

TRI-MODE SYSTEM (M) BERHAD

Registration No.: 199101018953 (229265-X)

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE FOURTH (4th) QUARTER ENDED 31 DECEMBER 2020

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME ⁽¹⁾

	3-MONTH ENDED		PERIOD-TO-DATE	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
	RM'000	RM'000	RM'000	RM'000
Revenue	23,249	22,160	83,432	81,805
Cost of sales	(19,492)	(18,428)	(68,569)	(67,812)
Gross Profit ("GP")	3,757	3,732	14,863	13,993
Others income	206	203	3,371 ⁽²⁾	855
Administration expenses	(2,651)	(2,803)	(10,952)	(11,430)
Net gain on impairment of financial instruments	47	51	(18)	51
Finance costs	(91)	(100)	(340)	(396)
Share of results of associate companies	228	62	479	360
Profit before taxation ("PBT")	1,496	1,145	7,403	3,433
Taxation	(298)	(346)	(1,933)	(877)
Profit for the period ("PAT")	1,198	799	5,470	2,556
Other comprehensive income				
Share of other comprehensive income in associate	-	-	-	-
Total comprehensive income	1,198	799	5,470	2,556
Profit for the period attributable to:				
- Owners of the Company	1,198	799	5,470	2,556
- Non-controlling interests	-	-	-	-
	1,198	799	5,470	2,556
Total comprehensive income attributable to:				
- Owners of the Company	1,198	799	5,470	2,556
- Non-controlling interests	-	-	-	-
	1,198	799	5,470	2,556
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⁾	0.72	0.48	3.30	1.54
- Diluted ⁽⁴⁾	0.72	0.48	3.30	1.54

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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 RM1.62 million from the Pulau Indah Land developer on 21 February 2020 and RM0.27 million from Senja Aman apartment developer on 11 September 2020 due to late delivery of vacant possession as per sales and purchase agreements, respectively. Senja Aman apartment is an investment property that will be leased to hotel operator to generate income. In addition, there will be free stay to be made available as staff welfare post completion of the said property.
- (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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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION ⁽¹⁾

	Unaudited As at 31.12.2020	Audited As at 31.12.2019
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	77,096	53,500
Right of use assets	18,020	19,448
Other investments	175	175
Investment in associate companies	4,456	3,884
	99,747	77,007
Current assets		
Inventories	132	71
Trade receivables	15,355	13,517
Other receivables	3,959	2,679
Tax recoverable	114	107
Fixed deposits with licensed banks	2,742	17,987
Cash and bank balances	1,317	1,473
	23,619	35,834
TOTAL ASSETS	123,366	112,841
EQUITY AND LIABILITIES		
Equity		
Share capital	47,503	47,503
Acquisition reserves	(5,533)	(5,533)
Retained earnings	34,374	29,983
Total Equity	76,344	71,953
Liabilities		
Non-current liabilities		
Bank borrowings	23,119	16,128
Lease liabilities	2,769	4,123
Deferred tax liabilities	4,300	4,126
	30,188	24,377

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

	Unaudited As at 30.09.2020	Audited As at 31.12.2019
	RM'000	RM'000
Current liabilities		
Trade payables	6,318	4,842
Other payables	2,903	3,685
Amount due to associate companies	2,762	2,322
Lease liabilities	3,108	3,005
Bank borrowings	1,515	2,425
Tax payable	228	232
	16,834	16,511
Total liabilities	47,022	40,888
TOTAL EQUITY AND LIABILITIES	123,366	112,841
NET ASSETS PER SHARE (RM)	0.46	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	-	-	5,470	5,470
Dividend to owners of the Company	-	-	(1,079)	(1,079)
Balance at 31 December 2020	47,503	(5,533)	34,374	76,344
At 1 January 2019, as previously stated	47,503	(5,533)	28,280	70,250
Effect on adoption 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
Dividends 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	
	31.12.2020	31.12.2019
Cash flow From Operating Activities	RM'000	RM'000
Profit before tax	7,403	3,433
<u>Adjustments for:</u>		
Depreciation of property, plant and equipment ("PPE')	1,743	1,557
Depreciation of right of use assets	1,711	1,685
(Gain)/loss on disposal of PPE	-	(6)
PPE written off	156	4
Reversal on impairment losses on trade receivables	(17)	(51)
Interest paid	340	439
Others income/interest received	(2,159)	(712)
Share of profit in associate companies	(479)	(360)
Unrealised (gain)/loss on foreign exchange	15	~
Operating profit before working capital changes	8,713	5,989
<u>Changes in working capital</u>		
Inventories	(61)	39
Receivables	(3,101)	(1,215)
Payables	486	(790)
Associate companies	440	(743)
	(2,236)	(2,709)
Cash generated from operating activities	6,477	3,280
Interest paid	(340)	(439)
Interest received	2,159	712
Tax paid	(1,771)	(900)
Tax refund	-	145
Net Cash flows from operating activities	6,525	2,798
Cash flow From Investing Activities		
Dividend receivable	240	360
Invest in associates	(333)	(332)
Right of use	(246)	~
Purchase of PPE	(27,751)	(2,355)
Proceeds from disposal of PPE	2,858	49
Net Cash flows used in investing activities	(25,232)	(2,278)

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

	PERIOD-TO-DATE	
	30.09.2020	30.09.2019
	RM'000	RM'000
Cash flow From Financing Activities		
Drawdown of term loan	6,783	-
Repayment of bank borrowings	-	(149)
Net change of revolving credit	200	800
Repayment of finance lease liabilities	(2,760)	(3,375)
Interest expenses on lease liabilities	-	-
Increase/(decrease) in fixed deposits pledged	-	218
Increase/(decrease) in fixed deposits	15,245	7,972
Net Cash flows from financing activities	19,468	5,466
Net increase/(decrease) in cash and cash equivalents	761	5,986
Effect of exchange rate changes in cash & cash equivalent	(15)	5
Cash and cash equivalents at beginning of the period	8,170	2,179
Cash and cash equivalents at the end of the period	8,916	8,170
Cash and Cash Equivalents		
Cash and bank balances	1,317	1,473
Fixed deposits with licensed banks	2,742	17,987
Bank Overdraft	-	(903)
	4,059	18,557
Less: Fixed deposits pledged with licensed banks	(1,937)	(1,937)
Add/(Less): Fixed deposits with licensed banks less/(more) than 3 months	6,794	(8,450)
	8,916	8,170

Notes:

~ **Negligible**

- (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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NOTES TO THE INTERIM FINANCIAL REPORT

A. EXPLANATORY NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 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, 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
Amendments to MFRS 16 : Covid-19 Related Rent Concessions

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

A3. Auditors' report

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

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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 the one-off liquidated damages compensation of approximately RM1.62 million from the Pulau Indah Land developer on 21 February 2020 and RM0.27 million from the Senja Aman apartment developer on 11 September 2020 due to late delivery of vacant possession as per sales and purchase agreements, respectively, 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 18 November 2020, the Board has approved the declaration and payment of first single-tier interim dividend of 0.65 sen per ordinary share totalling RM1,079,000 in respect of the financial year ending 31 December 2020. The entitlement to dividend was determined based on the record of depositors as at 15 December 2020 whilst the payment was made on 12 January 2021.

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			
	31.12.2020	31.12.2019	31.12.2020		31.12.2019	
	RM'000	RM'000	RM'000	%	RM'000	%
Sea freight	14,778	13,020	49,005	58.7	48,262	59.0
Container haulage	5,970	6,649	22,529	27.0	25,634	31.3
Air freight	1,615	1,515	8,625	10.3	4,712	5.8
Freight forwarding	579	569	2,144	2.6	1,799	2.2
Warehousing	251	340	963	1.2	1,157	1.4
Marine insurance	56	67	166	0.2	241	0.3
Total Revenue	23,249	22,160	83,432	100	81,805	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			
	31.12.2020	31.12.2019	31.12.2020		31.12.2019	
	RM'000	RM'000	RM'000	%	RM'000	%
Malaysia	20,261	20,118	70,897	85.0	74,097	90.6
Overseas	2,988	2,042	12,535	15.0	7,708	9.4
Total Revenue	23,249	22,160	83,432	100	81,805	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. Subsequent to current financial quarter, the government of Malaysia has on 13 January 2021 imposed again Movement Control Order (“MCO”) for most of the states throughout of Malaysia, the Group will continue to monitor and take appropriate, timely measures to minimise the financial impact to the Group for the financial year ending 31 December 2021. Other than the impact of COVID-19 pandemic, there was no subsequent material event as at the 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	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
	RM'000	RM'000	RM'000	RM'000
(a) Atama Logistics (M) Sdn Bhd				
Trade receivable	3,796	928	3,796	928
Trade payable	6,563	3,246	6,563	3,246
Net amount payable/(receivable)	2,767	2,318	2,767	2,318
Services income	3,141	3,606	12,626	12,777
Services expenses	6,756	5,407	20,873	19,907
Transaction with associate companies	3-MONTH ENDED		PERIOD-TO-DATE	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
	RM'000	RM'000	RM'000	RM'000
(b) Container Connections (M) Sdn Bhd				
Trade receivable	-	-	-	-
Trade payable	16	4	16	4
Net amount payable/(receivable)	16	4	16	4
Services income	-	-	-	1
Services expenses	28	19	89	82

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Transaction with companies in which certain Directors have financial interests	3-MONTH ENDED		PERIOD-TO-DATE	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
	RM'000	RM'000	RM'000	RM'000
(a) PT. Oriental Logistics Indonesia				
Trade receivable	1	4	1	4
Trade payable	11	-	11	-
Net amount payable/(receivable)	10	(4)	10	(4)
Services income	1	8	3	27
Services expenses	10	3	29	28
(b) Oriental Thailand				
Trade receivable	-	-	-	-
Trade payable	-	-	-	-
Net amount payable/(receivable)	-	-	-	-
Services income	-	-	-	6
Services expenses	-	-	-	7

A15. Capital commitments

Save for the construction costs for the development of new headquarters, warehouse and haulage operation yard on the Pulau Indah Land (“**HQ and Distribution Hub**”) as disclosed in note B6(b), there were no further material capital commitment during the quarter under review.

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

(Unaudited)	3-MONTH ENDED		CHANGE		PERIOD-TO-DATE		CHANGE	
	31.12.2020	31.12.2019	RM'000	%	31.12.2020	31.12.2019	RM'000	%
	RM'000	RM'000			RM'000	RM'000		
Revenue	23,249	22,160	1,089	4.91	83,432	81,805	1,627	1.99
GP	3,757	3,732	25	0.67	14,863	13,993	870	6.22
PBT	1,496	1,145	351	30.66	7,403	3,433	3,970	115.64
PAT	1,198	799	399	49.94	5,470	2,556	2,914	114.01

The Group recorded revenue of RM23.25 million for the current financial quarter ended 31 December 2020, an increase of 4.91% from the previous year corresponding quarter of RM22.16 million. The increase in revenue was contributed by higher revenue generated from sea freight and air freight business activities. PBT increased by 30.66% to RM1.50 million as compared to the previous year corresponding quarter of RM1.15 million. The improvement in profitability is contributed by the increase of share of results from associate companies and reduction in administration expenses.

The Group posted revenue of RM83.43 million for the financial year ended 31 December 2020 ("FYE 2020") against RM81.81 million from previous year, an increase of RM1.63 million (2.0%) year-on-year basis ("y-o-y"). Sea freight, container haulage and air freight segment are the top 3 revenue contributors under the financial year under review. The Group's PBT increased by 115.64% to RM7.40 million as compared to previous year of RM3.43 million y-o-y. The increase in PBT for FYE 2020 is contributed by improvement of gross margin, increase in others income, increase in share of results from associate companies and reduction in administration expenses.

The Group managed to improve its financial performance via aggressive sales approaches and cost control exercise despite global and national economy slowdown due to the recurring waves and outbreaks of COVID-19 pandemic.

B2. Comparison with immediate preceding quarter's results

(Unaudited)	3-MONTH ENDED		CHANGE	
	31.12.2020	30.09.2020	RM'000	%
	RM'000	RM'000		
Revenue	23,249	20,467	2,782	13.59
PBT	1,496	1,734 ⁽¹⁾	(238)	(13.73)

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Note:

- (1) Consist of one-off liquidated damages compensation of RM0.27 million from Senja Aman apartment developer on 11 September 2020 due to late delivery of vacant possession as per sales and purchase agreement.

For the current quarter ended 31 December 2020, the Group's revenue increased by 13.59% to RM23.25 million from RM20.47 million in the immediate preceding quarter ended 30 September 2020. The increase of revenue was due to improvement in cargo movement and premium market sea freight rate due to global container shortage crisis.

The PBT decreased by 13.73% for the current quarter as compared to the immediate preceding quarter mainly attributable to the one-off liquidated damages compensation of RM0.27 million from Senja Aman apartment developer received in the immediate preceding quarter due to late delivery of vacant possession as per sales and purchase agreement. For illustration purposes, the PBT without taking into consideration the compensation in the immediate preceding quarter amounted to RM1.47 million, demonstrating an increase of current quarter PBT of 1.98% as compared to the immediate preceding quarter.

B3. Prospects

The construction of the HQ and Distribution Hub was completed on 20 January 2021 and we have obtained Certificate of Completion and Compliance ("CCC") on 10 February 2021. We targeted to commence the operation of the HQ and Distribution Hub in the 2nd quarter 2021.

In January 2021, the International Monetary Fund ("IMF") estimated global economy growth contraction for 2020 will be around -3.5%. IMF also projected growth recovery for 2021 will be at 5.5% considering the turnaround in the pandemic later this year with the assumption of mass vaccination of many countries. However, IMF also cautions the effectiveness of vaccine and possibility of renewed waves of new Covid-19 virus variants.

In February 2021, Bank Negara Malaysia reported further declined of economy growth of -3.4% in the fourth quarter 2020 (3Q2020: -2.6%) and summarized that Malaysia Gross domestic Product at -5.6% for year 2020. Nevertheless, the growth is projected to improve from the second quarter 2021 onwards with the driven by the recovery in global demand, government's support policies and higher production from manufacturing and mining sectors.

Despite the negative growth of economy during 2020, the Group managed to improve its profitability performance via various pro-active and prudent management control activities. With the completion of the construction of the new HQ and Distribution Hub, the management is positive on the performance outlook of year 2021 as we are expecting centralized operation efficiency, cost saving, new source of income from warehousing and 3PL services (i.e., third-party logistics which include the outsourcing of logistics processes, inventory management, warehousing, and fulfilment services).

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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 2021 will be positive with the view of high probability of global economy recovery from COVID-19 pandemic, stabilising of global container shortage crisis and new business income from warehousing services. Nevertheless, the Group will continue to seek opportunities in both the domestic and international markets 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	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
	RM'000	RM'000	RM'000	RM'000
Current financial period:				
- Income tax	315	341	1,664	915
- Deferred tax	105	7	135	76
	<u>420</u>	<u>348</u>	<u>1,799</u>	<u>991</u>
Previous year provision:				
- Income tax	(3)	3	95	80
- Deferred tax	(119)	(5)	39	(194)
Total tax expense	<u>298</u>	<u>346</u>	<u>1,933</u>	<u>877</u>
Effective tax rate	19.92%	30.22%	26.11%	25.55%

Notes:

- (1) Higher tax rate for current quarter due to previous year under provision.
- (2) 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 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				Additional 6 months (by May 2021)
- Construction of the HQ and Distribution Hub	15,000	15,000	Within 30 months	
- Purchase of prime movers and trailers	500	378	Within 24 months	Additional 12 months (by May 2021)
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	26,234		

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 RM15.0 million to finance the construction cost of HQ and Distribution Hub. Our Company has on 14 May 2020 announced that the remaining proceeds will be utilised by May 2021 which is additional 6 months from 14 November 2020 due to the delay caused by various MCO imposed by our government.
- 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.

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- 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. 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 RM0.12 million has been placed as fixed deposits with local banks in Malaysia and the Board has on 23 February 2021 approved the variation of the remaining proceeds for working capital purpose.

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					
	31.12.2020			31.12.2019		
	<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	8,043	1	8,044	6,494	4	6,498
1 month	4,910	-	4,910	4,588	-	4,588
2 months	2,018	-	2,018	1,718	-	1,718
3 months	299	-	299	549	-	549
More than 3 months	84	-	84	164	-	164
Trade Receivables	15,354	1	15,355	13,513	4	13,517

Note:

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

B8. Bank borrowings

The Group's bank borrowings were as follows:

	AS AT	AS AT
	31.12.2020	31.12.2019
	RM'000	RM'000
Secured:		
<u>Current:</u>		
Bank overdraft	-	903
Revolving credit	1,000	800
Term loans	515	722
Bank borrowings	1,515	2,425
Lease liabilities	3,108	3,005
	4,623	5,430

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Non-current:

Bank borrowing: term loans	23,119	16,128
Lease liabilities	2,769	4,123
	<u>25,888</u>	<u>20,251</u>
Total bank borrowings & leases liabilities	<u>30,511</u>	<u>25,681</u>

The weighted average interest rate of bank borrowings is 5.40% 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

On 23 February 2021, the Board has approved the declaration and payment of second single-tier interim dividend of 0.35 sen per ordinary share totalling RM581,000 in respect of the financial year ended 31 December 2020. The entitlement to dividend to be determined based on the record of depositors as at 18 March 2021 whilst the payment date to be fixed on 16 April 2021.

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	
		31.12.2020	31.12.2019	31.12.2020	31.12.2019
Profit/(Loss) attributable to ordinary owners of the Company	(RM'000)	<u>1,198</u>	<u>799</u>	<u>5,470</u>	<u>2,556</u>
Weighted average number of ordinary shares ⁽¹⁾	('000)	<u>166,000</u>	<u>166,000</u>	<u>166,000</u>	<u>166,000</u>
Basic earnings/(loss) per share	(Sen)	<u>0.72</u>	<u>0.48</u>	<u>3.30</u>	<u>1.54</u>
Diluted earnings/(loss) per share ⁽²⁾	(Sen)	<u>0.72</u>	<u>0.48</u>	<u>3.30</u>	<u>1.54</u>

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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.

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

	3-MONTH ENDED		PERIOD-TO-DATE	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
	RM'000	RM'000	RM'000	RM'000
Profit before taxation is arrived at after charging/(crediting) :-				
Interest income	(9)	(153)	(2,159)	(712)
Interest expenses	91	99	340	439
Depreciation of PPE	433	707	1,743	1,557
Depreciation of right of use assets	400	-	1,711	1,685
Reversal on impairment losses on trade receivables	(82)	(11)	(17)	51
Foreign exchange – realised (gain) / loss	80	1	128	13
Foreign exchange – unrealised (gain) / loss	18	13	15	~
Disposal of PPE – (gain) / loss	1	4	-	(6)

Note:

~ Negligible

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: 23 February 2021