

TRI-MODE SYSTEM (M) BERHAD

Registration No.: 199101018953 (229265-X)

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE FOURTH (4TH) QUARTER ENDED 31 DECEMBER 2023

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

	3-MONTH ENDED		YEAR-TO-DATE	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
	RM'000	RM'000	RM'000	RM'000
Revenue	17,892	23,742	70,191	124,624
Cost of sales	(13,611)	(18,483)	(54,142)	(104,889)
Gross Profit ("GP")	4,281	5,259	16,049	19,735
Other income	233	816	970	6,580 ⁽²⁾
Administrative expenses	(3,245)	(3,646)	(12,501)	(13,008)
(Loss)/Gain on impairment of financial instruments	38	50	8	10
Finance costs	(586)	(575)	(2,368)	(2,215)
Share of results of associates	1,001	148	1,466	604
Profit before taxation ("PBT")	1,722	2,052	3,624	11,706
Taxation	(664)	477	(1,114)	(1,232)
Profit after taxation ("PAT")	1,058	2,529	2,510	10,474
Other comprehensive income				
Share of other comprehensive income in associate	-	-	-	-
Total comprehensive income	1,058	2,529	2,510	10,474
Profit for the year attributable to:				
- Owners of the Company	1,058	2,529	2,510	10,474
- Non-controlling interests	-	-	-	-
	1,058	2,529	2,510	10,474
Total comprehensive income attributable to:				
- Owners of the Company	1,058	2,529	2,510	10,474
- Non-controlling interests	-	-	-	-
	1,058	2,529	2,510	10,474
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⁾	0.64	1.52	1.51	6.31
- Diluted ⁽⁴⁾	0.64	1.52	1.51	6.31

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(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE FOURTH (4TH) QUARTER ENDED 31 DECEMBER 2023 UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME ⁽¹⁾ (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 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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TRI-MODE SYSTEM (M) BERHAD

Registration No.: 199101018953 (229265-X)

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE FOURTH (4TH) QUARTER ENDED 31 DECEMBER 2023

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION ⁽¹⁾

	Unaudited	Audited
	As at	As at
	31.12.2023	31.12.2022
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment ("PPE")	27,829	28,572
Right-of-use assets ("ROU")	98,907	77,806
Investment in property	2,704	2,734
Other investments	175	175
Investment in associates	6,804	5,338
	136,318	114,625
Current assets		
Inventories	174	196
Trade receivables	10,639	15,049
Other receivables	3,858	2,630
Tax recoverable	1,310	1,112
Other investments	58	56
Fixed deposits with licensed banks	12,060	9,816
Cash and bank balances	2,563	7,577
	30,662	36,436
TOTAL ASSETS	166,980	151,061
EQUITY AND LIABILITIES		
Equity		
Share capital	47,503	47,503
Acquisition reserves	(5,507)	(5,507)
Retained earnings	51,244	49,232
Total Equity	93,240	91,228
Liabilities		
Non-current liabilities		
Bank borrowings	51,653	35,983
Lease liabilities	581	756
Deferred tax liabilities	5,469	4,982
	57,703	41,721

TRI-MODE SYSTEM (M) BERHAD

Registration No.: 199101018953 (229265-X)

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE FOURTH (4TH) QUARTER ENDED 31 DECEMBER 2023

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

	Unaudited As at 31.12.2023	Audited As at 31.12.2022
	RM'000	RM'000
Current liabilities		
Trade payables	3,701	5,803
Other payables	3,359	4,517
Amount due to associates	3,232	3,478
Lease liabilities	508	853
Bank borrowings	5,149	3,357
Tax payable	88	104
	16,037	18,112
Total liabilities	73,740	59,833
TOTAL EQUITY AND LIABILITIES	166,980	151,061
NET ASSETS PER SHARE (RM)	0.56	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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TRI-MODE SYSTEM (M) BERHAD

Registration No.: 199101018953 (229265-X)

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE FOURTH (4TH) QUARTER ENDED 31 DECEMBER 2023

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	-	-	-	2,510	2,510
Transactions with owners:					
Dividend to owners of the Company	-	-	-	(498)	(498)
Balance at 31 December 2023	47,503	(5,532)	25	51,244	93,240
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
<u>Transactions with owners:</u>					
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.

TRI-MODE SYSTEM (M) BERHAD

Registration No.: 199101018953 (229265-X)

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE FOURTH (4TH) QUARTER ENDED 31 DECEMBER 2023

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS ⁽¹⁾

	PERIOD-TO-DATE	
	31.12.2023	31.12.2022
	RM'000	RM'000
Operating Activities		
Profit before tax	3,624	11,706
<u>Adjustments for:</u>		
Depreciation of PPE	2,729	2,132
Depreciation of ROU	2,562	2,146
Depreciation of investment property	29	29
Bad debts written off	-	24
PPE written off	-	66
Loss/(gain) on disposal of PPE	(27)	(251)
Gain on disposal of ROU	-	(5,335)
Impairment loss on trade receivables	(9)	39
Reversal – impairment loss on trade receivables	-	(49)
Other incomes	(2)	(43)
Interest expenses	2,368	2,215
Interest income	(225)	(187)
Share of results of associates	(1,461)	(604)
Unrealised (gain)/loss on foreign exchange	2	14
Operating profit before working capital changes	9,585	11,902
<u>Changes in working capital</u>		
Inventories	23	12
Receivables	3,224	10,682
Payables	(2,055)	(4,335)
Associates	(245)	29
	947	6,388
Cash generated from operations	10,532	18,290
Interest paid	(2,368)	(2,215)
Interest received	225	187
Tax paid	(855)	(2,276)
Tax refund	15	19
Net Cash flows from operating activities	7,549	14,005

TRI-MODE SYSTEM (M) BERHAD

Registration No.: 199101018953 (229265-X)

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE FOURTH (4TH) QUARTER ENDED 31 DECEMBER 2023

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS ⁽¹⁾ (CONT'D)

	YEAR-TO-DATE	
	31.12.2023	31.12.2022
Investing Activities	RM'000	RM'000
Dividends received	-	245
Acquisition of associate	-	-
Short-term investment	-	(15)
Purchase of PPE	(2,559)	(1,410)
Purchase of ROU	(3,744)	(262)
Proceeds from disposal of ROU	-	8,700
Proceeds from disposal of PPE	599	478
Net Cash flows from/(used in) investing activities	(5,704)	7,736
Financing Activities		
Dividends paid	(1,743)	(498)
Drawdown of term loan	-	613
Repayment of term loan	(3,341)	(3,099)
Net changes of revolving credit	1,200	(5,000)
Repayment of lease liabilities	(711)	(1,737)
Increase in fixed deposits	(4,227)	(5,048)
Net Cash flows used in financing activities	(8,822)	(14,769)
Net increase/(decrease) in cash and cash equivalents	(6,977)	6,972
Effect of exchange translation differences on cash & cash equivalents	5	(14)
Cash and cash equivalents at the beginning of the year	9,986	3,027
Cash and cash equivalents at the end of the year	3,014	9,985
Cash and Cash Equivalents at the end of the year:		
Cash and bank balances	2,563	7,577
Fixed deposits with licensed banks	12,060	9,816
Bank overdraft	-	(25)
	14,623	17,368
Less: Fixed deposits pledged with licensed banks	(1,428)	(6,477)
Less: Fixed deposits not for short-term fundings requirements	(10,181)	(906)
	3,014	9,985

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.

TRI-MODE SYSTEM (M) BERHAD

Registration No.: 199101018953 (229265-X)

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE FOURTH (4TH) QUARTER ENDED 31 DECEMBER 2023

NOTES TO THE INTERIM FINANCIAL REPORT

A. EXPLANATORY NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE YEAR ENDED 31 DECEMBER 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.

TRI-MODE SYSTEM (M) BERHAD

Registration No.: 199101018953 (229265-X)

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE FOURTH (4TH) QUARTER ENDED 31 DECEMBER 2023

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

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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TRI-MODE SYSTEM (M) BERHAD

Registration No.: 199101018953 (229265-X)

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE FOURTH (4TH) QUARTER ENDED 31 DECEMBER 2023

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			
	31.12.2023	31.12.2022	31.12.2023		31.12.2022	
	RM'000	RM'000	RM'000	%	RM'000	%
Sea freight	8,101	15,789	32,926	46.9	92,307	74.1
Container haulage	7,284	4,049	27,364	39.0	16,343	13.1
Warehousing	1,450	1,366	5,690	8.1	4,266	3.4
Freight forwarding	654	558	2,386	3.4	2,217	1.8
Air freight	315	1,926	1,508	2.1	9,254	7.4
Marine insurance	88	54	317	0.5	237	0.2
Total Revenue	17,892	23,742	70,191	100	124,624	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;
- (ii) fluctuation in fuel price; and
- (iii) movement of warehouse stock.

(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			
	31.12.2023	31.12.2022	31.12.2023		31.12.2022	
	RM'000	RM'000	RM'000	%	RM'000	%
Malaysia	16,599	20,155	64,947	92.5	101,648	81.6
Overseas	1,293	3,587	5,244	7.5	22,976	18.4
Total Revenue	17,892	23,742	70,191	100	124,624	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.

TRI-MODE SYSTEM (M) BERHAD

Registration No.: 199101018953 (229265-X)

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE FOURTH (4TH) QUARTER ENDED 31 DECEMBER 2023

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	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
	RM'000	RM'000	RM'000	RM'000
(a) PT. Oriental Logistics Indonesia				
Trade receivable	15	8	15	8
Trade payable	4	4	4	4
Net amount payable/(receivable)	(11)	(4)	(11)	(4)
Services income	14	9	35	12
Services expenses	4	4	4	4
(b) Oriental Thailand				
Trade receivable	-	-	-	-
Trade payable	-	-	-	-
Net amount payable/(receivable)	-	-	-	-
Services income	-	-	-	-
Services expenses	6	(1)	17	(1)

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TRI-MODE SYSTEM (M) BERHAD

Registration No.: 199101018953 (229265-X)

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE FOURTH (4TH) QUARTER ENDED 31 DECEMBER 2023

Transaction with associated companies

Transaction with associates	3-MONTH ENDED		YEAR-TO-DATE	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
	RM'000	RM'000	RM'000	RM'000
(a) Atama Logistics (M) Sdn Bhd				
Trade receivable	1,022	830	1,022	830
Trade payable	4,255	4,129	4,255	4,129
Net amount payable/(receivable)	3,233	3,299	3,233	3,299
Services income	2,754	3,022	10,600	11,426
Services expenses	4,045	5,565	17,277	20,988
(b) Container Connections (M) Sdn Bhd				
Trade receivable	-	-	-	-
Trade payable	-	2	1	22
Net amount payable/(receivable)	-	2	1	22
Services income	-	-	-	-
Services expenses	24	16	119	90

A15. Capital commitments

As at 31 December 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⁾	1,040,000

Note:

- (1) New construction of warehouse 3 facility of approximately 125,000 sq.ft. warehouse storage space and 3 storey office of approximately 15,000 sq.ft. 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.

TRI-MODE SYSTEM (M) BERHAD

Registration No.: 199101018953 (229265-X)

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE FOURTH (4TH) QUARTER ENDED 31 DECEMBER 2023

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	
	31.12.2023	31.12.2022	RM'000	%	31.12.2023	31.12.2022	RM'000	%
	RM'000	RM'000			RM'000	RM'000		
Revenue	17,892	23,742	(5,850)	(24.64)	70,191	124,624	(54,433)	(43.68)
GP	4,281	5,259	(978)	(18.60)	16,049	19,735	(3,686)	(18.68)
EBITDA ⁽¹⁾	3,720	3,801	(81)	(2.13)	11,087	18,012 ⁽²⁾	(6,925)	(38.45)
PBT	1,722	2,052	(330)	(16.08)	3,624	11,706 ⁽²⁾	(8,082)	(69.04)
PAT	1,058	2,529	(1,471)	(58.17)	2,510	10,474 ⁽²⁾	(7,964)	(76.04)

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 RM17.89 million for the current financial quarter ended 31 December 2023, lower by 24.64% from the previous year corresponding quarter of RM23.74 million. Lower revenue mainly due to lower global freight rate as compared to the hike of global freight rate during year of 2022. Profitability reduced as a result of lower revenue as compared to previous year corresponding quarter, however, in term of gross profit margin and EBITDA, the Group manage to increase even though with lower revenue generated.

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	
	31.12.2023	31.12.2022	RM'000	%
	RM'000	RM'000		
Revenue	70,191	124,624	(54,433)	(43.68)
GP	16,049	19,735	(3,686)	(18.68)
EBITDA	11,087	13,732⁽¹⁾	(1,956)	(15.00)
PBT	3,624	6,737⁽¹⁾	(3,113)	(46.21)
PAT	2,510	6,028⁽¹⁾	(3,518)	(58.36)

Notes:

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

TRI-MODE SYSTEM (M) BERHAD

Registration No.: 199101018953 (229265-X)

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE FOURTH (4TH) QUARTER ENDED 31 DECEMBER 2023

B2. Comparison with immediate preceding quarter's results

	3-MONTH ENDED		CHANGE	
	31.12.2023	30.09.2023		
(Unaudited)	RM'000	RM'000	RM'000	%
Revenue	17,892	17,531	361	2.06
PBT	1,722	897	825	91.97

For the current quarter ended 31 December 2023, the Group recorded revenue of RM17.89 million slightly increased by 2.06% as compare to RM17.53 million in immediate preceding quarter. PBT increased by 91.97% from RM0.90 million to RM1.72 million as compared to immediate preceding quarter ended 30 September 2023. Improvement in container haulage and better gross profit margin contributed positively to group revenue and profitability.

B3. Prospects

In January 2024, the World Bank projected global domestic product (“GDP”) growth to slow from 2.6% in 2023 to 2.4% in 2024, reflecting slow recovery of global economy, ongoing impact of Russia-Ukraine war, tight monetary policies to rein inflation, restrictive financial conditions and weak global trade and investment.

The World Bank maintained its 2024 forecast of Malaysia economic growth at 4.3% amid deceleration in external demand. In 16-February-2024, Bank Negara Malaysia (“BNM”) reported Malaysia economy grew slower than expected in fourth quarter of 2023 at 3% as export remained slow, challenging global environment and currency pressure. Full year GDP was 3.7%, below the government’s projection of 4%-5% and 2022’s 8.7% growth. The Ministry of Finance insisted that Malaysia’s economy will expand 4%-5% in 2024 backed by strong fundamental and reforms.

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 year. We are positive the national economy will gradually recovery in the year of 2024.

We have completed our new warehouse 3 in Pulau Indah Industrial Park (“PIIP”) in December 2023 and fully in operation in January 2024. As disclosed, the modern warehouse facility features approximately 125,000 sq.ft. warehouse storage space and is able to cater up to 20,000 pallets with 24 loading bays and a 3-storey office building of approximately 15,000 sq.ft. With addition of new warehouse 3, our warehouse space expanded more than double from the current 113,000 sq.ft. to 238,000 sq.ft.

TRI-MODE SYSTEM (M) BERHAD

Registration No.: 199101018953 (229265-X)

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE FOURTH (4TH) QUARTER ENDED 31 DECEMBER 2023

We have executed Sale and Purchase Agreement on 31-January-2024 with PIIP developer, Central Spectrum (M) Sdn Bhd for the proposed acquisitions of 3 parcels of leasehold lands approximately 12.85 acres which located in PIIP phase 3B for an aggregate cash consideration of approximately RM42.00 million. Estimated delivery of vacant possession by January 2027, The Group intended to further expand warehousing services in the next 3 to 5 years. Further details of the proposed acquisitions are set out in the Bursa announcement dated 27-December-2023.

Barring any unforeseen circumstances, the Board is of the opinion that the prospects for the financial year ending 31 December 2024 will be challenging in view of unfavourable global economy growth, supply chain disruption and slow in national GDP growth. 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	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
	RM'000	RM'000	RM'000	RM'000
Current financial year:				
Income tax	84	(299)	499	1,026
Real property gain tax	-	-	-	426
Deferred tax	580	(335)	563	(264)
	<u>664</u>	<u>(634)</u>	<u>1,062</u>	<u>1,188</u>
Previous year provision:				
Income tax	-	(303)	127	101
Deferred tax	-	460	(75)	(57)
Total tax expense ⁽¹⁾	<u>664</u>	<u>(477)</u>	<u>1,144</u>	<u>1,232</u>
Effective tax rate	38.56%	-23.25%	30.74%	10.52%

Higher tax rate at approximately 30% for the year to date ended 31 December 2023 mainly due to provision of deferred tax.

Note:

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

TRI-MODE SYSTEM (M) BERHAD

Registration No.: 199101018953 (229265-X)

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE FOURTH (4TH) QUARTER ENDED 31 DECEMBER 2023

B6. Corporate Proposals

There are no corporate proposals announced 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					
	31.12.2023			31.12.2022		
	<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	5,497	4	5,501	6,781	-	6,781
1 month	3,325	8	3,333	6,035	4	6,039
2 months	1,348	3	1,351	1,892	-	1,892
3 months	368	-	368	276	-	276
More than 3 months	86	-	86	61	-	61
Trade Receivables	10,626	15	10,639	15,045	4	14,049

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

B8. Bank borrowings

The Group's bank borrowings were as follows:

	AS AT 31.12.2023	AS AT 31.12.2022
	RM'000	RM'000
Secured:		
Current:		
Bank borrowings: overdraft	-	25
Bank borrowings: revolving credit	-	-
Bank borrowings: term loan	5,149	3,332
Lease liabilities	508	853
	<u>5,657</u>	<u>4,210</u>
Non-current:		
Bank borrowing: term loans	51,653	35,983
Lease liabilities	581	756
	<u>52,234</u>	<u>36,739</u>
Total bank borrowings & leases liabilities	<u>57,891</u>	<u>40,949</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.

TRI-MODE SYSTEM (M) BERHAD

Registration No.: 199101018953 (229265-X)

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE FOURTH (4TH) QUARTER ENDED 31 DECEMBER 2023

B9. Material litigation

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

B10. Dividend proposed

On 23 November 2023, the Board has approved the declaration and payment of first single-tier interim dividend of 0.35 sen per ordinary share totalling RM581,000 in respect of the financial year ending 31 December 2023. The entitlement to dividend to be determined based on the record of depositors as at 15 December 2023 whilst the payment date to be fixed on 12 January 2024.

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	
		31.12.2023	31.12.2022	31.12.2023	31.12.2022
Profit attributable to ordinary owners of the Company	(RM'000)	1,058	2,529	2,510	10,474
Weighted average number of ordinary shares ⁽¹⁾	('000)	166,000	166,000	166,000	166,000
Basic earnings per share ⁽¹⁾	(Sen)	0.64	1.52	1.51	6.31
Diluted earnings per share ⁽²⁾	(Sen)	0.64	1.52	1.51	6.31

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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TRI-MODE SYSTEM (M) BERHAD

Registration No.: 199101018953 (229265-X)

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE FOURTH (4TH) QUARTER ENDED 31 DECEMBER 2023

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

	3-MONTH ENDED		YEAR-TO-DATE	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
	RM'000	RM'000	RM'000	RM'000
Profit before taxation is arrived at after charging/(crediting) :-				
Interest income	(42)	(73)	(225)	(187)
Finance costs	586	575	2,368	2,215
Depreciation of PPE	802	594	2,729	2,132
Depreciation of ROU	652	653	2,562	2,146
Depreciation of investment property	7	29	29	29
Loss/(gain) on disposal of ROU	-	(266)	-	(5,335)
Loss/(gain) on disposal of PPE	-	(350)	(26)	(251)
Foreign exchange – unrealised (gain) / loss	-	79	2	14

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

BY ORDER OF THE BOARD

Company Secretary

Date: 26 February 2024