

# TRI-MODE SYSTEM (M) BERHAD

Company No. 229265-X  
(Incorporated in Malaysia)

## INTERIM FINANCIAL REPORT FOR THE FOURTH (4<sup>TH</sup>) QUARTER ENDED 31 DECEMBER 2018

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

	3-MONTH ENDED		PERIOD-TO-DATE	
	31.12.2018	31.12.2017 <sup>(2)</sup>	31.12.2018	31.12.2017 <sup>(2)</sup>
	RM'000	RM'000	RM'000	RM'000
Revenue	20,592	N/A	85,584	N/A
Cost of sales	(16,751)	N/A	(68,342)	N/A
<b>Gross Profit</b>	<b>3,841</b>	<b>N/A</b>	<b>17,242</b>	<b>N/A</b>
Others income	296	N/A	1,394	N/A
Administration expenses	(3,063)	N/A	(13,663) <sup>(3)</sup>	N/A
Finance costs	(118)	N/A	(764)	N/A
Share of results of associate companies	163	N/A	535	N/A
<b>Profit before taxation</b>	<b>1,119</b>	<b>N/A</b>	<b>4,744</b>	<b>N/A</b>
Taxation	(393)	N/A	(1,149)	N/A
<b>Profit for the period</b>	<b>726</b>	<b>N/A</b>	<b>3,595</b>	<b>N/A</b>
<b>Other comprehensive income</b>				
Share of other comprehensive income in associate	-	N/A	840	N/A
<b>Total comprehensive income</b>	<b>726</b>	<b>N/A</b>	<b>4,435</b>	<b>N/A</b>
<b>Profit for the period attributable to:</b>				
- Owners of the Company	726	N/A	3,595	N/A
- Non-controlling interests	-	N/A	-	N/A
	<b>726</b>	<b>N/A</b>	<b>3,595</b>	<b>N/A</b>
<b>Total comprehensive income attributable to:</b>				
- Owners of the Company	726	N/A	4,435	N/A
- Non-controlling interests	-	N/A	-	N/A
	<b>726</b>	<b>N/A</b>	<b>4,435</b>	<b>N/A</b>
Weighted average number of ordinary shares ('000)	149,797	N/A	149,797	N/A
Earnings per share attributable to owners of the Company (sen):				
- Basic <sup>(4)</sup>	0.48	N/A	2.40	N/A
- Diluted <sup>(5)</sup>	0.48	N/A	2.40	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 fourth quarter ended 31 December 2018 announced in compliance with the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**").
- (3) Period to date administration expenses included one-off non-recurring listing expenses of approximately 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	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
	RM'000	RM'000	RM'000	RM'000
Profit before taxation	1,119	N/A	6,844	N/A
Taxation	(393)	N/A	(1,149)	N/A
Profit for the period	726	N/A	5,695	N/A
Other comprehensive income / (expenses)	-	N/A	840	N/A
Total comprehensive income	726	N/A	6,535	N/A

- (4) Basic earnings per share of the Group for the quarter and year to date is calculated based on weighted average number of ordinary shares of 149,797,375 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 FOURTH (4<sup>TH</sup>) QUARTER ENDED 31 DECEMBER 2018

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

	AS AT 31.12.2018	AS AT 31.12.2017 <sup>(2)</sup>
	RM'000	RM'000
<b>ASSETS</b>		
<b>Non- current assets</b>		
Property, plant and equipment	67,967	N/A
Other investments	175	N/A
Investment in associate companies	3,552	N/A
Deferred tax assets	-	N/A
	<u>71,694</u>	<u>N/A</u>
<b>Current assets</b>		
Inventories	110	N/A
Trade receivables	12,615	N/A
Other receivables	2,242	N/A
Tax recoverable	193	N/A
Fixed deposits with licensed banks	19,866	N/A
Cash and bank balances	973	N/A
	<u>35,999</u>	<u>N/A</u>
<b>TOTAL ASSETS</b>	<b><u>107,693</u></b>	<b><u>N/A</u></b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	47,503	N/A
Acquisition reserves	(5,533)	N/A
Retained earnings	28,206	N/A
<b>Total equity attributable to owners of the Company</b>	<b><u>70,176</u></b>	<b><u>N/A</u></b>
Non-controlling interest	-	N/A
<b>Total Equity</b>	<b><u>70,176</u></b>	<b><u>N/A</u></b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Finance lease payables	4,694	N/A
Bank borrowings	15,098	N/A
Deferred tax liabilities	4,240	N/A
	<u>24,032</u>	<u>N/A</u>

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## INTERIM FINANCIAL REPORT FOR THE FOURTH (4<sup>TH</sup>) QUARTER ENDED 31 DECEMBER 2018

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

	AS AT 31.12.2018	AS AT 31.12.2017 <sup>(2)</sup>
	RM'000	RM'000
<b>Current liabilities</b>		
Trade payables	6,894	N/A
Other payables	1,840	N/A
Dividend payable	1,660	
Finance lease payables	2,922	N/A
Bank borrowings	83	N/A
Tax payable	86	N/A
	<b>13,485</b>	<b>N/A</b>
<b>Total liabilities</b>	<b>37,517</b>	<b>N/A</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>107,693</b>	<b>N/A</b>
<b>NET ASSETS PER SHARE <sup>(3)</sup></b>	<b>0.42</b>	N/A
Number of ordinary shares ('000)	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 fourth quarter ended 31 December 2018 announced in compliance with the Listing Requirements.
- (3) Net assets per share is calculated based on number 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.

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## INTERIM FINANCIAL REPORT FOR THE FOURTH (4<sup>TH</sup>) QUARTER ENDED 31 DECEMBER 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
As previous stated	8,260	(369)	26,869	34,760
Effect of adoption of MFRS 9	-	-	(74)	(74)
<b>Restated balance at 1 January 2018</b>	<b>8,260</b>	<b>(369)</b>	<b>26,795 <sup>(3)</sup></b>	<b>34,686</b>
Profit for the period	-	-	3,595	3,595
Share of other comprehensive income in associate	-	-	840	840
Dividend proposed			(1,660)	(1,660)
Acquisitions	12,887	(5,164)	-	7,723
Issuance of shares	26,356	-	-	26,356
Shares issuance expenses	-	-	(1,364)	(1,364)
<b>Balance at 31 December 2018</b>	<b>47,503</b>	<b>(5,533)</b>	<b>28,206</b>	<b>70,176</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 fourth quarter ended 31 December 2018 announced in compliance with the Listing Requirements.
- (3) Prior year adjustment pursuant to MFRS 9 for provision of expected credit losses and share of results of associate companies.

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## INTERIM FINANCIAL REPORT FOR THE FOURTH (4<sup>TH</sup>) QUARTER ENDED 31 DECEMBER 2018

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

	PERIOD-TO-DATE	
	31.12.2018	31.12.2017 <sup>(2)</sup>
	RM'000	RM'000
<b>Cash flow From Operating Activities</b>		
Profit before tax	4,744	N/A
<u>Adjustments for:</u>		
Depreciation of property, plant and equipment ("PPE")	2,537	N/A
Interest paid	764	N/A
Provision for expected credit losses	80	N/A
Gain on disposal of PPE	(150)	N/A
Interest received	(548)	N/A
Share of profit in associated	(535)	N/A
<b>Operating profit before working capital changes</b>	<b>6,892</b>	<b>N/A</b>
<u>Changes in working capital</u>		
Inventories	(35)	N/A
Receivables	2,856	N/A
Payables	1,387	N/A
Associate companies	(3,741)	N/A
Directors	(14)	N/A
	<b>453</b>	<b>N/A</b>
<b>Cash generated from operating activities</b>	<b>7,345</b>	<b>N/A</b>
Interest paid	(764)	N/A
Interest received	548	N/A
Tax paid	(1,665)	N/A
<b>Net Cash flows from operating activities</b>	<b>5,464</b>	<b>N/A</b>
<b>Cash flow From Investing Activities</b>		
Dividend Receivable	300	N/A
Purchase of PPE	(2,457)	N/A
Proceeds from disposal of PPE	595	N/A
<b>Net Cash flows from investing activities</b>	<b>(1,562)</b>	<b>N/A</b>

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## INTERIM FINANCIAL REPORT FOR THE FOURTH (4<sup>TH</sup>) QUARTER ENDED 31 DECEMBER 2018

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

	PERIOD-TO-DATE	
	31.12.2018	31.12.2017 <sup>(2)</sup>
	RM'000	RM'000
<b>Cash flow From Financing Activities</b>		
Proceeds from issuance of shares	26,357	N/A
Payment of listing expenses	(1,364)	
Repayment of bank borrowings	(2,620)	N/A
Repayment of finance lease liabilities	(4,517)	N/A
Increase in fixed deposits	(55)	N/A
<b>Net Cash flows used in financing activities</b>	<b>17,801</b>	<b>N/A</b>
<b>Net increase in cash and cash equivalents</b>	<b>21,703</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>18,626</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	973	N/A
Fixed deposits with licensed banks	19,866	N/A
Bank Overdraft	(83)	
	20,756	N/A
Less: Fixed deposits pledged with licensed banks	(2,130)	N/A
	<b>18,626</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 fourth quarter ended 31 December 2018 announced in compliance with the Listing Requirements.

N/A – Not applicable.

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## INTERIM FINANCIAL REPORT FOR THE FOURTH (4<sup>TH</sup>) QUARTER ENDED 31 DECEMBER 2018

### NOTES TO THE INTERIM FINANCIAL REPORT

#### A. EXPLANATORY NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 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 fourth quarter ended 31 December 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 MFRS 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.

Apart of the adoption of MFRS framework, below are the new amendments to MFRS effective for the financial periods beginning on or after 1 January 2018:

##### **MFRS 9: Financial Instruments ("MFRS 9")**

MFRS 9 introduce amongst others, a single forward looking "expected credit losses" impairment model which require entities to recognise loss allowance in anticipation of future losses rather than based on incurred basis.

##### **MFRS 15: Revenue from Contracts with Customers ("MFRS 15")**

MFRS 15 establishes a new five-step model that will apply to revenue arising from contracts with customers. MFRS 15 supersede the revenue recognition guidance including MFRS 118: Revenue, MFRS 111: Construction Contracts and the related interpretations when it becomes effective. The core principle of MFRS 15 is that an entity should recognise revenue which depicts the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity recognises revenue when (or as) a performance obligation is satisfied, when “control” of the goods or services underlying the particular performance obligation is transferred to the customer.



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The Group has assessed the impact of the adoption of MFRS 9 and MFRS 15, concluded that the adoption does not have any significant impact to the financial performance or position 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 approximately RM2.10 million during May 2018, 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.

### **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**

There were no issuances, cancellations, repurchases, resale and repayment of debts and equity securities during the financial quarter under review.

### **A8. Dividends paid**

On 21 November 2018, the Board has approved the declaration and payment of first single-tier interim dividend of 1.0 sen per ordinary share totalling RM1,660,000 in respect of the financial year ending 31 December 2018. The entitlement to dividend was determined based on the record of depositors as at 12 December 2018 whilst the payment was made on 11 January 2019.

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### 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.

### 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	
	31.12.2018	31.12.2017 <sup>(1)</sup>	31.12.2018	31.12.2017 <sup>(1)</sup>
	RM'000	RM'000	RM'000	RM'000
Sea freight	13,096	N/A	54,238	N/A
Container haulage	6,182	N/A	25,416	N/A
Air freight	923	N/A	4,336	N/A
Freight forwarding	74	N/A	339	N/A
Warehousing	261	N/A	1,050	N/A
Marine insurance	56	N/A	205	N/A
<b>Total Revenue</b>	<b>20,592</b>	<b>N/A</b>	<b>85,584</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.

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### (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	
	31.12.2018	31.12.2017 <sup>(1)</sup>	31.12.2018	31.12.2017 <sup>(1)</sup>
	RM'000	RM'000	RM'000	RM'000
Malaysia	20,066	N/A	78,656	N/A
Overseas	526	N/A	6,928	N/A
<b>Total Revenue</b>	<b>20,592</b>	<b>N/A</b>	<b>85,584</b>	<b>N/A</b>

#### Note:

(1) There are no comparative figures for the preceding quarter available as this is the first interim financial report for the fourth ended 31 December 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.

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## INTERIM FINANCIAL REPORT FOR THE FOURTH (4<sup>TH</sup>) QUARTER ENDED 31 DECEMBER 2018

### A14. 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 more favourable to the related parties. The significant related party transactions of the Group are as follows:

Transaction with associate companies	3-MONTH ENDED		PERIOD-TO-DATE	
	31.12.2018	31.12.2017 <sup>(1)</sup>	31.12.2018	31.12.2017 <sup>(1)</sup>
	RM'000	RM'000	RM'000	RM'000
<b>(a) Atama Logistics (M) Sdn Bhd</b>				
Trade receivable	-	N/A	-	N/A
Trade payable	3,055	N/A	3,055	N/A
Net amount payable	3,055	N/A	3,055	N/A
Services income	2,666	N/A	11,672	N/A
Services expenses	4,614	N/A	19,100	N/A
<b>(b) Container Connections (M) Sdn Bhd</b>				
Trade receivable	-	N/A	-	N/A
Trade payable	10	N/A	10	N/A
Net amount payable	10	N/A	10	N/A
Services income	-	N/A	-	N/A
Services expenses	19	N/A	69	N/A
<b>Transaction with companies in which certain Directors have financial interests</b>				
	3-MONTH ENDED		PERIOD-TO-DATE	
	31.12.2018	31.12.2017 <sup>(1)</sup>	31.12.2018	31.12.2017 <sup>(1)</sup>
	RM'000	RM'000	RM'000	RM'000
<b>(a) PT. Oriental Logistics Indonesia</b>				
Trade receivable	3	N/A	3	N/A
Trade payable	7	N/A	7	N/A
Net amount payable	4	N/A	4	N/A
Services income	3	N/A	14	N/A
Services expenses	6	N/A	35	N/A

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	3-MONTH ENDED		PERIOD-TO-DATE	
	31.12.2018	31.12.2017 <sup>(1)</sup>	31.12.2018	31.12.2017 <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
Net amount payable	-	N/A	-	N/A
Services income	-	N/A	-	N/A
Services expenses	3	N/A	10	N/A
<b>(c) Oriental Logistics Group Inc.</b>				
Trade receivable	-	N/A	-	N/A
Trade payable	-	N/A	-	N/A
Net amount receivable	-	N/A	-	N/A
Services income	-	N/A	6	N/A
Services expenses	(1)	N/A	4	N/A

**Note:**

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

N/A – Not applicable.

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## INTERIM FINANCIAL REPORT FOR THE FOURTH (4<sup>TH</sup>) QUARTER ENDED 31 DECEMBER 2018

### A15. 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>12-MONTH ENDED 31.12.2018</b>
	RM'000
Senja Aman' apartment <sup>(1)</sup>	1,816
Pulau Indah Land <sup>(2)</sup>	1,902
Richard W.Z. Lee Architect <sup>(3)</sup>	1,012
Total capital commitments for capital expenditures	<b>4,730</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").
- (3) Architectural fees for 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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## INTERIM FINANCIAL REPORT FOR THE FOURTH (4<sup>TH</sup>) QUARTER ENDED 31 DECEMBER 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 RM20.59 million and profit before tax of RM1.12 million for the current financial quarter ended 31 December 2018.

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 fourth quarter ended 31 December 2018 announced in compliance with the Listing Requirements.

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

	3-MONTH ENDED		PERIOD-TO-DATE	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
	RM'000	RM'000	RM'000	RM'000
Revenue	20,592	22,408	85,584	85,505
Gross Profits	3,841	5,211	17,242	19,454
Profit before tax	1,119	1,842	<b>4,744<sup>(1)</sup></b>	8,000
Profit for the financial period	726	1,450	<b>3,595<sup>(1)</sup></b>	5,997
Total comprehensive income for the financial period	726	1,450	<b>4,435<sup>(1)</sup></b>	5,997

#### Note:

(1) Period to date profit before tax included one-off non-recurring listing expenses of approximately 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	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
	RM'000	RM'000	RM'000	RM'000
Revenue	20,592	22,408	85,584	85,505
Gross Profits	3,841	5,211	17,242	19,454
Profit before tax	1,119	1,842	<b>6,844</b>	8,000
Profit for the financial period	726	1,450	<b>5,695</b>	5,997
Total comprehensive income for the financial period	726	1,450	<b>6,535</b>	5,997

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

	3-MONTH ENDED		CHANGE	
	31.12.2018	30.09.2018		
(Unaudited)	RM'000	RM'000	RM'000	%
Revenue	20,592	21,738	(1,146)	- 5.27%
Profit/(Loss) before tax	1,119	2,030	(911)	- 44.88%

For the current quarter ended 31 December 2018, the Group recorded lower revenue of RM20.59 million as compared to RM21.74 million in the immediate preceding quarter ended 30 September 2018.

The decrease in profit before tax of 45% for current quarter ended 31 December 2018 was mainly due to lower revenue, increase in diesel price, maintenance costs, provision for expected credit losses as per MFRS 9 and year-end bonus expenses as compared to the immediate preceding quarter ended 30 September 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 at the date of this report, the progress of the plans is as follows:

- We are still in the midst of finalising architecture design but the application of planning approval to local town council has been submitted in September 2018 for our Proposed HQ and Distribution Hub in West Port.
- We have received 15 new trailers during October and November 2018 via our purchase order on 6 July 2018 to expand our fleet of haulage vehicles for existing container haulage business expansion.
- We had on 16 October 2018 signed a service agreement with OGN Online Sdn Bhd ("OGN"), a dropship platform provider named Kumoten to provide logistics arrangement services via our Hiclicks platform to Kumoten for purchase products from Korea, Japan, Taiwan and USA.

Barring any unforeseen circumstances, the Board of Directors of the Company is of the opinion that the prospects for the financial year ending 31 December 2019 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.



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### B5. Taxation

	3-MONTH ENDED		PERIOD-TO-DATE	
	31.12.2018	31.12.2017 <sup>(1)</sup>	31.12.2018	31.12.2017 <sup>(1)</sup>
	RM'000	RM'000	RM'000	RM'000
Current financial period:				
- Income tax	248	N/A	1,394	N/A
- Deferred tax	95	N/A	344	N/A
Previous year overprovision:				
- Income tax	83		83	
- Deferred tax	(33)	N/A	(672)	N/A
Total tax expense	393	N/A	1,149	N/A
Effective tax rate	35.12% <sup>(2)</sup>	N/A	24.22% <sup>(2)</sup>	N/A

#### Notes:

- (1) There are no comparative figures for the preceding quarter available as this is the first interim financial report for the fourth quarter ended 31 December 2018 announced in compliance with the Listing Requirements.
- (2) Adjusted effective tax rate computation

	3-MONTH ENDED		PERIOD-TO-DATE	
	31.12.2018	31.12.2017 <sup>(1)</sup>	31.12.2018	31.12.2017 <sup>(1)</sup>
	RM'000	RM'000	RM'000	RM'000
Profit before tax	1,119	N/A	4,744	N/A
Listing expenses	-	N/A	2,100	N/A
Adjusted profit before tax	1,119	N/A	6,844	N/A
Current tax provision	343	N/A	1,738	N/A
Effective tax rate	30.65%	N/A	25.39%	N/A

N/A – Not applicable.

- (a) The period to date effective tax rate of 24.22% is in line with the statutory tax rate of 24%.
- (b) Income tax expense is recognised based on management's best estimate.

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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

The Company was 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	107	Within 24 months
Repayment of bank borrowings	5,000	5,000	Within 6 months
Working capital	2,356	2,389 <sup>(1)</sup>	Within 12 months
Estimated listing expenses	3,500	3,467 <sup>(1)</sup>	Within 3 months
<b>Total</b>	<b>26,356</b>	<b>10,963</b>	

#### Note:

(1) Balance of unutilised portion, utilised as working capital.

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 per annum to the Group.

We have utilised RM0.10 million to part finance 15 units of new trailers that were delivered during the quarter under review. We have also utilised RM5.86 million for listing expenses and working capital purposes.

The remaining proceeds of RM15.39 million has been placed as fixed deposits with local banks in Malaysia.

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### B7. Trade Receivables

The Group grant credit on various terms. Trade receivables disclosed below include amounts which are past due at the end of reporting period but has not recognised as receivables subject to impairment as there has not been a significant change in credit quality and still considered recoverable by the management.

	PERIOD-TO-DATE					
	31.12.2018			31.12.2017 <sup>(1)</sup>		
	<u>Non-RPT<sup>(2)</sup></u>	<u>RPT<sup>(2)</sup></u>	<u>Total</u>	<u>Non-RPT<sup>(2)</sup></u>	<u>RPT<sup>(2)</sup></u>	<u>Total</u>
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Less than 1 month	5,870	-	5,870	N/A	N/A	N/A
1 month	4,426	3	4,429	N/A	N/A	N/A
2 months	1,681	-	1,681	N/A	N/A	N/A
3 months	493	-	493	N/A	N/A	N/A
More than 3 months	142	-	142	N/A	N/A	N/A
<b>Trade Receivables</b>	<b>12,612</b>	<b>3</b>	<b>12,615</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>

**Note:**

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

(2) RPT – Related party transactions as per note A14.

N/A – Not applicable.

### B8. Bank borrowings

The Group's bank borrowings were as follows:

	AS AT 31.12.2018	AS AT 31.12.2017
	RM'000	RM'000
<b>Secured:</b>		
<u>Current:</u>		
Bank overdraft	83	
Finance leases payables	3,077	N/A
	3,160	N/A
<u>Non-current :</u>		
Finance leases payables	4,540	N/A
Term loans	15,098	N/A
	19,638	N/A
<b>Total bank borrowings</b>	<b>22,798</b>	<b>N/A</b>

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The weighted average interest rate of bank borrowings is 5.67% 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.

### B9. Material litigation

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

### B10. Dividend proposed

The Board does not recommend any dividend in respect of the current financial period.

### B11. 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 weighted average number of ordinary shares of the Company during the financial period as follows:

		3-MONTH ENDED		PERIOD-TO-DATE	
		31.12.2018	31.12.2017 <sup>(1)</sup>	31.12.2018	31.12.2017 <sup>(1)</sup>
Profit/(Loss) attributable to ordinary owners of the Company	(RM'000)	726	N/A	3,595	N/A
weighted average number of ordinary shares <sup>(2)</sup>	('000)	149,797	N/A	149,797	N/A
Basic EPS, RM	(Sen)	0.48	N/A	2.40	N/A
Diluted EPS, RM <sup>(3)</sup>	(Sen)	0.48	N/A	2.40	N/A

### Notes:

- (1) There are no comparative figures for the preceding quarter available as this is the first interim financial report for the fourth quarter ended 31 December 2018 announced in compliance with the Listing Requirements.
- (2) Weighted average number of shares calculation:

Date	Shares outstanding	Weight (month/year)	Weighted average
1-Jan-2018	122,793,000	4.5 /12	46,047,375
14-May-2018	166,000,000	7.5 /12	103,750,000
<b>Total</b>			<b>149,797,375</b>

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- (3) 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.

### B12. Disclosure on selected expense/income items as required by the Listing Requirements

	3-MONTH ENDED		PERIOD-TO-DATE	
	31.12.2018	31.12.2017 <sup>(1)</sup>	31.12.2018	31.12.2017 <sup>(1)</sup>
	RM'000	RM'000	RM'000	RM'000
Profit before taxation is arrived at after charging/(crediting) :-				
Interest income	(205)	N/A	(548)	N/A
Interest expenses	118	N/A	764	N/A
Other income including investment income	(40)	N/A	(176)	N/A
Depreciation	183	N/A	680	N/A
Provision for expected credit losses	80	N/A	80	N/A
Impairment loss recovered	(11)	N/A	(520)	N/A
Foreign exchange – realised (gain) / loss	122	N/A	87	N/A
Foreign exchange – unrealised (gain) / loss	(125)	N/A	3	N/A
Disposal of PPE – (gain) / loss	(41)	N/A	(150)	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 fourth quarter ended 31 December 2018 announced in compliance with the Listing Requirements.

### BY ORDER OF THE BOARD

Company Secretary

Date: 22 February 2019