

TRI-MODE SYSTEM (M) BERHAD
[Registration No. 199101018953 (229265-X)]
(Incorporated in Malaysia)

MINUTES OF THE EXTRAORDINARY GENERAL MEETING (“EGM”) OF TRI-MODE SYSTEM (M) BERHAD (“TRI-MODE” OR “THE COMPANY”) HELD ENTIRELY THROUGH LIVE STREAMING FROM THE BROADCAST VENUE AT CONFERENCE ROOM, WISMA TRI-MODE, NO. 1 (LOT 48), JALAN SUNGAI CHANDONG 24/KS11, TAMAN PERINDUSTRIAN PULAU INDAH (FASA 3), 42920 PULAU INDAH, SELANGOR ON THURSDAY, 11 JANUARY 2024 AT 11.00 A.M.

Directors

1. Dato’ Markiman Bin Kobiran (Independent Non-Executive Chairman)
2. Dato’ Hew Han Seng (Group Managing Director)
3. Datin Sam Choi Lai (Executive Director)
4. Mr. Chiam Tau Meng (Independent Non-Executive Director)
5. Mr. Wai Wah Kwan @ Wai Ah Har (Independent Non-Executive Director)

Company Secretary

1. Mr. Tan Tong Lang

Invitee

1. Mr. Sua Hee Yuan (Chief Financial Officer)
2. Mr. Hew Yih Heng (Corporate Executive)
3. Ms. Michelle Lim (Representative of External Auditors – UHY)
4. Ms. Wang Min Yi (Representative of External Auditors – UHY)
5. Mr. Wong Chan Han (Representative of Principal Adviser – TA Securities Holdings Berhad)
6. Mr. John Neoh (Representative of Principal Adviser – TA Securities Holdings Berhad)
7. Mr. Lim Wei Chien (Representative of Due Diligence Solicitors – Wei Chien & Partners)
8. Ms. Jeannie Goon Wan Jing (Representative of Due Diligence Solicitors – Wei Chien & Partners)

Shareholders/ Proxies

As per the Attendance List

1.0 CONVENING OF MEETING

- 1.1 Dato’ Markiman Bin Kobiran (“**the Chairman**”) chaired the meeting and welcomed the shareholders and proxies (“**Members**”) who participated in the meeting remotely from various locations through live streaming, at the EGM of the Company.
- 1.2 There being a quorum present at the meeting, the Chairman declared the meeting duly convened at 11.00 a.m.
- 1.3 The Chairman introduced the Directors, Company Secretary and Chief Financial Officer present and drew attention to some housekeeping matters including manner of posing questions, and poll voting, which would be conducted during the deliberations of the agenda in accordance with Rule 8.31A(1) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“**Bursa Securities**”). The Members were informed that Messrs. Corporate Bridge Solutions PLT was appointed as the Poll Administrator together with its technology partner, Messrs. Propoll Solutions Sdn Bhd to conduct the polling process, whilst Messrs. SLCC Networks Sdn Bhd was appointed as the Scrutineers to verify the poll results.

1.4 The Chairman informed the Members that their questions will be attended in the Question & Answer session later.

1.5 With the consent of the Members, the notice convening the EGM was taken as read. The Chairman then proceeded to the official business of the EGM.

2.0 ORDINARY RESOLUTION

PROPOSED ACQUISITIONS OF 3 CONTIGUOUS PARCELS OF LEASEHOLD LANDS LOCATED IN PULAU INDAH INDUSTRIAL PARK (PIIP), KLANG, SELANGOR DARUL EHSAN, MEASURING APPROXIMATELY 12.856 ACRES IN TOTAL ("LANDS") FOR AN AGGREGATE CASH CONSIDERATION OF APPROXIMATELY RM42.00 MILLION FROM CENTRAL SPECTRUM (M) SDN BHD ("VENDOR") ("PROPOSED ACQUISITIONS")

2.1 The Chairman informed that the agenda of the EGM was to seek shareholders' approval on the proposed acquisition of 3 contiguous parcels of leasehold lands located in Pulau Indah Industrial Park (PIIP), Klang, Selangor Darul Ehsan, measuring approximately 12.856 acres in total for an aggregate cash consideration of approximately RM42.00 million from Central Spectrum (M) Sdn Bhd.

2.2 The Chairman then informed that the details of the said proposed acquisitions are set out in the Circular to Shareholders dated 27 December 2023 ("**Circular to Shareholders**"), which had already been provided to the shareholders prior to the EGM.

3.0 QUESTION & ANSWER SESSION

3.1 The Chairman proceeded with the Question & Answer session of the EGM and the following were the key matters discussed at the EGM: -

Question 1

The Proposed Acquisition will be funded through additional bank borrowings of RM33.6 million. The estimated funding required for the construction of the Premises of RM59.5 million is also expected to be funded through bank borrowings. Furthermore, the new construction of warehouse 3 facility will also be funded through bank term loan of RM20 million. All in all, Tri-Mode is planning to obtain total bank facilities of about RM113.1 million in the next few years. Considering the existing Group's bank borrowings of RM56.5 million, the total bank borrowings of Tri-Mode may reach up to about RM170 million, which may bring the gearing ratio to 1.86X (RM170 million divided by equity of RM91 million).

a) What is the gearing level that is considered optimum and comfortable by the Board?

Mr. Sua Hee Yuan, the Chief Financial Officer of the Company ("**Mr. Sua**") responded that the Board maintains a prudent approach to capital expansion, with a current gearing ration guideline set below 1.5 times to ensure a robust financial stance, promoting stability and sustainable growth of the Group. The details of the proposed construction of the premises disclosed in the Circular to Shareholders is illustrative, with details such as size, timing, and costs yet to be finalized. It is crucial to highlight that the actual construction cost is anticipated to be incurred around mid of 2027 or 2028, coinciding with the expected

reduction in existing bank borrowings through consistent instalment payments. Thus, the Group prudent approach safeguards the Group's financial health during the expansion phase.

b) Does the Board consider to propose any private placement or right issue as part of the financing activities to obtain cash inflow to the Group?

Mr. Sua responded that the Board will continuously evaluate the viability of other measures such as private placement or right issue to ensure the sustainability of the Group's financial performance as well as fundraising avenues to meet the cash flow requirements in the medium to long term.

c) Does the Group and/or Company have the ability to secure such bank borrowings from the financial institutions? Which financial institution(s) is/are the bankers of the Group and/or Company?

Mr. Sua answered that the Group have received proactive inquiries from several banks expressing their willingness to provide financing for the Group's strategic initiatives in view of the strong financial track record of the Group. As outlined in the latest Annual Report, the current banking relationships are established with reputable institutions, namely CIMB Bank Berhad, AmBank (M) Berhad, and Al-Rajhi Banking & Investment Corporation (Malaysia) Berhad. These robust partnerships underscore the creditworthiness and ability to secure necessary bank borrowings for the Group's future expansion plans.

Question 2

Does the Vendor provide any timeline regarding its planned progress of the construction of the Basic Infrastructure up and until the delivery of vacant possession of the Lands?

Dato' Hew Han Seng, the Group Managing Director of the Company ("**Dato' Hew**") informed that the Lands' infrastructure will be complete in 3 years' time. As disclosed in the Section 3 of Appendix II of the Circular to Shareholders, the delivery of vacant possession will be 36 months from the date of the Sales and Purchase Agreements. Upon receipt of the vacant possession of the Lands, the Group will have a timeframe of 60 months to commence construction of the premises.

Question 3

Is there any impact to Tri-Mode business in the recent Red Sea attacks on ships?

Dato' Hew responded that the Group which has over three decades in the logistics business, is resilient in the face of global crisis. Despite recent Red Sea attacks on ships, the Group extensive worldwide network coverage positions the Group as one of the few logistics companies capable of providing optimal solutions for Red Sea route shipments in Malaysia.

4.0 DECLARATION OF RESULTS

- 4.1 Upon completion and verification of the polling process, the Chairman announced the results of the poll voting and declared that the resolution set out in the Notice of EGM dated 27 December 2023 was carried, as attached hereto as Annexure I:-

"Ordinary Resolution

PROPOSED ACQUISITIONS OF 3 CONTIGUOUS PARCELS OF LEASEHOLD LANDS LOCATED IN PULAU INDAH INDUSTRIAL PARK (PIIP), KLANG, SELANGOR DARUL EHSAN, MEASURING APPROXIMATELY 12.856 ACRES IN TOTAL ("LANDS") FOR AN AGGREGATE CASH CONSIDERATION OF APPROXIMATELY RM42.00 MILLION FROM CENTRAL SPECTRUM (M) SDN BHD ("VENDOR") ("PROPOSED ACQUISITIONS")

THAT subject to the approvals being obtained from all relevant parties and/or authorities (if required), approval be and is hereby given to the Company to acquire the Lands from the Vendor for the cash consideration of RM42,000,270.11 subject to and upon the terms and conditions of the Term Sheet dated 31 October 2023 entered into between the Vendor and the Company and the Sale and Purchase Agreements to be entered into between the Vendor and the Company ("**SPAs**");

AND THAT the Board of Directors of the Company ("**Board**") be and is hereby authorised to do all acts, deed and things and to execute, sign and deliver, for and on behalf of the Company, the SPAs and all such other documents to give full effect to and complete the Proposed Acquisitions with full powers to assent to any conditions, variations, modifications and/or amendments in any manner as may be required or imposed by any relevant authorities and/or parties, and to take all steps and actions as may be deemed fit or expedient by the Board to carry out, finalise, give full effect to and complete the Proposed Acquisitions."

5.0 CLOSURE

- 5.1 There being no other business, the EGM was closed at 11.32 a.m. with a vote of thanks to the Chairman.

**Confirmed as a correct record of
the proceedings held thereat**

-signed-

DATO' MARKIMAN BIN KOBIRAN
Chairman