

TRI-MODE SYSTEM (M) BERHAD

Registration No.: 199101018953 (229265-X)

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE SECOND (2ND) QUARTER ENDED 30 JUNE 2023

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME ⁽¹⁾

	3-MONTH ENDED		YEAR-TO-DATE	
	30.06.2023	30.06.2022	30.06.2023	30.06.2022
	RM'000	RM'000	RM'000	RM'000
Revenue	17,928	30,617	34,768	70,739
Cost of sales	(14,273)	(26,020)	(27,308)	(61,111)
Gross Profit ("GP")	3,655	4,597	7,460	9,628
Other income	238	151	489	5,278 ⁽²⁾
Administrative expenses	(2,874)	(2,771)	(5,996)	(6,027)
(Loss)/Gain on impairment of financial instruments	(14)	(5)	(11)	(11)
Finance costs	(595)	(538)	(1,184)	(1,116)
Share of results of associates	223	70	247	72
Profit before taxation ("PBT")	633	1,504	1,005	7,824
Taxation	(191)	(381)	(262)	(1,489)
Profit after taxation ("PAT")	442	1,123	743	6,335
Other comprehensive income				
Share of other comprehensive income in associate	-	-	-	-
Total comprehensive income	442	1,123	743	6,335
Profit for the year attributable to:				
- Owners of the Company	442	1,123	743	6,335
- Non-controlling interests	-	-	-	-
	442	1,123	743	6,335
Total comprehensive income attributable to:				
- Owners of the Company	442	1,123	743	6,335
- Non-controlling interests	-	-	-	-
	442	1,123	743	6,335
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⁾	0.27	0.68	0.45	3.82
- Diluted ⁽⁴⁾	0.27	0.68	0.45	3.82

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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 2022 and the accompanying explanatory notes attached to this interim financial report.
- (2) Gain on disposal RM4.97 million (before real property gain tax) of a piece of leasehold industrial land, measuring approximately 8,716.42 square meters, held under HS(D) 67678, PT 64406, Mukim Klang, District of Klang, State of Selangor for a total cash consideration of RM7.59 million to Wastech Multigreen Sdn Bhd by N.V. Freights (M) Sdn Bhd, a wholly-owned subsidiary of Tri-Mode, which was completed on 26 January 2022.
- (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 has no dilution in its earnings per shares as there is no dilutive potential shares.

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INTERIM FINANCIAL REPORT FOR THE SECOND (2ND) QUARTER ENDED 30 JUNE 2023

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION ⁽¹⁾

	Unaudited As at 30.06.2023	Audited As at 31.12.2022
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment ("PPE")	27,514	28,572
Right-of-use assets ("ROU")	78,184	77,806
Investment in property	2,719	2,734
Other investments	175	175
Investment in associates	5,586	5,338
	114,178	114,625
Current assets		
Inventories	215	196
Trade receivables	9,729	15,049
Other receivables	3,522	2,630
Tax recoverable	1,544	1,112
Other investments	57	56
Fixed deposits with licensed banks	13,874	9,816
Cash and bank balances	3,316	7,577
	32,257	36,436
TOTAL ASSETS	146,435	151,061
EQUITY AND LIABILITIES		
Equity		
Share capital	47,503	47,503
Acquisition reserves	(5,507)	(5,507)
Retained earnings	49,477	49,232
Total Equity	91,473	91,228
Liabilities		
Non-current liabilities		
Bank borrowings	35,194	35,983
Lease liabilities	297	756
Deferred tax liabilities	4,994	4,982
	40,485	41,721

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

	Unaudited As at 30.06.2023	Audited As at 31.12.2022
	RM'000	RM'000
Current liabilities		
Trade payables	4,019	5,803
Other payables	2,842	4,517
Amount due to associates	3,195	3,478
Lease liabilities	1,249	853
Bank borrowings	3,019	3,357
Tax payable	153	104
	14,477	18,112
Total liabilities	54,962	59,833
TOTAL EQUITY AND LIABILITIES	146,435	151,061
NET ASSETS PER SHARE (RM)	0.55	0.55
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 2022 and the accompanying explanatory notes attached to this interim financial report.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY ⁽¹⁾

	Non-distributable			Distributable	Total Equity
	Share capital	Acquisition reserves	Fair value reserve	Retained earnings	
	RM'000	RM'000	RM'000	RM'000	RM'000
Opening balance at 1 January 2023	47,503	(5,532)	25	49,232	91,228
Profit for the period	-	-	-	743	743
Transactions with owners:					
Dividend to owners of the Company	-	-	-	(498)	(498)
Balance at 30 June 2023	47,503	(5,532)	25	49,477	91,473
Opening balance at 1 January 2022	47,503	(5,532)	6	40,501	82,478
Profit for the year	-	-	-	10,474	10,474
Foreign exchange reserve	-	-	-	-	-
Other comprehensive income for the year	-	-	19	-	19
	-	-	25	50,975	92,971
Transactions with owners:					
Dividends to owners of the Company	-	-	-	(1,743)	(1,743)
Balance at 31 December 2022	47,503	(5,532)	25	49,232	91,228

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 2022 and the accompanying explanatory notes attached to this interim financial report.

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INTERIM FINANCIAL REPORT FOR THE SECOND (2ND) QUARTER ENDED 30 JUNE 2023

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS ⁽¹⁾

	PERIOD-TO-DATE	
	30.06.2023	30.06.2022
	RM'000	RM'000
Operating Activities		
Profit before tax	1,005	7,824
<u>Adjustments for:</u>		
Depreciation of PPE	1,285	1,029
Depreciation of ROU	1,273	1,469
Provision for expected credit losses	11	14
Impairment losses on PPE	-	-
Loss/(gain) on disposal of PPE	15	52
Gain on disposal of ROU	(5)	(5,033)
Impairment loss/(gain) on trade receivables	-	22
Other incomes	(1)	(38)
Interest expenses	1,192	1,116
Interest income	(146)	(65)
Share of results of associates	(247)	(72)
Unrealised (gain)/loss on foreign exchange	(35)	(21)
Operating profit before working capital changes	4,347	6,297
<u>Changes in working capital</u>		
Inventories	(18)	(22)
Receivables	4,490	8,383
Payables	(2,272)	(1,799)
Associates	(282)	162
	1,918	6,724
Cash generated from operations	6,265	13,021
Interest paid	(1,192)	(1,116)
Interest received	145	65
Tax paid	(633)	(1,225)
Tax refund	-	19
Net Cash flows from operating activities	4,585	10,764

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INTERIM FINANCIAL REPORT FOR THE SECOND (2ND) QUARTER ENDED 30 JUNE 2023 UNAUDITED CONDESED CONSOLIDATED STATEMENT OF CASH FLOWS ⁽¹⁾ (CONT'D)

	YEAR-TO-DATE	
	30.06.2023	30.06.2022
	RM'000	RM'000
Investing Activities		
Dividends received	-	-
Acquisition of associate	-	-
Short-term investment	-	-
Purchase of PPE	(258)	(136)
Purchase of ROU	(1,459)	(262)
Proceeds from disposal of ROU	-	50
Proceeds from disposal of PPE	35	7,564
Net Cash flows from/(used in) investing activities	(1,682)	7,216
Financing Activities		
Dividends paid	(1,743)	(1,660)
Drawdown of term loan	-	-
Repayment of term loan	(4,135)	(7,829)
Net changes of revolving credit	3,032	1,290
Repayment of lease liabilities	(254)	(1,441)
Increase in fixed deposits	4,954	(109)
Net Cash flows used in financing activities	1,854	(9,749)
Net increase/(decrease) in cash and cash equivalents	4,757	8,231
Effect of exchange translation differences on cash & cash equivalents	18	4
Cash and cash equivalents at the beginning of the year	9,986	3,027
Cash and cash equivalents at the end of the year	14,761	11,262
Cash and Cash Equivalents at the end of the year:		
Cash and bank balances	3,316	4,037
Fixed deposits with licensed banks	13,874	9,654
Bank overdraft	-	-
	17,190	13,691
Less: Fixed deposits pledged with licensed banks	(1,429)	(1,429)
Less: Fixed deposits not for short-term fundings requirements	(1,000)	(1,000)
	14,761	11,262

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 2022 and the accompanying explanatory notes attached to this interim financial report.

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INTERIM FINANCIAL REPORT FOR THE SECOND (2ND) QUARTER ENDED 30 JUNE 2023

NOTES TO THE INTERIM FINANCIAL REPORT

A. EXPLANATORY NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2023

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 2022 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 2023 under the MFRS framework. These policies do not differ significantly from those used in the audited consolidated financial statements for 31 December 2022 except as disclosed below:

The following revised MFRSs and Amendments to MFRSs that effective from 1 January 2023 have been issued by the MASB:

MFRS 17 Insurance Contracts

Amendments to MFRS 17 Insurance Contracts

Amendments to MFRS 17 Initial application of MFRS 17 and MFRS 9 – Comparative Information

Amendments to MFRS 101 Disclosure of Accounting Policies

Amendments to MFRS 108 Definition of Accounting Estimates

Amendments to MFRS 112 Deferred Tax related to Assets and Liabilities arising from a Single Transaction

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

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 23 February 2023, 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 ending 31 December 2022. The entitlement to dividend to be determined based on the record of depositors as at 10 March 2023 whilst the payment date to be fixed on 7 April 2023.

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			
	30.06.2023	30.06.2022	30.06.2023		30.06.2022	
	RM'000	RM'000	RM'000	%	RM'000	%
Sea freight	7,867	23,136	16,426	47.2	55,310	78.2
Container haulage	7,713	4,032	13,467	38.7	8,373	11.8
Warehousing	1,410	379	2,642	7.6	1,013	1.4
Freight forwarding	564	551	1,145	3.3	1,076	1.5
Air freight	304	2,464	940	2.7	4,842	6.8
Marine insurance	70	55	148	0.4	125	0.2
Total Revenue	17,928	30,617	34,768	100	70,739	100

Sea freight, container haulage and warehousing 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; and
- (ii) fluctuation in fuel price;

(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			
	30.06.2023	30.06.2022	30.06.2023		30.06.2022	
	RM'000	RM'000	RM'000	%	RM'000	%
Malaysia	16,535	24,821	31,870	91.7	57,125	80.8
Overseas	1,393	5,796	2,898	8.3	13,614	19.2
Total Revenue	17,928	30,617	34,768	100	70,739	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

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.

Transaction with companies in which certain Directors have financial interests

	3-MONTH ENDED		YEAR-TO-DATE	
	30.06.2023	30.06.2022	30.06.2023	30.06.2022
	RM'000	RM'000	RM'000	RM'000
(a) PT. Oriental Logistics Indonesia				
Trade receivable	6	1	6	1
Trade payable	-	2	-	2
Net amount payable/(receivable)	(6)	1	(6)	1
Services income	11	2	11	2
Services expenses	-	2	-	2
(b) Oriental Thailand				
Trade receivable	-	-	-	-
Trade payable	-	-	-	-
Net amount payable/(receivable)	-	-	-	-
Services income	-	-	-	-
Services expenses	9	-	9	-

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Transaction with associated companies

Transaction with associates	3-MONTH ENDED		YEAR-TO-DATE	
	30.06.2023	30.06.2022	30.06.2023	30.06.2022
	RM'000	RM'000	RM'000	RM'000
(a) Atama Logistics (M) Sdn Bhd				
Trade receivable	4,548	5,054	4,548	5,054
Trade payable	7,743	8,665	7,743	8,665
Net amount payable/(receivable)	3,195	3,611	3,195	3,611
Services income	2,434	2,656	5,420	5,657
Services expenses	4,189	4,905	9,209	10,460
(b) Container Connections (M) Sdn Bhd				
Trade receivable	-	-	-	-
Trade payable	-	-	-	5
Net amount payable/(receivable)	-	-	-	5
Services income	-	-	-	-
Services expenses	55	28	57	28

A15. Capital commitments

As at 30 June 2023, the Group's material commitments (including commitments to be incurred) for capital expenditure are as follows: -

a) Construction of warehouse 3

	(RM)
Construction of warehouse 3 ⁽¹⁾	17,651,132

Note:

- (1) New construction of warehouse 3 facility of approximately 125,000 sq.ft. warehouse storage space on 5.38 acres industrial land located at Pulau Indah Industrial Park, Port Klang. The estimated construction costs will be approximately RM22.00 million, part finance by own fund and bank term loan of RM20 million.

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

B1. Review of Performance

(Unaudited)	3-MONTH ENDED		CHANGE		YEAR-TO-DATE		CHANGE	
	30.06.2023	30.06.2022	RM'000	%	30.06.2023	30.06.2022	RM'000	%
	RM'000	RM'000			RM'000	RM'000		
Revenue	17,928	30,617	(12,689)	(41.44)	34,768	70,739	(35,971)	(50.85)
GP	3,655	4,597	(942)	(20.49)	7,460	9,628	(2,168)	(22.52)
EBITDA ⁽¹⁾	2,450	3,218	(768)	(23.87)	4,601	11,351 ⁽²⁾	(6,750)	(59.47)
PBT	633	1,504	(871)	(57.91)	1,005	7,824 ⁽²⁾	(6,819)	(87.15)
PAT	442	1,123	(681)	(60.64)	743	6,335 ⁽²⁾	(5,592)	(88.27)

Notes:

- (1) Earnings before interest tax depreciation and amortisation (“**EBITDA**”)
- (2) Consist of gain on disposal of leasehold industrial land of RM4.97 million as per page 2 (note 2).

The Group recorded revenue of RM17.93 million for the current financial quarter ended 30 June 2023, lower by 41.44% from the previous year corresponding quarter of RM30.62 million. Lower revenue mainly due to the seasonal factors as stated in note A4, lower global freight rate as compared to the hike of global freight rate during year of 2022, trade barrier tension between USA-China and slowdown in global commerce volume. Gross profit reduced by 20.49% as a result of lower revenue as compared to previous year corresponding quarter. However, the Group manage to increase its gross profit margin from 15.01% (2022) to 20.39% (2023) despite lower revenue achieved during the quarter under reviewed.

Year to date EBITDA, PBT and PAT showed decrease mainly due to the lower revenue and one-off disposal gain of leasehold industrial land of RM4.97 million in previous year corresponding quarter. For the purpose of comparison, the Group’s year to date profitability performance without the gain on disposal of leasehold industrial land are tabulated as follows:-

(Unaudited)	YEAR-TO-DATE		CHANGE	
	30.06.2023	30.06.2022	RM'000	%
	RM'000	RM'000		
Revenue	34,768	70,739	(35,971)	(50.85)
GP	7,460	9,628	(2,168)	(22.52)
EBITDA	4,601	6,382⁽¹⁾	(1,781)	(27.91)
PBT	1,005	2,855⁽¹⁾	(1,850)	(64.80)
PAT	743	1,366⁽¹⁾	(623)	(45.61)

Notes:

- (1) Excluded gain on disposal of a piece of leasehold industrial land of RM4.97 million as per page 2 (note2)

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B2. Comparison with immediate preceding quarter's results

	3-MONTH ENDED		CHANGE	
	30.06.2023	31.03.2023		
(Unaudited)	RM'000	RM'000	RM'000	%
Revenue	17,928	16,840	1,088	6.46
PBT	633	372	261	70.16

For the current quarter ended 30 June 2023, the Group recorded revenue of RM17.93 million, increased by 6.46% as compare to RM16.84 million in immediate preceding quarter. PBT also increased by 70.16% from RM372,000 to RM633,000 as compared to immediate preceding quarter ended 31 March 2023. Improvement in revenue and profitability indicating the progressively recovery of national economy and global supply chain.

B3. Prospects

In July 2023, the International Monetary Fund (“IMF”) in its World Economic Outlook report revised global domestic product (“GDP”) growth of 2023 to 3.0% from 3.4% in 2022 reflecting global high inflation to remain in many countries for an extended period, major central banks have tightened policy deteriorating financial conditions, ongoing impact of Russia-Ukraine war, high debts ratio of emerging economics countries and weakening growth of major economic countries.

The World Bank has maintained its forecast of 4.3% economic growth for Malaysia in 2023, supported by robust domestic demand despite the challenges posed by the global economic environment. reaffirming its previous projection in the April 2023 East Asia and Pacific Economic Update Report.

The prospects of Malaysia logistics industry are closely aligned with the performance of global and Malaysia economy. Tri-Mode recognised the current unfavourable development of global economy, downward trend in international freight rate and challenging recovery of national economy. Notwithstanding the disruptions of the global economy slow down impacts, our Group managed to generate better gross profit margin despite of lower revenue during current quarter. We are positive the national economy will gradually recovery from second half of year 2023.

As at to-date, we have completed approximately 35% of construction progress of our new warehouse 3 in Pulau Indah Industrial Park. As disclosed, the total build-up area of 136,803 sf consist of modern warehouse facility features approximately 125,000 sf warehouse storage space and is able to cater up to 20,000 pallets with 24 loading bays and a 3-storey office building. With addition of new warehouse 3, our warehouse space will expand more than double from the current 113,000 sf to 238,000 sf by 4Q 2023. We are certain that our warehouse expansion plan will add value to our existing business and bottom line. In fact, the warehouse 3 space has been fully taken up as we have secured a letter of acceptance (“LOA”) from our client for the warehouse space and services.

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We foresee the demand for warehouse space and services will increase in the coming years and we are in the midst of identifying potential industrial land to acquire for future expansion. We are confident that the Malaysian economy will progressively improve, which will stimulate the growth of logistics services.

Barring any unforeseen circumstances, the Board is of the opinion that the prospects for the financial year ending 31 December 2023 will be challenging in view of unfavourable global economy growth, supply chain disruption and possible national's upward inflation pressure. 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.

B5. Taxation

	3-MONTH ENDED		YEAR-TO-DATE	
	30.06.2023	30.06.2022	30.06.2023	30.06.2022
	RM'000	RM'000	RM'000	RM'000
Current financial year:				
Income tax	124	458	250	1,081
Real property gain tax	-	(97)	-	426
Deferred tax	67	20	12	(18)
	<u>191</u>	<u>381</u>	<u>262</u>	<u>1,489</u>
Previous year provision:				
Income tax	-	-	-	-
Deferred tax	-	-	-	-
	<u>191</u>	<u>381</u>	<u>262</u>	<u>1,489</u>
Total tax expense	<u>191</u>	<u>381</u>	<u>262</u>	<u>1,489</u>
Effective tax rate	30.17%	25.33%	26.07%	19.03%

Effective tax rate at approximately 26.07% for the year to date ended 30 June 2023. We estimate the effective tax rate will be further lower in year-end as a result of Pioneer Status tax incentive which approved 70% tax exemption against Tri-Mode's statutory income with effective from 1-July-2021 to 30-Jun-2026.

Note:

- (1) Income tax expense is recognised based on management's best estimate and subject to inland revenue department's verification.

B6. Corporate Proposals

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

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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.

	YEAR-TO-DATE					
	30.06.2023			30.06.2022		
	<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	4,587	-	4,587	9,278	2	9,280
1 month	3,569	6	3,575	6,158	-	6,158
2 months	1,179	-	1,179	1,685	-	1,685
3 months	362	-	362	635	-	635
More than 3 months	26	-	26	345	-	345
Trade Receivables	9,723	6	9,729	18,101	2	18,103

Note: RPT – Related party transactions as per note A14.

B8. Bank borrowings

The Group's bank borrowings were as follows:

	AS AT 30.06.2023	AS AT 30.06.2022
	RM'000	RM'000
Secured:		
<u>Current:</u>		
Bank borrowings: overdraft	-	-
Bank borrowings: revolving credit	-	-
Bank borrowings: term loan	3,018	2,493
Lease liabilities	1,249	1,098
	<u>4,267</u>	<u>3,591</u>
<u>Non-current:</u>		
Bank borrowing: term loans	35,194	37,770
Lease liabilities	297	633
	<u>35,491</u>	<u>38,403</u>
Total bank borrowings & leases liabilities	<u>39,758</u>	<u>41,994</u>

The weighted average interest rate of bank borrowings is 5.85% 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.

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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.

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	
		30.06.2023	30.06.2022	30.06.2023	30.06.2022
Profit attributable to ordinary owners of the Company	(RM'000)	442	1,123	743	6,335
Weighted average number of ordinary shares ⁽¹⁾	('000)	166,000	166,000	166,000	166,000
Basic earnings per share ⁽¹⁾	(Sen)	0.27	0.68	0.45	3.82
Diluted earnings per share ⁽²⁾	(Sen)	0.27	0.68	0.45	3.82

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	
	30.06.2023	30.06.2022	30.06.2023	30.06.2022
	RM'000	RM'000	RM'000	RM'000
Profit before taxation is arrived at after charging/(crediting) :-				
Interest income	(62)	(54)	(146)	(65)
Finance costs	607	538	1,192	1,116
Depreciation of PPE	646	513	1,285	1,029
Depreciation of ROU	638	722	1,273	1,469
Loss/(gain) on disposal of ROU	15	-	15	(5,033)
Loss/(gain) on disposal of PPE	(5)	-	(5)	-
Foreign exchange – unrealised (gain) / loss	(39)	(31)	(34)	(72)

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 August 2023