

# TRI-MODE SYSTEM (M) BERHAD

Registration No.: 199101018953 (229265-X)

(Incorporated in Malaysia)

## INTERIM FINANCIAL REPORT FOR THE FOURTH (4<sup>TH</sup>) QUARTER ENDED 31 DECEMBER 2021

### UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME <sup>(1)</sup>

	3-MONTH ENDED		YEAR-TO-DATE	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
	RM'000	RM'000	RM'000	RM'000
Revenue	41,513	23,249	132,999	83,432
Cost of sales	(35,302)	(19,492)	(113,561)	(68,549)
<b>Gross Profit ("GP")</b>	<b>6,211</b>	<b>3,757</b>	<b>19,438</b>	<b>14,883</b>
Other income	3,153 <sup>(2)</sup>	206	4,264 <sup>(2)</sup>	3,508 <sup>(3)</sup>
Administrative expenses	(3,854)	(2,651)	(12,226)	(11,343)
(Loss)/Gain on impairment of financial instruments	(4)	47	(34)	(16)
Finance costs	(350)	(91)	(1,667)	(325)
Share of results of associates	(815) <sup>(4)</sup>	228	211 <sup>(4)</sup>	750
<b>Profit before taxation ("PBT")</b>	<b>4,341</b>	<b>1,496</b>	<b>9,986</b>	<b>7,457</b>
Taxation	(1,102)	(298)	(2,719)	(1,920)
<b>Profit after taxation ("PAT")</b>	<b>3,239</b>	<b>1,198</b>	<b>7,267</b>	<b>5,537</b>
<b>Other comprehensive income</b>				
Share of other comprehensive income in associate	496 <sup>(5)</sup>	-	496 <sup>(5)</sup>	-
<b>Total comprehensive income</b>	<b>3,735</b>	<b>1,198</b>	<b>7,763</b>	<b>5,537</b>
<b>Profit for the year attributable to:</b>				
- Owners of the Company	3,239	1,198	7,267	5,537
- Non-controlling interests	-	-	-	-
	<b>3,239</b>	<b>1,198</b>	<b>7,267</b>	<b>5,537</b>
<b>Total comprehensive income attributable to:</b>				
- Owners of the Company	3,735	1,198	7,763	5,537
- Non-controlling interests	-	-	-	-
	<b>3,735</b>	<b>1,198</b>	<b>7,763</b>	<b>5,537</b>
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 <sup>(6)</sup>	1.95	0.72	4.38	3.34
- Diluted <sup>(7)</sup>	1.95	0.72	4.38	3.34

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### UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME <sup>(1)</sup> (CONT'D)

#### Notes:

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income are disclosed in Note A1 and should be read in conjunction with the audited financial statements of Tri-Mode System (M) Berhad (“**Tri-Mode**” or “**Company**”) and its subsidiaries (“**Group**”) for financial year ended 31 December 2020 and the accompanying explanatory notes attached to this interim financial report.
- (2) Gain on disposal RM3.38 million of a piece of leasehold industrial land, measuring approximately 7,409.03 square meters, held under HS(D) 67654. PT 64382, Mukim Klang, District of Klang, State of Selangor for a total cash consideration of RM5.98 million by N.V. Freights (M) Sdn Bhd, a wholly-owned subsidiary of Tri-Mode, which was completed on 22 October 2021.
- (3) 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.
- (4) Share of associate’s losses due to provision for accident compensation of Container Connections (M) Sdn Bhd and reclassification due to gain on disposal of quoted shares of Atama Logistics (M) Sdn Bhd captured in quarter 3 results now reversed in quarter 4.
- (5) Fair value changes of financial assets measured at fair value through other comprehensive income of an associate, Atama Logistics (M) Sdn Bhd.
- (6) 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.
- (7) 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 has no dilution in its earnings per shares as there is no dilutive potential shares.

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(Incorporated in Malaysia)

## INTERIM FINANCIAL REPORT FOR THE FOURTH (4<sup>TH</sup>) QUARTER ENDED 31 DECEMBER 2021

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

	Unaudited As at 31.12.2021	Audited As at 31.12.2020
	RM'000	RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment ("PPE")	29,804	76,474
Right-of-use assets ("ROU")	70,997	20,088
Other investments	175	175
Investment in associates	4,964	4,727
	<b>105,940</b>	<b>101,464</b>
<b>Current assets</b>		
Inventories	208	132
Trade receivables	26,290	15,269
Other receivables	2,069	2,048
Tax recoverable	44	153
Other investments	12	12
Fixed deposits with licensed banks	2,320	2,731
Cash and bank balances	3,027	1,357
	<b>33,970</b>	<b>21,702</b>
<b>TOTAL ASSETS</b>	<b>139,910</b>	<b>123,166</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	47,503	47,503
Acquisition reserves	(5,533)	(5,533)
Retained earnings	40,462	33,861
<b>Total Equity</b>	<b>82,432</b>	<b>75,831</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Bank borrowings	28,432	22,823
Lease liabilities	1,435	2,713
Deferred tax liabilities	4,933	4,374
	<b>34,800</b>	<b>29,910</b>

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

	Unaudited As at 31.12.2021	Audited As at 31.12.2020
	RM'000	RM'000
<b>Current liabilities</b>		
Trade payables	7,850	5,795
Other payables	5,437	4,043
Amount due to associates	3,442	2,777
Lease liabilities	845	2,780
Bank borrowings	5,000	1,851
Tax payable	104	179
	<b>22,678</b>	<b>17,425</b>
<b>Total liabilities</b>	<b>57,478</b>	<b>47,335</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>139,910</b>	<b>123,166</b>
<b>NET ASSETS PER SHARE (RM)</b>	<b>0.50</b>	<b>0.46</b>
Number of ordinary shares ('000)	166,000	166,000

**Note:**

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statement 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 2020 and the accompanying explanatory notes attached to this interim financial report.

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## INTERIM FINANCIAL REPORT FOR THE FOURTH (4<sup>TH</sup>) QUARTER ENDED 31 DECEMBER 2021

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

	Non-distributable			Distributable	Total Equity
	Share capital	Acquisition reserves	Fair value reserve	Retained earnings	
	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Opening balance at 1 January 2021</b>	47,503	(5,533)	-	33,861	75,831
Profit for the year	-	-	-	7,267	7,267
Other comprehensive income for the year	-	-	496	-	496
	-	-	496	7,267	7,763
Transfer of gain on disposal of equity investments at fair value through other comprehensive income to retained earnings	-	-	(496)	496	-
<b>Transactions with owners:</b>					
Dividends to owners of the Company	-	-	-	(1,162)	(1,162)
<b>Balance at 31 December 2021</b>	<b>47,503</b>	<b>(5,533)</b>	<b>-</b>	<b>40,462</b>	<b>82,432</b>
At 1 January 2020	47,503	(5,533)	-	29,983	71,953
Profit for the year, representing total comprehensive for the year	-	-	-	5,538	5,538
<b>Transactions with owners:</b>					
Dividends to owners of the Company	-	-	-	(1,660)	(1,660)
Balance at 31 December 2020	47,503	(5,533)	-	33,861	75,831

**Note:**

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statement 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 2020 and the accompanying explanatory notes attached to this interim financial report.

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## INTERIM FINANCIAL REPORT FOR THE FOURTH (4<sup>TH</sup>) QUARTER ENDED 31 DECEMBER 2021

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

	PERIOD-TO-DATE	
	31.12.2021	31.12.2020
	RM'000	RM'000
<b>Operating Activities</b>		
Profit before tax	9,986	7,457
<u>Adjustments for:</u>		
Depreciation of PPE	2,531	1,736
Depreciation of ROU	2,132	1,360
Impairment losses on PPE	94	281
Loss on disposal of PPE	46	-
Gain on disposal of ROU	(3,381)	-
Impairment losses on trade receivables	34	33
Reversal on impairment losses on trade receivables	-	(17)
PPE Written off	-	155
Other incomes	-	(28)
Finance costs	1,720	352
Interest income	(47)	(253)
Share of results of associates	(211)	(750)
Unrealised (gain)/loss on foreign exchange	(15)	24
<b>Operating profit before working capital changes</b>	<b>12,889</b>	<b>10,350</b>
<u>Changes in working capital</u>		
Inventories	(76)	(61)
Receivables	(11,079)	(1,155)
Payables	3,947	1,254
Associates	664	455
	(6,544)	493
<b>Cash generated from operations</b>	<b>6,345</b>	<b>10,843</b>
Interest paid	(1,720)	(352)
Interest received	47	253
Tax paid	(2,124)	(1,770)
<b>Net Cash flows from operating activities</b>	<b>2,548</b>	<b>8,974</b>

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

	YEAR-TO-DATE	
	31.12.2021	31.12.2020
<b>Investing Activities</b>	RM'000	RM'000
Dividends received	470	240
Acquisition of associate	-	(332)
Decrease in fixed deposits not for short-term funding requirements	408	7,575
Purchase of PPE	(1,839)	(20,058)
Purchase of ROU	(3,875)	-
Proceeds from disposal of ROU	5,981	142
Proceeds from disposal of PPE	377	-
<b>Net Cash flows from/(used in) investing activities</b>	<b>1,522</b>	<b>(12,433)</b>
<b>Financing Activities</b>		
Dividends paid	(1,660)	(830)
Repayment of bank borrowings	789	(180)
Net changes of revolving credit	2,000	200
Repayment of lease liabilities	(3,507)	(2,656)
Increase in fixed deposits pledged	4	531
<b>Net Cash flows used in financing activities</b>	<b>(2,374)</b>	<b>(2,935)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>1,696</b>	<b>(6,394)</b>
Effect of exchange translation differences on cash & cash equivalents	15	(9)
Cash and cash equivalents at the beginning of the year	1,767	8,170
<b>Cash and cash equivalents at the end of the year</b>	<b>3,478</b>	<b>1,767</b>
<b>Cash and Cash Equivalents at the end of the year:</b>		
Cash and bank balances	3,027	1,357
Fixed deposits with licensed banks	2,320	2,731
Bank overdraft	-	(40)
	5,347	4,048
Less: Fixed deposits pledged with licensed banks	(1,402)	(1,406)
Less: Fixed deposits not for short-term fundings requirements	(467)	(875)
	<b>3,478</b>	<b>1,767</b>

#### Note:

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statement 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 2020 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 YEAR ENDED 31 DECEMBER 2021

##### 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 2020 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 2021 under the MFRS framework. These policies do not differ significantly from those used in the audited consolidated financial statements for 31 December 2020 except as disclosed below:

The following revised MFRSs and Amendments to MFRSs that effective from 1 January 2021 have been issued by the MASB:

Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16: Interest Rate Benchmark Reform – Phase 2

Amendments to MFRS 16: Covid-19 Related Rent Concessions beyond 30 June 2021

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.

##### 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 gain on disposal of a piece of leasehold industrial land of RM3.38 million, there were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group during the current financial quarter under review.

### **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 2021, the Board of Directors of Tri-Mode (“**Board**”) has approved the declaration and payment of first single-tier interim dividend of 0.70 sen per ordinary share totalling RM1,162,000 in respect of the financial year ending 31 December 2021. The entitlement to dividend was determined based on the record of depositors as at 15 December 2021 whilst the payment was made on 12 January 2022.

### **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		YEAR-TO-DATE			
	31.12.2021	31.12.2020	31.12.2021		31.12.2020	
	RM'000	RM'000	RM'000	%	RM'000	%
Sea freight	32,718	14,778	102,096	76.8	49,005	58.7
Container haulage	4,843	5,970	19,969	15.0	22,529	27.0
Air freight	1,825	1,615	6,216	4.7	8,625	10.3
Freight forwarding	508	579	2,111	1.6	2,144	2.6
Warehousing	1,570	251	2,409	1.8	963	1.2
Marine insurance	49	56	198	0.1	166	0.2
<b>Total Revenue</b>	<b>41,513</b>	<b>23,249</b>	<b>132,999</b>	<b>100</b>	<b>83,432</b>	<b>100</b>

Sea freight, container haulage and air freight segment are the top 3 revenue contributors under the financial year 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		YEAR-TO-DATE			
	31.12.2021	31.12.2020	31.12.2021		31.12.2020	
	RM'000	RM'000	RM'000	%	RM'000	%
Malaysia	35,205	20,261	114,719	86.3	70,897	85.0
Overseas	6,308	2,988	18,280	13.7	12,535	15.0
<b>Total Revenue</b>	<b>41,513</b>	<b>23,249</b>	<b>132,999</b>	<b>100</b>	<b>83,432</b>	<b>100</b>

### 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

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 associates	3-MONTH ENDED		YEAR-TO-DATE	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
	RM'000	RM'000	RM'000	RM'000
<b>(a) Atama Logistics (M) Sdn Bhd</b>				
Trade receivable	3,403	3,796	3,403	3,796
Trade payable	6,844	6,563	6,844	6,563
Net amount payable/(receivable)	3,441	2,767	3,441	2,767
Services income	3,538	3,141	13,830	12,626
Services expenses	4,461	6,756	21,692	20,876
<b>(b) Container Connections (M) Sdn Bhd</b>				
Trade receivable	-	-	-	-
Trade payable	8	16	8	16
Net amount payable/(receivable)	8	16	8	16
Services income	-	-	-	-
Services expenses	8	28	101	89
<b>Transaction with companies in which certain Directors have financial interests</b>				
Transaction with companies in which certain Directors have financial interests	3-MONTH ENDED		YEAR-TO-DATE	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
	RM'000	RM'000	RM'000	RM'000
<b>(c) PT. Oriental Logistics Indonesia</b>				
Trade receivable	6	1	6	1
Trade payable	-	11	-	11
Net amount payable/(receivable)	(6)	10	(6)	10
Services income	6	1	9	3
Services expenses	-	10	-	35

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### A15. Capital commitments

As at 31 December 2021, the Group's material commitments (including commitments to be incurred) for capital expenditure are as follows: -

#### a) Warehouse 2

	As at 31 Dec 2021 (RM)
Construction cost for new warehouse <sup>(1)</sup>	249,146

Note:

(1) A new warehouse of approximately 28,000 square feet ("**Warehouse 2**") within the new headquarters, warehouse and haulage operation yard located at Pulau Indah Industrial Park, Pulau Indah, Klang ("**HQ and Distribution Hub**") has been completed at end of October 2021 and is expected to commence its operation in March 2022.

#### b) Acquisition of a piece of leasehold industrial land

	As at 31 Dec 2021 (RM)
Balance purchase consideration	14,342,391 <sup>(1)</sup>

Tri-Mode had on 12 August 2021, entered into a conditional sale and purchase agreement ("**SPA**") with Central Spectrum (M) Sdn Bhd for the acquisition of a piece of leasehold industrial land, measuring approximately 21,779.474 square metres (or approximately 234,432.31 square feet or 5.38 acres), held under HS(D) 164207, PT 152629, Mukim Klang, District of Klang, State of Selangor ("**Land**") for a total cash consideration of RM15,935,990.40 ("**Acquisition**") which was completed on 5 January 2022. Tri-Mode intends to construct a new warehouse/distribution hub of approximately 150,000 square feet ("**Warehouse 3**") on the Land to cater for business expansion plan in coming 1 to 2 years.

Note:

(1) This amount will be funded by a combination of internally generated funds and bank borrowings.

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### PART B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS

#### B1. Review of Performance

	3-MONTH ENDED		CHANGE		YEAR-TO-DATE		CHANGE	
	31.12.2021	31.12.2020	RM'000	%	31.12.2021	31.12.2020	RM'000	%
(Unaudited)	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Revenue	41,513	23,249	18,264	78.56	132,999	83,432	49,567	59.41
GP	6,211	3,757	2,454	65.32	19,438	14,883	4,555	30.61
EBITDA <sup>(1)</sup>	5,936 <sup>(2)</sup>	2,364	3,572	151.10	16,269 <sup>(2)</sup>	10,641 <sup>(3)</sup>	5,628	52.89
PBT	4,341 <sup>(2)</sup>	1,496	2,845	190.17	9,986 <sup>(2)</sup>	7,457 <sup>(3)</sup>	2,529	33.91
PAT	3,239 <sup>(4)</sup>	1,198	2,041	170.37	7,267 <sup>(4)</sup>	5,537 <sup>(3)</sup>	1,730	31.24
Total comprehensive income	3,735 <sup>(4)</sup>	1,198	2,537	211.77	7,763 <sup>(4)</sup>	5,537 <sup>(3)</sup>	2,226	40.20

Notes:

- (1) Earnings before interest tax depreciation and amortisation (“EBITDA”)
- (2) Consist of gain on disposal of leasehold industrial land of RM3.38 million as per page 2 (note 2).
- (3) Consist of one-off liquidated damages compensation of RM1.89 million as per page 2 (note 3).
- (4) Consist gain on disposal as per note 2 and real property gain tax of RM0.27 million.

The Group recorded revenue of RM41.51 million for the current financial quarter ended 31 December 2021, an increase of 78.56% from the previous year corresponding quarter of RM23.25 million. The increase in revenue was contributed by higher revenue generated from sea freight business due to increase in global shipping rate. Substantial increase in PBT and PAT by over 170% mainly due to the gain on disposal of a piece of leasehold industrial land of RM3.38 million. In addition, total comprehensive income also increased by over 200% due to changes in fair value of financial assets classified as other comprehensive income by associate during the current financial quarter ended 31 December 2021.

For year-to-date, the Group recorded higher revenue of RM133.00 million, an increase of approximately 59.41% as compared to previous corresponding year of RM83.43 million. The Group’s PBT increased by 33.91% from RM7.46 million to RM9.99 million and PAT also increased by 31.24% from RM5.54 million to RM7.27 million.

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For the purpose of comparison, the Group's profitability performance without the gain on disposal of leasehold industrial land and one-off liquidated damages compensation are tabulated as follows:-

	YEAR-TO-DATE		CHANGE	
	31.12.2021	31.12.2020		
(Unaudited)	RM'000	RM'000	RM'000	%
Revenue	132,999	83,432	49,567	58.07
GP	19,438	14,883	4,555	30.61
EBITDA	<b>12,888<sup>(1)</sup></b>	<b>8,754<sup>(2)</sup></b>	<b>4,134</b>	<b>47.22</b>
PBT	<b>6,605<sup>(1)</sup></b>	<b>5,570<sup>(2)</sup></b>	<b>1,035</b>	<b>18.58</b>
PAT	<b>4,154<sup>(3)</sup></b>	<b>3,650<sup>(2)</sup></b>	<b>504</b>	<b>13.81</b>
Total comprehensive income	<b>4,650<sup>(3)</sup></b>	<b>3,650<sup>(2)</sup></b>	<b>1,000</b>	<b>27.40</b>

Notes:

- (1) Excluded gain on disposal of a piece of leasehold industrial land of RM3.38 million.
- (2) Excluded one-off liquidated damages compensation of RM1.89 million from the computation of EBITDA, PBT and PAT.
- (3) Excluded gain on disposal of a piece of leasehold industrial land of RM3.38 million and real property gain tax of RM0.27 million

For illustration purpose, the Group achieved higher profitability for year-to-date with increase in EBITDA, PBT, PAT and total comprehensive income by 47.22%, 18.58%, 13.81% and 27.40% as compared to previous corresponding year respectively after taking into consideration the normalized financial performance without the financial effect of the gain on disposal of PPE and liquidated damages compensation.

The Group managed to increase its revenue and profitability 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

	3-MONTH ENDED		CHANGE	
	31.12.2021	30.09.2021		
(Unaudited)	RM'000	RM'000	RM'000	%
Revenue	41,513	30,832	10,681	34.64
PBT	4,341	1,887	2,454	130.05

For the current quarter ended 31 December 2021, the Group's revenue increased by 34.64% from RM30.83 million to RM41.51 million and PBT also increased by 130.05% from RM1.89 million to RM4.584 million as compared to immediate preceding quarter ended 30 September 2021. The increase of revenue and PBT was mainly due to higher revenue generated by sea freight business and gain on disposal of a piece of leasehold industrial land. This indicates the positive gradual recovery of national economy from Covid-19 pandemic after government ease the movement control and higher national vaccination rate during the quarter under review.

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### B3. Prospects

In January 2022, the World Bank projected the global economy growth expected to slow to 4.1% in 2022 reflecting continued disruption caused by new Covid-19 variants, international trade supply bottlenecks, and cautioned of rise in inflation, debts and income inequality that will slow down the recovery progress in developing economies. In 4 February 2022, Bank Negara Malaysia (“**BNM**”) reiterated that Malaysian economy will expand between 5.5% to 6.5% for 2022, underpinned by continued expansion in global demand and higher private sector expenditures. Nevertheless, BNM also recognised the risk of worsening global supply chain disruptions and upward pressure on inflation that caused by commodity price developments will affect the projected national growth.

Despite the slower movement of Malaysia economy in 2021, Tri-Mode managed to achieve higher revenue and profitability during this period, proving the importance of logistics services during the Covid-19 pandemic to support the national economy recovery. Taking into consideration the Malaysia economy is on positive recovery path on 2022, Tri-Mode is confident to achieve a better performance that thrives on the positive recovering of national economic and international business activities.

Tri-Mode has completed the SPA and received vacant possession of the Land on 5 January 2022. The Land is strategically located, close to major seaports such as Northport and Westport, situated in an established industrial area with good infrastructure and connectivity. Hence, Tri-Mode intends to construct the Warehouse 3 on the Land to cater for the future expansion of its warehouse and distribution business. Based on the industry trend, the positive demand for logistics services, especially in warehousing and 3PL services (i.e., third-party logistics which include the outsourcing of logistics processes, inventory management, warehousing, and fulfilment services) will add value to the growth of the Group in the future.

On 22 September 2021, Tri-Mode has also obtained approval from Bursa Malaysia Securities Berhad for private placement of up to 33,000,000 new ordinary shares in Tri-Mode (“**Placement Shares**”) to raise additional fund to part-finance the construction cost for Warehouse 3 and acquisition costs for warehouse related facilities and equipment (“**Private Placement**”). As at the date of this report, Tri-Mode has not placed out any Placement Shares.

Barring any unforeseen circumstances, the Board is of the opinion that the prospects for the financial year ending 31 December 2022 will be positive in view of BNM’s projection of national economy recovery and new business income from warehousing services. Nevertheless, the Group will be cautiously monitoring the development of global supply disruptions and 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.

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#### B5. Taxation

	3-MONTH ENDED		YEAR-TO-DATE	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
	RM'000	RM'000	RM'000	RM'000
Current financial year:				
Income tax	878	315	1,743	1,576
Real property gain tax	268	-	268	-
Deferred tax	(18)	105	507	96
	<u>1,128</u>	<u>420</u>	<u>2,518</u>	<u>1,672</u>
Previous year provision:				
Income tax	(26)	(3)	148	192
Deferred tax	-	(119)	53	56
	<u>1,102</u>	<u>298</u>	<u>2,719</u>	<u>1,920</u>
Total tax expense				
Effective tax rate	25.39%	19.92%	27.23%	25.75%

Effective tax rate at approximately 27.23% for the year to date ended 31 December 2021. For illustration purpose, normalised effective tax rate should be at 24.54% without take into consideration of real property gain tax.

**Note:**

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

#### B6. Corporate Proposals

Save for the Private Placement, Acquisition and disposal of asset as stated in A15 and Note B3, there are no corporate proposals announced but not completed by the Company during the current financial quarter under review.

#### 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.

	YEAR-TO-DATE					
	31.12.2021			31.12.2020		
	<u>Non-RPT<sup>(1)</sup></u>	<u>RPT<sup>(1)</sup></u>	<u>Total</u>	<u>Non-RPT<sup>(1)</sup></u>	<u>RPT<sup>(1)</sup></u>	<u>Total</u>
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Less than 1 month	13,294	-	13,294	8,010	-	8,010
1 month	9,691	6	9,697	4,857	1	4,858
2 months	3,026	-	3,026	2,018	-	2,018
3 months	177	-	177	299	-	299
More than 3 months	96	-	96	84	-	84
<b>Trade Receivables</b>	<b><u>26,284</u></b>	<b><u>6</u></b>	<b><u>26,290</u></b>	<b><u>15,268</u></b>	<b><u>1</u></b>	<b><u>15,269</u></b>

**Note:**

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



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### B8. Bank borrowings

The Group's bank borrowings were as follows:

	AS AT 31.12.2021	AS AT 31.12.2020
	RM'000	RM'000
<b>Secured:</b>		
<b>Current:</b>		
Bank borrowings: revolving credit	5,000	1,000
Bank borrowings: overdraft	-	40
Bank borrowings: term loan	-	811
Lease liabilities	845	2,780
	<u>5,845</u>	<u>4,631</u>
<b>Non-current:</b>		
Bank borrowing: term loans	28,432	22,822
Lease liabilities	1,435	2,713
	<u>29,867</u>	<u>25,535</u>
<b>Total bank borrowings &amp; leases liabilities</b>	<b><u>35,712</u></b>	<b><u>30,166</u></b>

The weighted average interest rate of bank borrowings is 5.53% p.a. All the lease liabilities are based on fixed rate while term loans and revolving credit 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 22 February 2022, the Board has approved the declaration and payment of second single-tier interim dividend of 0.30 sen per ordinary share totalling RM498,000 in respect of the financial year ended 31 December 2021. The entitlement to dividend to be determined based on the record of depositors as at 18 March 2022 whilst the payment date to be fixed on 15 April 2022.

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### B11. Earnings per share

The basic earnings per share are calculated by dividing the profit for the year attributable to owners of the Company by weighted average number of ordinary shares of the Company during the financial year as follows:

		3-MONTH ENDED		PERIOD-TO-DATE	
		31.12.2021	31.12.2020	31.12.2021	31.12.2020
Profit attributable to ordinary owners of the Company	(RM'000)	3,239	1,198	7,267	5,537
Weighted average number of ordinary shares <sup>(1)</sup>	('000)	166,000	166,000	166,000	166,000
Basic earnings per share	(Sen)	1.95	0.72	4.38	3.34
Diluted earnings per share <sup>(2)</sup>	(Sen)	1.95	0.72	4.38	3.34

#### 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 has no dilution in its earnings per shares as there is no dilutive potential shares.

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

	3-MONTH ENDED		YEAR-TO-DATE	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
	RM'000	RM'000	RM'000	RM'000
Profit before taxation is arrived at after charging/(crediting) :-				
Interest income	(20)	(9)	(47)	(253)
Finance costs	403	91	1,720	352
Depreciation of PPE	696	433	2,531	1,736
Depreciation of ROU	569	400	2,132	1,360
Impairment losses on PPE	94	281	94	281
Gain on disposal of ROU	(3,381)	-	(3,381)	-
Loss on disposal of PPE	46	-	46	-
Impairment losses on trade receivables	34	33	34	33
PPE written off	-	155	-	155
Reversal on impairment losses on trade receivables	-	(82)	-	(17)
Foreign exchange – realised (gain) / loss	19	80	(57)	128
Foreign exchange – unrealised (gain) / loss	(15)	18	(15)	24

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

### BY ORDER OF THE BOARD

Company Secretary

Date: 22 February 2022