

# TRI-MODE SYSTEM (M) BERHAD

Company No. 229265-X  
(Incorporated in Malaysia)

## INTERIM FINANCIAL REPORT FOR THE SECOND (2<sup>ND</sup>) QUARTER ENDED 30 JUNE 2018

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

	3-MONTH ENDED		PERIOD-TO-DATE	
	30.6.2018	30.6.2017 <sup>(2)</sup>	30.6.2018	30.6.2017 <sup>(2)</sup>
	RM'000	RM'000	RM'000	RM'000
Revenue	21,193	N/A	43,254	N/A
Cost of sales	(16,795)	N/A	(34,051)	N/A
<b>Gross Profit</b>	<b>4,398</b>	<b>N/A</b>	<b>9,203</b>	<b>N/A</b>
Others income	424	N/A	531	N/A
Administration expenses <sup>(3)</sup>	(5,062)	N/A	(7,878)	N/A
Finance costs	(231)	N/A	(506)	N/A
Share of results of associate companies	85	N/A	246	N/A
<b>Profit/(loss) before taxation</b>	<b>(386)</b>	<b>N/A</b>	<b>1,596</b>	<b>N/A</b>
Taxation	(125)	N/A	(251)	N/A
<b>Profit/(loss) for the period</b>	<b>(511)</b>	<b>N/A</b>	<b>1,345</b>	<b>N/A</b>
<b>Other comprehensive income/(expenses)</b>				
Share of other comprehensive income in associate	-	N/A	840	N/A
<b>Total comprehensive income/(loss)</b>	<b>(511)</b>	<b>N/A</b>	<b>2,185</b>	<b>N/A</b>
<b>Profit/(loss) for the period attributable to:</b>				
- Owners of the Company	(511)	N/A	1,345	N/A
- Non-controlling interests	-	N/A	-	N/A
	<b>(511)</b>	<b>N/A</b>	<b>1,345</b>	<b>N/A</b>
<b>Total comprehensive income/(loss) attributable to:</b>				
- Owners of the Company	(511)	N/A	2,185	N/A
- Non-controlling interests	-	N/A	-	N/A
	<b>(511)</b>	<b>N/A</b>	<b>2,185</b>	<b>N/A</b>
Weighted average number of ordinary shares	166,000	N/A	166,000	N/A
Earnings per share attributable to owners of the Company (sen):				
- Basic <sup>(4)</sup>	(0.31)	N/A	0.81	N/A
- Diluted <sup>(5)</sup>	(0.31)	N/A	0.81	N/A

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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 second quarter ended 30 June 2018 announced in compliance with the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**").
- (3) Administration expenses included one-off non-recurring listing expenses of RM2.10 million. For illustration purposes only, our Group's normalised operation performance without the listing expenses is tabulated as follows:

	3-MONTH ENDED		PERIOD-TO-DATE	
	30.6.2018 RM'000	30.6.2017 <sup>(2)</sup> RM'000	30.6.2018 RM'000	30.6.2017 <sup>(2)</sup> RM'000
Profit before taxation	1,717	N/A	3,699	N/A
Taxation	(125)	N/A	(251)	N/A
Profit for the period	1,592	N/A	3,448	N/A
Other Comprehensive income / (expenses)	-	N/A	840	N/A
Total comprehensive income	1,592	N/A	4,288	N/A

- (4) Basic earnings per share of the Group for the quarter and year to date is calculated based on weighted average of ordinary shares of 166,000,000 after issuance of 43,207,000 new ordinary shares on 4 May 2018 in conjunction with listing of the Company on 14 May 2018.
- (5) 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.

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## INTERIM FINANCIAL REPORT FOR THE SECOND (2<sup>ND</sup>) QUARTER ENDED 30 JUNE 2018

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

	<b>AS AT</b>	<b>AS AT</b>
	<b>30.6.2018</b>	<b>30.6.2017 <sup>(2)</sup></b>
	RM'000	RM'000
<b>ASSETS</b>		
<b>Non- current assets</b>		
Property, plant and equipment	57,714	N/A
Other investments	175	N/A
Investment in associate companies	2,545	N/A
Deferred tax assets	-	N/A
	60,434	N/A
<b>Current assets</b>		
Inventories	108	N/A
Trade receivables	13,532	N/A
Other receivables	1,573	N/A
Tax recoverable	114	N/A
Fixed deposits with licensed banks	20,126	N/A
Cash and bank balances	845	N/A
	36,298	N/A
	<b>96,732</b>	<b>N/A</b>
<b>TOTAL ASSETS</b>		
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	47,503	N/A
Acquisition reserves	(5,533)	N/A
Retained earnings	26,771	N/A
<b>Total equity attributable to owners of the Company</b>	<b>68,741</b>	<b>N/A</b>
Non-controlling interest	-	N/A
<b>Total Equity</b>	<b>68,741</b>	<b>N/A</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Finance lease payables	5,631	N/A
Bank borrowings	5,580	N/A
Deferred tax liabilities	4,066	N/A
	<b>15,277</b>	<b>N/A</b>

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## INTERIM FINANCIAL REPORT FOR THE SECOND (2<sup>ND</sup>) QUARTER ENDED 30 JUNE 2018

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

	AS AT 30.6.2018	AS AT 30.6.2017 <sup>(2)</sup>
	RM'000	RM'000
<b>Current liabilities</b>		
Trade payables	4,800	N/A
Other payables	1,050	N/A
Amount due to associates	2,987	N/A
Finance lease payables	3,756	N/A
Tax payable	121	N/A
	<b>12,714</b>	<b>N/A</b>
<b>Total liabilities</b>	<b>27,991</b>	<b>N/A</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>96,732</b>	<b>N/A</b>
<b>NET ASSETS PER SHARE <sup>(3)</sup></b>	<b>0.41</b>	N/A
Weighted average number of ordinary shares	166,000	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 second quarter ended 30 June 2018 announced in compliance with the Listing Requirements.
- (3) Net assets per share is calculated based on weighted average of ordinary shares of 166,000,000 after issuance of 43,207,000 new ordinary shares on 4 May 2018 in conjunction with listing of the Company on 14 May 2018.

N/A – Not applicable.

# TRI-MODE SYSTEM (M) BERHAD

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## INTERIM FINANCIAL REPORT FOR THE SECOND (2<sup>ND</sup>) QUARTER ENDED 30 JUNE 2018

### UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY <sup>(1)(2)</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	-	-	1,345	1,345
Share of other comprehensive income in associate	-	-	840	840
Acquisitions	12,887	(5,164)	-	7,723
Issuance of shares	26,356	-	-	26,356
Shares issuance expenses	-	-	(1,364)	(1,364)
<b>Balance at 30 June 2018</b>	<b>47,503</b>	<b>(5,533)</b>	<b>26,771</b>	<b>68,741</b>

#### Notes:

- (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 second quarter ended 30 June 2018 announced in compliance with the Listing Requirements.

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## INTERIM FINANCIAL REPORT FOR THE SECOND (2<sup>ND</sup>) QUARTER ENDED 30 JUNE 2018

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

	PERIOD-TO-DATE	
	30.6.2018	30.6.2017 <sup>(2)</sup>
	RM'000	RM'000
<b>Cash flow From Operating Activities</b>		
Profit before tax	1,596	N/A
<u>Adjustments for:</u>		
Depreciation of property, plant and equipment ("PPE')	1,262	N/A
Interest paid	506	N/A
Gain on disposal of PPE	(9)	N/A
Interest received	(144)	N/A
Share of profit in associated	(246)	N/A
<b>Operating profit before working capital changes</b>	<b>2,965</b>	<b>N/A</b>
<u>Changes in working capital</u>		
Inventories	(33)	N/A
Receivables	2,762	N/A
Payables	(1,497)	N/A
Associate companies	(753)	N/A
Directors	(7,276)	N/A
	<b>(6,797)</b>	<b>N/A</b>
<b>Cash generated from operating activities</b>	<b>(3,832)</b>	<b>N/A</b>
Interest paid	(506)	N/A
Interest received	144	N/A
Tax paid	(826)	N/A
<b>Net Cash flows from operating activities</b>	<b>(5,020)</b>	<b>N/A</b>
<b>Cash flow From Investing Activities</b>		
Dividend Receivable	100	N/A
Purchase of PPE	(480)	N/A
Proceeds from disposal of PPE	287	N/A
<b>Net Cash flows from investing activities</b>	<b>(93)</b>	<b>N/A</b>

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## INTERIM FINANCIAL REPORT FOR THE SECOND (2<sup>ND</sup>) QUARTER ENDED 30 JUNE 2018

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

	PERIOD-TO-DATE	
	30.6.2018	30.6.2017 <sup>(2)</sup>
	RM'000	RM'000
<b>Cash flow From Financing Activities</b>		
Proceeds from issuance of shares	34,357	N/A
Payment of listing expenses	(2,103)	
Repayment of bank borrowings	(2,620)	N/A
Repayment of finance lease liabilities	(2,547)	N/A
Increase in fixed deposits	(18,052)	N/A
<b>Net Cash flows used in financing activities</b>	<b>9,035</b>	<b>N/A</b>
<b>Net increase in cash and cash equivalents</b>	<b>3,922</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>845</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	845	N/A
Fixed deposits with licensed banks	20,126	N/A
	20,971	N/A
Less: Fixed deposits with licensed banks	(20,126)	N/A
	<b>845</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 second quarter ended 30 June 2018 announced in compliance with the Listing Requirements.

N/A – Not applicable.

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## INTERIM FINANCIAL REPORT FOR THE SECOND (2<sup>ND</sup>) QUARTER ENDED 30 JUNE 2018

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### NOTES TO THE INTERIM FINANCIAL REPORT

#### A. EXPLANATORY NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2018

##### A1. Basis of preparation

The interim financial report of Tri-Mode System (M) Berhad (“**TMS**” or “**the Company**”) and its subsidiaries (“**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 Securities (“**Listing Requirements**”).

This is the first interim financial statements on the combined results for the second quarter ended 30 June 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 as there are lesser working days compared to the normal month with normal working days.

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

Save for one-off non-recurring listing expenses of RM2.10 million, 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.



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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 43,207,000 new ordinary shares on 4 May 2018 at an issue price of RM0.61 per share in conjunction with the listing of the Company on 14 May 2018 as follows:

	Number of shares '000	RM'000
As at 31 March 2018	122,793	21,147
Issuance of new shares	43,207	26,356
Share issuance expenses	-	(1,364)
As at 30 June 2018	<b>166,000</b>	<b>46,139</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

There were no changes in the composition of the Group for the current financial quarter under review.

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### 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	
	30.6.2018	30.6.2017 <sup>(1)</sup>	30.6.2018	30.6.2017 <sup>(1)</sup>
	RM'000	RM'000	RM'000	RM'000
Sea freight	13,360	N/A	26,927	N/A
Container haulage	6,228	N/A	12,991	N/A
Air freight	1,199	N/A	2,533	N/A
Freight forwarding	80	N/A	182	N/A
Warehousing	280	N/A	531	N/A
Marine insurance	46	N/A	90	N/A
<b>Total Revenue</b>	<b>21,193</b>	<b>N/A</b>	<b>43,254</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	
	30.6.2018	30.6.2017 <sup>(1)</sup>	30.6.2018	30.6.2017 <sup>(1)</sup>
	RM'000	RM'000	RM'000	RM'000
Malaysia	18,815	N/A	39,182	N/A
Overseas	2,378	N/A	4,072	N/A
<b>Total Revenue</b>	<b>21,193</b>	<b>N/A</b>	<b>43,254</b>	<b>N/A</b>

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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 second quarter ended 30 June 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

There were no subsequent material events as at the date of this report.

### 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	
	30.6.2018	30.6.2017 <sup>(1)</sup>	30.6.2018	30.6.2017 <sup>(1)</sup>
	RM'000	RM'000	RM'000	RM'000
<b>(a) Atama Logistics (M) Sdn Bhd</b>				
Trade receivable	1,625	N/A	1,625	N/A
Trade payable	4,612	N/A	4,612	N/A
Net amount payable	2,987	N/A	2,987	N/A
Services income	2,966	N/A	6,177	N/A
Services expenses	4,846	N/A	9,783	N/A
<b>(b) Container Connections (M) Sdn Bhd</b>				
Trade receivable	-	N/A	-	N/A
Trade payable	4	N/A	4	N/A
Net amount payable	4	N/A	4	N/A
Services income	-	N/A	-	N/A
Services expenses	17	N/A	31	N/A

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Transaction with companies in which certain Directors have financial interests	3-MONTH ENDED		PERIOD-TO-DATE	
	30.6.2018	30.6.2017 <sup>(1)</sup>	30.6.2018	30.6.2017 <sup>(1)</sup>
	RM'000	RM'000	RM'000	RM'000
<b>(a) PT. Oriental Logistics Indonesia</b>				
Trade receivable	4	N/A	4	N/A
Trade payable	-	N/A	-	N/A
Net amount receivable	4	N/A	4	N/A
Services income	1	N/A	3	N/A
Services expenses	14	N/A	14	N/A
<b>(b) Oriental Thailand</b>				
Trade receivable	-	N/A	-	N/A
Trade payable	2	N/A	2	N/A
Net amount payable	2	N/A	2	N/A
Services income	-	N/A	-	N/A
Services expenses	2	N/A	5	N/A
<b>(c) Oriental Logistics Group Inc.</b>				
Trade receivable	6	N/A	6	N/A
Trade payable	2	N/A	2	N/A
Net amount receivable	4	N/A	4	N/A
Services income	6	N/A	6	N/A
Services expenses	5	N/A	5	N/A

**Note:**

(1) There are no comparative figures for the preceding quarter available as this is the first interim financial report for the second quarter ended 30 June 2018 announced in compliance with the Listing Requirements.

N/A – Not applicable.

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## INTERIM FINANCIAL REPORT FOR THE SECOND (2<sup>ND</sup>) QUARTER ENDED 30 JUNE 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>6-MONTH ENDED 30.6.2018</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.

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### 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 RM21.20 million and gross profits of RM4.40 million for the current financial quarter ended 30 June 2018. Current financial quarter loss before tax of RM0.39 million is mainly due to the one-off non-recurring listing expenses of RM2.10 million.

The Company's revenue was derived from the provision of sea freight, container haulage, air freight, freight forwarding, warehousing and marine insurance services.

No comparative figures for the preceding year's quarter are available as this is the first interim financial report for the second quarter ended 30 June 2018 announced in compliance with the Listing Requirements.

For the purpose of comparison only, the unaudited consolidated financial results for the second quarter ended 30 June 2018 and the unaudited combined financial results for the second quarter ended 30 June 2017 are tabulated as follows:

	3-MONTH ENDED		PERIOD-TO-DATE	
	30.6.2018	30.6.2017	30.6.2018	30.6.2017
	RM'000	RM'000	RM'000	RM'000
Revenue	21,193	21,652	43,254	41,060
Gross Profits	4,398	4,719	9,203	9,128
Profit before tax	(386) <sup>(1)</sup>	2,126	1,596 <sup>(1)</sup>	3,759
Profit for the financial period	<b>(511)<sup>(1)</sup></b>	<b>1,556</b>	<b>1,345<sup>(1)</sup></b>	<b>2,741</b>
Total comprehensive income for the financial period	<b>(511)<sup>(1)</sup></b>	<b>1,556</b>	<b>2,185<sup>(1)</sup></b>	<b>2,741</b>

#### Notes:

(1) Profit before tax included one-off non-recurring listing expenses of RM2.10 million. For illustration purpose only, our Group's normalized performance under normalised Group's business operation without listing expenses will be as follows:

	3-MONTH ENDED		PERIOD-TO-DATE	
	30.6.2018	30.6.2017	30.6.2018	30.6.2017
	RM'000	RM'000	RM'000	RM'000
Revenue	21,193	21,652	43,254	41,060
Gross Profits	4,398	4,719	9,203	9,128
Profit before tax	1,717	2,126	3,699	3,759
Profit for the financial period	<b>1,592</b>	<b>1,556</b>	<b>3,448</b>	<b>2,741</b>
Total comprehensive income for the financial period	<b>1,592</b>	<b>1,556</b>	<b>4,288</b>	<b>2,741</b>

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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 A4 and extra national public holiday for Malaysia's general election.

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

	3-MONTH ENDED		CHANGE	
	30.6.2018	31.3.2018		
(Unaudited)	RM'000	RM'000	RM'000	%
Revenue	21,193	22,060	(867)	(3.9%)
Profit/(Loss) before tax	<b>(386)</b>	<b>1,982</b>	(2,368)	(119.5%)

For the current quarter ended 30 June 2018, the Group recorded lower revenue of RM21.20 million as compared to RM22.06 million in the immediate preceding quarter ended 31 March 2018 mainly due to lesser working days caused by the Hari Raya and general election holidays.

The decreased in profit before tax of 119% for current quarter ended 30 June 2018 mainly due to the one-off non-recurring listing expenses RM2.10 million. For illustration purposes only, our Group's normalised profit before tax under normalised business operation without listing expenses, will be RM1.72 million (refer to B1 note 1) as compared to loss before tax of RM0.39 million.

### 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 at the date of this report, the progress of plans is as follows:

- We are finalising architecture design and submission of planning approval to local town council for our Proposed HQ and Distribution Hub in West Port, to enhance our operations efficiency and to extend our existing warehousing services.
- We have placed a purchase order on 6 July 2018 for 15 new trailers to expand our fleet of haulage vehicles for existing container haulage business expansion.
- We have signed an e-commerce logistics agreement with Taiwan Hiclicks platform operator for an exclusive right to operate the e-commerce logistics platform in Malaysia under Hiclicks Malaysia on 12 July 2018. We are expecting to launch the platform during 3<sup>rd</sup> quarter 2018. We believe our venture into the e-commerce logistics industry in Malaysia will add value to our existing businesses by integrated logistics services solution to selected e-commerce platforms and expand our air freight business in Malaysia.
- We continue to seek market opportunities and strengthen our market presence in Malaysia by increasing our sales and marketing activities.

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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	
	30.6.2018	30.6.2017 <sup>(1)</sup>	30.6.2018	30.6.2017 <sup>(1)</sup>
	RM'000	RM'000	RM'000	RM'000
Current financial period:				
- Income tax	386	N/A	754	N/A
- Deferred tax	39	N/A	136	N/A
Previous year overprovision:				
- Deferred Tax	(300)	N/A	(639)	N/A
Total tax expense	125	N/A	251	N/A
Effective tax rate	24.75% <sup>(2)</sup>	N/A	24.06% <sup>(2)</sup>	N/A

(a) The period to date, effective tax rate of 24.06% is in line with the statutory tax rate of 24%.

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

#### Notes:

(1) There are no comparative figures for the preceding quarter available as this is the first interim financial report for the second quarter ended 30 June 2018 announced in compliance with the Listing Requirements.

(2) Effective tax rate computation

	3-MONTH ENDED		PERIOD-TO-DATE	
	30.6.2018	30.6.2017 <sup>(1)</sup>	30.6.2018	30.6.2017 <sup>(1)</sup>
	RM'000	RM'000	RM'000	RM'000
Profit before tax	(386)	N/A	1,596	N/A
Listing expenses	2,103	N/A	2,103	N/A
Adjusted profit before tax	1,717	N/A	3,699	N/A
Current tax provision	425	N/A	890	N/A
Effective tax rate	24.75%	N/A	24.06%	N/A

N/A – Not applicable.



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### B6. Corporate Proposals

#### (a) Status of corporate proposal

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 A7, the Company has been listed on the ACE Market of Bursa Securities on 14 May 2018, the gross proceeds raised from the Public Issue amounting to RM26.356 million and the status of the utilisation of the proceed are as follows:

<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	-	Within 30 months
- Purchase of prime movers and trailers	500	-	Within 24 months
Repayment of bank borrowings	5,000	5,000	Within 6 months
Working capital	2,356	2,356	Within 12 months
Estimated listing expenses	3,500	3,467	Within 3 months
<b>Total</b>	<b>26,356</b>	<b>10,823</b>	

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

As at the date of this report, we have utilised RM5.0 million for repayment of bank borrowings consist of term loan and overdraft facilities. The repayment of these bank borrowings provides interest savings of approximately RM0.40 million each year to the Group. We have also utilised RM5.82 million for listing expenses and working capital purposes.

The remaining proceeds of RM15.53 million has been placed as fixed deposits with local banks in Malaysia.

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### B7. Bank borrowings

The Group's bank borrowings were as follows:

	AS AT 30.6.2018	AS AT 30.6.2017
	RM'000	RM'000
<b>Secured:</b>		
<u>Current:</u>		
Finance leases payables	3,756	N/A
	<b>3,756</b>	<b>N/A</b>
<u>Non-current :</u>		
Finance leases payables	5,631	N/A
Term loans	5,580	N/A
	11,211	N/A
<b>Total bank borrowings</b>	<b>14,967</b>	<b>N/A</b>

The weighted average interest rate of bank borrowings is 4.71% p.a. All the finance leases are based on fixed rate and only the term loans are based on floating rate.

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 30 June 2018.

### B9. Dividend proposed

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

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### 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	
		30.6.2018	30.6.2017 <sup>(1)</sup>	30.6.2018	30.6.2017 <sup>(1)</sup>
Profit/(Loss) attributable to ordinary owners of the Company	(RM'000)	(511)	N/A	1,345	N/A
Weighted average number of ordinary shares	('000)	166,000	N/A	166,000	N/A
Basic EPS, RM	(Sen)	(0.31)	N/A	0.81	N/A
Diluted EPS, RM <sup>(2)</sup>	(Sen)	(0.31)	N/A	0.81	N/A

#### Notes:

- (1) There are no comparative figures for the preceding quarter available as this is the first interim financial report for the second quarter ended 30 June 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.

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

	3-MONTH ENDED		PERIOD-TO-DATE	
	30.6.2018	30.6.2017 <sup>(1)</sup>	30.6.2018	30.6.2017 <sup>(1)</sup>
	RM'000	RM'000	RM'000	RM'000
Profit before taxation is arrived at after charging/(crediting) :-				
Interest income	(128)	N/A	(144)	N/A
Other income including investment income	(44)	N/A	(103)	N/A
Depreciation	162	N/A	320	N/A
Impairment loss recovered	(274)	N/A	(274)	N/A
Foreign exchange – realised (gain) / loss	13	N/A	(27)	N/A
Foreign exchange – unrealised (gain) / loss	88	N/A	88	N/A
Disposal of PPE – (gain) / loss	22	N/A	(9)	N/A

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

#### Notes:

- (1) There are no comparative figures for the preceding quarter available as this is the first interim financial report for the second quarter ended 30 June 2018 announced in compliance with the Listing Requirements.

### BY ORDER OF THE BOARD

Company Secretary

Date: 15 Aug 2018