

TRI-MODE SYSTEM (M) BERHAD

Registration No.: 199101018953 (229265-X)

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE FIRST (1ST) QUARTER ENDED 31 MARCH 2020

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME ⁽¹⁾

	3-MONTH ENDED		PERIOD-TO-DATE	
	31.03.2020	31.03.2019	31.03.2020	31.03.2019
	RM'000	RM'000	RM'000	RM'000
Revenue	20,921	18,257	20,921	18,257
Cost of sales	(17,174)	(15,210)	(17,174)	(15,210)
Gross Profit	3,747	3,047	3,747	3,047
Others income	1,785 ⁽²⁾	253	1,785 ⁽²⁾	253
Administration expenses	(2,700)	(2,903)	(2,700)	(2,903)
Finance costs	(116)	(112)	(116)	(112)
Share of results of associate companies	55	80	55	80
Profit before taxation	2,771	365	2,771	365
Taxation	(725)	(94)	(725)	(94)
Profit for the period	2,046	271	2,046	271
Other comprehensive income				
Share of other comprehensive income in associate	-	-	-	-
Total comprehensive income	2,046	271	2,046	271
Profit for the period attributable to:				
- Owners of the Company	2,046	271	2,046	271
- Non-controlling interests	-	-	-	-
	2,046	271	2,046	271
Total comprehensive income attributable to:				
- Owners of the Company	2,046	271	2,046	271
- Non-controlling interests	-	-	-	-
	2,046	271	2,046	271
Weighted average number of ordinary shares ('000)	166,000	166,000	166,000	166,000
Earnings per share attributable to owners of the Company (sen):				
- Basic ⁽³⁾	1.23	0.16	1.23	0.16
- Diluted ⁽⁴⁾	1.23	0.16	1.23	0.16

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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (1) (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 audited financial statements of Tri-Mode System (M) Berhad (“**TMS**” or “**Company**”) and its subsidiaries (“**Group**”) for financial year ended 31 December 2019 and the accompanying explanatory notes attached to this interim financial report.
- (2) Consist of one-off liquidated damages compensation of RM1,620,591.66 from the Pulau Indah Land developer on 21 February 2020 due to late delivery of vacant possession as per sales and purchase agreement.
- (3) 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 166,000,000.
- (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.

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INTERIM FINANCIAL REPORT FOR THE FIRST (1ST) QUARTER ENDED 31 MARCH 2020

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION ⁽¹⁾

	Unaudited As at 31.03.2020	Audited As at 31.12.2019
	RM'000	RM'000
ASSETS		
Non- current assets		
Property, plant and equipment	56,764	53,500
Right of use assets	20,269	19,448
Other investments	175	175
Investment in associate companies	3,940	3,884
	<u>81,148</u>	<u>77,007</u>
Current assets		
Inventories	144	71
Trade receivables	14,930	13,517
Other receivables	2,608	2,679
Tax recoverable	98	107
Fixed deposits with licensed banks	13,527	17,987
Cash and bank balances	771	1,473
	<u>32,078</u>	<u>35,834</u>
TOTAL ASSETS	<u>113,226</u>	<u>112,841</u>
EQUITY AND LIABILITIES		
Equity		
Share capital	47,503	47,503
Acquisition reserves	(5,533)	(5,533)
Retained earnings	32,029	29,983
Total Equity	<u>73,999</u>	<u>71,953</u>
Liabilities		
Non-current liabilities		
Finance lease payables	3,923	-
Bank borrowings	16,671	16,128
Lease liabilities	224	4,123
Deferred tax liabilities	4,122	4,126
	<u>24,940</u>	<u>24,377</u>

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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION ⁽¹⁾ (CONT'D)

	Unaudited As at 31.03.2020	Audited As at 31.12.2019
	RM'000	RM'000
Current liabilities		
Trade payables	4,700	4,842
Other payables	1,877	3,685
Amount due to associate companies	2,497	2,322
Finance lease payables	2,686	2,625
Lease liabilities	630	380
Bank borrowings	1,112	2,425
Tax payable	785	232
	14,287	16,511
Total liabilities	39,227	40,888
TOTAL EQUITY AND LIABILITIES	113,226	112,841
NET ASSETS PER SHARE (RM)	0.45	0.43
Number of ordinary shares ('000)	166,000	166,000

Note:

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statements of Financial Position are disclosed in Note A1 and should be read in conjunction with the audited financial statements of the Group for financial year ended 31 December 2019 and the accompanying explanatory notes attached to this interim financial report.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY ⁽¹⁾

	Non-distributable		Distributable	Total
	Share capital	Acquisition reserves	Retained profits	
	RM'000	RM'000	RM'000	RM'000
Opening balance at 1 January 2020	47,503	(5,533)	29,983	71,953
Profit for the period	-	-	2,046	2,046
Balance at 31 March 2020	47,503	(5,533)	32,029	73,999
Balance at 1 January 2019	47,503	(5,533)	28,280	70,250
Effect of MFRS 16	-	-	(23)	(23)
At 1 January 2019, as restated	47,503	(5,533)	28,257	70,227
Profit for the period	-	-	2,556	2,556
Dividend to owners of the company	-	-	(830)	(830)
Balance at 31 December 2019	47,503	(5,533)	29,983	71,953

Note:

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statements of Changes in Equity are disclosed in Note A1 and should be read in conjunction with the audited financial statements of the Group for financial year ended 31 December 2019 and the accompanying explanatory notes attached to this interim financial report.

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UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS ⁽¹⁾

	PERIOD-TO-DATE	
	31.03.2020	31.03.2019
Cash flow From Operating Activities	RM'000	RM'000
Profit before tax	2,771	365
<u>Adjustments for:</u>		
Depreciation of property, plant and equipment ("PPE")	446	679
Depreciation of right of use assets	449	-
Gain on disposal of PPE	-	(6)
Impairment losses on trade receivables	-	41
Interest paid	116	112
Others income/interest received	(1,750)	(226)
Share of profit in associate companies	(55)	(80)
Unrealised (gain)/loss on foreign exchange	(27)	19
Operating profit before working capital changes	1,950	904
<u>Changes in working capital</u>		
Inventories	(73)	(50)
Receivables	(1,341)	1,402
Payables	(1,079)	(1,698)
Associate companies	175	(373)
	(2,318)	(719)
Cash generated from operating activities	(368)	185
Interest paid	(116)	(112)
Interest received	1,750	226
Tax paid	(167)	(324)
Net Cash flows from operating activities	1,099	(25)
Cash flow From Investing Activities		
Dividend Receivable	-	200
Purchase of PPE	(4,722)	(1,289)
Proceeds from disposal of PPE	142	49
Net Cash flows from investing activities	(4,580)	(1,040)

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UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS ⁽¹⁾ (CONT'D)

	PERIOD-TO-DATE	
	31.03.2020	31.03.2019
	RM'000	RM'000
Cash flow From Financing Activities		
Drawdown of term loan	-	632
Repayment of bank borrowings	(980)	-
Repayment of finance lease liabilities	(733)	(887)
Interest expenses on lease liabilities	(203)	4
Decrease /(Increase) in fixed deposits pledged	4,460	-
Decrease /(Increase) in fixed deposits	-	(186)
Net Cash flows used in financing activities	2,544	(437)
Net increase in cash and cash equivalents	(937)	(1,502)
Effect of exchange rate changes in cash & cash equivalent	26	-
Cash and cash equivalents at beginning of the period	8,170	2,179
Cash and cash equivalents at the end of the period	7,259	677
Cash and Cash Equivalents		
Cash and bank balances	771	3,816
Fixed deposits with licensed banks	13,527	18,763
Bank Overdraft	(1,112)	(3,139)
	13,187	19,440
Less: Fixed deposits pledged with licensed banks	(1,937)	(16,609)
Less: Fixed deposits with licensed banks	(3,990)	(2,154)
	7,259	677

Note:

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statements of Cash Flows are disclosed in Note A1 and should be read in conjunction with the audited financial statements of the Group for financial year ended 31 December 2019 and the accompanying explanatory notes attached to this interim financial report.

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INTERIM FINANCIAL REPORT FOR THE FIRST (1ST) QUARTER ENDED 31 MARCH 2020

NOTES TO THE INTERIM FINANCIAL REPORT

A. EXPLANATORY NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 MARCH 2020

A1. Basis of preparation

The interim financial report of 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 (“Bursa Securities”) (“Listing Requirements”).

The interim financial statements should be read in conjunction with the audited financial statements of the Group for financial year ended 31 December 2019 and the accompanying explanatory notes attached to this interim financial report.

A2. Significant Accounting Policies

The financial information presented herein has been prepared in accordance with the accounting policies to be used in preparing the annual consolidated financial statements for 31 December 2020 under the MFRS framework. These policies do not differ significantly from those used in the audited consolidated financial statements for 31 December 2019 except as disclosed below:

The following revised MFRSs and Amendments to MFRSs that effective from 1 January 2020 have been issued by the MASB:

Amendments to References to the Conceptual Framework in MFRS Standards
Amendments to MFRS 3: Definition of a Business
Amendments to MFRS 9, MFRS 139 and MFRS 7: Interest Rate Benchmark Reform
Amendments to MFRS 101 and MFRS 108: Definition of Material
Amendments to MFRS 101: Classification of Liabilities as Current or Non-current

The adoption of the above pronouncements has no material financial impact to the Group and the Corporation.

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.

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

Save for the one-off liquidated damages compensation of approximately RM1.62 million from the Pulau Indah Land developer, 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

There was no dividend paid during the 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			
	31.03.2020	31.03.2019	31.03.2020		31.03.2019	
	RM'000	RM'000	RM'000	%	RM'000	%
Sea freight	12,608	11,125	12,608	60.3	11,125	60.9
Container haulage	5,651	5,955	5,651	27.0	5,955	32.6
Air freight	1,841	731	1,841	8.8	731	4.0
Freight forwarding	533	151	533	2.5	151	0.8
Warehousing	255	232	255	1.2	232	1.3
Marine insurance	33	63	33	0.2	63	0.4
Total Revenue	20,921	18,257	20,921	100	18,257	100

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			
	31.03.2020	31.03.2019	31.03.2020		31.03.2019	
	RM'000	RM'000	RM'000	%	RM'000	%
Malaysia	18,134	16,642	18,134	86.7	16,642	91.2
Overseas	2,787	1,615	2,787	13.3	1,615	8.8
Total Revenue	20,921	18,257	20,921	100	18,257	100

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.

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

The COVID-19 outbreak has brought significant economic uncertainties in Malaysia and markets in which the Company operates. The Group expects the current situation to have an adverse impact to its results for the financial year ending 31 December 2020 and will continue to monitor and take appropriate, timely measures to minimise the financial impact to the Group. Other than the impact of COVID-19 pandemic, there was no subsequent material event as at date of this report..

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	
	31.03.2020	31.03.2019	31.03.2020	31.03.2019
	RM'000	RM'000	RM'000	RM'000
(a) Atama Logistics (M) Sdn Bhd				
Trade receivable	2,580	983	2,580	983
Trade payable	5,083	3,675	5,083	3,675
Net amount payable/(receivable)	2,503	2,692	2,503	2,692
Services income	3,741	2,669	3,741	2,669
Services expenses	5,260	4,141	5,260	4,141

Transaction with associate companies	3-MONTH ENDED		PERIOD-TO-DATE	
	31.03.2020	31.03.2019	31.03.2020	31.03.2019
	RM'000	RM'000	RM'000	RM'000
(b) Container Connections (M) Sdn Bhd				
Trade receivable	-	-	-	-
Trade payable	5	-	5	-
Net amount payable/(receivable)	5	-	5	-
Services income	-	-	-	-
Services expenses	15	16	15	16

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Transaction with companies in which certain Directors have financial interests	3-MONTH ENDED		PERIOD-TO-DATE	
	31.03.2020	31.03.2019	31.03.2020	31.03.2019
	RM'000	RM'000	RM'000	RM'000
(a) PT. Oriental Logistics Indonesia				
Trade receivable	1	3	1	3
Trade payable	-	-	-	-
Net amount payable/(receivable)	(1)	(3)	(1)	(3)
Services income	1	13	1	13
Services expenses	10	9	10	9

	3-MONTH ENDED		PERIOD-TO-DATE	
	31.03.2020	31.03.2019	31.03.2020	31.03.2019
	RM'000	RM'000	RM'000	RM'000
(b) Oriental Thailand				
Trade receivable	-	-	-	-
Trade payable	-	-	-	-
Net amount payable/(receivable)	-	-	-	-
Services income	-	6	-	6
Services expenses	-	2	-	2

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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:

	Unaudited
	3-MONTH ENDED 31.03.2020
	RM'000
Senja Aman' apartment ⁽¹⁾	419
Richard W.Z. Lee Architect ⁽²⁾	559
Total capital commitments for capital expenditures	978

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) Architectural fees for future headquarters, warehouse and haulage operation yard of our Group which is under construction on the Pulau Indah Land ("**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 Group recorded revenue of RM20.92 million for the current financial quarter ended 31 March 2020, an increase of 14.59% from the previous year corresponding quarter of RM18.26 million. Gross profit increased 22.97% to RM3.75 million as compared to RM3.05 million previous year corresponding quarter. The improvement of revenue contributed mainly by sea freight, air freight and freight forwarding services (refer A11).

The profit before tax (“PBT”) increased by 659.18% to RM2.77 million compared to previous year corresponding quarter of RM0.37 million. The increase in profitability is mainly contributed by one-off liquidated damages compensation of approximately RM1.62 million from the Pulau Indah Land developer on 21 February 2020 due to late delivery of vacant possession. For illustration purposes, the PBT without the compensation will be RM1.15 million for current quarter, increased of 210.81% as compared with immediate preceding quarter ended 31 December 2019 of RM0.37 million.

The Group managed to improve its financial performance via aggressive sales approaches and cost control exercise during national economy slowdown. However, the outbreak of COVID-19 pandemic and the Movement Control Order implemented by the Malaysian Government (“MCO”) since 18 March 2020 to curb the spread of COVID-19 pandemic in Malaysia have slowed down the momentum of business improvement of the Group.

B2. Comparison with immediate preceding quarter’s results

	3-MONTH ENDED		CHANGE	
	31.03.2020	31.12.2019		
(Unaudited)	RM'000	RM'000	RM'000	%
Revenue	20,921	22,160	(1,239)	(5.59)
PBT	2,771	1,090	1,681	154.22

For the current quarter ended 31 March 2020, the Group’s revenue decreased by 5.59% to RM20.92 million from RM22.16 million in immediate preceding quarter ended 31 December 2019. The decrease of revenue was due to seasonal factor as disclosed in note A4 and the implementation of MCO in March 2020.

The PBT increased by 154.22% for current quarter mainly due to one-off liquidated damages compensation for late delivery of vacant possession of approximately RM1.62 million from the Pulau Indah Land developer on 21 February 2020. For illustration purposes, the PBT without the compensation will be RM1.15 million, an increase of 5.5% as compared with immediate preceding quarter ended 31 December 2019.

Overall, the profitability performance of the Group in the current quarter has seen improvement as compared with immediate preceding quarter.

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B3. Prospects

Our HQ and Distribution Hub construction works started since our ground breaking ceremony on 27 December 2019. The construction progress is in order and we achieved 14.69% completion as at 4 March 2020, which is ahead of the planned schedule of 10.6%. However, the outbreak of COVID-19 pandemic and the on-going MCO since March 2020 have temporarily paused the construction activities at the site. As such, the completion of our HQ and Distribution Hub is estimated to delay for additional 2 to 3 months subject to the condition of the COVID-19 pandemic and the duration of any further extension of the MCO period.

International Monetary Fund in April 2020 projected the global economy to contract sharply to -3% in 2020, while Bank Negara Malaysia projected Malaysia's gross domestic product growth to be between -2.0% to 0.5% in 2020 due to the weak global demand, supply chain disruptions and the COVID-19 containment measures globally. The global economy slowdown is relatively certain now, we will be facing more challenging business environment in the remaining months of year 2020.

We will continuously focus on improving the efficiency of our logistics services with more competitive pricing, focus on resource optimisation, expanding our customer base and more prudent in capital expenditures planning.

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 2020 will remain challenging amid the adverse impact of COVID-19 pandemic, uncertainties surrounding world trade and weak economy forecasts worldwide. Nevertheless, the Group will continue to seek opportunities in both domestic and international market to deliver sustainable growth in the long term.

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	
	31.03.2020	31.03.2019	31.03.2020	31.03.2019
	RM'000	RM'000	RM'000	RM'000
Current financial period:				
- Income tax	729	136	729	136
- Deferred tax	(4)	(42)	(4)	(42)
	<u>725</u>	<u>94</u>	<u>725</u>	<u>94</u>
Previous year overprovision:				
- Income tax	-	-	-	-
- Deferred tax	-	-	-	-
Total tax expense	<u>725</u>	<u>94</u>	<u>725</u>	<u>94</u>
Effective tax rate	26.16%	25.75%	26.16%	25.75%

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Note:

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

B6. Corporate Proposals

(a) Status of corporate proposal

There are no corporate proposals announced by the Company during the current financial quarter under review.

(b) Utilisation of proceeds

The Company was listed on the ACE Market of Bursa Securities on 14 May 2018 ("Listing Date"), the gross proceeds raised from the public issue amounting to RM26.356 million and the status of the utilisation of the proceeds are as follows:

<u>Details of utilisation</u>	<u>Proposed Utilisation</u>	<u>Actual Utilisation</u>	<u>Intended timeframe for utilisation upon listing</u>	<u>Extended timeframe for utilisation</u>
	RM'000	RM'000		
Business expansion				
- Construction of the HQ and Distribution Hub	15,000	4,500	Within 30 months	Additional 6 months
- Purchase of prime movers and trailers	500	378	Within 24 months	Additional 12 months
Repayment of bank borrowings	5,000	5,000	Within 6 months	
Working capital	2,356	2,389 ⁽¹⁾	Within 12 months	
Estimated listing expenses	3,500	3,467 ⁽¹⁾	Within 3 months	
Total	26,356	15,734		

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:

- 1) We have utilised RM4.50 million to finance the construction cost of HQ and Distribution Hub. In view of the potential delay of the completion of our HQ and Distribution Hub which is subject to the condition of the COVID-19 pandemic and any further extension of the MCO period, our Company has on 14 May 2020 announced that the remaining proceeds

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will be utilised by May 2021 which is additional 6 months from 14 November 2020.

- 2) 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.
- 3) We have utilised RM0.38 million to part finance 5 units of new prime movers and 40 units of new trailers that were delivered since Listing Date up to current quarter under review. In view of the global economy slowdown and the challenging business environment in the remaining months of year 2020, our Company has on 14 May 2020 announced that the remaining proceeds will be utilised by May 2021 which is additional 12 months from 14 May 2020.
- 4) We have also utilised RM5.86 million for listing expenses and working capital purposes.
- 5) The remaining proceeds of RM10.62 million has been placed as fixed deposits with local banks in Malaysia.

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					
	31.03.2020			31.03.2019		
	<u>Non-RPT⁽¹⁾</u>	<u>RPT⁽¹⁾</u>	<u>Total</u>	<u>Non-RPT⁽¹⁾</u>	<u>RPT⁽¹⁾</u>	<u>Total</u>
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Less than 1 month	6,537	-	6,537	6,071	1	6,072
1 month	5,271	1	5,272	3,475	2	3,477
2 months	2,165	-	2,165	1,578	-	1,578
3 months	678	-	678	342	-	342
More than 3 months	278	-	278	294	-	294
Trade Receivables	14,929	1	14,930	11,760	3	11,763

Note:

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

TRI-MODE SYSTEM (M) BERHAD

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B8. Bank borrowings

The Group's bank borrowings were as follows:

	AS AT 31.03.2020	AS AT 31.03.2019
	RM'000	RM'000
Secured:		
<u>Current:</u>		
Bank overdraft	1,112	3,139
Finance leases payables	2,686	2,715
	<u>3,798</u>	<u>5,854</u>
<u>Non-current :</u>		
Finance leases payables	3,923	4,015
Term loans	16,671	15,731
	<u>20,594</u>	<u>19,746</u>
Total bank borrowings	<u>24,392</u>	<u>25,600</u>

The weighted average interest rate of bank borrowings is 5.92% 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.

B9. Material litigation

There were no material litigation involving the Group as at the date of this report.

B10. Dividend proposed

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

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B11. Earnings per share

The basic earnings per share 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	
		31.03.2020	31.03.2019	31.03.2020	31.03.2019
Profit/(Loss) attributable to ordinary owners of the Company	(RM'000)	2,046	271	2,046	271
weighted average number of ordinary shares ⁽¹⁾	('000)	166,000	166,000	166,000	166,000
Basic earnings/(loss) per share	(Sen)	1.23	0.16	1.23	0.16
Diluted earnings/(loss) per share ⁽²⁾	(Sen)	1.23	0.16	1.23	0.16

Notes:

- (1) 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 166,000,000.
- (2) 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.

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

	3-MONTH ENDED		PERIOD-TO-DATE	
	31.03.2020	31.03.2019	31.03.2020	31.03.2019
	RM'000	RM'000	RM'000	RM'000
Profit before taxation is arrived at after charging/(crediting) :-				
Interest income	(1,750)	(226)	(1,750)	(226)
Interest expenses	116	112	116	112
Depreciation of PPE	446	679	446	679
Depreciation of right of use assets	449	-	449	-
Provision for expected credit losses	30	41	30	41
Foreign exchange – realised (gain) / loss	(24)	-	(24)	-
Foreign exchange – unrealised (gain) / loss	(27)	19	(27)	19
Disposal of PPE – (gain) / loss	-	(6)	-	(6)

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

BY ORDER OF THE BOARD

Company Secretary

Date: 22 May 2020