,793,000</b>

### A8. Dividends paid

There was no dividend paid during the current financial quarter under review.

### A9. Contingent liabilities or contingent assets

There were no other contingent liabilities or contingent assets as at the date of this interim financial report.

### A10. Changes in the composition of the Group

Save for the pre-IPO reorganisation as disclosed under Note A7 above to facilitate our listing as per Prospectus dated 18 April 2018, there were no changes in the composition of the Group for the current financial quarter under review.

# TRI-MODE SYSTEM (M) BERHAD

Company No. 229265-X  
(Incorporated in Malaysia)

## INTERIM FINANCIAL REPORT FOR THE FIRST (1<sup>ST</sup>) QUARTER ENDED 31 MARCH 2018

### A11. Segmental reporting

The Group is principally involved in the provision of sea freight, container haulage, air freight, freight forwarding, warehousing and marine insurance services.

#### (a) Revenue by business activities

The table below set out the breakdown of the Group's revenue by business activities for the financial quarter under review:

	3-MONTH ENDED		PERIOD-TO-DATE	
	31.3.2018 RM'000	31.3.2017 <sup>(1)</sup> RM'000	31.3.2018 RM'000	31.3.2017 <sup>(1)</sup> RM'000
Sea freight	13,567	N/A	13,567	N/A
Container haulage	6,762	N/A	6,762	N/A
Air Freight	1,334	N/A	1,334	N/A
Freight forwarding	102	N/A	102	N/A
Warehousing	251	N/A	251	N/A
Marine insurance	44	N/A	44	N/A
<b>Total Revenue</b>	<b>22,060</b>	<b>N/A</b>	<b>22,060</b>	<b>N/A</b>

Sea freight, container haulage and air freight segment are the top 3 revenue contributors under the financial period under review. The factors affecting our top 3 key revenue contributors are as follows:

- (i) fluctuation in sea freight rate;
- (ii) fluctuation in fuel price; and
- (iii) fluctuation in air freight rate.

#### (b) Revenue by geographical regions

The table below set out the breakdown of the Group's revenue by geographical regions for the financial period under review:

	3-MONTH ENDED		PERIOD-TO-DATE	
	31.3.2018 RM'000	31.3.2017 <sup>(1)</sup> RM'000	31.3.2018 RM'000	31.3.2017 <sup>(1)</sup> RM'000
Malaysia	20,366	N/A	20,366	N/A
Overseas	1,694	N/A	1,694	N/A
<b>Total Revenue</b>	<b>22,060</b>	<b>N/A</b>	<b>22,060</b>	<b>N/A</b>

# TRI-MODE SYSTEM (M) BERHAD

Company No. 229265-X  
(Incorporated in Malaysia)

## INTERIM FINANCIAL REPORT FOR THE FIRST (1<sup>ST</sup>) QUARTER ENDED 31 MARCH 2018

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**Note:**

- (1) There are no comparative figures for the preceding quarter available as this is the first interim financial report for the first quarter ended 31 March 2018 announced in compliance with the Listing Requirements.

N/A – Not applicable.

### **A12. Valuation of property, plant and equipment**

The Group has not carried out any valuation on its property, plant and equipment in the current financial quarter under review.

### **A13. Material events subsequent to the end of the current financial quarter**

Save as disclosed below, there were no other material events subsequent to the end of the current financial quarter that have not been reflected in this interim financial report.

In conjunction with the Company's listing on ACE market Bursa Securities on 14 May 2018, the Company issued its Prospectus for its initial public offering dated 18 April 2018 entailing the public issue of 43,207,000 new ordinary shares in the company at an issue price of RM0.61 per share allocated in the following manner:

(a) Malaysian Public

8,300,000 new ordinary shares in the Company made available for application by the Malaysian Public through a balloting process, of which 4,150,000 shares are to be allocated to Bumiputera individuals, companies, societies, co-operatives and institutions.

(b) Eligible Persons

4,197,000 new ordinary shares in the Company made available for application by eligible directors (other than promoters) and eligible employees.

(c) Private placement to institutional and selected investors

24,900,000 new ordinary shares in the Company made available by way of private placement to institutional and selected investors.

# TRI-MODE SYSTEM (M) BERHAD

Company No. 229265-X  
(Incorporated in Malaysia)

## INTERIM FINANCIAL REPORT FOR THE FIRST (1<sup>ST</sup>) QUARTER ENDED 31 MARCH 2018

- (d) Bumiputera Investors Approved by the Ministry of International Trade and Industry of Malaysia (“MITI”)

5,810,000 new ordinary shares in the Company placed to Bumiputera Investors approved by MITI.

Upon completion of the public issue, our issued share capital has increased to RM47,502,770 comprising 166,000,000 ordinary shares in the Company.

### A15. Related Party Transactions

Related party transactions have been entered into in the normal course of business and have been established on terms and conditions that are not materially different from that obtainable in transactions with unrelated parties. The significant related party transactions of the Group are as follows:

Transaction with associate companies	3-MONTH ENDED		PERIOD-TO-DATE	
	31.3.2018	31.3.2017 <sup>(1)</sup>	31.3.2018	31.3.2017 <sup>(1)</sup>
	RM'000	RM'000	RM'000	RM'000
<b>(a) Atama Logistics (M) Sdn Bhd</b>				
Trade receivable	1,285	N/A	1,285	N/A
Trade payable	5,396	N/A	5,396	N/A
	6,681	N/A	6,681	N/A
Services income	1,285	N/A	1,285	N/A
Services expenses	4,937	N/A	4,937	N/A
<b>(b) Container Connections (M) Sdn Bhd</b>				
Trade receivable	-	N/A	-	N/A
Trade payable	-	N/A	-	N/A
	-	N/A	-	N/A
Services income	-	N/A	-	N/A
Services expenses	15	N/A	15	N/A

# TRI-MODE SYSTEM (M) BERHAD

Company No. 229265-X  
(Incorporated in Malaysia)

## INTERIM FINANCIAL REPORT FOR THE FIRST (1<sup>ST</sup>) QUARTER ENDED 31 MARCH 2018

Transaction with companies in which certain Directors have financial interests	3-MONTH ENDED		PERIOD-TO-DATE	
	31.3.2018	31.3.2017 <sup>(1)</sup>	31.3.2018	31.3.2017 <sup>(1)</sup>
	RM'000	RM'000	RM'000	RM'000
<b>(a) PT. Oriental Logistics Indonesia</b>				
Trade receivable	2	N/A	2	N/A
Trade payable	-	N/A	-	N/A
	<u>2</u>	<u>N/A</u>	<u>2</u>	<u>N/A</u>
Services income	2	N/A	2	N/A
Services expenses	-	N/A	-	N/A

	3-MONTH ENDED		PERIOD-TO-DATE	
	31.3.2018	31.3.2017 <sup>(1)</sup>	31.3.2018	31.3.2017 <sup>(1)</sup>
	RM'000	RM'000	RM'000	RM'000
<b>(b) Oriental Thailand</b>				
Trade receivable	-	N/A	-	N/A
Trade payable	-	N/A	-	N/A
	<u>-</u>	<u>N/A</u>	<u>-</u>	<u>N/A</u>
Services income	-	N/A	-	N/A
Services expenses	3	N/A	3	N/A

**Note:**

(1) There are no comparative figures for the preceding quarter available as this is the first interim financial report for the first quarter ended 31 March 2018 announced in compliance with the Listing Requirements.

N/A – Not applicable.

# TRI-MODE SYSTEM (M) BERHAD

Company No. 229265-X  
(Incorporated in Malaysia)

## INTERIM FINANCIAL REPORT FOR THE FIRST (1<sup>ST</sup>) QUARTER ENDED 31 MARCH 2018

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### A16. Capital commitments

As at current financial quarter under review, our Group's material commitments (including commitments to be incurred) for capital expenditure are as follows:

	<b>Unaudited</b>
	<b>3-MONTH ENDED 31.3.2018</b>
	RM'000
Senja Aman' apartment <sup>(1)</sup>	1,816
Pulau Indah Land <sup>(2)</sup>	11,420
Total capital commitments for capital expenditures	<b>13,236</b>

#### **Notes:**

- (1) *Investment property under construction and will be leased to hotel operator to generate income upon completion. In addition, there will be free stay to be made available as staff welfare post completion of the said property.*
- (2) *The Pulau Indah Land will be used to construct our future headquarters, warehouse and haulage operation yard ("Proposed HQ and Distribution Hub").*

The material commitment for capital expenditures above will be financed by a combination of bank borrowings and internally generated funds.

# TRI-MODE SYSTEM (M) BERHAD

Company No. 229265-X  
(Incorporated in Malaysia)

## INTERIM FINANCIAL REPORT FOR THE FIRST (1<sup>ST</sup>) QUARTER ENDED 31 MARCH 2018

### PART B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

#### B1. Review of Performance

The Company recorded revenue of RM22.06 million and profit before tax of RM1.98 million for the current financial quarter ended 31 March 2018. Total comprehensive income for the financial period of RM2.70 million mainly due to share of comprehensive income in an associate, being income recognised arising from the disposal of an investment pursuant to the pre-IPO reorganisation. The Company's revenue was derived from provision of sea freight, container haulage, air freight, freight forwarding, warehousing and marine insurance services.

No comparative figures for the preceding quarter are available as this is the first interim financial report for the first quarter ended 31 March 2018 announced in compliance with the Listing Requirements.

For the purpose of comparison only, the unaudited consolidated financial results for the first quarter ended 31 March 2018 and the unaudited combined financial results for the first quarter ended 31 March 2017 are tabulated as follows:

	3-MONTH ENDED		PERIOD-TO-DATE	
	31.3.2018	31.3.2017	31.3.2018	31.3.2017
	RM'000	RM'000	RM'000	RM'000
Revenue	22,060	19,380	22,060	19,380
Gross Profits	4,805	4,409	4,805	4,409
Profit before tax	<b>1,982</b>	<b>1,633</b>	<b>1,982</b>	<b>1,633</b>
Profit after tax	1,856	1,185	1,856	1,185
Share of other comprehensive income in associate	840	-	840	-
Total comprehensive income for the financial period	<b>2,696</b>	<b>1,185</b>	<b>2,696</b>	<b>1,185</b>

There have been no other material factors affecting the earnings and/or revenue of the Group for the current quarter except seasonal or cyclical factors that mentioned in note A

#### B2. Comparison with immediate preceding quarter's results

There are no comparative figures for the preceding quarter available as this is the first interim financial report for the first quarter ended 31 March 2018 announced in compliance with the Listing Requirements.

# TRI-MODE SYSTEM (M) BERHAD

Company No. 229265-X  
(Incorporated in Malaysia)

## INTERIM FINANCIAL REPORT FOR THE FIRST (1<sup>ST</sup>) QUARTER ENDED 31 MARCH 2018

### B3. Prospects

As disclosed in the Prospectus of the Company dated 18 April 2018, the Group has put in place a series of future plans as follows:

- (a) Setting up Proposed HQ and Distribution Hub in West Port, to enhance our operations efficiency and to extend our existing warehousing services.
- (b) Expand our container haulage business through the expansion of our fleet of haulage vehicles.
- (c) Expand our air freight business via inbound or outbound of air freight business to Malaysia and from Malaysia.
- (d) Continue to seek market opportunities and strengthen our market presence in Malaysia by increase our sales and marketing activities.
- (e) Planning and aiming to venture into the e-commerce logistics industry in Malaysia to provide integrated logistics services solution to selected e-commerce platforms.

Barring any unforeseen circumstances, the Board of Directors of the Company is of the opinion that the prospects for the remaining period to the end of the financial year will remain favourable.

### B4. Profit Forecast or Profit Guarantee

The Company did not issue any profit forecast or profit guarantee during the current financial quarter under review.

### B5. Taxation

	3-MONTH ENDED		PERIOD-TO-DATE	
	31.3.2018	31.3.2017 <sup>(1)</sup>	31.3.2018	31.3.2017 <sup>(1)</sup>
	RM'000	RM'000	RM'000	RM'000
Income tax expense:				
- for the current financial period	367	N/A	367	N/A
- Deferred tax	(241)	N/A	(241)	N/A
Total tax expense	126	N/A	126	N/A
Effective tax rate	6.36%	N/A	6.36%	N/A

(a) The effective tax rate of 6.36% is lower than the statutory tax rate of 24% mainly due to over provision in the previous financial year.

(b) Income tax expense is recognised based on management's best estimate.



# TRI-MODE SYSTEM (M) BERHAD

Company No. 229265-X  
(Incorporated in Malaysia)

## INTERIM FINANCIAL REPORT FOR THE FIRST (1<sup>ST</sup>) QUARTER ENDED 31 MARCH 2018

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### Notes:

- (1) There are no comparative figures for the preceding quarter available as this is the first interim financial report for the first quarter ended 31 March 2018 announced in compliance with the Listing Requirements.

N/A – Not applicable.

### B6. Corporate Proposals

#### (a) Status of corporate proposal

Save as disclosed in Note A13, there are no other corporate proposals announced by the company but not completed as at date of this report.

#### (b) Utilisation of proceeds

As disclosed in Note A13, in conjunction with the Company's listing on the ACE Market of Bursa Securities on 14 May 2018, the expected gross proceeds from the Public Issue amounting to RM26.356 million is intended to be utilised in the following manner:

<u>Details of utilisation</u>	<u>Proposed Utilisation</u>	<u>Actual Utilisation</u>	<u>Estimated timeframe for utilisation upon listing</u>
	RM'000	RM'000	
Business expansion			
- Construction of the Proposed HQ and Distribution Hub	15,000	N/A	Within 30 months
- Purchase of prime movers and trailers	500	N/A	Within 24 months
Repayment of bank borrowings	5,000	N/A	Within 6 months
Working capital	2,356	N/A	Within 12 months
Estimated listing expenses	3,500	N/A	Within 3 months
<b>Total</b>	<b>26,356</b>	<b>N/A</b>	

The utilisation of proceeds as disclosed above should be read in conjunction with the Prospectus of the Company dated 18 April 2018.

### Note:

N/A – Not applicable.

# TRI-MODE SYSTEM (M) BERHAD

Company No. 229265-X  
(Incorporated in Malaysia)

## INTERIM FINANCIAL REPORT FOR THE FIRST (1<sup>ST</sup>) QUARTER ENDED 31 MARCH 2018

### B7. Bank borrowings

The Group's bank borrowings were as follows:

	AS AT 31.03.2018	AS AT 31.03.2017
	RM'000	RM'000
<b>Secured:</b>		
<u>Current:</u>		
Bank overdraft	3,579	N/A
Revolving credit	1,101	N/A
Finance leases payables	4,100	N/A
Term loans	224	N/A
	<b>9,004</b>	<b>N/A</b>
<u>Non-current :</u>		
Finance leases payables	6,669	N/A
Term loans	6,922	N/A
	13,591	N/A
<b>Total bank borrowings</b>	<b>22,595</b>	<b>N/A</b>

All the Company's borrowings are denominated in Ringgit Malaysia.

#### Note:

N/A – Not applicable.

### B8. Material litigation

There were no material litigation involving the Group as at 31 March 2018.

### B9. Dividend proposed

No dividend has been declared or recommended for the current quarter.

# TRI-MODE SYSTEM (M) BERHAD

Company No. 229265-X  
(Incorporated in Malaysia)

## INTERIM FINANCIAL REPORT FOR THE FIRST (1<sup>ST</sup>) QUARTER ENDED 31 MARCH 2018

### B10. Earnings per share

The basic earnings per share (“EPS”) are calculated by dividing the profit for the period attributable to owners of the Company by the weighted average number of ordinary shares of the Company during the financial period as follows:

		3-MONTH ENDED		PERIOD-TO-DATE	
		31.3.2018	31.3.2017 <sup>(1)</sup>	31.3.2018	31.3.2017 <sup>(1)</sup>
Profit attributable to ordinary owners of the Company	(RM'000)	1,856	N/A	1,856	N/A
Weighted average number of ordinary shares as at 31.3.2018	('000)	122,793	N/A	122,793	N/A
Basic EPS, RM	(Sen)	1.51	N/A	1.51	N/A
Diluted EPS, RM <sup>(2)</sup>	(Sen)	1.51	N/A	1.51	N/A

#### Notes:

- (1) There are no comparative figures for the preceding quarter available as this is the first interim financial report for the first quarter ended 31 March 2018 announced in compliance with the Listing Requirements.
- (2) Diluted earnings per share is equivalent to the basic earnings per share as the Company does not have convertible securities at the end of review period.

### B11. Disclosure on selected expense/income items as required by the Listing Requirements

	3-MONTH ENDED		PERIOD-TO-DATE	
	31.3.2018	31.3.2017 <sup>(1)</sup>	31.3.2018	31.3.2017 <sup>(1)</sup>
	RM'000	RM'000	RM'000	RM'000
Profit before taxation is arrived at after charging/(crediting) :-				
Interest income	(16)	N/A	(16)	N/A
Other income including investment income	(59)	N/A	(59)	N/A
Depreciation	158	N/A	158	N/A
Loss on foreign exchange	40	N/A	40	N/A
Gain on disposal of PPE	(31)	N/A	(31)	N/A

Other disclosure items pursuant to Appendix 9B Note 16 of the Listing Requirements of Bursa Securities are not applicable.

# **TRI-MODE SYSTEM (M) BERHAD**

Company No. 229265-X  
(Incorporated in Malaysia)

## **INTERIM FINANCIAL REPORT FOR THE FIRST (1<sup>ST</sup>) QUARTER ENDED 31 MARCH 2018**

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**BY ORDER OF THE BOARD**

Company Secretary

Date: 18 May 2018