

TRI-MODE



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ANNUAL REPORT 2023

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CORPORATE INFORMATION



BOARD OF DIRECTORS

DATO' MARKIMAN BIN KOBIRAN

Independent Non-Executive Chairman

DATO' HEW HAN SENG

Group Managing Director

DATIN SAM CHOI LAI

Executive Director

CHIAM TAU MENG

Independent Non-Executive Director

WAI WAH KWAN @ WAI AH HAR

Independent Non-Executive Director

AUDIT AND RISK MANAGEMENT COMMITTEE

Chiam Tau Meng, Chairman
Dato' Markiman Bin Kobiran, Member
Wai Wah Kwan @ Wai Ah Har, Member

REMUNERATION COMMITTEE

Dato' Markiman Bin Kobiran, Chairman
Chiam Tau Meng, Member
Wai Wah Kwan @ Wai Ah Har, Member
Dato' Hew Han Seng, Member
Datin Sam Choi Lai, Member

NOMINATION COMMITTEE

Wai Wah Kwan @ Wai Ah Har, Chairman
Dato' Markiman Bin Kobiran, Member
Chiam Tau Meng, Member

COMPANY SECRETARIES

Tan Tong Lang
(MAICSA 7045482)
(SSM PC No. 202208000250)

Ang Wee Min
(MAICSA 7076022)
(SSM PC No. 202208000334)

REGISTERED OFFICE

B-21-1, Level 21, Tower B
Northpoint Mid Valley City
No.1, Medan Syed Putra Utara
59200 Kuala Lumpur
Tel No. : +603 9770 2200
Fax No. : +603 2201 7774
Email : boardroom@boardroom.com.my

CORPORATE OFFICE

Tri-Mode System (M) Berhad
[199101018953 (229265-X)]
Wisma Tri-Mode
No.1 (Lot 48), Jalan Sungai Chandong 24/KS11
Taman Perindustrian Pulau Indah (Fasa 3)
42920 Pulau Indah
Selangor Darul Ehsan
Tel no. : +603 3093 8118
Fax no. : +603 3093 8018
Website : <http://www.trimode-malaysia.com.my>
Email : general@tmsgroup.com.my

AUDITORS

UHY
(AF 1411)
Suite 11.05, Level 11
The Gardens South Tower
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur
Tel No. : +603 2279 3088
Fax No. : +603 2279 3099

SHARE REGISTRAR

Boardroom Share Registrars Sdn Bhd
11th Floor, Menara Symphony
No. 5, Jalan Semangat (Jalan Professor Khoo Kay Kim)
Seksyen 13, 46200 Petaling Jaya
Selangor Darul Ehsan
Tel no. : +603 7890 4700
Fax no. : +603 7890 4670
Email : info.my@boardroomlimited.com

PRINCIPAL BANKERS

AmBank (M) Berhad (8515-D)
22nd Floor, Bangunan AmBank Group
No. 55, Jalan Raja Chulan
50200 Kuala Lumpur
Tel no.: +603 2036 2633
Fax no.: +603 2032 1914

Al-Rajhi Banking & Investment Corporation (Malaysia) Berhad (719057-X)
Ground Floor, East Block Wisma Selangor Dredging
No. 142-B, Jalan Ampang
50450 Kuala Lumpur
Tel no.: +603 2301 7000
Fax no.: +603 2170 7100

CIMB Bank Berhad (13941-P)
17th Floor, Menara CIMB
No. 1, Jalan Stesen Sentral 2
50470 Kuala Lumpur
Tel no.: +603 2261 8888
Fax no.: +603 2261 8899

STOCK EXCHANGE LISTING

ACE Market of Bursa Malaysia Securities Berhad
Stock Name: TRIMODE
Stock Code: 0199

CORPORATE STRUCTURE

TRI-MODE

Since 1992

Tri-Mode System (M) Berhad



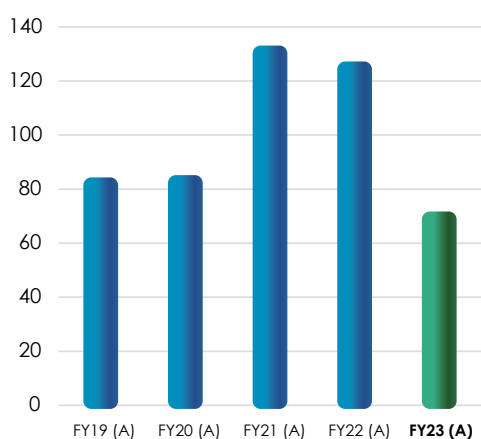
FINANCIAL HIGHLIGHTS

RM'million	FY19 (A)	FY20 (A)	FY21 (A)	FY22 (A)	FY23 (A)
Revenue	81.81	83.43	133.00	124.62	70.19
Gross profit	13.99	14.88	19.45	19.74	16.05
Earnings before interest, tax, depreciation and amortisation ("EBITDA")	6.40	10.65 ²	15.65 ³	18.09 ⁴	9.96
Profit before tax ("PBT")	3.43	7.46 ²	10.03 ³	11.71 ⁴	3.62
Profit after tax ("PAT")	2.56	5.54 ²	7.31 ³	10.47 ⁴	2.47
Earning per share ("EPS") (sen)	1.54	3.34	4.40	6.31	1.49
Total assets	112.84	123.17	141.02	151.06	168.51
Net asset per share (RM) ⁶	0.43	0.46	0.50	0.55	0.56
Gross gearing ratio (x)	0.36	0.40	0.44	0.45	0.63

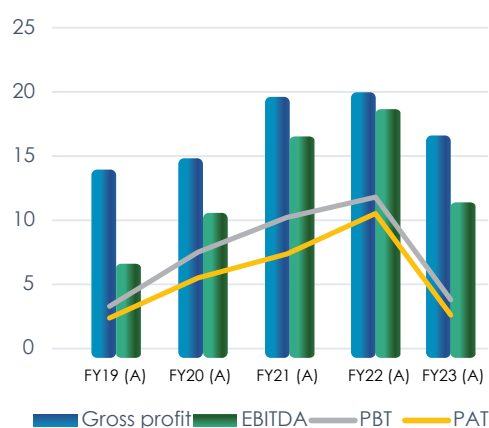
Notes:

- (1) The combined financial statements of Tri-Mode System (M) Berhad ("Tri-Mode" or "Company") and its subsidiary companies ("Group") for Financial year ended 31 December ("FY") have been prepared pursuant to the listing of Tri-Mode on ACE Market of Bursa Malaysia Securities Berhad ("Bursa Securities").
- (2) Consist of one-off liquidated damages compensation of approximately RM1.62 million from the Pulau Indah Land developer and RM0.27 million from the Senja Aman apartment developer due to late delivery of vacant possession as per sales and purchase agreements respectively.
- (3) Consist gain on disposal of RM3.38 million for a piece of leasehold industrial land by NV Freights (M) Sdn Bhd ("NV Freights"), a wholly-owned subsidiary company of Tri-Mode, which was completed on 22 October 2021.
- (4) Consist gain of disposal of RM4.97 million for a piece of leasehold industrial land by NV Freights, a wholly-owned subsidiary company of Tri-Mode, which was completed on 26 January 2022.
- (5) Net assets per share is calculated based on 166,000,000 ordinary shares

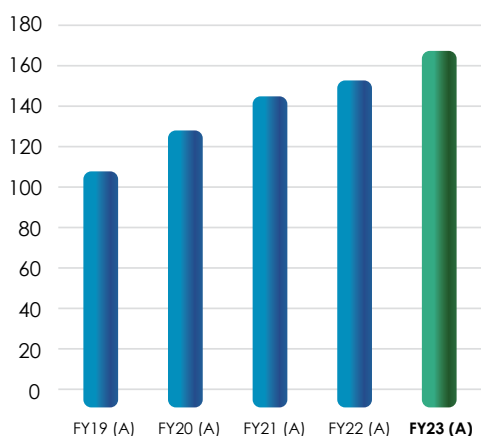
Revenue (RM'million)



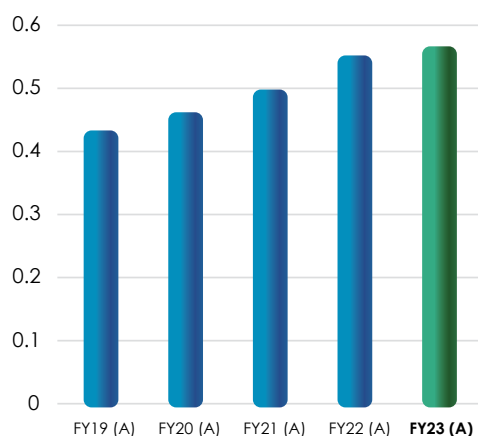
Profitability (RM'million)



Total asset (RM'million)



Net Asset per share (RM)



BOARD OF DIRECTORS' PROFILE



From left to right :
Mr.Wai, Datin Sam, Dato' Hew, Dato' Markiman and Mr. Chiam

Board of Directors' Profile (cont'd)



Dato' Markiman Bin Kobiran ("Dato' Markiman") was appointed to the Board of Director of the Company ("Board") on 7 March 2018 as an Independent Non-Executive Chairman. He is the Chairman of Remuneration Committee and a member of the Audit and Risk Management Committee as well as Nomination Committee. He obtained his professional Diploma in Public Administration from the Institute Technology MARA [now known as Universiti Teknologi MARA ("UiTM")] in 1979 and later obtained a Bachelor of Law (LLB. Hons) from University of Malaya in 1984.

In 1979, Dato' Markiman started his career as an enforcement officer in the Road Transport Department of Selangor and Wilayah Persekutuan. Subsequently in 1984, after graduation from Bachelor of Law, he joined UiTM as a law lecturer. In 1985, he left UiTM and joined Messrs Abraham & Partners as a pupil in chambers and was admitted as an Advocate and Solicitor of the High Court of Malaya and a member of Bar Council Malaysia in 1986 upon which he commenced his career as an advocate and solicitor with Messrs Abraham & Partners. In 1989, he started Messrs Markiman & Associates (*formerly known as Messrs Markiman & Halim*) as the principal partner, a position which he still holds currently. Then, in 2015, Dato' Markiman started Marvel Security Sdn Bhd as a Chief Executive Director, a position he still holds currently.

He was also the Member of Parliament of Hulu Langat from 2004 to 2008, Chairman of Lembaga Pelesenan Kenderaan Perdagangan of Peninsular Malaysia from 2006 to 2009 and Political Secretary to the Home Affairs Minister and the Defence Minister from 2009 to 2014.

Dato' Markiman does not hold any other directorship in other public companies and listed corporation.

He has no family relationship with any Directors and/or major shareholders of the Company.

He does not have any conflict of interest or potential conflict of interest, including interest in any competing business with the Group. He has no conviction of any offence within the past five years, other than traffic offences (if any) and there is no sanction or penalty imposed on him by relevant regulatory bodies for the financial year ended 31 December 2023.

Board of Directors' Profile (cont'd)



DATO' HEW HAN SENG

Malaysian, Aged 57, Male,
Group Managing Director

Dato' Hew Han Seng ("Dato' Hew") the founder of the Company, was appointed to the Board on 9 April 1992. He is also a member of Remuneration Committee since 10 April 2019. He obtained a Bachelor's Degree in Business Administration from the University of Toledo, Ohio, United States of America in 1988.

Upon graduation, he started his career as a management trainee in Lion Suzuki Motor Sdn Bhd in 1988. In the same year, he joined Mac-Nels (M) Sdn Bhd, a Singapore based freight forwarding company as a Sales Executive and left the company as a Branch Manager in 1992. Thereafter, he ventured into logistics business via Tri-Mode. Over the course of his career, he has accumulated over 33 years of relevant experience in the logistic industry.

Dato' Hew does not hold any other directorship in other public companies and listed corporations.

He is the spouse of Datin Sam Choi Lai and he does not have any other family relationship with any major shareholders of the Company.

He does not have any conflict of interest or potential conflict of interest, including interest in any competing business with the Group. He has no conviction of any offence within the past five years, other than traffic offences (if any) and there is no sanction or penalty imposed on him by relevant regulatory bodies for the financial year ended 31 December 2023.



DATIN SAM CHOI LAI

Malaysian, Aged 57, Female,
Executive Director

Datin Sam Choi Lai ("Datin Sam") was appointed to the Board on 10 September 1998 as an Executive Director. She is also a member of Remuneration Committee since 10 April 2019. She obtained her Sijil Pelajaran Malaysia upon completing her secondary education at Sekolah Sri Inai, Ampang Ulu Klang, Selangor in 1984. In 1989, she obtained a certificate in Hotel and Catering Management conferred by the Stamford Group of Colleges of Further Education in Singapore & Malaysia. In the same year, she was also conferred certificates by the Educational Institute of American Hotel & Motel Association upon completing courses in Front Officer Procedures and Food and Beverage Management.

She commenced her career in 1990 when she joined KT Trading, a sole proprietor involved in the trading of stationery, as an assistant handling general administrative matter until 1992. She joined the Company in 1993 as a sales co-ordinator and held various senior positions such as customer service manager and senior manager (export division) before being promoted to her current position in 2013. She currently oversees the day-to-day freighting operation of Tri-Mode and its subsidiaries. Over the course of her career, she has accumulated over 29 years of experience in the logistics industry.

Datin Sam does not hold any other directorship in other public companies and listed corporations.

She is the spouse of Dato' Hew and she does not have any other family relationship with any major shareholders of the Company.

She does not have any conflict of interest or potential conflict of interest, including interest in any competing business with the Group. She has no conviction of any offence within the past five years, other than traffic offences (if any) and there is no sanction or penalty imposed on her by relevant regulatory bodies for the financial year ended 31 December 2023.

Board of Directors' Profile (cont'd)



CHIAM TAU MENG

Malaysian, Aged 70, Male,
Independent Non-Executive Director

Mr Chiam Tau Meng ("Mr Chiam") was appointed to the Board on 7 March 2018 as Independent Non-Executive Director. He is the Chairman of Audit and Risk Management Committee and a member of the Remuneration Committee and Nomination Committee.

Mr Chiam obtained a Bachelor of Commerce Degree majoring in Accountancy from the University of Otago, Dunedin, New Zealand in 1977. He is an Associate Chartered Accountant with the New Zealand Institute of Chartered Accountants ("NZICA") since 1980 and the Institute of Chartered Accountants Australia and New Zealand since 2013 upon the merger of NZICA and the Institute of Chartered Accountants Australia. Mr Chiam is also a Chartered Accountant with the Malaysian Institute of Accountants since 1988.

Following his graduation in 1977, Mr Chiam started his career as a Corporate Accountant in Tolley Industries Ltd (New Zealand). Upon returning to Malaysia in 1979, he joined Malaysian Containers Bhd as a Finance Manager cum Company Secretary until 1984. In 1984, he joined Menang Corporation (M) Bhd as a General Manager of Corporate Services. Subsequently in 1989, he left Menang Corporation (M) Bhd and joined Bee Hin Holdings Sdn Bhd as a General Manager of Corporate Finance. In 1993, he joined BDO Binder Management Consultants Sdn Bhd as a Director until 1994. In the same year, he incorporated CTM Consulting as a Principal, a position he still holds currently.

Mr Chiam is currently an Independent Non-Executive Director of KIP REIT Management Sdn Bhd, the manager for KIP Real Estate Investment Trust, listed on the Main Market of Bursa Malaysia Securities Berhad.

He has no family relationship with any Directors and/or major shareholders of the Company.

He does not have any conflict of interest or potential conflict of interest, including interest in any competing business with the Group. He has no conviction of any offence within the past five years, other than traffic offences (if any) and there is no sanction or penalty imposed on him by relevant regulatory bodies for the financial year ended 31 December 2023.



WAI WAH KWAN @ WAI AH HAR

Malaysian, Aged 81, Male,
Independent Non-Executive Director

Mr Wai Wah Kwan @ Wai Ah Har ("Mr Wai") was appointed to the Board on 7 March 2018 as Independent Non-Executive Director. He is the Chairman of Nomination Committee and a member of the Audit and Risk Management Committee as well as Remuneration Committee. He started his career as a general clerk in Messrs Cheong Hing from 1960 to 1969. He obtained a certificate for the Examination for call to the Bar from The Council of Legal Education, United Kingdom in 1973. In 1972, he was called to the English Bar and admitted as a member of the Society of the Inner Temple, United Kingdom. In the same year, he joined Messrs Allen & Gledhill as pupil in chambers and was admitted as a member of Bar Council Malaysia in 1974.

Subsequently, he worked as a legal assistant at Messrs Hisham Sobri & Kadir from 1974 until 1976. In 1976, he set up Messrs Kassim Tadin, Wai & Co, as a partner. He retired as a partner of the firm at the end of 2020 and remain as a consultant to the firm.

Mr Wai does not hold any other directorship in other public companies and listed corporations.

He has no family relationship with any Directors and/or major shareholders of the Company.

He does not have any conflict of interest or potential conflict of interest, including interest in any competing business with the Group. He has no conviction of any offence within the past five years, other than traffic offences (if any) and there is no sanction or penalty imposed on him by relevant regulatory bodies for the financial year ended 31 December 2023.

CORPORATE ACTIVITIES

Driver Safety & Maintenance Training @ May'23



Fire Safety & Prevention Briefing @ Jun'23



Corporate Activities (cont'd)

AEO Award by Customs Malaysia @ Jul'23



Acquisition of New Industrial Land for Future Expansion @ Jul'23



Signing of booking confirmation with Central Spectrum (M) Sdn Bhd for acquisition of 3 lots of industrial land in Pulau Indah Industrial Park.

Corporate Activities (cont'd)

Expand into Curtain Sider Trucking Services @ Sep'23



Completion of Warehouse 3 @ Dec'23



MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS OVERVIEW

Tri-Mode was incorporated on 19 November 1991 and listed on ACE Market of Bursa Malaysia Securities Berhad on 14 May 2018. Tri-Mode and its subsidiary companies ("**Group**") having actively grown over past 30 years providing logistics services in Malaysia.

Our Group is principally involved in the provision of integrated logistics services, where we carry out the provision of sea freight services, container haulage services, air freight services, freight forwarding services, warehousing services and marine insurance services predominantly at the major transportation gateways in Peninsular Malaysia namely Port Klang, Penang Port, Pasir Gudang Port, Port of Tanjung Pelepas, KLIA and Penang International Airport. Besides, we also provide container depot services via our associate, Container Connections (M) Sdn. Bhd. On overseas expansion, we also ventured into logistic business in Vietnam via our associate, Oriental Freight Services (Vietnam) Co. Ltd., which has commenced its operation since March 2019 and progressing in positive trend.

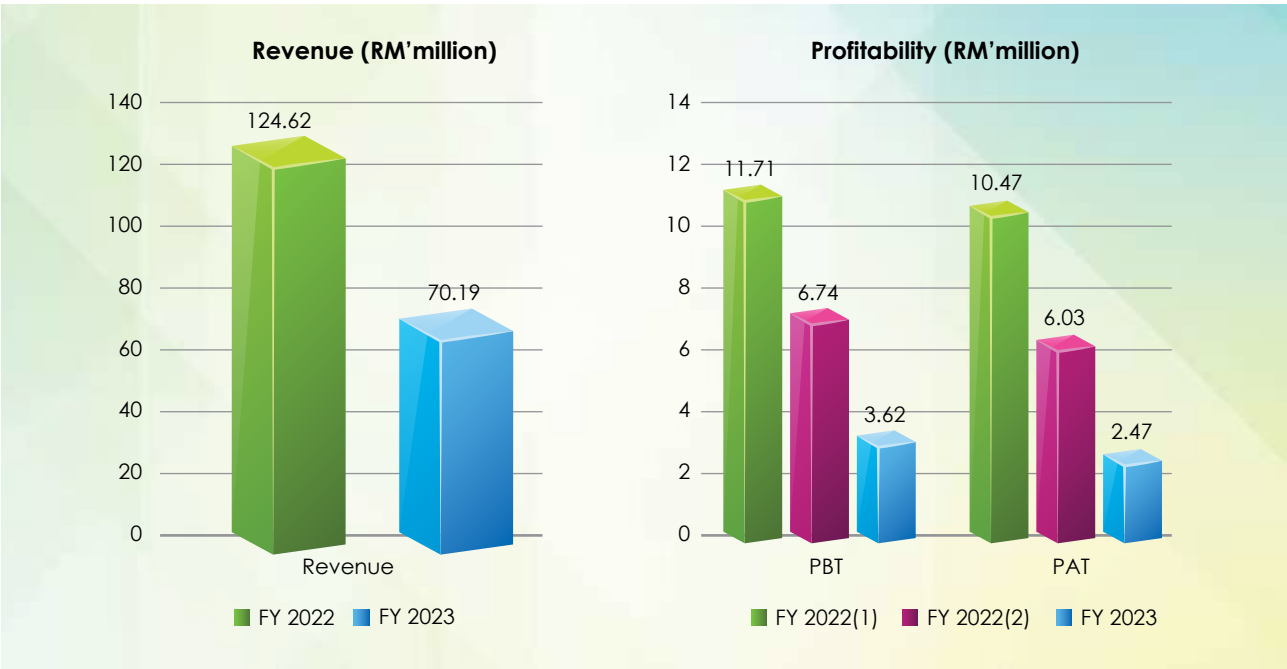
Our customers mainly consist of local and multinational companies, importers and exporters from various industries which include textiles, insulation materials, paper products, gloves, building materials, plastic products, automotive parts, packaging materials, rubber products, furniture, home and electronic appliances, chemical products and edible oils.

FINANCIAL REVIEW

The audited financial results for FY 2022 and FY 2023 are tabulated as follows:-

	FY 2022		FY 2023	Change			
	RM' million		RM' million	RM' million		%	
Revenue	124.62		70.19	(54.43)		(43.68%)	
GP	19.74		16.05	(3.69)		(18.68%)	
PBT	11.71 ¹	6.74 ²	3.62	(8.09) ¹	(3.12) ²	(69.09%) ¹	(46.29%) ²
PAT	10.47 ¹	6.03 ²	2.47	(8.00) ¹	(3.56) ²	(76.41%) ¹	(59.4%) ²

Note:
(1) Consist of gain on disposal of leasehold industrial land of RM4.97 million [refer chart FY2022(1)]
(2) For comparison purposes, without the gain on disposal of RM4.97 million and tax effect. [refer chart FY2022(2)]



Management Discussion and Analysis (cont'd)

Financial year 2023 has been another challenging year since 2022, slow recovery of national economy, the rise of inflation, surge in energy and food prices, tightening financial policy in most countries, geopolitical tensions are all impact heavily on the recovery of global economy. The International Monetary Fund ("IMF") reported slow global Gross Domestic Product ("GDP") economy growth of 2.6% in 2023 (3.2% in 2022) and Bank Negara Malaysia ("BNM") reported Malaysia economy grew slower than expected Malaysia, GDP growth of 3.7% for year 2023 (8.7% in 2022) as export remained slow, challenging global environment and currency pressure.

The prospects of Malaysia logistics industry are closely aligned with the performance of global and Malaysia economy, our Group generated revenue of RM70.19 million in FY 2023, decrease of 43.68% from FY 2022 of RM124.62 million, mainly due to the downward trend of international shipping air and sea freight rate. Corresponding to lower revenue, profitability performance for FY 2023, PBT decreased by 69.09% from RM11.71 million to RM3.62 million and PAT decreased by 76.41% from RM10.47 million to RM2.47 million, higher PBT and PBT in FY 2022 mainly due to gain on disposal of leasehold industrial land of RM4.97 million.

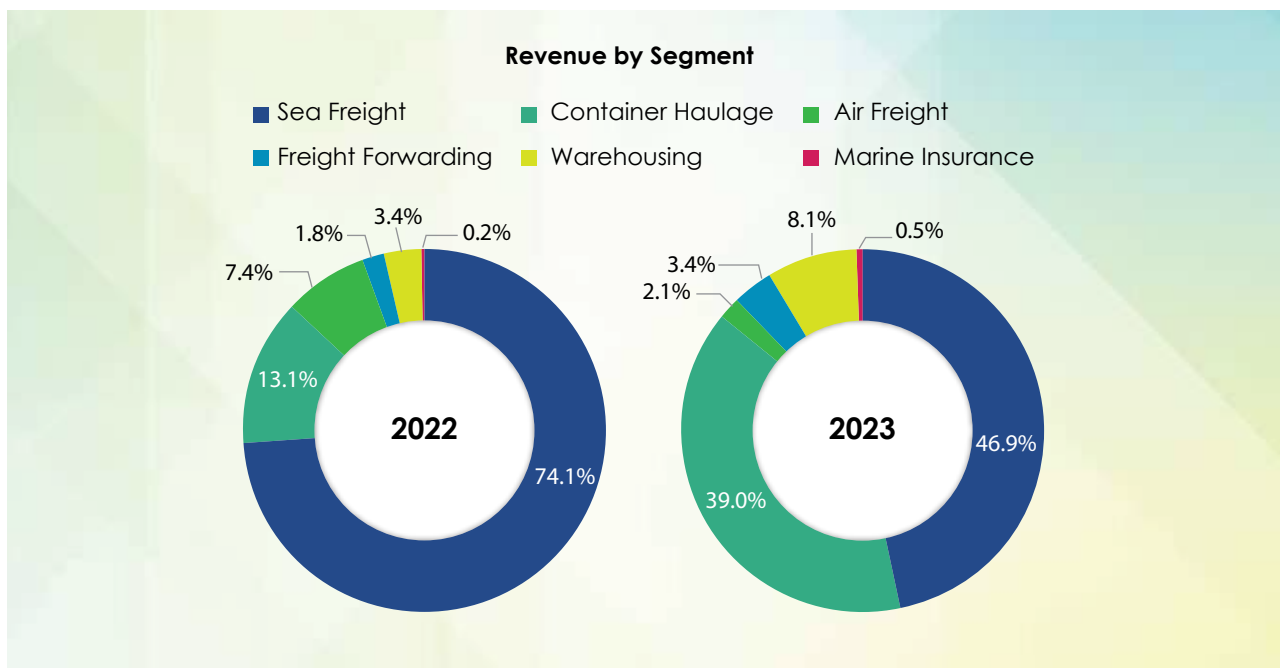
Overall, our Group's financial performance for FY 2023 is stable based on the situation of weak global and national economy. Our management is focusing on expanding our assets based for future expansion of warehousing segment during FY 2023, our Group is in healthy financial position with total assets at RM168.51 million (RM151.06 million, FY 2022), current ratio at 1.79 times (2.01 times, FY 2022) and gross gearing ratio at 0.63 times (0.45 times, FY 2022).

With the commenced the operation warehouse 3 in first quarter 2024, our management is positive on the performance outlook of year 2024, especially new source of income from warehousing and 3PL services.

Total equity stood at RM92.65 million (RM91.23 million, FY 2022) and net asset per share of RM0.56 (RM0.55, FY 2022) as at 31 December 2023.

OPERATIONS REVIEW BY BUSINESS SEGMENT

The business segment FY 2022 and FY 2023 are tabulated as follows:-



Management Discussion and Analysis (cont'd)

	FY 2022		FY 2023		Changes	
	RM'000	%	RM'000	%	RM'000	%
Sea Freight	88,758	71.2	32,926	46.9	(55,832)	(62.9)
Container Haulage	21,854	17.5	27,364	39.0	5,510	25.2
Warehousing	2,304	1.8	5,690	8.1	3,386	147.0
Forwarding	2,217	1.8	2,386	3.4	169	7.6
Air Freight	9,254	7.4	1,508	2.1	(7,746)	(83.7)
Marine Insurance	237	0.2	317	0.5	80	33.8
Total	124,624	100	70,191	100	(54,433)	(43.7)
Malaysia	101,662	81.6	64,947	92.5	(36,715)	(36.1)
Overseas	22,962	18.4	5,244	7.5	(17,718)	(77.2)

For FY 2023, top 3 business segments are sea freight contributed RM32.93 million or 46.9%, container haulage contributed RM27.36 million or 39.0% and warehousing contributed RM5.69 million or 8.1% to revenue. Of the rest, revenue from freight forwarding is 3.4%, air freight is 2.1% and marine insurance contributed 0.5% to revenue. Beside the revenue contribution from air freight and sea freight reduced mainly due to the downward trend of international shipping air and sea freight rate, other segments shown increased in FY 2023, especially from container haulage and warehousing segment.

Malaysian operations contributed RM64.95 million or 92.5% while overseas operations contributed RM5.24 million or 7.5% to FY 2023 revenue.

The slow recovery of global and national economy has inadvertently weakened the demand of logistics services during the financial year. The intense competition amongst the logistics services providers and increase of fuel price during the financial year also resulting in our Group having to adopt more aggressive pricing policies and prudent cost control measures to secure more businesses. We have managed to overcome the challenges with sustainable revenue and profitability for FY 2023 by focusing on other business segments other than air and sea freights.

DIVIDEND

It is the policy of our Board in recommending dividends to allow shareholders to participate in our profits, as well as to retain adequate reserves for our future growth based on our Group's yearly financial performance and compliance of legality requirements. Our Board intends to continue adopt a dividend pay-out ratio of 30% of our consolidated profit after tax attributable to shareholders excluding non-recurring income for each year subject to the review of working capital requirements and maintaining of healthy operation cash flow. For FY 2023, our Board approved and declared 1 time single-tier interim dividend of 0.35 sen per ordinary share totalling RM0.581 million.

BUSINESS RISKS AND & MITIGATION MEASURES

We may expose to certain anticipated or known risks that may affect our operations, business performance and financial condition. Our Group's approach to managing risks is to review risk management and business sustainability framework which includes process and policies aimed at addressing and mitigating risks at the same time sustaining growth of our Group's objectives.

Management Discussion and Analysis (cont'd)

Business and market risk

Logistics industry are closely aligned with the performance of global and Malaysia economy. At the time of reporting, the local and global post covid-19 pandemic economic outlook heading positive recovery but the prolong of Russia-Ukraine war, global inflation and major central banks tightened policy deteriorating the recovery of global economy.

Our Group recognises these ongoing potential risks to the market environment and will undertake appropriate monitoring and measures to mitigate the negative impact from the current situation. Business diversification continues to be one of our strategies to ensure sustainable and long term growth. Our expansion of warehousing services since mid-2021 has generating positive source of income into our Group's revenue and we received high demand of our warehousing services during FY 2023 which we will continue focus on developing in this business segment.

To reduce risk of losing any of our major customers, we continue to build close partnerships and provide fast respond to their requirements. At the same time, we are developing new customers to increase our market shares and focus on improving our cost efficiencies in order to boost our revenue and improve our profitability margin.

Our Group's business plan mandates to diversify our customer base so that we are not totally reliant on any single customer, industry or sector. To lessen the risk of a loss-producing account, we work with our customers to revisit the terms, conditions, validity and rates, while taking the necessary measures to manage costs.

Operational risk

Our business operations under the provision of container haulage services exposes us to the risk of road accidents or traffic interruptions and thus, disrupting our business operations. Our Group recognises these ongoing potential risks and we have implemented preventive measurements such as vehicle tracking, fuel management and vehicle maintenance system to monitor each of our fleet's condition. Besides, it is our requirements for new driver to undergo on the job training before on the road by himself. We also organised training to our driver by the expert trainer from the fleet maker in term of safety and efficiency of handling the fleet.

Our business operations under the provision of warehousing services exposes us to the risk of loss of assets as a result of fire and theft. Our Group recognises these ongoing potential risks and all our warehouses are required to follow a rigorous fire safety inspection and certification. On top of this, smoking is strictly prohibited at our warehouse facilities and we have allocated specific storage spaces for highly flammable cargo and materials. Our warehouse and safety teams have oversight for fire safety management and responsible for ensuring all firefighting systems and equipment are properly maintained.

Financial risk

We are proactive mitigating the liquidity and cash flow risk by centralising our cash management for better control at our head office, ensuring that all our business units have sufficient levels of liquidity for our operating, investing and financing activities.

We practice close monitoring of our receivables collection with formal credit control system. We also mitigating our foreign exchange risk by reviewing our exchange rate quoted weekly in our billing system and we practise natural hedging methods to reduce the exchange loss.

We have always taken a conservative approach in managing our finances, prudent in capital expenditures planning and monitor closely on our credit exposure to mitigate potential financial risks.

Information and system risk

We face the risk of cybercrime, loss of business data, system crashing due to computer viruses. To mitigate the risk, we engaged external IT maintenance service providers to monitor our system, ensure up to date anti-virus solutions, and we undertake automatic daily backup of our data to external server. Besides, each key personnel also provided with external hard drive and required to back up their individual data regularly. Furthermore, security measures were deployed to protect confidential information and unscheduled disaster recovery plan also in practise by our internal IT department as part of risk management practices.

Management Discussion and Analysis (cont'd)

BUSINESS OUTLOOK

In January 2024, the World Bank projected global 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, 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.

We recognised the current unfavourable development of global economy and challenging recovery of national economy. We having practising diversification of our activities and customer base to minimise our risk. Besides, we will continue to maintain our strength to develop more new customers locally and globally, improve our cost efficiencies and maintain our excellent customer services to boost profitability. Furthermore, we will be more prudent in expanding our logistics capacity and continuing develop new opportunities for enhancing long term business.

We have completed our new warehouse 3 in Pulau Indah Industrial Park ("PIIP") in December 2023 and fully in operation in first quarter 2024. As disclosed, the modern warehouse facility features approximately 125,000sf 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 15,000sf. With addition of new warehouse 3, our warehouse space expanded more than double from the current 113,000sf to 238,000sf.

In line with our Group expansion pipe line, 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.

In our effort of continuing upgrade our services quality, our Group also obtained Authorised Economic Operator ("AEO") certification by Royal Malaysian Customs Department and Asia Pacific Transported Asset Protection Association ("TAPA") certification certified by British Standards Institution. We believe continued improvement activities will contribute positively to the future earnings of the Group by offering certified reliable, more efficient, cost and time savings services to our existing customers and gain confidence from potential new customers.

As our Group move forward on our journey to attain sustainable long-term growth, we are determined to overcome all internal and external challenges and continue to explore new areas of opportunities. We are confident that Tri-Mode will continue to be resilient and rise above the challenges with better performance during FY 2024, our approaches going forward will continue to deliver good financial return for our Group and enhance shareholders' value.

Dato' Hew Han Seng
Group Managing Director

SUSTAINABILITY STATEMENT 2023

Tri-Mode was incorporated on 19 November 1991 and listed on ACE Market of Bursa Malaysia Securities Berhad on 14 May 2018. Tri-Mode and its subsidiary companies ("Group") having actively grown over past 30 years providing logistics services in Malaysia. Our Group is principally involved in the provision of integrated logistics services, where we carry out the provision of sea freight, air freight, container haulage, freight forwarding, warehousing and marine insurance services. It serves as one-stop logistics solutions provider to handle domestics and international shipments for our clients.

Our Group recognises the importance of observing and developing our business in a sustainable and responsible manner. We perceived corporate sustainability which emphasized on Environment, Sosial and Governance ("ESG") as our commitment to create long-term value for our shareholders, environment, economic and society through innovation and overall operational excellency. We understand our choices today have an impact on our customers and suppliers and the success of their businesses in the future.

Scope and Framework

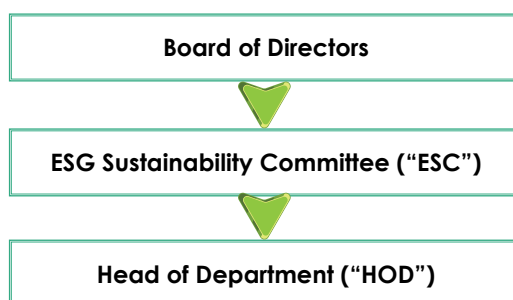
Tri-Mode initiated this ESG reporting framework before the proposed timeline for ACE Market on FY 2024 to strive our commitment to ESG and to accumulating more relevant data on ESG.

This Statement presents our Group's sustainability strategies and performance of our business operations in Malaysia for FY2023. We have conducted material matters assessment in relation to the ESG. Further information on the said material matters will further elaborate in this statement.

This Statement has been developed according to Bursa Malaysia Securities Berhad's Listing Requirements, with reference to Bursa Malaysia's Sustainability Reporting Guide (3rd Edition), Global Reporting Initiative ("GRI") Standards, Task Force on Climate-related and Financial Disclosures ("TCFD") Recommendations.

We welcome stakeholders' comments and feedback on this statement for our continuing improvement in our sustainability reporting standard, please email to corporate@tmsgroup.com.my for any feedback related to this report.

Governance Structure



Our governance of sustainability comes from the top of our organisation. The Board is the highest authority accountable for the Group's sustainability and performance. Our Board is responsible for reviewing overall implementation of sustainability initiatives and governance matters which are considered as material to our Group's businesses and stakeholders.

Our ESC team is responsible for developing and implementation of sustainability strategy, stakeholder engagement process, materiality assessment, management of material sustainability matters and preparation of sustainability disclosures.

Sustainability Statement 2023 (cont'd)

Stakeholders Engagement

Our Group recognises the importance of various stakeholders' concern on sustainability matters, especially in the process of identifying what is deemed material to our Group. Engagement with the stakeholders will assist in better understanding on the sustainability expectations that allows our Group to properly plan and implement improvements in those areas deemed most important to all concerned.

During the financial year under review, we engaged our stakeholders via several channels and through selected activities, which are listed below:

Stakeholders	Areas of concerns	Engagement Approaches
Shareholders / Investors / Media / Equity analyst	<ul style="list-style-type: none"> Business performance Corporate development Prospect and Strategies Business directions Business risks Return on investment 	<ul style="list-style-type: none"> Bursa announcements Annual General Meeting Press or media releases Quarterly reports Corporate website Periodic engagements with equity analysts and fund managers
Business Partners	<ul style="list-style-type: none"> Business direction Industry knowledge sharing Capability and capacity 	<ul style="list-style-type: none"> Meetings, briefings and workshops Various communication channels
Customers	<ul style="list-style-type: none"> Business direction Industry knowledge sharing Service-related information 	<ul style="list-style-type: none"> Meetings Customer support centre Customers surveys
Employees	<ul style="list-style-type: none"> Training, career development Welfare and benefits Working environment health and safety Job performance evaluation 	<ul style="list-style-type: none"> Internal Meetings Intranet notices and update sharing Performance review On the job training and mentoring Employee activities and events Written policies and procedures
Government / Regulators	<ul style="list-style-type: none"> Regulation and compliance Policies update Transparency, accuracy and disclosure 	<ul style="list-style-type: none"> Meetings, briefings and workshops Various communication channels Site visits
Local Communities	<ul style="list-style-type: none"> Community engagement Environmental and social impacts Corporate Social Responsibility ("CSR") Employment and training support 	<ul style="list-style-type: none"> Sponsorship Donations Social and environmental initiatives Internship program

Our Group is continuously on the lookout for growth and expansionary opportunities with a view to maximising profits, increasing wealth, creating jobs and optimising investment returns for our stakeholder and investors. Our Group focuses our strength on customer satisfaction and our network in marketplace.

Sustainability Statement 2023 (cont'd)

Customer Satisfaction

Other than taking care of our shareholders' interest, our Group also put attention towards our customers which we value our customers' feedback and continuously enhance our market position and profitability. Products and services delivered to customers must be of the required quality that meets our customers' expectation. We also promote a culture of open communication, trust and reliability to build strong relationship with our customers.

Business Partners Management

Our Group has an established procurement procedure for acquiring shipping space, assets purchases, repair and maintenance, transportation and other products and services. The procedure incorporates an assessment of new and existing vendors covering among others, quality of service, competitive pricing, efficiency, knowledge and skills, financial stability and market reputation.

The objective is to maximise value creation by reducing supply chain costs, improving transactional processes and efficiency, maintaining long-term relationships with suppliers, and complying with the applicable laws and regulations.

Our Group also focus on green procurement guidelines which recognise its responsibility and commitment to continuously improving its environmental credentials. This is achieved through use of renewable energy, energy efficiency products, waste management, pollution prevention and supply chain efficiency.

Marketplace

Our Group is continuously committed to promote and maintain transparency, accountability and ethics in the conduct of our business and operations with our stakeholders, including our government and authorities, shareholders and investors, customers, suppliers, employees and communities.

We are committed to engage with port authorities, Selangor Freight Forwarders and Logistic Associates and Association of Malaysian Hauliers to fine-tune our long-term plan in the industry. Our main reason on joining the trade association is to keep abreast with the latest changes to rule and regulations besides maintaining our networking which not only with the authorities but also with the competitors in order to compete in a healthy way.

Our Group aims to develop and foster good relationships, trust, mutual respect, understanding with our stakeholders who have an effect on, or is affected by our businesses. Our Group has introduced various channels to engage with our stakeholders to understand and respond to their expectations and interests with regard to our services and operations.

MATERIAL MATTERS

Our material matters influence our business strategy and decision on allocation of resources to material sustainability issues. While we aim to conduct a comprehensive materiality assessment once every 3 years, we undertake an annual review of the relevance of our previously prioritised ESG impacts arising from our day-to-day activities.

We have adopted three step approach to conduct our materiality assessment:

- (1) Identify sustainability matters from Group's operations
- (2) Assess the important of the identified matters from both our Group and stakeholders' perspectives
- (3) Prioritise in accordance with the degree of impact to our Group and stakeholders.

Sustainability Statement 2023 (cont'd)

Based on assessment, we have identified 10 material matters as per following table:

	Environmental	Social	Governance
Material Matter	(1) Emission (2) Energy (3) Waste	(4) Employment practices (5) Diversity (6) Health and safety (7) Local community	(8) Regulatory compliance (9) Anti-Corruption (10) Data privacy and security
Sustainability Strategies	<ul style="list-style-type: none"> To control and reduce carbon emission To monitor energy efficiency To practice waste management 	<ul style="list-style-type: none"> To embrace human rights, diversity and inclusion To monitor occupational health and safety To carry out corporate social responsibility program 	<ul style="list-style-type: none"> To comply with all relevant laws and regulations To prevent bribery and corruption in business dealings To conduct business ethically and integrity

ENVIRONMENTAL

Our Group is mindful of the direct impact of our business has on the environment and remains committed in the environmental preservation through the creation and provision of long-term sustainable solutions. Our Group manages our operations in manner which minimise disruption to our environment especially in reducing fuel consumption and carbon emissions and usage of non-hazardous and environmental-friendly materials as well as recycling materials, where permissible.

Emission, Energy and Waste summary data

	FY 2023		
Scope 1	Consumption (Litres)	Factor (MtCO ₂ e/Litre)	MtCO ₂ e
Diesel	2,177,962	0.00251206	5,471.17
Scope 2	Consumption (Kwh)	Factor (MtCO ₂ e/Kwh)	MtCO ₂ e
Electricity	603,530	0.000758	457.48
Solar PV generation	(259,867)	0.000758	(196.98)
% of renewable energy			43.06%
Scope 3	Consumption (KM)	Factor (MtCO ₂ e/KM)	MtCO ₂ e
Business travel - plane	6,478	0.000146	0.95
Employee commuting-car	234,024	0.0001954	45.73
Water		Withdrawal (M3)	
Potable water		9,891	
Harvested rainwater		(9)	
Waste		Waste (tonnes)	
Total waste generated		77.4	
Waste for recycle		45.5	
Waste direct to disposal		32.4	

Sustainability Statement 2023 (cont'd)

Emission

It is undeniable that transportation contributes the most emission among all the components of logistics services. Our Group maintains close monitoring of carbon emissions from our business activities in line with the Environment Quality (Clean Air) Regulations 1978's requirements under the Department of Environment ("DOE").

We have taken steps to control and reduce our diesel/fuel consumption as per following:

- Regular service and maintenance works on our Group's vehicle and periodic inspection by Pusat Pemeriksaan Kenderaan Berkomputer ("Puspakom") had been conducted to mitigate the risk of unnecessary breakdown, met the dark smoke release standard which might cause air pollution by the faulty vehicle as well as minimise the possibility of accidents and traffic interruption.
- Haulage Management System was introduced to our Group to monitor and remind the drivers to switch off their engines as opposed to leaving it on while idling to reduce diesel consumption.
- Plan journeys effectively and encourage drivers to drive safely and efficiently to reduce fuel costs and improve the environmental and safety performance.
- Reduce emissions by our vehicle fleet via maintenance program and ensure new purchase of new trucks that have EURO engine specifications to lower smoke emission levels.
- Use of battery-operated handling equipment and gas powered forklifts to reduce noise and pollution.

Energy

It is always our Group's internal policy to reduce the consumption of energy in our business premises. We have taken steps to control and reduce our energy consumption as per following:

- Use of solar power energy solution to reduce our energy consumption costs via utilisation of natural resources.
- New warehouses designs to take maximum advantage of natural lighting.
- Use of LED lightings thereby reducing heat and chemical emission.
- Use or purchase of office equipments with energy saving features.
- Maintaining only minimum lightings and air conditionings during lunch hour.

Waste

Our Group practising waste segregation in our operations. We have appointed a licensed contractor who is registered with the DOE scheduled to collect waste for recycle and further treatment.

The following efforts are being carried out:-

- Licensed contractor to collect used lubricating oils from our workshop.
- Licensed contractor to collect recyclable waste for further treatment.
- Rainwater harvesting system attached to the office and warehouse building for saving and reuse of rain water.
- E-waste such as non-function computers, printers and batteries are collected for specific recycle purposes.
- Transitioned to digital document distribution to reduce printing of papers.

The Group recognizes that pollution prevention, biodiversity and resource conservation are keys to a sustainable environment and will effectively integrate these concepts into our daily business operating decision making.

Sustainability Statement 2023 (cont'd)

SOCIAL

Corporate social initiatives are taken on key areas involving the employee welfare and workplace and also community engagement.

Employment Management

Tri-Mode believes that our employees are our most valuable assets and driving force to our business success and growth. Our Group is committed in recruiting, developing and retaining our employees to the best of their abilities. Safe and conducive working environment was created so that employees feel empowered and contribute their best.

	FY 2023			
	Directors	Management	Non-executive	Total
Employee number	5	42	201	243
Male	80%	40%	62%	58%
Female	20%	60%	38%	42%
Malay	20%	57%	95%	87%
Chinese	80%	40%	2%	10%
Indian & Others	-	2%	3%	3%
Age < 30	-	7%	33%	28%
Age 30 – 50	-	67%	61%	61%
Age > 50	100%	26%	5%	11%
New hired	-	8	96	104
Resigned/Retired	-	11	79	90
Training Hours	20	60	177	237

Employment Practices and Engagement

All employment policies and practices within the Group aligned with the Employment Act 1955 and regulatory guidelines. Written employment rights and benefits are stated as per employee's offer letter as well as our Group's Employee Handbook and notices which accessible to all employees via internal portal.

We adopted a policy that complies with the Children and Young Persons (Employment) Act 1966 and any other relevant laws. There are no children and young people hiring in our Group, the minimum age for employment in our Group is 18 years of age.

We maintain an inclusive and supportive work environment, promoting diversity and equality at all levels. It is our Group's tradition to celebrate each race's cultural events and encourage our diverse and multicultural workforce to embrace our unique diversity.

We practicing open communication channels, empowering our teams to voice concerns, share innovative ideas, and actively participate in decision-making. We reward innovative ideas that improve our operation efficiency and cost-saving.

We ensure a conducive and safe work environment, prioritising work-life balance, physical and mental wellbeing, and overall employee security. Work-life balance improved via comprehensive schedules flexi working hours that enable the operational department to obviate excessive working hours that might affect the employee's health, family time, and productivity.

Our Group continuously provides employees with the necessary internal and external trainings, such as conduct bi-weekly driver's safety briefing on any related latest information from the port, on safety measures and any information related to transport.

We practising clean work environment and waste management in our working compound. Daily cleaning of compound with weekly inspection of cleanliness of surrounding drain is in practise to prevent mosquitoes and harmful insect infestation. Workplace is always maintained clean and always organised for safety and efficiency purposes.

Sustainability Statement 2023 (cont'd)

Occupational Health and Safety ("OHS")

We prioritised the safety and health in the workplace and operations, keeping our employees safe from harm are essential, our Group is committed to providing excellence in safety, health, and the environment to all employees, customers, contractors, and the public in all our business activities operates.

OHS incident cases	FY 2023
Number of work-related injury	-
Number of work-place accident	-
Number of road accident-transportation services	3
Human right complaint received	-

Activities like management walkabouts, monthly inspections, committee meetings, audits, spot checks and others have been carried out throughout the year, and findings and/or non-compliances have been acted upon accordingly.

Clear safety reminder signages at strategic location and provision of first aid facilities in workplace that clearly identified and accessible by employees if there is any minor injury that requires first aid treatment.

The fire drill was conducted unscheduled annually to provide the employees an opportunity to practice an emergency procedure if incident occurs in a simulated but safe environment. The evacuation layout plan and assembly location guidance are posted in our notice board for easy reference.

The company encourages openness, promotes transparency, underpins the risks management systems of the Company. We have whistleblowing procedures in place, whereby any unattained dissatisfaction or complaint by an employee regarding human rights, potential hazard or accident that can happen can be brought to the attention of our whistleblowing committee. Employees are encouraged to report any non-compliance issues to the whistleblowing committee through e-mail.

Community Engagement

We believe sustainable communities are strong communities that promote shared experiences, build community interaction and assist those less fortunate. Our Group investing in strengthening the wider community through community events that help to build sustainable bonds, as well as supporting worthy organisations that help those in community who are in need.

As such, our Group continues to focus and remain committed through various CRS initiatives to the community. Our Group steps up to serve the community, particularly where it operates and strives to make positive contributions, where needed.

As part of our contribution to the community, the Group encouraged the participation of our employees from various path in life without prejudice and we oppose to any discriminatory hiring policy. We are committed to employ locally which would contribute to the economy sustainability and foster talent development within the country. We support and encourage engagement of our staff on charitable activities. During the year, our staff have participant in blood donation campaigns, donation drive to flood victims and orphanage welfare centre.

Internship Programme

Our Group continuously accepts students from higher institutes of education into our internship training programme as part of our commitment to the community. The objective of our internship programme is to provide students with exposure to real work experiences that will provide them with opportunities to explore their interests and develop professional skills and competencies.

During the financial year, our Group has taken in students into its internship programme from Universiti Teknologi MARA.

Sustainability Statement 2023 (cont'd)

GOVERNANCE

Regulatory Compliance

Tri-Mode as a public listed company listed at the Bursa Malaysia Securities Berhad, we are adhering to comply with the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, Malaysian Code on Corporate Governance 2021, the Companies Act 2016 and other rules and regulations from Malaysia regulatory bodies. In the business operation activities, we also need to comply with logistics industry related licenses, rules and regulations from various authorities.

In this regard, policies and SOPs have been established, stating our commitments and proper processes in related areas, respectively. Internal audits were conducted yearly to gauge the Group's conformance to the management system. Walkabouts and inspections with participation from higher management were carried out quarterly to ensure compliance and workplace safety by identifying areas for improvements. Additionally, permits, licenses and certificates are also being monitored in terms of fulfilment requirements and validity which plays a vital role for the Group in participating in tender exercises and securing contracts.

In FY 2023, there are no case of breach any laws and/or regulations. The Group will continue to monitor, remind, and take necessary action to prevent any non-compliance.

Anti-Bribery and Anti-Corruption ("ABC") Policy

ABC Policy was implemented as per mandatory requirements of Section 17A of Malaysian Anti-Corruption Commission Act 2009. Such Policy which sets out our Group's commitments and requirements regarding ethical business practices and personal conduct. Any incidents of bribery, corruption, unethical behaviour, malpractice, unlawful or improper conduct can be reported by our Group's employees and business partners through the whistle-blowing channel at www.trimode-malaysia.com.my.

ABC Policy is aimed to safeguard our Group's Directors, controllers, officers, partners or any member in the Management from the potential exposure and liability of bribery and corruption offences. Continuous communication sessions are implemented and enforced within the Group while briefing on the relevant matters is conducted to the employees during induction sessions.

Beside the ABC Policy, Code of Conduct and Ethics Policy also in practice to provide clear guidelines on conducting business activities. It clearly stated that employees are obligated to conduct the business ethically and with integrity, failure of which disciplinary actions will be taken that could result in termination of employment. The Group view business ethics seriously and strongly enforces it across the Group, we expect employees to conduct and secure the business in an ethical manner so as to deliver services professionally and meet customers' expectations.

Our Group believed that sound corporate governance and ethical business conduct are fundamental to the achievement of our Group's objectives to enhance stakeholder value as well as grow its business sustainably. Further details can be refer to the Corporate Governance Overview Statement of this Annual Report.

In FY 2023, there were no confirmed incidents of corruption nor any significant fine or non-monetary sanction for non-compliance with laws or regulations.

Sustainability Statement 2023 (cont'd)

Data privacy and security

As logistics services provider that involved customers' trade information, data privacy and security is a priority measurement that we focussed. We focussed on data protection and security in order to enhance our public's trust and confidence towards our services. Protecting our employees' and customers' data from the cybersecurity threat is vital so as not to violate the trust given. Our Information and Communications Technology ("ICT") team has come up with Information technology policy and SOPs for managing IT resources and applications that cover data protection and security.

The security features adopted across the Group include firewall and antivirus to protect against viruses, malware exploits, etc. The ICT team also regularly sends out reminders to all employees to raise awareness of phishing and email scams, common cybersecurity threats, mobile device security, scheduled daily auto back-up system in place to minimum the data loss risks. We also maintain the practice of having employees and contractors/vendors to execute a confidentiality agreement to ensure data confidentiality and comply with the Personal Data Protection Act 2010 ("PDPA").

MOVING FORWARD

Tri-Mode recognises that we are at the beginning of our sustainability journey and will continue to enhance our sustainability efforts. We recognise the importance of being a responsible and sustainable organisation and that it goes beyond measuring our financial performance. Our Board and our Management are committed to this effort and we look forward to improving further on our sustainability efforts in the years to come.

PROFILE OF KEY SENIOR MANAGEMENT

Sua Hee Yuan

*Malaysian, Aged 49, Male
Chief Financial Officer*

He obtained a Bachelor of Accountancy Degree from the University of Glasgow, Scotland, United Kingdom in 1997. He is also a Chartered Accountant with the Malaysian Institute of Accountants since 2006.

Following his graduation in 1997, he started his career as a Credit Executive in Affin Bank Berhad. In 2000, he joined Superlon Worldwide Sdn Bhd as a Finance Manager. Subsequently, he was promoted to Chief Financial Officer ("CFO") to lead the company towards IPO exercise and corporate strategy under Superlon Holding Berhad. In 2005, he was appointed as Finance Director of Superlon Holding Berhad in charge of group financial and corporate planning.

In 2008, he joined Marine Harvester Sdn Bhd as Finance Director, responsible for all aspects of the newly set-up company's operation and business development. In 2016, he joined Loyalty Ecosys Sdn Bhd as Chief Executive Officer/CFO, a start-up MSC status IT provider of O2O marketplace platform focus on design, development and marketing.

In 9 April 2018, he joined the Company as the Group Financial Controller and subsequently promoted to CFO, he is principally in charge of the overall group finance, accounts, compliances and corporate strategy matters. Over the course of his career, he has accumulated over 25 years in the field of accounting, corporate planning, IT and business management.

He does not hold any other directorship in other public companies and listed corporations.

He has no family relationship with any Directors and/or major shareholders of the Company.

He does not have any conflict of interest or potential conflict of interest, including interest in any competing business with the Group. He has no conviction of any offence within the past five years, other than traffic offences (if any) and there is no sanction or penalty imposed on him by relevant regulatory bodies for the financial year ended 31 December 2023.

Hew Yat Ming

*Malaysian, Aged 51, Female
Group General Manager*

She was admitted as a member of the Malaysian Institute of Chartered Secretaries and Administrators upon completing the Institute of Chartered Secretaries and Administrators course in the Systematic School of College, Petaling Jaya in 1996. She also obtained a Master of Business Administration conferred by Charles Sturt University, Australia, upon completing the relevant course at HELP Institute (now known as HELP University) in 2001.

Upon her admission as a member of The Institute of Chartered Secretaries and Administrators, she began her career at Signet & Co Sdn Bhd as a Secretary Assistant in 1996. In 1997, she moved on to join Atama Logistics (M) Sdn Bhd ("Atama") to oversee the operation of Atama and Landbridge Haulage (M) Sdn Bhd ("Landbridge"), an associate and subsidiary company of Tri-Mode respectively, where she held various positions as Coordinator, Office Manager, Senior Manager, and Assistant General Manager before being appointed by the Company to her current position in 1 March 2017. Currently, she is the Group General Manager and is responsible for the day-to-day operations of the Group, focusing on haulage and freight forwarding. Over the course of her career, she has over 25 years of haulage and freight forwarding operation in the logistics industry.

She does not hold any other directorship in other public companies and listed corporations.

She is the sister of Dato' Hew and the sister-in-law of Datin Sam whereby both of them are the major shareholders of the Company.

She does not have any conflict of interest or potential conflict of interest, including interest in any competing business with the Group. She has no conviction of any offence within the past five years, other than traffic offences (if any) and there is no sanction or penalty imposed on her by relevant regulatory bodies for the financial year ended 31 December 2023.

Profile of Key Senior Management (cont'd)

Yeoh Lee Hooi, Sandy

*Malaysian, Aged 54, Female
General Manager of Customer Services*

She obtained a Private Secretary Certificate from KDU University College in 1991. After she graduated, she joined Total Solution Technology Sdn Bhd as business coordinator.

She started her career as sales coordinator with the company in 1996. She is one of the pioneer team members of the company. In view of her dedicated experience in the company's growth journey, she has been entrusted to hold current key position to lead and managed customer services division with focus on sea and air freights portfolio. She has accumulated over 26 years in logistics services industry.

She does not hold any other directorship in other public companies and listed corporations.

She has no family relationship with any Directors and/or major shareholders of the Company.

She does not have any conflict of interest or potential conflict of interest, including interest in any competing business with the Group. She has no conviction of any offence within the past five years, other than traffic offences (if any) and there is no sanction or penalty imposed on him by relevant regulatory bodies for the financial year ended 31 December 2023.

Teo Chee Huen, Ken

*Malaysian, Aged 45, Male
Assistant General Manager of Information Technology division*

He obtained a Bachelor of Science Degree in Computing (Internet Technology) from Staffordshire University, United Kingdom in 2000.

He started his career as an IT Consultant with a local software consultancy firm posted to various multi-national companies for outsourced projects. In 2007, he joined NTT Data Malaysia as a Manager in charge of the company's local activities as well as heading the local consultancy team.

In 2010, he joined Mobile-Soft Sdn Bhd, holding the position Chief Executive Officer and Chief Technology Officer, a company specialising in IT Consultancy and Advisory covering business process and automation, system infrastructure, software design and development and digital and physical security solutions.

In 2019, he joined the Company as the Assistant General Manager of Information Technology Division. He is principally in charge of the overall Information Technology System of the Group. He is also tasked with leading HiClicks Malaysia, e-commerce logistics division of the Group in its daily operation. He has accumulated over 21 years in various fields within the information technology sector.

He does not hold any other directorship in other public companies and listed corporations.

He has no family relationship with any Directors and/or major shareholders of the Company.

He does not have any conflict of interest or potential conflict of interest, including interest in any competing business with the Group. He has no conviction of any offence within the past five years, other than traffic offences (if any) and there is no sanction or penalty imposed on him by relevant regulatory bodies for the financial year ended 31 December 2023.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

INTRODUCTION

The Audit and Risk Management Committee ("**ARMC**") is formally constituted with written terms of reference. The ARMC assists the Board in fulfilling its fiduciary duties and the oversight objectives of the Group in overseeing financial reporting process and evaluating the internal and external audit processes, including issues pertaining to the system of internal control and risk management within the Group.

The ARMC consists of three (3) independent directors, as follows: -

- Chairman : Mr Chiam Tau Meng, Independent Non-Executive Director
- Members : Dato' Markiman Bin Kobiran, Independent Non-Executive Director
Mr Wai Wah Kwan @ Wai Ah Har, Independent Non-Executive Director

NUMBER OF MEETINGS AND DETAILS OF ATTENDANCE

During the FY 2023, the ARMC held a total of five (5) meetings. The attendance of the members of ARMC is set out as below: -

Members	No. of meetings attended	% of attendance
1. Mr Chiam Tau Meng	5/5	100%
2. Dato' Markiman Bin Kobiran	5/5	100%
3. Mr Wai Wah Kwan @ Wai Ah Har	5/5	100%

The Group Managing Director, Executive Director, Internal Auditors, External Auditors and relevant responsible senior management are usually invited to attend the ARMC meetings to brief the members on any matters of interest and to provide input and clarification to the relevant items on the agenda. The Company Secretary acted as the Secretary of the meetings to record and to maintain minutes of the proceedings of the meetings.

TERMS OF REFERENCE

The information on the terms of reference of the ARMC is available on the Company's website at <http://www.trimode-malaysia.com.my>.

INDEPENDENCE OF THE AUDIT AND RISK MANAGEMENT COMMITTEE

The Company recognises the need to uphold independence of its external auditors and that no possible conflict of interest whatsoever should arise. Currently, none of the members of the Board nor the ARMC of the Company were former audit partners of the external auditors appointed by the Group. The Company will observe a cooling-off period of at least three (3) years in the event any potential candidate to be appointed as a member of the ARMC was a former audit partner of the external auditors of the Group.

FINANCIAL LITERACY OF THE AUDIT AND RISK MANAGEMENT COMMITTEE MEMBERS

Collectively, the members of the ARMC have the relevant experience and expertise in finance and accounting, and have carried out their duties in accordance with the terms of reference of the ARMC. The qualification and experience of the individual ARMC members are disclosed in the Directors' Profiles of this Annual Report.

Audit and Risk Management Committee Report (cont'd)

SUMMARY OF WORKS OF THE AUDIT AND RISK MANAGEMENT COMMITTEE

The works of the ARMC were primarily in accordance with its duties, as set out in its terms of reference. The main works undertaken by the ARMC during the FY 2023 were as follows:

I. Assessing the risks and control environment

- a. Reviewed the sufficiency and effectiveness of the Group's overall enterprise risk management framework, strategies, policies and systems;
- b. Assess the effectiveness of the system of internal control i.e. the risks, control environment and compliance requirements of the Group, based on the results of the external and internal audits and assurances from the respective responsible persons;
- c. Reviewed the compliance of Anti-Corruption and Bribery Policy, bribery management system and bribery risk of the Group; and
- d. Reviewed the Terms of Reference of the ARMC and recommended to the Board for approval.

II. Review of the financial performance and reporting

- a. Reviewed the unaudited quarterly financial results and the annual audited financial statements of the Company and of the Group prior to the recommendation to the Board for approval and announcement to Bursa Securities;
- b. Reviewed the changes in and implementation of major accounting policies and practices to ensure the compliance with approved accounting standards and adherence to other legal regulatory requirements;
- c. Received the relevant business and financial updates from management, including enquiring on management's plans and strategies;
- d. Reviewed the related party transactions of a revenue or trading nature of the Group for all the relevant financial quarters;
- e. Reviewed the Group's conflict of interest or potential conflict of interest (excluding a related party transaction) on quarterly basis; and
- f. Reviewed and recommended 2023 Annual Report (including annual audited financial statements for FY 2023), and Corporate Governance Report for the Board approval.

III. Oversight of External Auditors

- a. Reviewed and recommended audit fees payable to the External Auditors in respect of the FY 2023 for the Board approval;
- b. Reviewed and recommended re-appointment of the External Auditors in respect of the FY 2023 for the Board approval;
- c. Reviewed and assessed the suitability and independence of the External Auditors;
- d. Discussed with the External Auditors in relation to the applicability and the impact of the new accounting standards and new financial reporting regime issued by the Malaysian Accounting Standards Board;
- e. Reviewed and discussed the scope of work and audit plan in respect of the audit for the FY 2023, including significant events during the financial year, significant risks, potential key audit matters and key audit areas;
- f. Reviewed non-audit services rendered and monitored the amount of fees paid or payable to ensure that the objectivity and independence of the External Auditors are not impaired;
- g. Met with the External Auditors without the presence of Executive Directors and Management staff; and
- h. Reviewed and recommended Statement on Risk Management and Internal Control and ARMC Report for inclusion in the 2023 Annual Report for the Board's approval.

IV. Oversight of Internal Auditors and Internal Audit Functions

- a. Reviewed and approved the Audit Planning for year 2024 tabled by the Internal Auditors in 2023;
- b. Received internal audit reports, including risk reports, prepared by the Internal Auditors and ensured that appropriate corrective actions are taken by Management;
- c. Reviewed adequacy and performance of the internal audit function and its comprehensive coverage of the Group's activities; and
- d. Reviewed and assessed adequacy of the scope, functions, competency and resources of the outsourced Internal Auditors and that they have the necessary authority to carry out their work.

Audit and Risk Management Committee Report (cont'd)

V. Oversight of Internal Control Matters

- a. Reviewed and confirmed the minutes of the ARMC meetings;
- b. Reviewed the internal audit reports presented on the state of internal control of the Group and steps taken by management in response to the audit findings;
- c. Reviewed and approved the internal audit plan for the FY 2024; and
- d. Assessed the adequacy of the scope, functions, competency and resources of the outsourced internal auditors and that they have the necessary authority to carry out their work.

INTERNAL AUDIT FUNCTION

The Company engaged an independent professional firm, namely, Messrs NeedsBridge Advisory Sdn Bhd ("Internal Auditors") for provision of internal audit services. The firm is headed by Mr Pang Nam Ming, a professional member of The Institute of Internal Auditors Malaysia and Malaysian Institute of Accountants. He has no family relationship with any Directors and/or major shareholders of the Company. The Internal Auditors report to ARMC directly and provide reasonable assurance to ARMC on the internal control of the Group.

The main role of the Internal Auditors is to provide assurance on the effectiveness of the system of internal control of the designated entities of the Group. Each internal audit assignment will be consisting a team of an audit manager, a senior and an executive, each assignment will further review by Mr. Pang Nam Ming with the management.

The main activities carried out by the Internal Auditors during the financial year under review as follows: -

- Determining the adequacy of internal controls put in place in relation to air freight management of Tri-Mode.
- Determining the adequacy of internal controls put in place in relation to anti-bribery and corruption management of Tri-Mode.
- Conducting internal audit engagements in accordance with the internal audit plan; and
- Following up on internal audit recommendations to ensure adequate implementation.

The total cost incurred for carrying out internal audit function of the Group for FY 2023 was RM31,960.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board recognises the importance in applying the Principles and Practices stipulated in the Malaysian Code on Corporate Governance 2021 ("**MCCG**") and is committed in ensuring that good corporate governance is observed, practiced and improved throughout the Group to safeguard the interest of shareholders and that of the other stakeholders in which the Group conducts its business.

Pursuant to Rule 15.25(1) of the ACE Market Listing Requirements of Bursa Securities ("**AMLR**"), Tri-Mode provides an overview in which the Group has applied the Principles encapsulated in the MCCG. Furthermore, the Group has disclosed in a prescribed format the extent on how it has applied the Principles and Practices specified in the MCCG in respect of the FY 2023 to achieve the Intended Outcome.

The detailed application for each of the Practices is disclosed in the Corporate Governance Report which available on the Company's website at www.trimode-malaysia.com.my.

PRINCIPLE A : BOARD LEADERSHIP AND EFFECTIVENESS

BOARD RESPONSIBILITIES

The Board is collectively responsible for the long-term success of the Company and the delivery of sustainable value to its stakeholders. In discharging its fiduciary duties and leadership functions, the Board governs and sets the strategic direction of the Company while exercising oversight on management. The Board plays a critical role in setting the appropriate tone at the top, providing thought leadership and championing good governance and ethical practices throughout the Company.

1.1 Strategic Aims, Values and Standards

The Board is collectively responsible for the performance of the Group by maintaining full and effective control over strategic financial, operational, compliance and governance issues. The Board plays a critical role in charting the strategic direction, development and control of the Group includes reviewing and monitoring of matters on strategy to promote sustainability, performance, evaluation, resource allocation, standard of conduct, financial matters, succession planning, corporate disclosure, effectiveness and adequacy of the Group's system of internal controls and risk management practices.

The responsibilities of the Board are inclusive of but not limited to:

- Reviewing and adopting strategic plan for the Group;
- Promoting good corporate governance and an ethical culture across all levels of the Group;
- Reviewing and approving annual and quarterly financial results;
- Overseeing the conduct of business and financial operations;
- Overseeing succession planning for the Board and key senior management personnel;
- Identifying principal risk and ensuring the implementation of appropriate internal controls and mitigation measures; and
- Promoting and maintaining effective and timely communication to its stakeholders.

The Board had also established the following three (3) Board Committees to assist the Board in carrying out its fiduciary duties:

- a) Audit and Risk Management Committee ("**ARMC**")
- b) Nomination Committee ("**NC**")
- c) Remuneration Committee ("**RC**")

The powers delegated to the Board Committees are set out in the Terms of Reference of each of the Board Committees as approved by the Board. The Terms of Reference of each Board Committees are available on the Company website at www.trimode-malaysia.com.my.

1.2 Chairman

The Chairman of the Company is an Independent Non-Executive Director and responsible for the leadership, effectiveness, conduct and governance of the Board. The Chairman is committed to good corporate governance practices and has been leading the Board towards high performing culture.

Corporate Governance Overview Statement (cont'd)

1.3 Position of Chairman and Group Managing Director

The positions of the Chairman and Group Managing Director are held by different individuals. The roles are separated with a clear division and responsibilities between them to ensure balance of control, power and authority. The Independent Non-Executive Chairman is primarily responsible for orderly conduct and effective running of the Board, whilst the Group Managing Director and Executive Director is responsible for the business direction and development of the operating units, organisational effectiveness and implementation of the Board's policies and decisions with the management team oversees the Group's day-to-day operations.

1.4 Chairman of the Board should not be a member of the Board Committees

Following Practice 1.4 of the MCCG whereby the Chairman of the Board should not be a member of the Audit and Risk Management Committee, the Company is of the view that Dato' Markiman Bin Kobiran, the Chairman of the Board is able to exercise his independent and objective view, and also to provide suggestions to the Company based on his vast experiences, despite of his role as the Chairman of the Board as well. Alternatively, the Board will look for suitable candidate, if there is a necessity on it.

1.5 Qualified and Competent Company Secretaries

The Company Secretaries play an advisory role to the Board and is responsible to ensure all Board procedures and Board management matters are in line as well as in compliance with AMLR, relevant laws and regulations. The Company Secretaries ensure that discussions at Board and Board Committee meetings are well documented, and subsequently communicated to the relevant party for appropriate action.

1.6 Access to Information and Advice

The Board members have full and unrestricted access to information on the Group's business and affairs in discharging their duties.

The agenda for each Board meeting and its relevant papers relating to the agenda items are forwarded to all Directors for their perusal prior to the Board meeting. Adequate notice is provided to allow the Directors to review the Board papers so that matters arising could be properly deliberated at the Board meetings and appropriate decisions could be made by the Board. Senior Management and appointed advisers of the Company may be required to attend the Board meetings as and when necessary.

DEMARCATON OF RESPONSIBILITIES

2.1 Board Charter

The Board Charter provides guidance to the Board in the fulfilment of its roles, duties and responsibilities which are in line with the principles of good corporate governance. The Board Charter was adopted by the Board on 7 March 2018, and last reviewed on 18 April 2023.

The Board Charter would be periodically reviewed and updated in accordance with the needs of the Company and any new regulations that may have an impact on the discharge of the Board's responsibilities. The Board Charter is available on the corporate website at www.trimode-malaysia.com.my.

Corporate Governance Overview Statement (cont'd)

GOOD BUSINESS CONDUCT AND CORPORATE CULTURE

3.1 Directors' Fit and Proper Policy

The Directors' Fit and Proper Policy was adopted by the Board on 18 April 2023 to ensure a formal, rigorous and transparent process for the appointment and re-election of directors of the Group.

Members of the Board provide strategic leadership that influences the future direction and financial position of the Company. Directors are required to carry out their responsibilities with full competence, character, diligence, integrity and judgement.

This Policy serve as guidance to the NC and the Board in their review and assessment of candidates that are to be appointed onto the Board as well as Directors who are seeking for re-election, to ensure that the Board is led by persons of integrity, credibility and competency. The Directors' Fit and Proper Policy is available on the Company's website at www.trimode-malaysia.com.my.

3.2 Code of Conduct and Ethics

The Code of Conduct and Ethics, serves as a road map to guide the Board in carrying out their duties and responsibilities to the highest standards of personal and corporate integrity and comprised all aspects of its day to day business operations.

Directors and employees of the Group are expected to adhere to high standards of integrity and fair dealings in relation to clients, staff, management and regulators which the Group operates and ensure compliance with all applicable laws, rules and regulations. The Code of Conduct and Ethics last reviewed on 18 April 2023 and is available on the Company's website at www.trimode-malaysia.com.my.

3.3 Whistle Blowing Policy

The Board recognises the importance to put in place a Whistle Blowing Policy, which provides an avenue for the employee to make good-faith disclosure and report instance of unethical, unlawful or undesirable conduct to enable prompt corrective action and measures to resolve them effectively. The Group Managing Director and/or Chairman of ARMC is committed to address all cases of reported misconduct and recommend action to be taken by the Board (if any). The policy underscores the Group's commitment to develop a culture of openness and honesty, where a person who is aware of a potential malpractice or misconduct is encouraged to report such matters in good faith, without fear of reprisal. The Whistle Blowing Policy which last reviewed on 18 April 2023 and is accessible on the Company's website at www.trimode-malaysia.com.my.

As of the date of this Annual Report, there was no complaint received.

3.3 Governing Sustainability

The Board of the Company has taken steps to integrated sustainability issues as core of its strategic formulation. The Board is supported by the general managers, which enables the Board to assess and ensure that sustainability governance is structured and functioning through the various level of management.

The Board noted that the Company has adopted materiality assessment process, which is guided by Bursa Malaysia's Sustainability Reporting Guide and Toolkits and ensure that the stakeholder communication methods are regularly assessed, through information requests to ensure that the communication are transparent and effective.

The Group Risk Management Framework set out the approach to the identification, assessment, management, monitoring, and reporting of risks. The Board will then regularly review performance against the risk tolerance limits. The Board is brief by the ARMC on the risk highlighted and ensure that the Management has put in place actions to mitigate risks and controls to maintain the risk exposures within the acceptable levels as approved by Board.

Corporate Governance Overview Statement

(cont'd)

BOARD COMPOSITION

4.1 Composition of the Board

The Board consists of an Independent Non-Executive Chairman, one (1) Managing Director, one (1) Executive Director and two (2) Independent Non-Executive Directors.

In assisting the Board to fulfil its functions, various Board Committees have been set up. The Board through the NC also consider woman candidates as part of its recruitment exercise. Out of five (5) Directors, one (1) Director is female.

The MCCG recommends the practice of at least half of the Board members comprises independent directors. Currently, three (3) out of five (5) of the Board members are Independent Directors. This composition is in line with the requirement of the Rule 15.02 of the AMLR whereby the Company must have at least two (2) or one-third (1/3) of the Board, whichever is higher, must be Independent Directors and one (1) of the director is woman director.

4.2 Tenure of Independent Directors

The Board is aware that the tenure of an Independent Director should not exceed a cumulative term of nine (9) years. Upon the completion of the nine (9) year term, an Independent Director may continue to serve on the Board as an Independent Director subject to shareholder's approval.

Currently, there is no Independent Director of the Company whose tenure has exceeded a cumulative term of nine (9) years.

4.3 Diverse Board and Senior Management Team

Appointment of board and senior management are based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender. The Group adheres strictly to the practice of non-discrimination of any form, whether based on race, age, religion and gender throughout the organisation.

The decision on new appointment of Directors' and Senior Management rest with the Board after considering the recommendation of the NC. In evaluating the suitability of candidates to the Board, the NC will consider certain criteria such as skills, knowledge, expertise, experience, integrity, commitment, background, boardroom diversity and the ability of the candidate to discharge his/her duties as expected. For appointment of Independent Directors, considerations will also be given on whether the candidates meet the requirements for independence as defined in AMLR and time commitment expected from them to attend to matters of the Company in general, including attending meetings of the Board, Board Committees and Annual General Meeting ("**AGM**") or Extraordinary General Meeting ("**EGM**").

4.4 Nomination Committee

The NC plays a vital role in achieving Board diversity recommendations of suitable candidates to the Board. The process of appointing new Directors is articulated in the terms of reference of the NC which is accessible on the Company's website at www.trimode-malaysia.com.my.

The present NC consists of three (3) Independent Non-Executive Directors of the Company, as follows:-

- (i) Mr Wai Wah Kwan @ Wai Ah Har, Independent Non-Executive Director (Chairman)
- (ii) Dato' Markiman Bin Kobiran, Independent Non-Executive Director (Member)
- (iii) Mr Chiam Tau Meng, Independent Non-Executive Director (Member)

During the FY 2023, NC had undertaken the following activities in discharging its duties:-

- (a) Conducted annual assessment of the performance of the Board as a whole for the FY 2022 and made its recommendation to the Board.
- (b) Conducted annual assessment of the Independent Directors and made its recommendation to the Board.
- (c) Reviewed and recommended the re-election of the retiring Directors for Board's approval.
- (d) Reviewed composition of Board and its Board Committees.
- (e) Reviewed the Terms of Reference of NC and recommended to the Board for approval

Corporate Governance Overview Statement (cont'd)

The breakdown of the Board by gender of FY2023 as follows: -

Gender	Number	Percentage %
Male	4	80%
Female	1	20%
Total	5	100%

During the year, no new Director was appointed to the Board.

OVERALL BOARD EFFECTIVENESS

5.1 Annual Evaluation and Directors' Fit and Proper Policy

Following the amendments to the AMLR of Bursa Securities, the Board adopted a Directors' Fit and Proper Policy to ensure that Directors possess the character, integrity, relevant range of skills, knowledge, experience, competence and time commitment to carry out their roles and responsibilities effectively in the best interest of the Company and its stakeholders. The Directors' Fit and Proper Policy is available on the Company's website at www.trimode-malaysia.com.my.

The NC has also established a set of quantitative and qualitative performance criteria to evaluate the performance of each member of the Board, each Board Committee and to review the performance of the Board as a whole. The effectiveness of the Board is assessed in the areas of the Board's roles and responsibilities and composition, attendance record, intensity of participation at meetings, quality of interventions and special contributions. Besides, the effectiveness of the Board Committees is assessed in terms of structure and processes, accountability and responsibility as well as the effectiveness of the Chairman of the respective Board Committees.

The annual assessment of individual Directors, Board as a whole and Board Committees which commences with the completion of a set of self-assessment from detailing all assessment criteria to be completed by all Directors for evaluation by NC. Criteria for the self-assessment includes self-ratings on the Director's knowledge, support of the goals of the Company, time commitment, and active participation on Board.

In the interval between Board meetings, for any matters requiring Board's decisions, the Board's approvals are obtained through circular resolutions. The resolutions passed by way of such circular resolutions are then noted at the Board meeting on quarterly basis.

5.2 Board Meetings

The Board meets at least four (4) times a year and has a formal schedule of matters reserved for it. Additional meetings are held as and when necessary. During the FY 2023, five (5) meetings were held in which the Board deliberated upon and considered various issues including the Group's financial results, performance of the Group's business, major investment, business plan and policies and strategies issues affecting the Group's business.

The following is the record of attendance of the Board Members:

<u>Name of Directors</u>	<u>Attendance for FY 2023</u>
(a) Dato' Markiman Bin Kobiran	5/5
(b) Dato' Hew Han Seng	5/5
(c) Datin Sam Choi Lai	5/5
(d) Mr Chiam Tau Meng	5/5
(e) Mr Wai Wah Kwan @ Wai Ah Har	5/5

Based on the above, all Directors have complied with the minimum 50% attendance requirement in respect of Board meetings as stipulated in AMLR. All the Directors have fulfilled the time commitment expected by the Board based on the attendance of the Directors at the Board meetings. The attendance of all the Directors at the Board meetings showed that the Board is committed to the Company towards fulfilling their roles and responsibilities as Directors of the Company.

Corporate Governance Overview Statement

(cont'd)

5.3 Re-election of Directors

The procedure on the re-election of directors by rotation is set out in the Company's Constitution. An election of Directors shall take place each year at the AGM of the Company, where one-third (1/3) of the Directors for the time being, or, if their number is not three (3) or a multiple of three (3), then the number nearest to one-third shall retire from office and be eligible for re-election. All Directors shall retire from office once at least in each three (3) years but shall be eligible for re-election The Directors to retire shall be the Directors who have been serving in office for the longest duration since their appointment or last re-election.

Upon the recommendation of the NC and the Board, the following Directors who are standing for re-election at the forthcoming AGM of the Company are as stated in the Notice of AGM together with the justification to support the re-appointment of the Directors at the Explanatory Notes to Notice of AGM:-

- Dato Markiman Bin Kobiran
- Dato Hew Han Seng

5.4 Directors' Training

The Board empowered the Directors of the Company to determine their own training requirements as they consider necessary to enhance their knowledge as well as understanding of the Group's business and operations.

In their effort to keep abreast with the changes in the industry, legislation and regulations affecting the Company, the Board members have attended the relevant seminars/conference/training programmes during the financial year as detailed below:

Name of Director	Seminars/Conferences/Training Programmes Attended		Date
Dato' Markiman Bin Kobiran	1)	Discharge and Annulment of a bankruptcy order	21/May/2023
	2)	" Habeas Corpus" Criminal Law Series 3	27/Jul/2023
	3)	Update on Listing Requirements-Enhanced Sustainability Disclosure	22/Aug/2023
	4)	Introduction to Income Tax for Lawyers	20/Oct/2023
	5)	Housing Integrated Mgt. System - A Threat to Legal Profession or A Way Forward ?	03/Nov/2023
	6)	Webinar on Issues on Damages	12/Dec/2023
	7)	Workplace Intelligence Transformation with AI and ChatGPT	13/Dec/2023
Dato' Hew Han Seng	1)	Update on Listing Requirements-Enhanced Sustainability Disclosure	22/Aug/2023
Datin Sam Choi Lai	1)	Update on Listing Requirements-Enhanced Sustainability Disclosure	22/Aug/2023
Mr Chiam Tau Meng	1)	Update on Listing Requirements-Enhanced Sustainability Disclosure	22/Aug/2023
	2)	Update on MMLR	21/Jun/2023
	3)	Update on Ace Market Listing Requirements - enhanced sustainability Disclosures	23/Aug/2023
	4)	Management of Cyber Risk	25/Oct/2023
Mr Wai Wah Kwan @ Wai Ah Har	1)	Update on Listing Requirements-Enhanced Sustainability Disclosure	22/Aug/2023

Corporate Governance Overview Statement (cont'd)

REMUNERATION

The Board has established a Remuneration Policy for Directors and Senior Management which aims to attract, develop and retain high performing and motivated Directors and senior management with a competitive remuneration package.

6.1 Directors' Remuneration

The detailed breakdown of the Directors' fees and other benefits paid (both Company and Group) for the FY 2023 are as follows:-

Director	Company		Group	
	Fees (RM)	Salaries and other emoluments (RM)	Fees (RM)	Salaries and other emoluments (RM)
Dato' Markiman Bin Kobiran	48,000	3,000	48,000	3,000
Mr Chiam Tau Meng	24,000	3,000	24,000	3,000
Mr Wai Wah Kwan @ Wai Ah Har	24,000	3,000	24,000	3,000
Dato' Hew Han Seng	-	681,641	-	1,062,081
Datin Sam Choi Lai	-	308,919	-	611,009
Total	96,000	999,560	96,000	1,682,090

6.2 Remuneration of Key Senior Management

The remuneration paid to the Key Senior Management during the FY 2023, in bands of RM50,000, as follows:-

Range of Remuneration	Number of Senior Management
RM100,001 to RM150,000	1
RM150,001 to RM200,000	1
RM200,001 to RM250,000	-
RM250,001 to RM300,000	2

6.3 Remuneration Committee

RC is responsible to review the remuneration packages for Directors upon considering individual performance, seniority, experience, scope of responsibility of the Directors, and the market rate that is sufficient to attract and retain the Directors to ensure smooth operation of the Company. To ensure checks and balances in reviewing the remuneration packages of both executive and non-executive Directors, RC is made up of all existing five (5) Directors, and chaired by Dato' Markiman Bin Kobiran, the Independent Non-Executive Chairman.

The determination of remuneration packages of Directors should be a matter for the Board as a whole. The individuals concerned would abstain from discussing his/her own remuneration.

During the FY 2023, the following activities were undertaken by RC in discharging its duties:-

- Reviewed and recommended Directors' fees payable to Non-Executive Directors for Board's approval.
- Reviewed and recommended Directors' benefits payable to the Directors for Board's approval.
- Reviewed the Terms of Reference of RC and recommended to the Board for approval

Corporate Governance Overview Statement

(cont'd)

PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT

AUDIT AND RISK MANAGEMENT COMMITTEE

7.1 Audit and Risk Management Committee

Our ARMC comprises of Independent Non-Executive Directors. The Chairman of the ARMC is not the Chairman of the Board. The ARMC is fully informed about significant matters related to the Company's audit and its financial statements. The ARMC also reviewed the internal audit programme and invited the internal auditors to the meeting for discussion on the internal audit findings. Besides, such discussion also served as an avenue for the ARMC to appropriately communicate its insights, views and concerns about relevant transactions and events to the internal and external auditors.

The Board took note on the Practice 9.2 of the MCCG to have a policy that requires a former audit partner to observe a cooling-off period of at least three (3) years before being appointed as a member of the ARMC and has incorporated this under the Terms of Reference of ARMC.

ARMC has policies and procedures to review, assess and monitor the performances, suitability and independence of the external auditors.

Further details on the work performed by ARMC in furtherance of its oversight role are set out in the ARMC Report of this Annual Report.

RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

8.1 Establishment of Risk Management and Internal Control Framework & Internal Audit Function

During FY 2023, the Board and ARMC were assisted by the Group Managing Director and Executive Director to maintain its risk management system, which is reviewed and updated constantly to safeguard shareholders' investments and the Group's assets. The Group's internal audit function has been outsourced to an external consultant which reports directly to ARMC. The internal audit function currently reviews and appraises the risk management and internal control processes of the Group. The Statement on Risk Management and Internal Control set out in this Annual Report which provides an overview of the Group's approach to ensure the effectiveness of the risk management and internal processes within the Group.

8.2 ANTI-BRIBERY AND ANTI-CORRUPTION POLICY

The Company had initiated Anti-Bribery and Anti-Corruption Policy within the Group which sets out the Group's commitments and requirements regarding ethical business practices and personal conduct.

It also sets out the behaviour the Group expects of its employees as well as what the Group's employees and business partners can expect from the Group. The Group shall conduct its business with integrity, respecting the laws, cultures, dignity and rights of individuals in all of the countries where it operates. All the Group's employees and persons associated with the Group are expected to act in accordance with corporate values and ethics as set out in the Policy. Briefings to the Board and employees have been conducted to emphasise the importance of the Policy and the dire consequences of any breach in relation to it.

A Whistle-Blowing channel on the Company's website at www.trimode-malaysia.com.my for any person to raise genuine concerns of wrongdoing or improper conduct involving the Group and its Directors, managers or employees in accordance with the Company's Whistle Blowing Policy.

Corporate Governance Overview Statement (cont'd)

PRINCIPLE C – INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

COMMUNICATION WITH STAKEHOLDERS

There is continuous communication between the Company and stakeholders to facilitate mutual understanding of each other's objectives and expectations. Stakeholders are able to make informed decisions with respect to the business of the Company, its policies on governance, the environment and social responsibility.

9.1 Effective, Transparent and Regular Communication

The Company maintains various methods of dissemination of information important to shareholders, stakeholders and the public at large through timely announcement of events, quarterly announcement of financial results and product information on the Company's website at www.trimode-malaysia.com.my.

CONDUCT OF GENERAL MEETINGS

General meetings are the important and effective platforms for directors and senior management to communicate with the shareholders. Shareholders are able to participate, engage the Board and senior management effectively and make informed voting decisions at general meetings.

10.1 Notice of Annual General Meeting

The Board endeavours to dispatch its notice of AGM at least 28 days before the meeting and mindful that the sufficient notice and time given would allow the shareholders to make necessary arrangements to attend and participate either in person, by corporate representative, by proxy or by attorney. This would also enable the shareholders to properly consider the resolutions that will be discussed and decided at the meeting.

During FY2023, the AGM was conducted virtually through live streaming from the broadcast venue via Remote Participation and Voting facilities which were in line with the Securities Commission Guidance Note on the Conduct of General Meetings for Listed Issuers to ensure companies can continue to fulfil their obligations under the law and to shareholders during the pandemic. Shareholders had participated the AGM by posing question or seeking clarification on matters relating to the Company's management and operations.

10.2 Attendance of the Chair of the Board Committees at the AGM

The Board took note that the presence of all directors will provide an opportunity for shareholders to effectively engage each director. Besides, having the chair of the Board committees present will facilitate these conversations and allows shareholders to raise questions and concerns directly to those responsible. Accordingly, barring unforeseen circumstances, all directors as well as the Chairman of respective Board Committees (i.e. ARMC, NC and RC) will be present at the forthcoming AGM of the Company to enable the shareholders to raise questions and concerns directly to those responsible.

10.3 Leverage on Information Technology for Effective Dissemination of Information

The Company's corporate website provides all relevant information on the Company and is accessible by the public. The Company's corporate website is accessible at www.trimode-malaysia.com.my.

COMPLIANCE STATEMENT

The Board recognises the promoting good corporate governance practices is an ongoing process and will continuously assess and implement relevant measure to improve on its corporate governance practices. The Board has deliberated, reviewed and approved this statement, and considers that this overview statement provides the information necessary to enable shareholders to evaluate how the MCCG has been applied. The Board considers and is satisfied that the Group has fulfilled its obligation under the MCCG, AMLR and all applicable laws and regulations throughout the FY 2023.

This Statement was approved by the Board on 22 April 2024.

ADDITIONAL COMPLIANCE INFORMATION

1. Audit and Non-Audit Fees

The amount of audit fees paid and payable to the external auditors by the Group and the Company for the FY 2023 are as follows:

	Company RM	Group RM
Audit fees	42,000	92,800
Non-audit fees		
- UHY	5,000	5,000
- Affiliates of UHY	5,000	24,700
Total	52,000	122,500

2. Material Contracts Involving Director's, Chief Executive's and Major Shareholders' Interests

There were no material contracts outside the ordinary course of business entered into by the Group involving Director's and major shareholder's interest, either were still subsisting at the end of the FY 2023 or entered since the end of the previous financial year.

3. Related Party Transactions

An internal compliance framework exists to ensure that the Company meets its obligations, including that of related party transactions under the AMLR. The Board reviews all related party transactions during the FY 2023, and the details are disclosed in the Financial Statements.

4. Statement of Directors' Responsibility in relation to the Financial Statements

The Directors are responsible for the preparation of the Annual Audited Financial Statements which give a true and fair view of the financial position of the Group and will ensure that they are presented in accordance with the provisions of the Companies Act 2016 ("Act") and the applicable approved accounting standards in Malaysia. In the preparation of the financial statements for the FY 2023, the Directors are satisfied that the Group had used appropriate accounting policies that were consistently applied and supported by reasonable and prudent judgment and estimates.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Board is pleased to present the Statement on Risk Management and Internal Control which outline the nature and scope of risk management and internal control system for the financial year ended 31 December 2023 ("FY2023"), pursuant to Rule 15.26(b) of the ACE Market Listing Requirements ("AMLR") of the Bursa Malaysia Securities Berhad ("Bursa Securities"), as guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, and upon considering the recommendations of Malaysian Code on Corporate Governance 2021.

BOARD RESPONSIBILITY

The Board acknowledges its responsibility and reaffirms its commitment in recognising the importance of an effective system of internal control and risk management practices to enhance good corporate governance.

The Board is ultimately responsible for the Group's system of internal control and risk management, which includes the establishment of an appropriate control environment and framework as well as reviewing its adequacy and integrity. However, it should be noted that such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss. The system of internal control and risk management covers, inter alia, financial, organisational, operational and compliance controls.

The Board is of the view that the system of internal controls and risk management is an ongoing process, and has been in place for identifying, evaluating and managing significant risks faced or potentially to be encountered by the Group. The process is regularly reviewed by the Audit and Risk Management Committee ("ARMC") and the Board.

Management assists the Board in the implementation of the Board's policies and procedures on risk and control by identifying and assessing the risks faced, and in the design, operation and monitoring of suitable internal controls to mitigate and control these risks.

RISK MANAGEMENT FRAMEWORK

The risk management objectives of the Group include the following: -

- Ensure the continuity of business;
- Safeguard the assets of the Group;
- Safeguard the interest of all shareholders;
- Ensure the continuity of its quality service to customers at all times;
- Preserve the safety and health of its employees; and
- Promote an effective risk awareness culture where risk management is an integral aspect of the Group's management systems.

The Group adopts the Enterprise Risk Management ("ERM") Framework which proactively identifies, evaluates and manages key risks of the Group. The ERM Framework and its methodology are practised by the senior management to assess, identify, measure and monitor of potential key risks. The key risks identified by senior management will be set out in ERM report and will be presented to ARMC for review. The ERM plan is a continuous on-going process to check and review the key risks for ensuring the controls are adequate, effective and where necessary developing further actions for continuous improvement.

The Group as a whole has established several risk managements processes where the various Head of Departments are responsible for the day-to-day management of risks inherent in their business activities, while the Executive Directors are responsible for setting the risk management framework as well as developing tools and methodologies.

Furthermore, the Board has established an organisation structure with clearly defined lines of responsibility and accountability which are aligned to its business and operations requirements. It has extended the responsibilities of the ARMC to include the assessment of internal controls through the Internal Audit function which provides an independent assurance on the effectiveness of the risk management approach.

Statement on Risk Management and Internal Control (cont'd)

RISK ASSESSMENT

The risk measurement serves as a benchmark for all divisions to develop risk tolerances and limits in accordance to their specific business or operational requirements and objectives. It stipulates the level of tolerance and limits established to govern and manage the Group's risk-taking activities as per ERM methodology.

The Group has an embedded process for the identification, evaluation, reporting, treatment, monitoring and reviewing of the major strategic, business and operation risks within the Group. Both the ARMC and the Board review the effectiveness of the risk management function and deliberate on the risk management and internal control frameworks, functions, processes and reports on a regular basis.

For the financial year under review, the ARMC is assisted by the operation staff from various divisions to effectively embed risk management and control into the corporate culture, processes and structures within the Group. The framework is continually monitored to ensure it is responsive to the changes in the business environment and clearly communicated to all levels.

INTERNAL CONTROL

The ARMC responsibility to review and assesses the adequacy and integrity of the internal control system through independent reviews reports conducted from outsourced Internal Auditors and the management. Any areas of improvement identified by the internal auditors are being brought to the attention of the ARMC.

The key processes that the Directors have established in reviewing the adequacy and integrity of the system of internal control are as follows:

- Group organisation structure with clearly defined roles and responsibilities on daily operation.
- Guidelines on operating procedures have been put in place for relevant departments.
- Monthly meetings are held at operational and management levels to identify and resolve business, operational and management issues.
- Monthly monitoring of results by the management through financial reports.
- Quarterly report is provided by the management to the Board on financial performance and key business indicators.
- Scheduled internal audit visits and other specific assignments, if the need arises, assigned by the ARMC to monitor compliance with procedures and assesses the integrity of financial information provided.
- The ARMC holds quarterly meetings with the management and receive reports prepared by the internal auditors, external auditors (identified during the course of their audits) at least twice a year respectively and/or the management for review and follow up actions taken on internal control issues.

Statement on Risk Management and Internal Control(cont'd)

INTERNAL AUDIT FUNCTION

The Group has outsourced the Internal Audit Function to an independent professional firm, NeedsBridge Advisory Sdn Bhd, which reports to the ARMC and assists the Board in the monitoring and managing of risks and internal controls.

The Internal Auditors provide an independent, objective assurance and advisory services that add value and improve the operations by:

- Ensuring the existence of processes to monitor the effectiveness and efficiency of operations and the achievement of business objectives;
- Ensuring the adequacy and effectiveness of internal control systems for safeguarding of assets and providing consistent, accurate financial and operational data;
- Promoting risk awareness and the value and nature of an effective internal control system;
- Ensuring compliance with laws, regulations, corporate policies and procedures; and
- Assisting management in accomplishing its objectives by adopting a systematic and disciplined audit approach to evaluating and improving the effectiveness of risk management, control and governance processes within the Group's operations.

The Internal Audit Function focused on high priority activities determined by risk assessment and in accordance with the audit planning memorandum approved by the ARMC.

The Internal Audit Function is free from any relationships or conflicts of interest, which could impair their objectivity and independence.

During the financial year under review, the internal auditors have conducted internal control reviews according to the Internal Audit Plan approved by the ARMC. The internal audit review carried out during the financial year were as follows:

- Determining the adequacy of internal controls put in place in relation to sea freight management – Import (FCL & LCL) of Tri-Mode.
- Determining the adequacy of internal controls put in place in relation to general warehousing management of Tri-Mode.

Upon the completion of the internal audit field work during the financial year, the internal audit reports were presented to the ARMC during its scheduled meetings. During the presentation, the internal audit findings and recommendations as well as management response and action plans were presented and deliberated by the ARMC. Update on the status of action plans as identified in the previous internal audit report were presented at subsequent Audit Committee meeting for review and deliberation.

EFFECTIVENESS OF RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

The Board's review of risk management and internal control effectiveness is based on information from:

- Executive Directors and senior managements who are responsible for the operations and continuous improvements of the risk management and internal control system; and
- Internal audit reports and review work by the Internal Auditors which reports to the ARMC together with the assessment of the internal controls systems relating to key risks and recommendations for improvement.

The review and assurance of the system of internal control is continuously reviewed by the ARMC, identified weaknesses and incidents of non-compliance are highlighted to the management for further improvement actions.

Management will continue to take measures to strengthen the control environment. In our efforts to improve our system of internal control by outsourcing its internal audit function to a professional services firm to provide the ARMC and the Board with the assurance they require pertaining to the adequacy and effectiveness of internal control systems.

Statement on Risk Management and Internal Control (cont'd)

ASSURANCE STATEMENT BY KEY MANAGEMENT TEAM

The Group Managing Director, Chief Financial Officer have provided assurance to the Board, to the best of their knowledge and belief, that the Group's risk management and internal control system were operating adequately and effectively in all material aspects, to meet the Group's objectives during the financial year under review and up to the date of this Statement on Risk Management and Internal Control.

REVIEW OF THE STATEMENT OF RISK MANAGEMENT AND INTERNAL CONTROL BY EXTERNAL AUDITORS

As required by Rule 15.23 of the AMLR of Bursa Securities, the external auditors have reviewed this Statement on Risk Management and Internal Control for the inclusion in this Annual Report for FY 2023. Their limited assurance review was performed in accordance with the Audit and Assurance Practice Guide ("AAPG") 3: **Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control Included in the Annual Report** issued by the Malaysian Institute of Accountants.

AAPG 3 does not require the external auditors to consider whether this Statement on Risk Management and Internal Control covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system.

Based on their procedures performed, the external auditors have reported to the Board that nothing has come to their attention that caused them to believe that this Statement on Risk Management and Internal Control is not prepared in all material aspects, in accordance with the disclosures required by paragraphs 41 and 42 of the Statement in Risk Management and Internal Control: Guidelines for Directors of Listed Issuer, nor is factually inaccurate.

CONCLUSION

For the financial year under review and up to the date of this Statement on Risk Management and Internal Control, there were no significant internal control deficiencies or material weaknesses resulting in material losses or contingencies requiring disclosure in the annual report. The Board is of the view that the existing system of the risk management and internal control is adequate. Nevertheless, the Board recognises that the system of risk management and internal control must continuously improve in line with the Group's business environment. Therefore, the Board would put in place adequate plans, where necessary, to continuously improve the Group's system of risk management and internal control.

This Statement on Risk Management and Internal Control was approved by the Board on 22 April 2024.

DIRECTORS' RESPONSIBILITY STATEMENT ON FINANCIAL STATEMENTS

The Directors are required by the Companies Act 2016 ("**the Act**") to prepare the financial statements for each financial year which have been made out in accordance with applicable Malaysian Financial Reporting Standards ("**MFRS**"), International Financial Reporting Standards ("**IFRS**"), the requirements of the Act in Malaysia and the AMLR.

The Directors are responsible to ensure that the annual audited financial statements of the Company and the Group are prepared with reasonable accuracy from the accounting records of the Company and the Group so as to give a true and fair view of the financial position of the Group and of the Company at the end of the financial year, and of the financial performance and cash flows of the Group and of the Company for the financial year.

In preparing the annual audited financial statements, the Directors ensure that the management has:

- (a) applied the appropriate and relevant accounting policies on a consistent basis;
- (b) made judgements and estimates that are reasonable and prudent;
- (c) ensure that proper accounting records are kept in accordance with the requirements of the Act so as to enable the preparation of the financial statements with reasonable accuracy; and
- (d) reviewed all significant matters that may affect the Group's and the Company's ability to continue as a going concern.

The Directors have also made reasonable steps to prevent and detect fraud as well as other irregularities in safeguarding the assets of the Group.

This statement was approved by the Board on 22 April 2024.

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DIRECTORS' REPORT

The Directors have pleasure in submitting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2023.

Principal Activities

The principal activities of the Company are investment holding and provision of logistics services. The principal activities of its subsidiary companies are disclosed in Note 7 to the financial statements.

There have been no significant changes in the nature of these activities during the financial year.

Financial Results

	Group RM	Company RM
Profit for the financial year		
- attributable to owners of the parent	2,468,325	98,395

Reserves and Provisions

There were no material transfers to or from reserves or provisions during the financial year other than as disclosed in the financial statements.

Dividends

Since the end of the last financial year, the dividends on ordinary shares paid by the Company were as follows:

	RM
A first single-tier interim dividend of 0.75 sen per ordinary share in respect of the financial year ended 31 December 2022 paid on 12 January 2023.	1,245,000
A second single-tier interim dividend of 0.30 sen per ordinary share in respect of the financial year ended 31 December 2022 paid on 7 April 2023.	498,000
A first single-tier interim dividend of 0.35 sen per ordinary share in respect of the financial year ended 31 December 2023 paid on 12 January 2024.	581,000
	2,324,000

The Directors do not recommend any final dividend in respect of the current financial year.

Issue of Shares and Debentures

There were no issuance of shares or debentures during the financial year.

Options Granted Over Unissued Shares

No options were granted to any person to take up unissued shares of the Company during the financial year.

Directors' Report (cont'd)

Directors

The Directors in office since the beginning of the current financial year until the date of this report are:

Dato' Hew Han Seng *
Datin Sam Choi Lai *
Dato' Markiman Bin Kobiran
Wai Wah Kwan @ Wai Ah Har
Chiam Tau Meng

* *Director of the Company and its subsidiary companies*

The Directors who held office in the subsidiary companies (excluding Directors who are also Directors of the Company) since the beginning of the current financial year until the date of this report is:

Hew Yat Ming

The information required to be disclosed pursuant to Section 253 of the Companies Act 2016 is deemed incorporated herein by such reference to the financial statements of the respective subsidiary companies and made a part hereof.

Directors' Interests

The interests and deemed interests in the shares of the Company and of its related corporations (other than wholly-owned subsidiary companies) of those who were Directors at financial year end (including their spouse), according to the Register of Directors' shareholdings are as follows:

	At 01.01.2023	Number of ordinary shares		At 31.12.2023
		Bought	Sold	
Interests in the Company				
Direct Interests				
Dato' Hew Han Seng	83,351,275	-	-	83,351,275
Datin Sam Choi Lai	33,987,025	250,000	-	34,237,025
Dato' Markiman bin Kobiran	180,000	-	-	180,000
Wai Wah Kwan @ Wai Ah Har	175,000	-	-	175,000
Chiam Tau Meng	75,000	-	-	75,000
Indirect Interests				
Dato' Hew Han Seng #	33,987,025	250,000	-	34,237,025

deemed interests by virtue of the shareholdings held by his spouse, Datin Sam Choi Lai pursuant to Section 8 of the Companies Act 2016

By virtue of their interests in the shares in the Company, Dato' Hew Han Seng and Datin Sam Choi Lai are also deemed interested in the shares of all the subsidiary companies during the financial year to the extent that the Company has an interest under Section 8 of the Companies Act 2016.

Directors' Report (cont'd)

Directors' Benefits

Since the end of the previous financial year, no Directors of the Company has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of remuneration received or due and receivable by Directors as disclosed in the "Directors' Remuneration" of this report) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the Director is a member, or with a Company in which he has a substantial financial interest, other than professional fees paid or payable to companies in which certain Directors of the Company have substantial financial interest as disclosed in Note 31(b) to the financial statements.

Neither during nor at the end of the financial year, was the Company a party to any arrangement whose object was to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Directors' Remuneration

The detail of the Directors' remuneration for the financial year ended 31 December 2023 are set out below:

	Group RM	Company RM
Executive Directors		
Salaries and other emoluments	1,453,000	839,750
Defined contribution plans	202,232	117,572
Social security contributions	6,883	2,009
Other benefits	788	230
	1,662,903	959,561
Non-Executive Directors		
Fees	96,000	96,000
Other emoluments	9,000	9,000
	105,000	105,000
Total Directors' Remuneration	1,767,903	1,064,561

The Directors' remuneration does not include the estimated monetary value of benefit-in-kind of the Group and of the Company amounting to RM31,000 and RM31,000.

Indemnity and Insurance Costs

There was no indemnity given to or insurance effected for any Directors, officers and auditors of the Company in accordance with Section 289 of the Companies Act 2016.

Other Statutory Information

Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:

- to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that adequate allowance had been made for doubtful debts and there were no bad debts to be written off; and
- to ensure that any current assets which were unlikely to be realised in the ordinary course of business including the value of current assets as shown in the accounting records of the Group and of the Company have been written down to an amount which the current assets might be expected so to realise.

Directors' Report (cont'd)

Other Statutory Information (Cont'd)

At the date of this report, the Directors are not aware of any circumstances:

- (a) which would render it necessary to write off any bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or
- (b) which would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading; or
- (c) not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading; or
- (d) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

At the date of this report, there does not exist:

- (a) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
- (b) any contingent liability in respect of the Group or of the Company which has arisen since the end of the financial year.

In the opinion of the Directors:

- (a) no contingent or other liability has become enforceable, or is likely to become enforceable, within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations when they fall due.
- (b) the results of the operations of the Group and of the Company during the current financial year were not substantially affected by any item, transaction or event of a material and unusual nature, except as disclosed in the notes to the financial statements; and
- (c) there has not arisen in the interval between the end of the current financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the current financial year in which this report is made.

Subsidiary Companies

The details of the subsidiary companies are disclosed in Note 7 to the financial statements.

Significant and Subsequent Events

The significant and subsequent events are disclosed in Note 37 to the financial statements.

Directors' Report (cont'd)

Auditors' Remuneration

The details of the auditors' remuneration for the financial year ended 31 December 2023 are as follows:

	Group RM	Company RM
Auditors' remuneration		
- Statutory audit	92,800	42,000
- Non-statutory audit	5,000	5,000
	97,800	47,000

Auditors

The Auditors, Messrs. UHY, have expressed their willingness to continue in office.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 22 April 2024.

DATO' HEW HAN SENG

DATIN SAM CHOI LAI

KUALA LUMPUR

STATEMENT BY DIRECTORS

PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

We, Dato' Hew Han Seng and Datin Sam Choi Lai, being two of the Directors of Tri-Mode System (M) Berhad, do hereby state that, in the opinion of the Directors, the accompanying financial statements are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the provisions of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2023 and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 22 April 2024.

DATO' HEW HAN SENG

DATIN SAM CHOI LAI

KUALA LUMPUR

STATUTORY DECLARATION

PURSUANT TO SECTION 251(1)(B) OF THE COMPANIES ACT 2016

I, Sua Hee Yuan (MIA Membership No: 25741), being the officer primarily responsible for the financial management of Tri-Mode System (M) Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief, the accompanying financial statements are correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the)
abovenamed at Kuala Lumpur in the)
Federal Territory on 22 April 2024)

SUA HEE YUAN

Before me,

COMMISSIONER FOR OATHS

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF TRI-MODE SYSTEM (M) BERHAD

[REGISTRATION NO.: 199101018953 (229265-X)]

(INCORPORATED IN MALAYSIA)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Tri-Mode System (M) Berhad, which comprise the statements of financial position as at 31 December 2023 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of material accounting policies, as set out on pages 56 to 130.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2023, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the *International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters

How we addressed the key audit matters

Impairment of trade receivables

The Group's and the Company's trade receivables amounting to RM11,525,575 and RM7,358,648 respectively, representing approximately 36% and 29% of the Group's and of the Company's total current assets as at 31 December 2023.

The assessment of recoverability of receivables involved judgements and estimation uncertainty in analysing historical bad debts, customer concentration, customer creditworthiness and customer payment terms.

We obtained and evaluated the Group's credit risk policy, and tested the processes used by management to assess credit exposures.

We assessed the recoverability of trade receivables by checking past payment trend and assessing the receipts during the financial year and subsequent to year end collections.

We have reviewed the appropriateness of the disclosures made in the financial statements.

Independent Auditors' Report (cont'd)

To The Members Of Tri-Mode System (M) Berhad
[Registration No.: 199101018953 (229265-X)]
(Incorporated In Malaysia)

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of the financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

Independent Auditors' Report (cont'd)

To The Members Of Tri-Mode System (M) Berhad
[Registration No.: 199101018953 (229265-X)]
(Incorporated In Malaysia)

Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also: (Cont'd)

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosure in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

UHY
Firm Number: AF 1411
Chartered Accountants

LIM BEE PENG
Approved Number: 03307/06/2025 J
Chartered Accountant

KUALA LUMPUR
22 April 2024

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

		Group		Company	
	Note	2023 RM	2022 RM	2023 RM	2022 RM
Non-Current Assets					
Property, plant and equipment	4	27,828,921	28,571,495	6,557,009	5,362,624
Right-of-use assets	5	98,982,104	77,805,682	98,615,038	77,217,549
Investment property	6	2,704,467	2,734,078	2,704,467	2,734,078
Investment in subsidiary companies	7	-	-	15,292,741	15,292,741
Investment in associates	8	6,837,015	5,338,408	791,640	791,640
Other investments	9	175,000	175,000	175,000	175,000
		136,527,507	114,624,663	124,135,895	101,573,632
Current Assets					
Inventories	10	173,610	196,371	-	-
Trade receivables	11	11,525,575	15,049,065	7,358,648	10,266,297
Other receivables	12	4,150,730	2,629,805	3,351,806	1,835,390
Amount due from subsidiary companies	13	-	-	179,834	482,783
Other investments	9	57,645	55,783	57,645	55,783
Tax recoverable		1,309,895	1,112,206	1,056,392	889,166
Fixed deposits with licensed banks	14	12,059,978	9,815,736	10,835,285	8,618,884
Cash and bank balances		2,701,959	7,577,194	2,502,295	6,828,128
		31,979,392	36,436,160	25,341,905	28,976,431
Total Assets		168,506,899	151,060,823	149,477,800	130,550,063
Equity					
Share capital	15	47,502,770	47,502,770	47,502,770	47,502,770
Reserves	16	(5,475,082)	(5,507,525)	-	-
Retained earnings		50,621,788	49,232,463	9,287,229	10,267,834
Total equity		92,649,476	91,227,708	56,789,999	57,770,604
Non-Current Liabilities					
Lease liabilities	17	28,675	755,526	28,675	601,058
Bank borrowings	18	52,467,915	35,983,361	52,467,915	35,983,361
Deferred tax liabilities	19	5,469,521	4,982,007	1,912,596	1,357,019
		57,966,111	41,720,894	54,409,186	37,941,438
Current Liabilities					
Trade payables	20	3,805,686	5,803,415	1,193,869	2,658,519
Other payables	21	4,742,599	4,516,683	3,999,824	3,292,748
Amount due to subsidiary companies	13	-	-	24,177,148	21,473,065
Amount due to associates	22	3,636,797	3,477,726	3,636,797	3,477,726
Lease liabilities	17	854,776	852,777	679,372	603,073
Bank borrowings	18	4,730,216	3,357,369	4,591,605	3,332,890
Tax payable		121,238	104,251	-	-
		17,891,312	18,112,221	38,278,615	34,838,021
Total Liabilities		75,857,423	59,833,115	92,687,801	72,779,459
Total Equity and Liabilities		168,506,899	151,060,823	149,477,800	130,550,063

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	Group 2023 RM	2022 RM	Company 2023 RM	2022 RM
Revenue	23	70,191,156	124,624,170	53,763,673	102,261,888
Cost of sales		(54,145,931)	(104,888,865)	(43,265,196)	(88,361,873)
Gross profit		16,045,225	19,735,305	10,498,477	13,900,015
Other income		1,043,313	6,580,215	1,628,138	2,026,559
Administrative expenses		(12,593,249)	(12,984,082)	(8,876,323)	(8,798,589)
Net income/(loss) on impairment of financial instruments		32,801	(14,900)	32,801	(14,900)
Profit before operations		4,528,090	13,316,538	3,283,093	7,113,085
Finance costs	24	(2,378,810)	(2,214,862)	(2,376,347)	(2,222,574)
Share of results of associates		1,466,164	604,575	-	-
Profit before tax	25	3,615,444	11,706,251	906,746	4,890,511
Taxation	26	(1,147,119)	(1,232,325)	(808,351)	(278,191)
Profit for the financial year representing total comprehensive income for the financial year		2,468,325	10,473,926	98,395	4,612,320
Other comprehensive income Item that is or may be reclassified subsequently to profit or loss					
Foreign currency translation differences for foreign operations		32,443	18,750	-	-
Other comprehensive income for the financial year		32,443	18,750	-	-
Total comprehensive income for the financial year					
- attributable to the owners of the parent		2,500,768	10,492,676	98,395	4,612,320
Earnings per share	27				
Basic (sen)		1.49	6.31		
Diluted (sen)		1.49	6.31		

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Non-Distributable			Distributable		Total Equity RM
	Share Capital RM	Acquisition Reserves RM	Foreign Exchange Translation Reserves RM	Retained Earnings RM		
Group						
At 1 January 2023	47,502,770	(5,532,741)	25,216	49,232,463		91,227,708
Profit for the financial year	-	-	-	2,468,325		2,468,325
Foreign exchange translation reserve	-	-	32,443	-		32,443
Total comprehensive income for the financial year	-	-	32,443	2,468,325		2,500,768
Transactions with owners:						
Dividends to owners of the parent	-	-	-	(1,079,000)		(1,079,000)
At 31 December 2023	47,502,770	(5,532,741)	57,659	50,621,788		92,649,476
At 1 January 2022	47,502,770	(5,532,741)	6,466	40,501,537		82,478,032
Profit for the financial year	-	-	-	10,473,926		10,473,926
Foreign exchange translation reserve	-	-	18,750	-		18,750
Total comprehensive income for the financial year	-	-	18,750	10,473,926		10,492,676
Transactions with owners:						
Dividends to owners of the parent	-	-	-	(1,743,000)		(1,743,000)
At 31 December 2022	47,502,770	(5,532,741)	25,216	49,232,463		91,227,708

Statements Of Changes In Equity (cont'd)

For The Financial Year Ended 31 December 2023

	Note	Share Capital RM	<u>Distributable Retained Earnings</u> RM	Total Equity RM
Company				
At 1 January 2023		47,502,770	10,267,834	57,770,604
Profit for the financial year, representing total comprehensive income for the financial year		-	98,395	98,395
Transactions with owners:				
Dividends to owners of the parent	28	-	(1,079,000)	(1,079,000)
At 31 December 2023		47,502,770	9,287,229	56,789,999
At 1 January 2022				
At 1 January 2022		47,502,770	7,398,514	54,901,284
Profit for the financial year, representing total comprehensive income for the financial year		-	4,612,320	4,612,320
Transactions with owners:				
Dividends to owners of the parent	28	-	(1,743,000)	(1,743,000)
At 31 December 2022		47,502,770	10,267,834	57,770,604

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Group 2023 RM	2022 RM	Company 2023 RM	2022 RM
Operating activities				
Profit before tax	3,615,444	11,706,251	906,746	4,890,511
Adjustments for:				
Depreciation of property, plant and equipment	2,605,135	2,131,934	954,085	882,012
Depreciation of right-of-use assets	1,843,385	2,145,930	1,581,891	1,502,941
Depreciation of investment property	29,611	29,611	29,611	29,611
Finance costs	2,394,674	2,263,825	2,376,347	2,222,574
Impairment loss on trade receivables	30,066	64,235	30,066	64,235
Loss/(Gain) on disposal of property, plant and equipment	9,931	(251,121)	14,836	21,076
Property, plant and equipment written off	-	65,660	-	167
Dividend income	-	(245,000)	-	(245,000)
Dividend income from financial assets measured at fair value through profit or loss	(1,862)	(43,485)	(1,862)	(43,485)
Gain on disposal of right-of-use assets	-	(265,597)	-	(265,597)
Gain on disposal of assets held for sale	-	(5,069,218)	-	-
Reversal on impairment loss on trade receivables	(62,867)	(49,335)	(62,867)	(49,335)
Unrealised loss on foreign exchange	2,905	14,148	2,499	10,221
Interest income	(533,295)	(187,075)	(505,454)	(167,225)
Share of results of associates	(1,466,164)	(604,575)	-	-
Operating profit before working capital changes	8,466,963	11,706,188	5,325,898	8,852,706
Changes in working capital:				
Inventories	22,761	11,843	-	-
Receivables	2,069,039	10,682,370	1,448,449	9,107,304
Payables	(1,149,130)	(2,927,857)	(125,878)	(2,587,764)
Amount due to associates	159,071	29,065	159,071	(3,018,315)
Amount due from/to subsidiary companies	-	-	(67,293)	259,634
	1,101,741	7,795,421	1,414,349	3,760,859
Net cash generated from operations	9,568,704	19,501,609	6,740,247	12,613,565
Interest paid	(2,394,674)	(2,263,825)	(2,376,347)	(2,222,574)
Interest received	533,295	187,075	505,454	167,225
Tax paid	(855,312)	(2,275,779)	(420,000)	(1,216,513)
Tax refund	15,005	18,846	-	-
	(2,701,686)	(4,333,683)	(2,290,893)	(3,271,862)
Net cash from operating activities	6,867,018	15,167,926	4,449,354	9,341,703

Statements Of Cash Flows (cont'd)

For The Financial Year Ended 31 December 2023

		Group		Company	
	Note	2023 RM	2022 RM	2023 RM	2022 RM
Investing activities					
Dividends received		-	245,000	-	245,000
Increase in fixed deposits not for short-term funding requirements		(20,647)	(14,561)	-	-
Repayment from subsidiary companies		-	-	330,670	829,972
Purchase of property, plant and equipment	4(a)	(2,372,614)	(1,409,970)	(1,901,810)	(171,221)
Purchase of right-of-use assets	5(c)	(3,223,328)	(261,847)	(3,223,327)	(261,847)
Proceeds from disposal of property, plant and equipment		562,250	477,737	160,902	-
Proceeds from disposal of right-of-use assets		-	1,100,000	-	1,100,000
Proceeds from disposal of asset held for sale		-	7,599,644	-	-
Net cash (used in)/from investing activities		(5,054,339)	7,736,003	(4,633,565)	1,741,904
Financing activities					
Increase in fixed deposits pledged to licensed banks		(7,460)	(48,500)	(266)	(43,210)
Dividends paid		(1,743,000)	(1,660,000)	(1,743,000)	(1,660,000)
Advance from subsidiary companies		-	-	2,383,385	9,456,886
Payment of lease liabilities		(957,152)	(1,737,211)	(687,958)	(671,816)
Repayment of term loans		(3,083,038)	(2,485,867)	(3,083,038)	(2,485,867)
Net changes of revolving credit		1,200,000	(5,000,000)	1,200,000	(4,000,000)
Net cash used in financing activities		(4,590,650)	(10,931,578)	(1,930,877)	595,993
Net (decrease)/increase in cash and cash equivalents		(2,777,971)	11,972,351	(2,115,088)	11,679,600
Cash and cash equivalents at the beginning of financial year		14,985,790	3,027,131	14,261,203	2,588,353
Effects of exchange translation differences on cash and cash equivalents		4,739	(13,692)	5,390	(6,750)
Cash and cash equivalents at the end of financial year		12,212,558	14,985,790	12,151,505	14,261,203

Statements Of Cash Flows (cont'd)

For The Financial Year Ended 31 December 2023

	Group 2023 RM	2022 RM	Company 2023 RM	2022 RM
Cash and cash equivalents at the end of the financial year comprises:				
Cash and bank balances	2,701,959	7,577,194	2,502,295	6,828,128
Fixed deposits with licensed banks	12,059,978	9,815,736	10,835,285	8,618,884
Bank overdrafts	(138,611)	(24,479)	-	-
	14,623,326	17,368,451	13,337,580	15,447,012
Less: Fixed deposits pledged to licensed banks	(1,484,529)	(1,477,069)	(1,186,075)	(1,185,809)
Fixed deposits not for short-term fundings requirements	(926,239)	(905,592)	-	-
	12,212,558	14,985,790	12,151,505	14,261,203
Cash outflow for leases as a lessee				
Included in operating activity:				
Interest paid in relation to leases liabilities (Note 24)	76,707	119,311	58,380	85,786
Included in financing activity:				
Payment of lease liabilities (Note 17)	957,152	1,737,211	687,958	671,816
Total cash outflows for leases	1,033,859	1,856,522	746,338	757,602

The accompanying notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

1. Corporate Information

The Company is a public limited liability company, incorporated and domiciled in Malaysia.

The principal activities of the Company are investment holding and provision of logistics services. The principal activities of its subsidiary companies are disclosed in Note 7. There have been no significant changes in the nature of these activities of the Company and its subsidiary companies during the financial year.

The principal place of business of the Company is located at Wisma Tri-Mode, No. 1 (Lot 48), Jalan Sungai Chandong 24/KS11, Taman Perindustrian Pulau Indah (Fasa 3), 42920 Pulau Indah, Selangor Darul Ehsan.

The registered office of the Company is located at B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No. 1, Medan Syed Putra Utara, 59200, Kuala Lumpur, Wilayah Persekutuan, Malaysia.

2. Basis of Preparation

(a) Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

The financial statements of the Group and of the Company have been prepared under the historical cost convention, unless otherwise indicated in the material accounting policies below.

Adoption of new and amended standards

During the financial year, the Group and the Company have adopted the following new standards and amendments to standards issued by the Malaysian Accounting Standards Board ("MASB") that are mandatory for current financial year:

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
Amendments to MFRS 112	International Tax Reform - Pillar Two Model Rules

The adoption of the new standards and amendments to standards did not have any significant impact on the financial statements of the Group and of the Company except as disclosed below:

Amendments to MFRS 101 Disclosure of Accounting Policies

The Group and the Company adopted Amendments to MFRS 101 *Disclosure of Accounting Policies* from 1 January 2023. The amendments require the disclosure of material accounting policy information rather than significant accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

Accordingly, the Group and the Company disclosed their material accounting policies information in these financial statements. However, the amendments did not result in any material changes to the accounting policies of the Group and of the Company.

Notes to the Financial Statements

31 December 2023 (cont'd)

2. Basis of Preparation (Cont'd)

(a) Statement of compliance (Cont'd)

Adoption of new and amended standards (Cont'd)

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

The Group and the Company have adopted Amendments to MFRS 112 *Deferred Tax related to Assets and Liabilities* arising from a Single Transaction from 1 January 2023. The amendments narrow the scope of the initial recognition exemption to exclude transactions that give rise to equal and offsetting temporary differences – e.g. leases and decommissioning liabilities. For leases and decommissioning liabilities, an entity is required to recognise the associated deferred tax assets and liabilities from the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to retained earnings or other components of equity at that date.

The Group and the Company previously accounted for deferred tax on leases applying the “integrally linked” approach, resulting in a similar outcome to the amendments, except that the deferred tax asset or liability was recognised on a net basis. Following the amendments, the Group and the Company have recognised a separate deferred tax asset in relation to its lease liabilities and a deferred tax liability in relation to its right-of-use assets instead to recognise deferred tax asset or liability on leases on a net basis which previously permitted under paragraph 74 of MFRS 112 *Income Taxes*.

Standards issued but not yet effective

The Group and the Company have not applied the following amendments to standards that have been issued by the MASB but are not yet effective for the Group and for the Company:

		Effective dates for financial periods beginning on or after
Amendments to MFRS 116	Lease Liability in a Sale and Lease Back	1 January 2024
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to MFRS 101	Non-current Liabilities with Covenants	1 January 2024
Amendments to MFRS 107 and MFRS 7	Supplier Finance Arrangements	1 January 2024
Amendments to MFRS 121	Lack of Exchangeability	1 January 2025
Amendments to MFRS 10 and MFRS 128	Sale on Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further notice

The Group and the Company intend to adopt the above amendments to standards, if applicable, when they become effective.

These amendments to published standards will be adopted on the respective effective dates. The Group and the Company have started a preliminary assessment on the effects of the above amendments to published standards and the impact is still being assessed.

(b) Functional and presentation currency

The financial statements are presented in Ringgit Malaysia (“RM”), which is the Company’s functional currency. All financial information is presented in RM and has been rounded to the nearest RM except when otherwise stated.

Notes to the Financial Statements

31 December 2023 (cont'd)

2. Basis of Preparation (Cont'd)

(c) Significant accounting judgements, estimates and assumptions

The preparation of the Group's and of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgements

The following are the judgements made by management in the process of applying the Group's accounting policies that have the most significant effect on the amounts recognised in the financial statements:

Determining the lease term of contracts with renewal options - the Group as lessee

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised.

The Group has several lease contracts that include extension options. The Group applies judgement in evaluating whether to exercise the option to renew the lease. It considers all relevant factors that create an economic incentive for it to exercise the renewal option. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew.

The Group includes the renewal period as part of the lease term for such leases. The Group typically exercises its option to renew for those leases with renewal option.

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation or uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period are set out below:

Depreciation and useful lives of property, plant and equipment, right-of-use ("ROU") assets and investment property

The Group reviews the residual values, useful lives and depreciation methods at the end of each reporting period. Judgements are applied in the selection of the depreciation method, the useful lives and the residual values. The actual consumption of the economic benefits of the property, plant and equipment, ROU assets and investment properties may differ from the estimates applied and therefore, future depreciation charges could be revised. The carrying amounts of the Group's and of the Company's property, plant and equipment, ROU assets and investment properties are disclosed in Notes 4, 5 and 6 respectively.

Inventories valuation

Inventories are measured at the lower of cost and net realisable value. The Group estimates the net realisable value of inventories based on an assessment of expected sales prices. Demand levels and pricing competition could change from time to time. If such factors result in an adverse effect on the Group's products, the Group might be required to reduce the value of its inventories. Details of inventories are disclosed in Note 10.

Notes to the Financial Statements

31 December 2023 (cont'd)

2. Basis of Preparation (Cont'd)

- (c) Significant accounting judgements, estimates and assumptions (Cont'd)

Key sources of estimation uncertainty (Cont'd)

Provision for expected credit loss of financial assets at amortised cost

The Group uses a provision matrix to calculate expected credit loss for trade receivables. The provision rates are based on number of days past due.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and expected credit loss is a significant estimate. The Group's historical credit loss experience and forecast of economic conditions may not be representative of customer's actual default in the future. Information about the expected credit loss on the Group's and the Company's trade receivables is disclosed in Note 11.

Discount rate used in leases

Where the interest rate implicit in the lease cannot be readily determined, the Group uses the incremental borrowing rate to measure the lease liabilities. The incremental borrowing rate is the interest rate that the Group would have to pay to borrow over a similar term, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. Therefore, the incremental borrowing rate requires estimation, particularly when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the incremental borrowing rate using observable inputs when available and is required to make certain entity-specific estimates.

Income taxes

Judgement is involved in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business.

The Group recognises liabilities for tax based on estimates of whether additional taxes will be due. Where the final tax outcome of these tax matters is different from the amounts that were initially recognised, such differences will impact the income tax and/or deferred tax provisions in the period in which such determination is made. As at 31 December 2023, the Group has tax recoverable and tax payable of RM1,309,895 (2022: RM1,112,206) and RM121,238 (2022: RM104,251) respectively. As at 31 December 2023, the Company has tax recoverable of RM1,056,392 (2022: of RM889,166).

Notes to the Financial Statements

31 December 2023 (cont'd)

3. Material Accounting Policies

The Group and the Company apply the material accounting policies set out below, consistently throughout all periods presented in the financial statements unless otherwise stated.

(a) Basis of consolidation

(i) Subsidiary companies

Subsidiaries are entities controlled by the Company. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive. The Group also considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

In the Company's separate financial statements, investment in subsidiaries are stated at cost less any accumulated impairment losses. On disposal of such investment, the difference between net disposal proceeds and their carrying amounts are recognised in profit or loss.

Business combination - Merger method

A business combination in which all the combining entity or business are ultimately controlled by same party or parties both before or after the business combination, and that control is not transitory. The acquisition of KJ Technical Services resulted in a business involving common control entity since the management of all the entity which took part in the acquisition were controlled by common Directors and under common shareholders before and immediately after the acquisition, and accordingly the accounting treatment is outside the scope of MFRS 3. For such common control business combinations, the merger accounting principles are used to include the assets, liabilities, results, equity changes and cash flows of the combining entity in the consolidated financial statements. The merger method of accounting on a retrospective basis and restated its comparative as if the consolidated had taken place before the state of the earliest year presented in the combined financial statements.

Under the merger method of accounting, the results of subsidiary are presented as if the merger had been affected throughout the current period. The assets and liabilities combined are accounted for based on the carrying amounts from the perspective of the common control shareholders at the date of transfer. On consolidation, the cost of the merger is cancelled with the values of the shares received. Any resulting credit difference is classified as equity and regarded as a non-distributable reserve. Any resulting debit difference is adjusted against any suitable reserve. Any reserves which are attributable to share capital of the merged entity, to the extent that they have not been capitalised by a debit difference, are reclassified and presented as movement in other reserves.

Business combination - Acquisition method

The Group applies the acquisition method to account for business combinations from the acquisition date, which is the date on which the control is transferred to the Group. Under the acquisition method, the identifiable assets acquired and liabilities assumed are measured at their fair values at the acquisition date. The cost of an acquisition is measured as the aggregate of the fair value of the consideration transferred. Non-controlling interests are stated either at fair value or at the proportionate share of the acquiree's identifiable net assets at the acquisition date.

In a business combination achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

The Group measures goodwill as the excess of the cost of an acquisition, as defined above, and the fair values of any previously held interest in the acquiree, over the fair value of the identifiable assets acquired and liabilities assumed at the acquisition date. When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

Notes to the Financial Statements

31 December 2023 (cont'd)

3. Material Accounting Policies (Cont'd)

(a) Basis of consolidation (Cont'd)

(i) Subsidiary companies (Cont'd)

Business combination - Acquisition method (Cont'd)

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control and continue to be consolidated until the date that such control ceases. In preparing the consolidated financial statements, all intra-group balances, income and expenses and unrealised gains or losses resulting from intra-group transactions are eliminated in full. Uniform accounting policies are applied to like transactions and events in similar circumstances.

(ii) Changes in ownership interests in subsidiary companies without change in control

The Group treats all changes in its ownership interest in a subsidiary that do not result in a loss of control as equity transactions between the Group and its non-controlling interest holders. Any difference between the Group's proportionate share of net assets before and after the change, and any fair value of consideration received or paid, is recognised directly in equity as transactions with shareholders.

(iii) Loss of Control

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity accounted investee or at fair value through other comprehensive income depending on the level of influence retained.

(b) Investment in associates

Associates are entities, in which the Group has significant influence, but not control, over the financial and operating policies.

Investments in associates are accounted for in the consolidated and the Company's financial statements using the equity method less any impairment losses, unless it is classified as held for sale or distribution. The cost of the investment includes transaction costs. The consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of the associates, after adjustments if any, to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases.

(c) Foreign currency translation

(i) Foreign currency transactions and balances

Transactions in foreign currency are recorded in the functional currency of the respective Group entities using the exchange rates prevailing at the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Notes to the Financial Statements

31 December 2023 (cont'd)

3. Material Accounting Policies (Cont'd)

(c) Foreign currency translation (Cont'd)

(i) Foreign currency transactions and balances (Cont'd)

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are included in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operation. These are initially taken directly to the foreign currency translation reserve within equity until the disposal of the foreign operations, at which time they are recognised in profit or loss. Exchange differences arising on monetary items that form part of the Company's net investment in foreign operation are recognised in profit or loss in the Company's financial statements or the individual financial statements of the foreign operation, as appropriate.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the reporting period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised in other comprehensive income. Exchange differences arising from such non-monetary items are also recognised in other comprehensive income.

(ii) Foreign operations

The assets and liabilities of foreign operations denominated in functional currencies other than RM are translated to RM at the rate of exchange prevailing at the reporting date. The income and expenses of foreign operations, excluding foreign operations in hyperinflationary economies, are translated to RM at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income and accumulated in the foreign currency translation reserve ("FCTR") in equity. When a foreign operation is disposed off such that control or significant influence is lost, the cumulative amount in the FCTR related that foreign operations reclassified to profit or loss as part of the gain or loss on disposal.

When the Group disposes of only part of its investment in an associate that includes a foreign operation while retaining significant influence, the relevant proportion of the cumulative amount is reclassified to profit or loss.

(d) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. The policy of recognition and measurement of impairment losses is in accordance with Note 3(l)(i) on impairment on non-financial assets.

(i) Recognition and measurement

All items of property, plant and equipment are initially recorded at cost. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced component is derecognised. All other repair and maintenance are recognised in profit or loss during the financial year in which they are incurred.

Subsequent to initial recognition, property, plant and equipment are stated at cost less any accumulated depreciation and accumulated impairment losses.

Property, plant and equipment are derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss.

Notes to the Financial Statements

31 December 2023 (cont'd)

3. Material Accounting Policies (Cont'd)

(d) Property, plant and equipment (Cont'd)

(ii) Depreciation

Depreciation is recognised in the profit or loss on straight-line basis to write off the cost of each asset to its residual value over its estimated useful life. Freehold land is not depreciated. Capital work-in-progress are not depreciated until the assets are ready for its intended use.

Property, plant and equipment are depreciated based on the estimated useful lives of the assets as follows:

Freehold building	1.25%
Renovation	10%
Computers, office equipment, furniture and fittings	10% to 20%
Software	20%
Radio equipment	12.50%
Prime movers	6.67%
Trailers	7.70%
Motor vehicles, forklifts and side loaders	10% to 20%
Skid tank	10%
Warehouse equipment	20%

The residual values, useful lives and depreciation method are reviewed at the end of each reporting period to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the property, plant and equipment.

(e) Leases

As lessee

The Group and the Company recognise a ROU asset and a lease liability at the lease commencement date. The ROU asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or site on which it is located, less any lease incentives received.

The ROU asset is subsequently measured at cost less any accumulated depreciation, accumulated impairment loss and, if applicable, adjusted for any remeasurement of lease liabilities. The policy of recognition and measurement of impairment losses is in accordance with Note 3(l)(i) on impairment on non-financial assets.

The ROU asset under cost model is depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the ROU asset or the end of the lease term. The estimated useful lives of the ROU assets are determined on the same basis as those of property, plant and equipment as follows:

Leasehold land and buildings	Over the remaining lease period
Leasehold building	Over the remaining lease period
Buildings	Over the lease term
Prime movers	6.67% to 12.50% or over the lease term, if shorter
Motor vehicles	10% to 20% or over the lease term, if shorter
Forklifts	Over the lease term
Trailers	7.70% or over the lease term, if shorter

The ROU assets are subject to impairment.

Notes to the Financial Statements

31 December 2023 (cont'd)

3. Material Accounting Policies (Cont'd)

(e) Leases (Cont'd)

As lessee (Cont'd)

The lease liability is initially measured at the present value of future lease payments at the commencement date, discounted using the respective Group entities' incremental borrowing rates. Lease payments included in the measurement of the lease liability include fixed payments, any variable lease payments, amount expected to be payable under a residual value guarantee, and exercise price under an extension option that the Group and the Company are reasonably certain to exercise.

Variable lease payments that do not depend on an index or a rate and are dependent on a future activity are recognised as expenses in profit or loss in the period in which the event or condition that triggers the payment occurs.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in rate, or if the Group or the Company changes its assessment of whether it will exercise an extension or termination option.

Lease payments associated with short-term leases and leases of low value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less and do not contain a purchase option. Low value assets are those assets valued at less than RM20,000 each when purchased new.

As lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. Leases in which the Group or the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases.

If the lease arrangement contains lease and non-lease components, the Group and the Company apply MFRS 15 *Revenue from Contracts with Customers* to allocate the consideration in the contract based on the stand-alone selling price.

The Group recognises lease payments under operating leases as income on a straight-line basis over the lease term unless another systematic basis is more representative of the pattern in which benefit from the use of the underlying asset is diminished. The lease payment recognised is included as part of "Other income". Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

(f) Investment properties

Investment properties, including right-of-use assets held by lessee are properties held either to earn rental income or for capital appreciation or for both. Investment properties are measured at cost, including transaction costs, less any accumulated depreciation and impairment losses.

The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day servicing of an investment property.

Investment properties are depreciated on a straight-line basis to write down the cost of each asset to their residual values over their estimated useful lives. The principal annual depreciation rate is over the remaining period of the lease. The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Where an indication of impairment exists, the carrying amount of the asset is assessed and written down immediately to its recoverable amount. Refer accounting policy Note 3(l)(i) on impairment of non-financial assets.

Notes to the Financial Statements

31 December 2023 (cont'd)

3. Material Accounting Policies (Cont'd)

(f) Investment properties (Cont'd)

Investment properties are derecognised upon disposal or when they are permanently withdrawn from use and no future economic benefits are expected from their disposal. Upon disposal, the difference between the net disposal proceeds and the carrying amount is recognised in the profit or loss.

Transfers are made to (or from) investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

(g) Financial assets

Recognition and initial measurement

Financial assets are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument.

At initial recognition, the Group and the Company measure a financial asset at its fair value plus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issuance of the financial instruments. Transaction costs of financial assets carried at fair value through profit or loss ("FVTPL") are expensed in profit or loss.

Financial asset categories and subsequent measurement

The Group and the Company determine the classification of financial assets at initial recognition and are not reclassified subsequent to their initial recognition unless the Group and the Company change its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

The Group and the Company classify their financial assets as follows:

(i) Financial assets at amortised cost

The Group and the Company measure financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Any gain and loss on derecognition is recognised in profit or loss.

The Group's financial assets at amortised cost include trade and other receivables, fixed deposits with licensed banks and cash and bank balances. The Company's financial assets at amortised cost include trade and other receivables, amount due from subsidiary companies, fixed deposits with licensed banks and cash and bank balances.

Notes to the Financial Statements 31 December 2023 (cont'd)

3. Material Accounting Policies (Cont'd)

(g) Financial assets (Cont'd)

Financial asset categories and subsequent measurement (Cont'd)

The Group and the Company classify their financial assets as follows: (Cont'd)

(ii) Financial assets at fair value through other comprehensive income ("FVTOCI")

The Group and the Company have not designated any financial assets at FVTOCI.

(iii) Financial assets at fair value through profit or loss

All financial assets not classified as measured at amortised cost or FVTOCI, as described above are measured at FVTPL. This includes derivative financial assets (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument). On initial recognition, the Group and the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVTOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets categorised as FVTPL are subsequently measured at their fair value. Net gains or losses, including any interest or dividend income are recognised in the profit or loss.

The Group's and the Company's financial assets at FVTPL include other investment.

All financial assets, except for those measured at FVTPL and equity investments measured at FVTOCI, are subject to impairment assessment as disclosed in Note 3(l)(ii) on impairment on financial assets.

Regular way purchase or sale of financial assets

Regular way purchase or sale are purchase or sale of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned. All regular way purchase or sale of financial assets are recognised or derecognised on the trade date i.e., the date that the Group and the Company commit to purchase or sell the asset.

Derecognition

A financial asset or part of it is derecognised when, and only when the contractual rights to receive cash flows from the financial asset expire or transferred, or control of the asset is not retained or substantially all of the risks and rewards of ownership of the financial asset are transferred to another party. On derecognition of a financial asset, the difference between the carrying amount of the financial assets and the sum of consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

(h) Financial liabilities

Recognition and initial measurement

Financial liabilities are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument.

At initial recognition, the Group and the Company measure a financial liability at its fair value less, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issuance of the financial instruments.

Notes to the Financial Statements

31 December 2023 (cont'd)

3. Material Accounting Policies (Cont'd)

(h) Financial liabilities (Cont'd)

Financial liability categories and subsequent measurement

The Group and the Company classify their financial liabilities as follows:

(i) Financial liabilities at amortised cost

Financial liabilities not categorised as fair value through profit or loss are subsequently measured at amortised cost using the effective interest method.

Interest expense and foreign exchange gains and losses are recognised in the profit or loss. Any gains or losses on derecognition are also recognised in the profit or loss.

The Group's financial liabilities designated at amortised cost comprise trade and other payables, amount due to associates, lease liabilities and bank borrowings. The Company's financial liabilities designated at amortised cost comprise trade and other payables, amount due to subsidiary companies and associates, lease liabilities and bank borrowings.

(ii) Financial liabilities at fair value through profit or loss

The Group and the Company have not designated any financial liabilities at FVTPL.

Derecognition

A financial liability or part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expired. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(i) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs when the guaranteed debtor fails to make payment when due.

Financial guarantee contracts are recognised initially as financial liabilities at fair value, net of transaction costs. Subsequently, the liability is measured at the higher of:

- The amount of the loss allowances; and
- The amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance the principles of MFRS 15 *Revenue from Contracts with Customers*.

(j) Inventories

Inventories are stated at the lower of cost and net realisable value.

Cost of inventories comprise cost of purchase and other costs incurred in bringing it to their present location and condition are determined on first-in-first-out basis.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

Notes to the Financial Statements

31 December 2023 (cont'd)

3. Material Accounting Policies (Cont'd)

(k) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits, bank overdrafts and short-term highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. For the purpose of statements of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

(l) Impairment of assets

(i) Non-financial assets

The carrying amounts of non-financial assets (except for inventories, deferred tax assets and non-current assets classified as held for sale) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

An impairment loss is recognised if the carrying amount of an asset or cash-generating unit exceeds its estimated recoverable amount. Impairment loss is recognised in profit or loss.

Impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation or amortisation, had no impairment loss been recognised for asset in prior years. Such reversal is recognised in the profit or loss.

(ii) Financial assets

The Group and the Company recognise an allowance for expected credit losses ("ECLs") for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group and the Company expect to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months ("a 12-month ECL"). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default ("a lifetime ECL").

For trade receivables, other receivables and inter-company balances, the Group and the Company apply a simplified approach in calculating ECLs. Therefore, the Group and the Company do not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group and the Company have established a provision matrix that is based on its historical credit loss experience to the debtors and the economic environment.

Notes to the Financial Statements

31 December 2023 (cont'd)

3. Material Accounting Policies (Cont'd)

(m) Share capital

An equity instrument is any contract that evidences a residual interest in the assets of the Group and of the Company after deducting all of its liabilities. Ordinary shares are equity instruments. Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity.

Dividend distribution to the Company's shareholders is recognised as a liability in the period they are approved by the Board of Directors except for the final dividend which is subject to approval by the Company's shareholders.

(n) Provisions

Provisions are recognised when there is a present legal or constructive obligation as a result of a past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Any reimbursement that the Group can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision. The expense relating to any provision is presented in the statements of profit or loss and other comprehensive income net of any reimbursement.

(o) Employee benefits

(i) Short-term employee benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the reporting period in which the associated services are rendered by employees of the Group. Short-term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short-term non-accumulating compensated absences such as sick and medical leave are recognised when the absences occur.

The expected cost of accumulating compensated absences is measured as additional amount expected to be paid as a result of the unused entitlement that has accumulated at the end of the reporting period.

(ii) Defined contribution plans

As required by law, companies in Malaysia contribute to the state pension scheme, the Employee Provident Fund ("EPF"). Such contributions are recognised as an expense in the profit or loss as incurred. Once the contributions have been paid, the Group has no further payment obligations.

(p) Borrowing costs

Borrowing costs are recognised in profit or loss in the period in which they are incurred. Borrowing costs consist of interest and other costs that the Group and the Company incurred in connection with the borrowing of funds.

Notes to the Financial Statements

31 December 2023 (cont'd)

3. Material Accounting Policies (Cont'd)

(q) Non-current assets classified as held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. Such non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

The criteria for held for sale classification is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets and disposal group. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Right-of-use assets are not depreciated once classified as held for sale.

(r) Revenue and other income

(i) Revenue from contracts with customers

Revenue is recognised when the Group satisfied a performance obligation ("PO") by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A PO may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied PO.

Revenue from rendering of services are recognised in the reporting period in which the services are rendered, which simultaneously received and consumes the benefits provided by the Group, and the Group has a present right to payment for the services.

(ii) Interest income

Interest income is recognised on accruals basis using the effective interest method.

(iii) Rental income

Rental income is accounted for on a straight-line basis over the lease terms. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

(iv) Dividend income

Dividend income is recognised when the Group's right to receive payment is established.

(s) Income taxes

Tax expense in profit or loss comprises current and deferred tax. Current tax and deferred tax is recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the financial year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous financial years.

Deferred tax is recognised using the liability method for all temporary differences between the carrying amounts of assets and liabilities in the statements of financial position and their tax bases. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

Notes to the Financial Statements

31 December 2023 (cont'd)

3. Material Accounting Policies (Cont'd)

(s) Income taxes (Cont'd)

The measurement of deferred tax is based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, at the end of the reporting period. Deferred tax assets and liabilities are not discounted.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(t) Segments reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-makers are responsible for allocating resources and assessing performance of the operating segments and make overall strategic decisions. The Group's operating segments are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

(u) Fair value measurement

Fair value of an asset or a liability is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer of the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair value is categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

- Level 1 : quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.
- Level 2 : inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 : unobservable inputs for the asset or liability.

The Group recognises transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

Notes to the Financial Statements

31 December 2023 (cont'd)

4. Property, Plant and Equipment

	Freehold land and building	Capital work-in-progress	Renovation	Computers, office equipment, furniture and fittings	Software	Radio equipment	Prime movers	Trailers	Motor vehicles, and side loaders	Skid Tank	Warehouse Equipment	Total
	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
Group 2023												
Cost												
At 1 January 2023	501,925	-	227,400	2,162,959	935,490	116,770	29,609,417	14,891,830	3,112,771	75,850	1,599,996	53,234,408
Additions	-	-	57,000	44,695	-	-	360,270	-	649,434	-	1,261,215	2,372,614
Disposals	-	-	-	(46,269)	-	(116,770)	(744,000)	(29,610)	(748,610)	-	-	(1,685,259)
Transfer from right-of-use assets	-	-	-	-	-	-	-	-	186,063	-	-	186,063
At 31 December 2023	501,925	-	284,400	2,161,385	935,490	-	29,225,687	14,862,220	3,199,658	75,850	2,861,211	54,107,826
Accumulated depreciation												
At 1 January 2023	38,627	-	227,396	897,394	561,294	106,059	14,652,304	5,809,418	1,459,534	13,274	523,418	24,288,718
Charge for the financial year	2,024	-	3,851	236,481	-	2,451	1,203,939	500,698	280,203	7,585	367,903	2,605,135
Disposals	-	-	-	(32,000)	-	(108,510)	(383,730)	(7,705)	(581,133)	-	-	(1,113,078)
Transfer from right-of-use assets	-	-	-	-	-	-	-	-	123,935	-	-	123,935
At 31 December 2023	40,651	-	231,247	1,101,875	561,294	-	15,472,513	6,302,411	1,282,539	20,859	891,321	25,904,710
Accumulated impairment losses												
At 1 January 2023/	-	-	-	-	-	-	-	-	-	-	-	-
31 December 2023	-	-	-	-	374,195	-	-	-	-	-	-	374,195
Carrying amount												
At 31 December 2023	461,274	-	53,153	1,059,510	1	-	13,753,174	8,559,809	1,917,119	54,991	1,969,890	27,828,921

Notes to the Financial Statements

31 December 2023 (cont'd)

4. Property, Plant and Equipment (Cont'd)

Group 2022	Freehold land and building RM	Capital work-in- progress RM	Renovation RM	Computers, office equipment, furniture and fittings			Radio equipment RM	Prime movers RM	Trailers RM	Motor vehicles, forklifts and side loaders RM	Skid Tank RM	Warehouse Equipment RM	Total RM
				RM	RM	RM							
Cost													
At 1 January 2022	501,925	6,125,823	838,554	3,101,471	935,490	116,770	23,829,000	12,300,930	3,048,904	75,850	1,443,922	52,318,639	
Additions	-	13,500,000	-	21,612	-	-	168,417	-	1,063,867	-	156,074	14,909,970	
Disposals	-	-	(191,463)	-	-	-	(328,000)	-	(1,000,000)	-	-	(1,519,463)	
Written off	-	-	(419,691)	(960,124)	-	-	-	-	-	-	-	(1,379,815)	
Transfer (to)/from right-of-use assets	-	(19,625,823)	-	-	-	-	5,940,000	2,590,900	-	-	-	(11,094,923)	
At 31 December 2022	501,925	-	227,400	2,162,959	935,490	116,770	29,609,417	14,891,830	3,112,771	75,850	1,599,996	53,234,408	
Accumulated depreciation													
At 1 January 2022	36,603	-	708,642	1,589,464	561,294	93,383	11,833,896	4,798,131	2,262,108	5,689	220,955	22,110,165	
Charge for the financial year	2,024	-	8,182	266,992	-	12,676	927,801	407,855	196,356	7,585	302,463	2,131,934	
Disposals	-	-	(134,335)	-	-	-	(159,582)	-	(998,930)	-	-	(1,292,847)	
Written off	-	-	(355,093)	(959,062)	-	-	-	-	-	-	-	(1,314,155)	
Transfer from right-of-use assets	-	-	-	-	-	-	2,050,189	603,432	-	-	-	2,653,621	
At 31 December 2022	38,627	-	227,396	897,394	561,294	106,059	14,652,304	5,809,418	1,459,534	13,274	523,418	24,288,718	
Accumulated impairment losses													
At 1 January 2022/	-	-	-	-	-	-	-	-	-	-	-	-	374,195
31 December 2022	-	-	-	-	374,195	-	-	-	-	-	-	-	
Carrying amount													
At 31 December 2022	463,298	-	4	1,265,565	1	10,711	14,957,113	9,082,412	1,653,237	62,576	1,076,578	28,571,495	

Notes to the Financial Statements

31 December 2023 (cont'd)

4. Property, Plant and Equipment (Cont'd)

	Office equipment, furniture and fittings RM	Computers RM	Prime movers equipment RM	Radio equipment RM	Warehouse equipment RM	Motor vehicles and forklifts RM	Curtain sider RM	Total RM
Company								
2023								
Cost								
At 1 January 2023	1,536,422	119,143	2,885,180	10,900	1,599,996	1,876,106	-	8,027,747
Additions	31,510	1,600	360,270	-	1,244,136	302,064	322,500	2,262,080
Disposal	(12,861)	-	-	(10,900)	-	(705,610)	-	(729,371)
Transfer from right-of-use assets	-	-	-	-	-	186,063	-	186,063
At 31 December 2023	1,555,071	120,743	3,245,450	-	2,844,132	1,658,623	322,500	9,746,519
Accumulated depreciation								
At 1 January 2023	409,672	70,191	389,511	4,200	523,418	1,268,131	-	2,665,123
Charge for the financial year	189,463	21,357	192,694	681	366,764	177,751	5,375	954,085
Disposal	(9,977)	-	-	(4,881)	-	(538,775)	-	(553,633)
Transfer from right-of-use assets	-	-	-	-	-	123,935	-	123,935
At 31 December 2023	589,158	91,548	582,205	-	890,182	1,031,042	5,375	3,189,510
Carrying amount								
At 31 December 2023	965,913	29,195	2,663,245	-	1,953,950	627,581	317,125	6,557,009

Notes to the Financial Statements

31 December 2023 (cont'd)

4. Property, Plant and Equipment (Cont'd)

	Capital work-in- progress RM	Renovation RM	Office equipment, furniture and fittings RM	Computers RM	Prime movers RM	Radio equipment RM	Warehouse equipment RM	Motor vehicles and forklifts RM	Total RM
Company									
2022									
Cost									
At 1 January 2022	6,125,823	196,513	1,645,657	539,553	2,716,763	10,900	1,443,922	1,862,239	14,541,370
Additions	13,500,000	-	15,147	-	168,417	-	156,074	13,867	13,853,505
Disposal	-	(81,822)	-	-	-	-	-	-	(81,822)
Written off	-	(114,691)	(124,382)	(420,410)	-	-	-	-	(659,483)
Transfer (to)/from right-of-use assets	(19,625,823)	-	-	-	-	-	-	-	(19,625,823)
At 31 December 2022	-	-	1,536,422	119,143	2,885,180	10,900	1,599,996	1,876,106	8,027,747
Accumulated depreciation									
At 1 January 2022	-	167,240	342,335	459,952	213,041	2,838	220,955	1,096,812	2,503,173
Charge for the financial year	-	8,182	191,677	30,539	176,470	1,362	302,463	171,319	882,012
Disposal	-	(60,746)	-	-	-	-	-	-	(60,746)
Written off	-	(114,676)	(124,340)	(420,300)	-	-	-	-	(659,316)
At 31 December 2022	-	-	409,672	70,191	389,511	4,200	523,418	1,268,131	2,665,123
Carrying amount									
At 31 December 2022	-	-	1,126,750	48,952	2,495,669	6,700	1,076,578	607,975	5,362,624

Notes to the Financial Statements

31 December 2023 (cont'd)

4. Property, Plant and Equipment (Cont'd)

- (a) The aggregate costs for the property, plant and equipment of the Group and of the Company during the financial year acquired under term loan financing, offset with subsidiary companies and cash payments are as follows:

	Group		Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Aggregate costs	2,372,614	14,909,970	2,262,080	13,853,505
Term loan financing	-	(13,500,000)	-	(13,500,000)
Offset with subsidiary companies	-	-	(360,270)	(182,284)
Cash payments	2,372,614	1,409,970	1,901,810	171,221

- (b) The carrying amount of the Group's motor vehicles which are held in trust and registered under the name of related parties amounting to RM1 (2022: RM1,768).

Notes to the Financial Statements

31 December 2023 (cont'd)

5. Right-of-use Assets

	Leasehold land and building RM	Buildings RM	Prime movers RM	Motor vehicles RM	Forklifts RM	Trailers RM	Plant and machinery RM	Total RM
Group								
2023								
Cost								
At 1 January 2023	76,740,517	566,285	1,810,000	687,533	142,063	873,550	-	80,819,948
Additions	21,326,577	191,874	-	646,961	40,427	-	876,096	23,081,935
Transfer to property, plant and equipment	-	-	-	(186,063)	-	-	-	(186,063)
Expiration of lease contracts	-	(178,925)	-	-	-	-	-	(178,925)
At 31 December 2023	98,067,094	579,234	1,810,000	1,148,431	182,490	873,550	876,096	103,536,895
Accumulated depreciation								
At 1 January 2023	1,919,900	323,690	326,835	290,889	28,777	124,175	-	3,014,266
Charge for the financial year	1,218,710	229,762	106,000	69,783	91,247	40,273	87,610	1,843,385
Transfer to property, plant and equipment	-	-	-	(123,935)	-	-	-	(123,935)
Expiration of lease contracts	-	(178,925)	-	-	-	-	-	(178,925)
At 31 December 2023	3,138,610	374,527	432,835	236,737	120,024	164,448	87,610	4,554,791
Carrying amount								
At 31 December 2023	94,928,484	204,707	1,377,165	911,694	62,466	709,102	788,486	98,982,104

Notes to the Financial Statements

31 December 2023 (cont'd)

5. Right-of-use Assets (Cont'd)

	Leasehold land and building RM	Buildings RM	Prime movers RM	Motor vehicles RM	Forklifts RM	Trailers RM	Total RM
Group							
2022							
Cost							
At 1 January 2022	58,064,316	743,967	7,750,000	687,533	372,066	3,464,450	71,082,332
Additions	261,847	31,476	-	-	142,063	-	435,386
Disposal	(1,211,469)	-	-	-	-	-	(1,211,469)
Transfer from/(to) property, plant and equipment	19,625,823	-	(5,940,000)	-	-	(2,590,900)	11,094,923
Expiration of lease contracts	-	(209,158)	-	-	(372,066)	-	(581,224)
At 31 December 2022	76,740,517	566,285	1,810,000	687,533	142,063	873,550	80,819,948
Accumulated depreciation							
At 1 January 2022	1,063,662	283,813	1,993,877	221,107	319,356	598,432	4,480,247
Charge for the financial year	1,233,304	249,035	383,147	69,782	81,487	129,175	2,145,930
Disposal	(377,066)	-	-	-	-	-	(377,066)
Transfer to property, plant and equipment	-	-	(2,050,189)	-	-	(603,432)	(2,653,621)
Expiration of lease contracts	-	(209,158)	-	-	(372,066)	-	(581,224)
At 31 December 2022	1,919,900	323,690	326,835	290,889	28,777	124,175	3,014,266
Carrying amount							
At 31 December 2022	74,820,617	242,595	1,483,165	396,644	113,286	749,375	77,805,682

Notes to the Financial Statements

31 December 2023 (cont'd)

5. Right-of-use Assets (Cont'd)

	Leasehold land and building RM	Buildings RM	Trailers RM	Prime movers RM	Motor vehicles RM	Plant and machinery RM	Total RM
Company							
2023							
Cost							
At 1 January 2023	76,740,517	178,925	873,550	1,810,000	286,353	-	79,889,345
Additions	21,326,577	191,874	-	-	646,961	876,096	23,041,508
Transfer to property, plant and equipment	-	-	-	-	(186,063)	-	(186,063)
Expiration of lease contracts	-	(178,925)	-	-	-	-	(178,925)
At 31 December 2023	98,067,094	191,874	873,550	1,810,000	747,251	876,096	102,565,865
Accumulated depreciation							
At 1 January 2023	1,919,900	171,470	124,175	326,835	129,416	-	2,671,796
Charge for the financial year	1,218,710	95,398	40,273	106,000	33,900	87,610	1,581,891
Transfer to property, plant and equipment	-	-	-	-	(123,935)	-	(123,935)
Expiration of lease contracts	-	(178,925)	-	-	-	-	(178,925)
At 31 December 2023	3,138,610	87,943	164,448	432,835	39,381	87,610	3,950,827
Carrying amount							
At 31 December 2023	94,928,484	103,931	709,102	1,377,165	707,870	788,486	98,615,038

Notes to the Financial Statements

31 December 2023 (cont'd)

5. Right-of-use Assets (Cont'd)

	Leasehold land and building RM	Buildings RM	Trailers RM	Prime movers RM	Motor vehicles RM	Total RM
Company						
2022						
Cost						
At 1 January 2022	58,064,316	178,925	873,550	1,810,000	286,353	61,213,144
Additions	261,847	-	-	-	-	261,847
Disposal	(1,211,469)	-	-	-	-	(1,211,469)
Transfer from property, plant and equipment	19,625,823	-	-	-	-	19,625,823
At 31 December 2022	76,740,517	178,925	873,550	1,810,000	286,353	79,889,345
Accumulated depreciation						
At 1 January 2022	1,063,662	82,007	83,902	220,833	95,517	1,545,921
Charge for the financial year	1,233,304	89,463	40,273	106,002	33,899	1,502,941
Disposal	(377,066)	-	-	-	-	(377,066)
At 31 December 2022	1,919,900	171,470	124,175	326,835	129,416	2,671,796
Carrying amount						
At 31 December 2022	74,820,617	7,455	749,375	1,483,165	156,937	77,217,549

Notes to the Financial Statements

31 December 2023 (cont'd)

5. Right-of-use Assets (Cont'd)

- (a) The carrying amounts of right-of-use assets of the Group and of the Company held under lease financing are as follows:

	Group		Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Motor vehicles	911,694	396,644	707,870	156,937
Prime movers and trailers	2,086,267	2,232,540	2,086,267	2,232,540
	2,997,961	2,629,184	2,794,137	2,389,477

Leased assets are pledged as security for the related lease liabilities as disclosed in Note 17.

- (b) The carrying amount of leasehold land and building of the Group and of the Company amounted to RM94,928,484 and RM94,928,484 (2022: RM74,820,617 and RM74,820,617) respectively are pledged as security for bank borrowing as disclosed in Note 18(b).
- (c) The aggregate costs for the right-of-use assets of the Group and of the Company during the financial year acquired under lease financing, term loan financing and cash payments are as follows:

	Group		Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Aggregate costs	23,081,935	435,386	23,041,508	261,847
Less: Lease financing	(232,300)	(173,539)	(191,874)	-
Less: Term loan financing	(19,626,307)	-	(19,626,307)	-
Cash payments	3,223,328	261,847	3,223,327	261,847

- (d) The amount of borrowing cost capitalised during the financial year for work-in-progress of the Group and of the Company amounting to RM190,379 and RM190,379 (2022: RM Nil and RM Nil) respectively. The rate used to determine the amount of borrowing cost eligible for capitalisation was 6.75% (2022: Nil) per annum, which is the effective interest rate of the specific borrowing.
- (e) The remaining lease terms of the leasehold land and buildings range from 57 to 74 years (2022: 58 to 75 years).

Notes to the Financial Statements 31 December 2023 (cont'd)

6. Investment Property

	Group/Company 2023 RM	2022 RM
Leasehold building		
Cost		
At 1 January/31 December	2,793,300	2,793,300
Accumulated depreciation		
At 1 January	59,222	29,611
Charge for the financial year	29,611	29,611
At 31 December	88,833	59,222
Carrying amount		
At 31 December	2,704,467	2,734,078
Fair value		
At 31 December	5,195,544	5,195,544

- (a) The remaining lease terms of the leasehold building is 91 (2022: 92) years.
- (b) Fair value of investment property was estimated by the Directors based on internal appraisal of market values of comparable properties. The fair values are within Level 3 of the fair value hierarchy.
- (c) The following are recognised in profit or loss in respect of investment property:

	Group/Company 2023 RM	2022 RM
Rental income	138,581	138,561

7. Investment in Subsidiary Companies

	Company 2023 RM	2022 RM
At cost		
Unquoted shares in Malaysia	15,292,741	15,292,741

Notes to the Financial Statements

31 December 2023 (cont'd)

7. Investment in Subsidiary Companies (Cont'd)

Details of the subsidiary companies are as follows:

Name of company	Place of business/ Country of incorporation	Effective interest		Principal activities
		2023 %	2022 %	
Tri-Mode Logistics (M) Sdn. Bhd.	Malaysia	100	100	Warehouse operator
Tri-Mode System (Penang) Sdn. Bhd.	Malaysia	100	100	International freight forwarder agent
Tri-Mode System (JB) Sdn. Bhd.	Malaysia	100	100	International freight forwarder agent
NV Freight (M) Sdn. Bhd.	Malaysia	100	100	Freight forwarder agent and general insurance corporate agent
Landbridge Haulage (M) Sdn. Bhd.	Malaysia	100	100	Container haulage operator

8. Investment in Associates

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
At cost				
Unquoted shares in Malaysia	1,262,500	1,262,500	460,000	460,000
Unquoted shares outside Malaysia	331,640	331,640	331,640	331,640
	1,594,140	1,594,140	791,640	791,640
Share of post-acquisition reserve	5,242,875	3,989,268	-	-
Dividend received	-	(245,000)	-	-
	6,837,015	5,338,408	791,640	791,640

Notes to the Financial Statements

31 December 2023 (cont'd)

8. Investment in Associates (Cont'd)

Details of the associates are as follows:

Name of company	Place of business/ Country of incorporation	Effective interest		Principal activities
		2023 %	2022 %	
Atama Logistics (M) Sdn. Bhd.	Malaysia	49	49	Provision of freight forwarding services
Container Connections (M) Sdn. Bhd.*	Malaysia	30	30	Provision of storing, cleaning and repairing all types of containers and related products
Oriental Freight Services (Vietnam) Co. Ltd. *	Vietnam	20	20	Provision of logistic services

* Associates not audited by UHY.

The summarised financial information of the Group's material associates:

(a) Summarised statements of financial position

	Container Connections Sdn. Bhd.		Oriental Freight Services (Vietnam) Co. Ltd.	
	2023 RM	2022 RM	2023 RM	2022 RM
Assets and liabilities				
Non-current assets	7,105,600	11,848,334	442,804	511,450
Current assets	11,267,669	8,109,541	13,901,840	12,422,865
Total assets	18,373,269	19,957,875	14,344,644	12,934,315
Non-current liabilities	(3,091,686)	(2,946,669)	-	(1,111,925)
Current liabilities	(6,546,271)	(11,806,286)	(6,968,098)	(6,323,275)
Net assets	8,735,312	5,204,920	7,376,546	5,499,115
Interests in associates	30%	30%	20%	20%
Group's share of net assets, representing carrying amount of Group's interest in an associate	2,620,594	1,561,476	1,475,309	1,099,823

Notes to the Financial Statements

31 December 2023 (cont'd)

8. Investment in Associates (Cont'd)

The summarised financial information of the Group's material associates: (Cont'd)

(b) Summarised statements of profit or loss and other comprehensive income

	Container Connections Sdn. Bhd.		Oriental Freight Services (Vietnam) Co. Ltd.	
	2023 RM	2022 RM	2023 RM	2022 RM
Financial Results				
Revenue	36,540,000	30,147,239	34,120,785	48,542,877
Profit for the financial year	3,493,006	635,804	1,799,092	1,889,487
Other comprehensive income for the financial year	-	-	162,213	93,749
Total comprehensive income for the financial year	3,493,006	635,804	1,961,305	1,983,236
Group's share of results for the financial year ended 31 December				
Group's share of profit from continuing operations	1,047,902	190,741	359,818	377,897
Group's share of other comprehensive income	-	-	32,443	18,750
Group's share of total comprehensive income	1,047,902	190,741	392,261	396,647

9. Other Investments

	Note	Group/Company 2023 RM	2022 RM
Non-current			
<u>At cost</u>			
Investment in club memberships	(a)	175,000	175,000
Current			
<u>At fair value through profit or loss</u>			
Unit trust, quoted in Malaysia	(b)	57,645	55,783

- (a) The investment in club memberships is unquoted and the management are of the view that under such circumstances, it is not possible to disclose the range estimates within which a fair value is likely to lie.
- (b) The fair value of the trust funds was determined by reference to the quoted prices provided by financial intermediaries.

Notes to the Financial Statements

31 December 2023 (cont'd)

10. Inventories

	Group 2023 RM	2022 RM
Consumables	173,610	196,371
Recognised in profit or loss		
Inventories recognised as cost of sales	5,959,343	7,060,773

11. Trade Receivables

	Group 2023 RM	2022 RM	Company 2023 RM	2022 RM
Trade receivables				
- Third parties	10,606,083	14,341,245	7,365,691	10,311,912
- Related parties	941,106	762,235	14,571	8,800
	11,547,189	15,103,480	7,380,262	10,320,712
Less: Accumulated impairment losses	(21,614)	(54,415)	(21,614)	(54,415)
	11,525,575	15,049,065	7,358,648	10,266,297

Trade receivables are unsecured, non-interest bearing and are generally on 14 to 90 days (2022: 14 to 90 days) term. Trade receivables are recognised at their original invoice amounts which represent their fair values on initial recognition.

Related parties represent amount due from companies in which certain Directors of the Company have substantial financial interests. The amount due from related parties are unsecured, non-interest bearing and generally repayable on demand.

Notes to the Financial Statements

31 December 2023 (cont'd)

11. Trade Receivables (Cont'd)

Movements in the allowance for impairment losses of trade receivables are as follows:

	Lifetime allowance RM	Credit impaired RM	Loss allowance RM
Group			
At 1 January 2023	30,040	24,375	54,415
Impairment losses recognised	30,066	-	30,066
Impairment losses reversed	(38,492)	(24,375)	(62,867)
At 31 December 2023	21,614	-	21,614
At 1 January 2022	39,515	-	39,515
Impairment losses recognised	39,860	24,375	64,235
Impairment losses reversed	(49,335)	-	(49,335)
At 31 December 2022	30,040	24,375	54,415
Company			
At 1 January 2023	30,040	24,375	54,415
Impairment losses recognised	30,066	-	30,066
Impairment losses reversed	(38,492)	(24,375)	(62,867)
At 31 December 2023	21,614	-	21,614
At 1 January 2022	39,515	-	39,515
Impairment losses recognised	39,860	24,375	64,235
Impairment losses reversed	(49,335)	-	(49,335)
At 31 December 2022	30,040	24,375	54,415

The loss allowance account in respect of trade receivables is used to record loss allowance. Unless the Group and the Company are satisfied that recovery of the amount is possible, the amount considered irrecoverable is written off against the trade receivable directly.

Notes to the Financial Statements

31 December 2023 (cont'd)

11. Trade Receivables (Cont'd)

Analysis of the trade receivables ageing at the end of the reporting period are as follows:

	Gross amount RM	Loss allowance RM	Net amount RM
Group			
2023			
Not past due	7,513,953	(6,495)	7,507,458
Past due			
Less than 30 days	2,515,113	(7,319)	2,507,794
31 to 60 days	1,183,333	(5,134)	1,178,199
More than 60 days	334,790	(2,666)	332,124
	4,033,236	(15,119)	4,018,117
	11,547,189	(21,614)	11,525,575
2022			
Not past due	9,017,215	(7,975)	9,009,240
Past due			
Less than 30 days	4,188,418	(11,967)	4,176,451
31 to 60 days	1,598,268	(7,716)	1,590,552
More than 60 days	275,204	(2,382)	272,822
	6,061,890	(22,065)	6,039,825
Credit impaired			
Individually impaired	24,375	(24,375)	-
	15,103,480	(54,415)	15,049,065

Notes to the Financial Statements

31 December 2023 (cont'd)

11. Trade Receivables (Cont'd)

Analysis of the trade receivables ageing at the end of the reporting period are as follows: (Cont'd)

	Gross amount RM	Loss allowance RM	Net amount RM
Company			
2023			
Not past due	3,759,201	(6,495)	3,752,706
Past due			
Less than 30 days	2,230,208	(7,319)	2,222,889
31 to 60 days	1,062,958	(5,134)	1,057,824
More than 60 days	327,895	(2,666)	325,229
	3,621,061	(15,119)	3,605,942
	7,380,262	(21,614)	7,358,648
2022			
Not past due	4,595,955	(7,975)	4,587,980
Past due			
Less than 30 days	3,886,070	(11,967)	3,874,103
31 to 60 days	1,561,232	(7,716)	1,553,516
More than 60 days	253,080	(2,382)	250,698
	5,700,382	(22,065)	5,678,317
Credit impaired			
Individually impaired	24,375	(24,375)	-
	10,320,712	(54,415)	10,266,297

Trade receivables that are neither past due nor individually impaired are creditworthy receivables with good payment records with the Group and with the Company.

As at 31 December 2023, the Group and the Company have gross trade receivables amounting to RM4,033,236 and RM3,621,061 (2022: RM6,061,890 and RM5,700,382) respectively were past due but not individually impaired. These related to a number of independent customers with slower repayment records.

The trade receivables of the Group and of the Company that are individually assessed to be impaired amounting to RM Nil and RM Nil (2022: RM24,375 and RM24,375) respectively, relate to customers that are in financial difficulties and have defaulted on payment. These balances are expected to be recovered through the debts recovery process.

Notes to the Financial Statements

31 December 2023 (cont'd)

12. Other Receivables

	Group 2023 RM	2022 RM	Company 2023 RM	2022 RM
Other receivables	2,143,623	1,015,727	2,062,516	930,007
Deposits	982,685	662,672	698,755	416,942
Prepayments	1,024,261	951,245	590,535	488,441
GST receivable	161	161	-	-
	4,150,730	2,629,805	3,351,806	1,835,390

13. Amount Due from/(to) Subsidiary Companies

	Note	Company 2023 RM	2022 RM
Amount due from subsidiary companies			
<u>Trade related</u>			
Non-interest bearing	(a)	179,834	152,113
<u>Non-trade related</u>			
Non-interest bearing	(b)	-	330,670
		179,834	482,783
Amount due to subsidiary companies			
<u>Trade related</u>			
Non-interest bearing	(c)	(838,836)	(518,138)
<u>Non-trade related</u>			
Non-interest bearing	(b)	(23,338,312)	(20,954,927)
		(24,177,148)	(21,473,065)

(a) This represents unsecured, non-interest bearing trade balances which subject to normal trade credit term of 60 days (2022: 60 days).

(b) These represent unsecured, non-interest bearing advances and repayable on demand.

(c) This represents unsecured, non-interest bearing trade balances which subject to normal trade credit term of 1 to 60 days (2022: 1 to 60 days).

Notes to the Financial Statements

31 December 2023 (cont'd)

14. Fixed Deposits with Licensed Banks

	Group 2023 RM	2022 RM	Company 2023 RM	2022 RM
Fixed deposits with licensed banks with maturity less than three months	9,649,210	7,433,075	9,649,210	7,433,075
Fixed deposits with licensed banks with maturity more than three months	926,239	905,592	-	-
Fixed deposits pledged with licensed banks	1,484,529	1,477,069	1,186,075	1,185,809
	12,059,978	9,815,736	10,835,285	8,618,884

The interest rates of the fixed deposits of the Group and of the Company range from 1.55% to 3.80% and 1.85% to 3.80% (2022: 1.50% to 4.40% and 1.50% to 4.40%) per annum with maturity period of 17 to 365 days and 17 to 92 days (2022: 7 to 365 days and 7 to 82 days) respectively.

Included in the fixed deposits with licensed banks of the Group and of the Company amounting to RM1,484,529 and RM1,186,075 (2022: RM1,477,069 and RM1,185,809) respectively are pledged to licensed banks as security for credit facilities granted to the Company and its subsidiary companies as disclosed in Note 18(c).

15. Share Capital

	Group/Company		Amount	
	Number of shares 2023 Units	2022 Units	2023 RM	2022 RM
Ordinary shares with no par value				
Issued and fully paid:				
At 1 January/31 December	166,000,000	166,000,000	47,502,770	47,502,770

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regards to the Company's residual assets.

Notes to the Financial Statements

31 December 2023 (cont'd)

16. Reserves

	Note	Group 2023 RM	2022 RM
Non-distributable			
Acquisition reserves	(a)	(5,532,741)	(5,532,741)
Foreign exchange translation reserves	(b)	57,659	25,216
		(5,475,082)	(5,507,525)

(a) Acquisition reserves

The acquisition reserves arising from the difference between cost of investment and the nominal value of the subsidiary companies acquired under the merger method of accounting.

(b) Foreign exchange translation reserves

The exchange translation reserves represent exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

17. Lease Liabilities

	Group 2023 RM	2022 RM	Company 2023 RM	2022 RM
At 1 January	1,608,303	3,171,975	1,204,131	1,875,947
Additions	232,300	173,539	191,874	-
Accretion of interest	76,707	119,311	58,380	85,786
Modification	-	3,821	-	-
Payments	(1,033,859)	(1,860,343)	(746,338)	(757,602)
At 31 December	883,451	1,608,303	708,047	1,204,131
Presented as:				
Non-current	28,675	755,526	28,675	601,058
Current	854,776	852,777	679,372	603,073
	883,451	1,608,303	708,047	1,204,131

Notes to the Financial Statements

31 December 2023 (cont'd)

17. Lease Liabilities (Cont'd)

The maturity analysis of lease liabilities of the Group and of the Company at the end of the reporting period are as follows:

	Group 2023 RM	2022 RM	Company 2023 RM	2022 RM
Within one year	879,655	918,252	700,110	652,332
Later than one year and not later than two years	24,156	755,541	24,156	597,593
Later than two years but not later than five years	5,160	20,771	5,160	20,771
	908,971	1,694,564	729,426	1,270,696
Less: Future finance charges	(25,520)	(86,261)	(21,379)	(66,565)
Present value of lease liabilities	883,451	1,608,303	708,047	1,204,131

The Group and the Company lease land, buildings, prime movers, motor vehicles, forklifts and trailers. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

The weighted average incremental borrowing rate applied to lease liabilities of the Group and of the Company at the reporting date range from 2.29% to 6.45% and 2.29% to 6.45% (2022: 2.29% to 6.04% and 2.29% to 5.45%) respectively.

18. Bank Borrowings

	Group 2023 RM	2022 RM	Company 2023 RM	2022 RM
Secured				
Bank overdrafts	138,611	24,479	-	-
Revolving credit	1,200,000	-	1,200,000	-
Term loans	55,859,520	39,316,251	55,859,520	39,316,251
	57,198,131	39,340,730	57,059,520	39,316,251
Non-current				
Term loans	52,467,915	35,983,361	52,467,915	35,983,361
Current				
Bank overdrafts	138,611	24,479	-	-
Revolving credit	1,200,000	-	1,200,000	-
Term loans	3,391,605	3,332,890	3,391,605	3,332,890
	4,730,216	3,357,369	4,591,605	3,332,890
	57,198,131	39,340,730	57,059,520	39,316,251

Notes to the Financial Statements 31 December 2023 (cont'd)

18. Bank Borrowings (Cont'd)

The bank borrowings obtained from licensed banks are secured by the followings:

- (a) first party legal charge over the capital work-in-progress;
- (b) first party legal charge over the leasehold land and building as disclosed in Note 5(b); and
- (c) legal charge over fixed deposits with licensed banks as disclosed in Note 14.

Maturity of bank borrowings are as follows:

	Group		Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Within one year	4,730,216	3,357,369	4,591,605	3,332,890
Between one to two years	3,910,830	2,912,487	3,910,830	2,912,487
Between two to five years	12,419,472	8,608,260	12,419,472	8,608,260
After five years	36,137,613	24,462,614	36,137,613	24,462,614
	57,198,131	39,340,730	57,059,520	39,316,251

The interest rates per annum are as follows:

	Group		Company	
	2023	2022	2023	2022
	%	%	%	%
Bank overdrafts	7.85	8.10	-	-
Revolving credit	5.73	-	5.73	-
Term loans	5.95 - 6.75	4.95 - 5.70	5.95 - 6.75	4.95 - 5.70

Notes to the Financial Statements

31 December 2023 (cont'd)

19. Deferred Tax Liabilities

	Group 2023 RM	2022 RM	Company 2023 RM	2022 RM
At 1 January	4,982,007	4,938,101	1,357,019	1,239,260
Recognised in profit or loss	718,386	(57,543)	695,672	113,052
(Under)/Overprovision in prior year	(230,872)	101,449	(140,095)	4,707
At 31 December	5,469,521	4,982,007	1,912,596	1,357,019

The net deferred tax liabilities and assets shown on the statements of financial position after appropriate offsetting are as follows:

	Group 2023 RM	2022 RM	Company 2023 RM	2022 RM
Deferred tax liabilities	6,885,959	6,277,940	2,165,889	1,357,114
Deferred tax assets	(1,416,438)	(1,295,933)	(253,293)	(95)
	5,469,521	4,982,007	1,912,596	1,357,019

The components and movements of deferred tax liability and assets during the financial year prior to offsetting are as follows:

Deferred tax liabilities

	Group RM	Company RM
Accelerated capital allowances		
At 1 January 2023	6,277,940	1,357,114
Recognised in profit or loss	748,611	948,870
Under provision in prior year	(140,592)	(140,095)
At 31 December 2023	6,885,959	2,165,889
At 1 January 2022	6,109,428	1,239,839
Recognised in profit or loss	163,560	112,568
Over provision in prior year	4,952	4,707
At 31 December 2022	6,277,940	1,357,114

Notes to the Financial Statements

31 December 2023 (cont'd)

19. Deferred Tax Liabilities (Cont'd)

Deferred tax assets

	Unutilised capital allowances RM	Right-of-use assets and lease liabilities RM	Total RM
Group			
At 1 January 2023	(1,291,650)	(4,283)	(1,295,933)
Recognised in profit or loss	(31,528)	1,303	(30,225)
Under provision in prior year	(90,280)	-	(90,280)
At 31 December 2023	(1,413,458)	(2,980)	(1,416,438)
At 1 January 2022	(1,163,993)	(7,334)	(1,171,327)
Recognised in profit or loss	(224,154)	3,051	(221,103)
Over provision in prior year	96,497	-	96,497
At 31 December 2022	(1,291,650)	(4,283)	(1,295,933)
Company			
At 1 January 2023	-	(95)	(95)
Recognised in profit or loss	(252,559)	(639)	(253,198)
At 31 December 2023	(252,559)	(734)	(253,293)
At 1 January 2022	-	(579)	(579)
Recognised in profit or loss	-	484	484
At 31 December 2022	-	(95)	(95)

20. Trade Payables

	Group 2023 RM	2022 RM	Company 2023 RM	2022 RM
Trade payables				
- Third parties	3,277,528	5,222,308	1,189,483	2,653,917
- Related parties	528,158	581,107	4,386	4,602
	3,805,686	5,803,415	1,193,869	2,658,519

The trade credit terms granted to the Group and to the Company range from 14 and 90 days (2022: 14 and 90 days) depending on the terms of the contracts.

Related parties represent amount due to companies in which certain Directors of the Company have substantial financial interests. The amount due to related parties are unsecured, non-interest bearing and repayable on demand.

Notes to the Financial Statements

31 December 2023 (cont'd)

21. Other Payables

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Other payables	1,395,300	593,427	1,228,920	355,140
Deposits	2,332,900	433,399	431,471	431,471
Accruals	433,399	2,244,857	1,758,433	1,261,137
Dividends payable	581,000	1,245,000	581,000	1,245,000
	4,742,599	4,516,683	3,999,824	3,292,748

Included in the deposits of the Group and of the Company are rental deposit from an associate of the Company amounting to RM5,200 and RM5,200 (2022: RM5,200 and RM5,200) respectively.

22. Amount Due to Associates

This represents unsecured, non-interest bearing trade balances which subject to normal trade credit term of 30 to 60 days (2022: 30 to 60 days).

23. Revenue

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Revenue from contracts with customers				
- Rendering of services	68,229,156	122,662,170	51,801,673	100,299,888
Revenue from other sources				
- Rental income	1,962,000	1,962,000	1,962,000	1,962,000
	70,191,156	124,624,170	53,763,673	102,261,888

Notes to the Financial Statements

31 December 2023 (cont'd)

23. Revenue (Cont'd)

Disaggregation of the Group's revenue from contracts with customers:

2023	Sea freight RM	Container haulage RM	Air freight RM	Freight forwarding RM	Warehousing RM	Marine insurance RM	Total RM
Major services							
Rendering of services	32,925,651	27,364,246	1,507,813	2,386,395	3,727,666	317,385	68,229,156
Geographical market							
Malaysia	28,236,018	27,364,246	952,337	2,386,395	3,727,666	317,385	62,984,047
Asia	3,589,538	-	234,420	-	-	-	3,823,958
Europe	149,145	-	206,749	-	-	-	355,894
North America	1,426	-	1,100	-	-	-	2,526
Oceania	949,524	-	113,207	-	-	-	1,062,731
	32,925,651	27,364,246	1,507,813	2,386,395	3,727,666	317,385	68,229,156
Timing of revenue recognition							
At a point in time	32,925,651	27,364,246	1,507,813	2,386,395	3,727,666	317,385	68,229,156

Notes to the Financial Statements

31 December 2023 (cont'd)

23. Revenue (Cont'd)

Disaggregation of the Group's revenue from contracts with customers: (Cont'd)

2022	Sea freight RM	Container haulage RM	Air freight RM	Freight forwarding RM	Warehousing RM	Marine insurance RM	Total RM
Major services							
Rendering of services	88,758,481	21,853,897	9,253,598	2,216,586	342,402	237,206	122,662,170
Geographical market							
Malaysia	73,941,475	21,853,897	1,108,901	2,216,586	342,402	237,206	99,700,467
Africa	2,974	-	-	-	-	-	2,974
Asia	4,876,617	-	402,801	-	-	-	5,279,418
Europe	4,841,449	-	6,096,180	-	-	-	10,937,629
North America	5,640	-	-	-	-	-	5,640
South America	48,730	-	-	-	-	-	48,730
Oceania	5,041,596	-	1,645,716	-	-	-	6,687,312
	88,758,481	21,853,897	9,253,598	2,216,586	342,402	237,206	122,662,170
Timing of revenue recognition							
At a point in time	88,758,481	21,853,897	9,253,598	2,216,586	342,402	237,206	122,662,170

Notes to the Financial Statements 31 December 2023 (cont'd)

24. Finance Costs

	Group 2023 RM	2022 RM	Company 2023 RM	2022 RM
Interest expenses on:				
Lease liabilities	76,707	119,311	58,380	85,786
Bank overdrafts	250	1,130	250	1,130
Revolving credit	11,912	56,767	11,912	49,041
Term loans	2,305,805	2,086,617	2,305,805	2,086,617
	2,394,674	2,263,825	2,376,347	2,222,574
Less: Interest expenses presented in cost of sales	(15,864)	(48,963)	-	-
	2,378,810	2,214,862	2,376,347	2,222,574

25. Profit before Tax

Profit before tax is arrived after charging/(crediting) amongst other, the following items:

	Group 2023 RM	2022 RM	Company 2023 RM	2022 RM
Auditors' remuneration				
- Statutory audit	92,800	92,800	42,000	42,000
- Over provision in prior year	-	(1,703)	-	(1,703)
- Non-statutory audit	5,000	5,000	5,000	5,000
Depreciation of property, plant and equipment	2,605,135	2,131,934	954,085	882,012
Depreciation of right-of-use assets	1,843,385	2,145,930	1,581,891	1,502,941
Depreciation of investment property	29,611	29,611	29,611	29,611
Impairment loss on trade receivables	30,066	64,235	30,066	64,235
Non-executive Directors' remuneration				
- fees	96,000	96,000	96,000	96,000
- other emoluments	9,000	6,300	9,000	6,300
Property, plant and equipment written off	-	65,660	-	167
Dividend income	-	(245,000)	-	(245,000)
Dividend income from financial assets measured at FVTPL	(1,862)	(43,485)	(1,862)	(43,485)
(Gain)/Loss on foreign exchange				
- Realised	(96,386)	(328,583)	(109,076)	(297,768)
- Unrealised	2,905	14,148	2,499	10,221
Loss/(Gain) on disposal of:				
- right-of-use assets	-	(265,597)	-	(265,597)
- property, plant and equipments	9,931	(251,121)	14,836	21,076
- assets held for sale	-	(5,069,218)	-	-
Interest income	(533,295)	(187,075)	(505,454)	(167,225)
Rental income	(282,581)	(284,561)	(1,026,581)	(1,028,561)
Reversal on impairment loss on trade receivables	(62,867)	(49,335)	(62,867)	(49,335)

Notes to the Financial Statements

31 December 2023 (cont'd)

26. Taxation

	Group 2023 RM	2022 RM	Company 2023 RM	2022 RM
Tax expenses recognised in profit or loss				
Malaysian income tax				
- Current tax provision	532,564	1,026,715	154,568	421,913
- Under/(Over) provision in prior years	127,041	(263,994)	98,206	(261,481)
	659,605	762,721	252,774	160,432
Real property gains tax	-	425,698	-	-
Deferred tax (Note 19)				
- Relating to origination and (reversal) of temporary differences	718,386	(57,543)	695,672	113,052
- (Over)/Under provision in prior years	(230,872)	101,449	(140,095)	4,707
	487,514	43,906	555,577	117,759
	1,147,119	1,232,325	808,351	278,191

Malaysian income tax is calculated at the statutory tax rate of 24% (2022: 24%) of the estimated assessable profits for the financial year.

A reconciliation of income tax expenses applicable to profit before tax at the statutory tax rate to income tax expenses at the effective income tax rate of the Group and of the Company are as follows:

	Group 2023 RM	2022 RM	Company 2023 RM	2022 RM
Profit before tax	3,615,444	11,706,251	906,746	4,890,511
At Malaysian statutory tax rate of 24% (2022: 24%)	867,707	2,809,500	217,619	1,173,723
Effect of expenses not deductible for tax purposes	780,101	315,347	854,979	403,733
Effect of income not subject to tax	(44,978)	(2,010,577)	(222,358)	(1,042,491)
Share of tax of associates	(351,880)	(145,098)	-	-
Under/(Over) provision of income tax in prior years	127,041	(263,994)	98,206	(261,481)
(Over)/Under provision of deferred tax in prior years	(230,872)	101,449	(140,095)	4,707
Real property gains tax	-	425,698	-	-
Tax expenses for the financial year	1,147,119	1,232,325	808,351	278,191

The Group and the Company have unutilised capital allowances amounting to RM5,889,408 and RM1,052,329 (2022: RM5,758,041 and RM Nil) respectively available for carry forward to offset against future taxable profits. The said amount is subject to approval by the tax authorities.

On 13 December 2022, the Company had obtained Pioneer Status certificate from MIDA. The Pioneer Status Certificate approved 70% tax exemption against the Company's statutory income with effective from 1 July 2021 to 30 June 2026.

Notes to the Financial Statements

31 December 2023 (cont'd)

27. Earnings Per Share

(a) Basic earnings per share

The basic earnings per share are calculated based on the consolidated profit for the financial year attributable to owners of the parent and the number of ordinary shares in issue during the financial year as follows:

	Group	
	2023	2022
Profit attributable to the owners of the parent (RM)	2,468,325	10,473,926
Weighted average number of ordinary shares in issue (units)	166,000,000	166,000,000
Basic earnings per share (in sen)	1.49	6.31

(b) Diluted earnings per share

The Group has no dilution in its earnings per share as there are no dilutive potential ordinary shares. There have been no other transactions involving ordinary shares or potential ordinary shares since the end of the reporting period and before the authorisation of these financial statements.

28. Dividends

	Group/Company	
	2023	2022
	RM	RM
Dividends recognised as distribution to ordinary shareholders of the Company		
A second single-tier interim dividend of 0.30 sen per ordinary share in respect of the financial year ended 31 December 2021	-	498,000
A first single-tier interim dividend of 0.75 sen per ordinary share in respect of the financial year ended 31 December 2022	-	1,245,000
A second single-tier interim dividend of 0.30 sen per ordinary share in respect of the financial year ended 31 December 2022	498,000	-
A first single-tier interim dividend of 0.35 sen per ordinary share in respect of the financial year ended 31 December 2023	581,000	-
	1,079,000	1,743,000

The Directors do not recommend any final dividend in respect of the current financial year.

Notes to the Financial Statements

31 December 2023 (cont'd)

29. Staff Costs

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Salaries, wages and other emoluments	9,812,255	10,186,984	4,106,663	4,197,058
Defined contribution plans	1,226,425	1,320,864	504,438	551,340
Social security contributions	134,907	129,784	47,031	43,057
Others benefits	416,687	478,425	236,652	287,289
	11,590,274	12,116,057	4,894,784	5,078,744

The staff costs of the Group and of the Company does not include the estimated monetary value of benefit-in-kind amounting to RM48,000 and RM48,000 (2022: RM68,950 and RM45,000) respectively.

Included in staff costs is aggregate amount of remuneration received by the Executive Directors of the Company and of the subsidiary company during the financial year as below:

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Executive Directors of the Company				
Salaries and other emoluments	1,414,000	1,438,000	839,750	850,500
Defined contribution plans	197,162	203,280	117,572	119,070
Social security contributions	6,263	5,382	2,009	1,657
Other benefits	717	617	230	190
	1,618,142	1,647,279	959,561	971,417
Executive Director of subsidiary company				
Salaries and other emoluments	39,000	46,500	-	-
Defined contribution plans	5,070	5,805	-	-
Social security contributions	620	672	-	-
Other benefits	71	77	-	-
	44,761	53,054	-	-
Total remuneration of Executive Directors				
Company's Directors	1,618,142	1,647,279	959,561	971,417
Subsidiary company's Director	44,761	53,054	-	-
	1,662,903	1,700,333	959,561	971,417

The Directors' remuneration does not include the estimated monetary value of benefit-in-kind of the Group and of the Company amounting to RM31,000 and RM31,000 (2022: RM51,950 and RM28,000) respectively.

Notes to the Financial Statements

31 December 2023 (cont'd)

30. Reconciliation of Liabilities Arising from Financing Activities

The table below show the details changes in the liabilities of the Group and of the Company arising from financing activities, including both cash and non-cash changes:

	Note	At 1 January RM	Financing cash flows (i) RM	Other changes (ii) RM	At 31 December RM
Group					
2023					
Lease liabilities	17	1,608,303	(957,152)	232,300	883,451
Term loans	18	39,316,251	(3,083,038)	19,626,307	55,859,520
Revolving credit	18	-	1,200,000	-	1,200,000
		40,924,554	(2,840,190)	19,858,607	57,942,971
2022					
Lease liabilities	17	3,171,975	(1,737,211)	173,539	1,608,303
Term loans	18	28,302,118	(2,485,867)	13,500,000	39,316,251
Revolving credit	18	5,000,000	(5,000,000)	-	-
		36,474,093	(9,223,078)	13,673,539	40,924,554
Company					
2023					
Amount due to subsidiary companies	13	20,954,927	2,383,385	-	23,338,312
Lease liabilities	17	1,204,131	(687,958)	191,874	708,047
Term loans	18	39,316,251	(3,083,038)	19,626,307	55,859,520
Revolving credit	18	-	1,200,000	-	1,200,000
		40,520,382	(2,570,996)	19,818,181	57,767,567
2022					
Amount due to subsidiary companies	13	11,498,041	9,456,886	-	20,954,927
Lease liabilities	17	1,875,947	(671,816)	-	1,204,131
Term loans	18	28,302,118	(2,485,867)	13,500,000	39,316,251
Revolving credit	18	4,000,000	(4,000,000)	-	-
		45,676,106	2,299,203	13,500,000	61,475,309

- (i) The financing cash flows represent payment of lease liabilities, repayment of term loans and net proceeds from/repayment of revolving credit in the statements of cash flows.
- (ii) Other changes which represent addition of lease liabilities, drawdown of term loans that being financed for property, plant and equipment as well as right-of-use assets and capitalisation of borrowing costs.

Notes to the Financial Statements

31 December 2023 (cont'd)

31. Related Parties Disclosures

(a) Identifying related parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Group or the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the Company and the party are subject to common control. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel comprise the Directors and management personnel of the Group, having authority and responsibility for planning, directing and controlling the activities of the Group entities directly or indirectly.

(b) Significant related party transactions

Related party transactions have been entered into in the normal course of business under negotiated terms. In addition to the related party balances disclosed elsewhere in the financial statements, the significant related party transactions of the Group and of the Company are as follows:

	2023 RM	2022 RM
Group		
Transactions with associates		
Services income	10,600,471	11,426,062
Services expenses	17,399,305	21,085,026
Rental income	144,000	144,000
Transactions with companies in which certain Directors of the Company have substantial financial interests		
Services income	35,265	12,122
Services expenses	21,333	4,694
Company		
Transactions with subsidiary companies		
Services income	6,501,215	8,332,359
Services expenses	7,988,171	5,837,941
Rental income	744,000	744,000
Purchase of property, plant and equipment	360,270	182,284
Transactions with associates		
Services income	495,579	361,396
Services expenses	14,345,867	17,545,371
Rental income	144,000	144,000
Dividend income	-	245,000
Transactions with companies in which certain Directors of the Company have substantial financial interests		
Services income	35,265	12,122
Services expenses	21,011	4,157

Notes to the Financial Statements

31 December 2023 (cont'd)

31. Related Parties Disclosures (Cont'd)

(c) Compensation of key management personnel

Remuneration of Directors and other members of key management personnel are as follows:

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Directors' fees	96,000	96,000	96,000	96,000
Salaries and other emoluments	2,058,995	2,077,900	1,445,745	1,443,900
Defined contribution plans	266,168	271,794	181,508	181,779
Social security contributions	10,901	9,316	6,027	4,919
Others benefits	1,247	1,067	690	563
	2,433,312	2,456,077	1,729,970	1,727,161

The compensation of key management personnel of the Group and of the Company do not include the estimated monetary value of benefit-in-kind amounting to RM48,000 and RM48,000 (2022: RM68,950 and RM45,000) respectively.

32. Segment Information

For management purposes, the Group is organised into business units based on their products and services, and has six reportable segments as follows:

Sea freight	Organise shipments for customers and overseas freight forwarded and manage bookings for cargo space for sea shipments.
Container haulage	Provide land transportation services.
Air freight	Plan and manage booking of cargo space for customer's air shipments.
Freights forwarding	Coordinate and manage services provided by licensed forwarding agents such as document preparation, liaising with Government agencies for inspection and permit applications, custom clearance, coordinating with port operators, shipping liners, airlines and container haulage division for transportation of cargoes.
Warehousing	Operate three free zone warehouses, providing services such as general storage, consolidation and deconsolidation, transshipment of cargoes and inventory management services.
Marine insurance	Provide marine insurance service on cargoes handled by the Group.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements.

Transactions between segments are carried out on agreed terms between both parties. The effects of such inter-segment transactions are eliminated on consolidation. The measurement basis and classification are consistent with those adopted in the previous financial year.

Notes to the Financial Statements
31 December 2023 (cont'd)

32. Segment Information (Cont'd)

[illegible]

Notes to the Financial Statements

31 December 2023 (cont'd)

32. Segment Information (Cont'd)

2023	Sea freight RM	Container haulage RM	Air freight RM	Freight forwarding RM	Warehousing RM	Marine insurance RM	Total segments RM	Elimination RM	Consolidated RM
Other non-cash items									
Depreciation of property, plant and equipment	970,980	1,626,501	-	-	7,654	-	2,605,135	-	2,605,135
Depreciation of right-of-use assets	1,714,642	637,053	-	-	209,873	-	2,561,568	(718,183)	1,843,385
Depreciation of investment property	29,611	-	-	-	-	-	29,611	-	29,611
Impairment loss on trade receivables	30,066	-	-	-	-	-	30,066	-	30,066
Reversal of impairment loss on trade receivable	(62,867)	-	-	-	-	-	(62,867)	-	(62,867)
Loss on unrealised foreign exchange	2,905	-	-	-	-	-	2,905	-	2,905
Gain on disposal of property, plant and equipment	14,836	(4,903)	-	-	-	-	9,933	-	9,933

Notes to the Financial Statements
31 December 2023 (cont'd)

32. Segment Information (Cont'd)

[illegible]

Notes to the Financial Statements

31 December 2023 (cont'd)

32. Segment Information (Cont'd)

2022	Sea freight RM	Container haulage RM	Air freight RM	Freight forwarding RM	Warehousing RM	Marine insurance RM	Total segments RM	Elimination RM	Consolidated RM
Other non-cash items									
Depreciation of property, plant and equipment	902,496	1,220,610	-	-	8,828	-	2,131,934	-	2,131,934
Depreciation of right-of-use assets	1,634,084	988,422	-	-	225,212	-	2,847,718	(701,788)	2,145,930
Depreciation of investment property	29,611	-	-	-	-	-	29,611	-	29,611
Impairment loss on trade receivables	64,235	-	-	-	-	-	64,235	-	64,235
Reversal of impairment loss on trade receivables	(49,335)	-	-	-	-	-	(49,335)	-	(49,335)
Property, plant and equipment written off	64,750	910	-	-	-	-	65,660	-	65,660
Loss on unrealised foreign exchange	14,148	-	-	-	-	-	14,148	-	14,148
Gain on disposal of right-of-use assets	(265,597)	-	-	-	-	-	(265,597)	-	(265,597)
Gain on disposal of property, plant and equipment	33,876	(284,997)	-	-	-	-	(251,121)	-	(251,121)
Gain on disposal of assets held for sales	(5,069,218)	-	-	-	-	-	(5,069,218)	-	(5,069,218)

Notes to the Financial Statements

31 December 2023 (cont'd)

32. Segment Information (Cont'd)

(a) Adjustments and eliminations

Interest income and finance costs are not allocated to individual segments as the underlying instruments are managed on a group basis.

Current taxes, deferred taxes and certain financial assets and liabilities are not allocated to those segments as they are also managed on a group basis.

Inter-segment revenue are eliminated on consolidation.

(b) Geographic information

Revenue information based on the geographical location of customers is as follow:

	2023 RM	2022 RM
Malaysia	64,946,047	101,662,467
Overseas	5,245,109	22,961,703
	70,191,156	124,624,170

(c) Major customers

The Group has large and diversified customers base which consists of individuals and corporations. Revenue from major customer with revenue equal or more than 10% of the Group's revenue is as follows:

	2023 RM	2022 RM
Atama Logistics (M) Sdn. Bhd.	10,600,471	11,426,062

Notes to the Financial Statements

31 December 2023 (cont'd)

33. Financial Instruments

(a) Classification of financial instruments

Financial assets and financial liabilities are measured on an ongoing basis either at fair value or at amortised cost. The principal accounting policies in Note 3 describe how the classes of the financial instruments are measured and how income and expense, including fair value gains or losses, are recognised.

The following table analyses the financial assets and liabilities in the statements of financial position by the class of financial instruments to which they are assigned and therefore by the measurement basis:

	Financial assets at FVTPL RM	Financial assets at amortised cost RM	Financial liabilities at amortised cost RM	Total RM
Group				
2023				
Financial Assets				
Trade receivables	-	11,525,575	-	11,525,575
Other receivables	-	3,126,308	-	3,126,308
Other investments	57,645	-	-	57,645
Fixed deposits with licensed banks	-	12,059,978	-	12,059,978
Cash and bank balances	-	2,701,959	-	2,701,959
	57,645	29,413,820	-	29,471,465
Financial Liabilities				
Trade payables	-	-	3,805,686	3,805,686
Other payables	-	-	4,742,599	4,742,599
Amount due to associates	-	-	3,636,797	3,636,797
Lease liabilities	-	-	883,451	883,451
Bank borrowings	-	-	57,198,131	57,198,131
	-	-	70,266,664	70,266,664
2022				
Financial Assets				
Trade receivables	-	15,049,065	-	15,049,065
Other receivables	-	1,678,399	-	1,678,399
Other investments	55,783	-	-	55,783
Fixed deposits with licensed banks	-	9,815,736	-	9,815,736
Cash and bank balances	-	7,577,194	-	7,577,194
	55,783	34,120,394	-	34,176,177
Financial Liabilities				
Trade payables	-	-	5,803,415	5,803,415
Other payables	-	-	4,516,683	4,516,683
Amount due to associates	-	-	3,477,726	3,477,726
Lease liabilities	-	-	1,608,303	1,608,303
Bank borrowings	-	-	39,340,730	39,340,730
	-	-	54,746,857	54,746,857

Notes to the Financial Statements

31 December 2023 (cont'd)

33. Financial Instruments (Cont'd)

(a) Classification of financial instruments (Cont'd)

The following table analyses the financial assets and liabilities in the statements of financial position by the class of financial instruments to which they are assigned and therefore by the measurement basis: (Cont'd)

	Financial assets at FVTPL RM	Financial assets at amortised cost RM	Financial liabilities at amortised cost RM	Total RM
Company				
2023				
Financial Assets				
Trade receivables	-	7,358,648	-	7,358,648
Other receivables	-	2,761,271	-	2,761,271
Amount due from subsidiary companies	-	179,834	-	179,834
Other investments	57,645	-	-	57,645
Fixed deposits with licensed banks	-	10,835,285	-	10,835,285
Cash and bank balances	-	2,502,295	-	2,502,295
	57,645	23,637,333	-	23,694,978
Financial Liabilities				
Trade payables	-	-	1,193,869	1,193,869
Other payables	-	-	3,999,824	3,999,824
Amount due to subsidiary companies	-	-	24,177,148	24,177,148
Amount due to associates	-	-	3,636,797	3,636,797
Lease liabilities	-	-	708,047	708,047
Bank borrowings	-	-	57,059,520	57,059,520
	-	-	90,775,205	90,775,205

Notes to the Financial Statements

31 December 2023 (cont'd)

33. Financial Instruments (Cont'd)

(a) Classification of financial instruments (Cont'd)

The following table analyses the financial assets and liabilities in the statements of financial position by the class of financial instruments to which they are assigned and therefore by the measurement basis: (Cont'd)

	Financial assets at FVTPL RM	Financial assets at amortised cost RM	Financial liabilities at amortised cost RM	Total RM
Company				
2022				
Financial Assets				
Trade receivables	-	10,266,297	-	10,266,297
Other receivables	-	1,346,949	-	1,346,949
Amount due from subsidiary companies	-	482,783	-	482,783
Other investments	55,783	-	-	55,783
Fixed deposits with licensed banks	-	8,618,884	-	8,618,884
Cash and bank balances	-	6,828,128	-	6,828,128
	55,783	27,543,041	-	27,598,824
Financial Liabilities				
Trade payables	-	-	2,658,519	2,658,519
Other payables	-	-	3,292,748	3,292,748
Amount due to subsidiary companies	-	-	21,473,065	21,473,065
Amount due to associates	-	-	3,477,726	3,477,726
Lease liabilities	-	-	1,204,131	1,204,131
Bank borrowings	-	-	39,316,251	39,316,251
	-	-	71,422,440	71,422,440

(b) Financial risk management objectives and policies

The Group's financial risk management policy is to ensure that adequate financial resources are available for the development of the Group's operations whilst managing its credit, liquidity, foreign currency and interest rate risks. The Group operates within clearly defined guidelines that are approved by the Board and the Group's policy is not to engage in speculative transactions.

The following sections provide details regarding the Group's and the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

(i) Credit risk

Credit risk is the risk of a financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from its receivables from customers and deposits with banks. The Company's exposure to credit risk arises principally from its receivables from customers, deposits with banks, amount due from subsidiary companies and financial guarantees given to banks for credit facilities granted to the subsidiary companies. There are no significant changes as compared to prior year.

Notes to the Financial Statements

31 December 2023 (cont'd)

33. Financial Instruments (Cont'd)

(b) Financial risk management objectives and policies (Cont'd)

(i) Credit risk (Cont'd)

The Group has adopted a policy of only dealing with creditworthy counterparties. Management has a credit policy in place to control credit risk by dealing with creditworthy counterparties and deposits with banks with good credit rating. The exposure to credit risk is monitored on an ongoing basis and action will be taken for long outstanding debts.

The Company provides unsecured advances to subsidiary companies. The Company monitors on an ongoing basis the results of the subsidiary companies and repayments made by the subsidiary companies.

At each reporting date, the Group and the Company assess whether any of the receivables are credit impaired.

The gross carrying amounts of credit impaired trade receivables are written off (either partial or full) when there is no realistic prospect of recovery. This is generally the case when the Group or the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Nevertheless, trade receivables that are written off could still be subject to enforcement activities.

The carrying amounts of the financial assets recorded on the statements of financial position at the end of the reporting period represents the Group's and the Company's maximum exposure to credit risk.

The Group has no significant concentration of credit risk as its exposure spread over a large number of customers. The Company has no significant concentration of credit risk as its exposure spread over a large number of customers except for advances to its subsidiary companies where risks of default have been assessed to be low.

Financial guarantees

The Company provides financial guarantees to licensed banks for banking facilities and supply of services granted to certain subsidiary companies. The Company monitors on an ongoing basis the results of the subsidiary companies and repayments made by the subsidiary companies.

The Company's maximum exposure to credit risk amounted to RM138,611 (2022: RM24,479), representing the outstanding banking facilities and for supply of services to certain subsidiary companies at the end of the reporting period. There was no indication that any subsidiary companies would default on repayment as at the end of the reporting period.

(ii) Liquidity risk

Liquidity risk refers to the risk that the Group or the Company will encounter difficulty in meeting its financial obligations as they fall due. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

The Group's and the Company's funding requirements and liquidity risk are managed with the objective of meeting business obligations on a timely basis. The Group and the Company finance its liquidity through internally generated cash flows and minimises liquidity risk by keeping committed credit lines available.

The following table analyses the remaining contractual maturity for non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay.

Notes to the Financial Statements

31 December 2023 (cont'd)

33. Financial Instruments (Cont'd)

(b) Financial risk management objectives and policies (Cont'd)

(ii) Liquidity risk (Cont'd)

	On demand or within 1 year RM	1 to 2 years RM	2 to 5 years RM	After 5 years RM	Total contractual cash flows RM	Total carrying amount RM
Group						
2023						
Non-derivative financial liabilities						
Trade payables	3,805,686	-	-	-	3,805,686	3,805,686
Other payables	4,742,599	-	-	-	4,742,599	4,742,599
Amount due to associates	3,636,797	-	-	-	3,636,797	3,636,797
Lease liabilities	879,655	24,156	5,160	-	908,971	883,451
Bank borrowings	8,303,795	7,240,633	20,817,399	47,232,599	83,594,426	57,198,131
	21,368,532	7,264,789	20,822,559	47,232,599	96,688,479	70,266,664
2022						
Non-derivative financial liabilities						
Trade payables	5,803,415	-	-	-	5,803,415	5,803,415
Other payables	4,516,683	-	-	-	4,516,683	4,516,683
Amount due to associates	3,477,726	-	-	-	3,477,726	3,477,726
Lease liabilities	918,252	755,541	20,771	-	1,694,564	1,608,303
Bank borrowings	7,132,356	4,743,561	13,209,944	33,177,078	58,262,939	39,340,730
	21,848,432	5,499,102	13,230,715	33,177,078	73,755,327	54,746,857
Company						
2023						
Non-derivative financial liabilities						
Trade payables	1,193,869	-	-	-	1,193,869	1,193,869
Other payables	3,999,824	-	-	-	3,999,824	3,999,824
Amount due to subsidiary companies	24,177,148	-	-	-	24,177,148	24,177,148
Amount due to associates	3,636,797	-	-	-	3,636,797	3,636,797
Lease liabilities	700,110	24,156	5,160	-	729,426	708,047
Bank borrowings	8,165,184	7,240,633	20,817,399	47,232,599	83,455,815	57,059,520
Financial guarantee liabilities*	-	-	-	-	-	-
	41,872,932	7,264,789	20,822,559	47,232,599	117,192,879	90,775,205

Notes to the Financial Statements

31 December 2023 (cont'd)

33. Financial Instruments (Cont'd)

(b) Financial risk management objectives and policies (Cont'd)

(ii) Liquidity risk (Cont'd)

	On demand or within 1 year RM	1 to 2 years RM	2 to 5 years RM	After 5 years RM	Total contractual cash flows RM	Total carrying amount RM
Company						
2022						
Non-derivative financial liabilities						
Trade payables	2,658,519	-	-	-	2,658,519	2,658,519
Other payables	3,292,748	-	-	-	3,292,748	3,292,748
Amount due to subsidiary companies	21,473,065	-	-	-	21,473,065	21,473,065
Amount due to associates	3,477,726	-	-	-	3,477,726	3,477,726
Lease liabilities	652,332	597,593	20,771	-	1,270,696	1,204,131
Bank borrowings	7,107,877	4,743,561	13,209,944	33,177,078	58,238,460	39,316,251
Financial guarantee liabilities*	-	-	-	-	-	-
	38,662,267	5,341,154	13,230,715	33,177,078	90,411,214	71,422,440

* At the end of the reporting period, no events have arisen which may cause the financial guarantees provided by the Company to be called upon pursuant to relevant contract entered by the Company. Consequently, the amount is Nil.

(iii) Market risks

(a) Foreign currency risk

The Group is exposed to foreign currency risk on transactions that are denominated in foreign currencies other than the respective functional currencies of the Group's entities. The currencies giving rise to this risk are primarily United States Dollar (USD), Euro (EUR) and Australian Dollar (AUD).

The Group has not entered into any derivative instruments for hedging or trading purposes as the net exposure to foreign currency risk is not significant. Where possible, the Group will apply natural hedging by selling and purchasing in the same currency. However, the exposure to foreign currency risk is monitored from time to time by management.

Notes to the Financial Statements

31 December 2023 (cont'd)

33. Financial Instruments (Cont'd)

(b) Financial risk management objectives and policies (Cont'd)

(iii) Market risks (Cont'd)

(a) Foreign currency risk (Cont'd)

The carrying amounts of the Group's and the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

	USD RM	Denominated in EUR RM	AUD RM	Total RM
Group				
2023				
Trade receivables	985,340	-	-	985,340
Other receivables	4,376	-	-	4,376
Cash and bank balances	201,168	-	-	201,168
Trade payables	(663,249)	(42,246)	(20,638)	(726,133)
Other payables	(7,523)	-	-	(7,523)
Amount due to associates	(366)	-	-	(366)
	519,746	(42,246)	(20,638)	456,862
2022				
Trade receivables	1,576,078	-	-	1,576,078
Other receivables	15,959	-	-	15,959
Cash and bank balances	1,424,923	-	-	1,424,923
Trade payables	(1,436,372)	(47,483)	-	(1,483,855)
Other payables	(8,940)	-	-	(8,940)
	1,571,648	(47,483)	-	1,524,165
Company				
2023				
Trade receivables	865,622	-	-	865,622
Other receivables	1,590	-	-	1,590
Cash and bank balances	144,228	-	-	144,228
Trade payables	(450,368)	(33,884)	(20,638)	(504,890)
Other payables	(7,523)	-	-	(7,523)
Amount due to associates	(366)	-	-	(366)
	553,183	(33,884)	(20,638)	498,661
2022				
Trade receivables	1,279,880	-	-	1,279,880
Other receivables	2,786	-	-	2,786
Cash and bank balances	800,443	-	-	800,443
Trade payables	(1,125,754)	(39,757)	-	(1,165,511)
Other payables	(8,940)	-	-	(8,940)
	948,415	(39,757)	-	908,658

Notes to the Financial Statements

31 December 2023 (cont'd)

33. Financial Instruments (Cont'd)

(b) Financial risk management objectives and policies (Cont'd)

(iii) Market risks (Cont'd)

(a) Foreign currency risk (Cont'd)

The following table demonstrates the sensitivity of the Group's and the Company's profit before tax to a reasonably possible change in the USD, EUR and AUD exchange rates against RM, with all other variables held constant.

	Changes in currency rate	2023 Effect on profit before tax RM	Changes in currency rate	2022 Effect on profit before tax RM
Group				
USD	Strengthened 5%	25,987	Strengthened 5%	78,582
	Weakened 5%	(25,987)	Weakened 5%	(78,582)
EUR	Strengthened 5%	(2,112)	Strengthened 5%	(2,374)
	Weakened 5%	2,112	Weakened 5%	2,374
AUD	Strengthened 5%	(1,032)	Strengthened 5%	-
	Weakened 5%	1,032	Weakened 5%	-
Company				
USD	Strengthened 5%	27,659	Strengthened 5%	211,246
	Weakened 5%	(27,659)	Weakened 5%	(211,246)
EUR	Strengthened 5%	(1,694)	Strengthened 5%	(449)
	Weakened 5%	1,694	Weakened 5%	449
AUD	Strengthened 5%	(1,032)	Strengthened 5%	-
	Weakened 5%	1,032	Weakened 5%	-

(b) Interest rate risk

The Group's and the Company's fixed rate deposits placed with licensed banks and borrowings are exposed to a risk of change in their fair value due to changes in interest rates. The Group's and the Company's variable rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates.

The Group manages the interest rate risk of its deposits with licensed banks by placing them at the most competitive interest rates obtainable, which yield better returns than cash at bank and maintaining a prudent mix of short and long-term deposits.

The Group manages its interest rate risk exposure from interest bearing borrowings by obtaining financing with the most favourable interest rates in the market. The Group constantly monitors its interest rate risk by reviewing its debts portfolio to ensure favourable rates are obtained. The Group does not utilise interest swap contracts or other derivative instruments for trading or speculative purposes.

Notes to the Financial Statements

31 December 2023 (cont'd)

33. Financial Instruments (Cont'd)

(b) Financial risk management objectives and policies (Cont'd)

(iii) Market risks (Cont'd)

(b) Interest rate risk (Cont'd)

The interest rate profile of the Group's and of the Company's significant interest-bearing financial instruments, based on carrying amounts at the end of the reporting period was:

	2023 RM	2022 RM
Group		
Fixed rate instruments		
Financial asset		
Fixed deposits with licensed banks	12,059,978	9,815,736
Financial liability		
Lease liabilities	(883,451)	(1,608,303)
Floating rate instrument		
Financial liability		
Bank borrowings	(57,198,131)	(39,340,730)
Company		
Fixed rate instruments		
Financial asset		
Fixed deposits with licensed banks	10,835,285	8,618,884
Financial liability		
Lease liabilities	(708,047)	(1,204,131)
Floating rate instrument		
Financial liability		
Bank borrowings	(57,059,520)	(39,316,251)

Fair value sensitivity analysis for fixed rate instruments

The Group and the Company do not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

Cash flow sensitivity analysis for floating rate instruments

A change in 1% interest rate at the end of the reporting period would have increased/ (decreased) the Group's and the Company's profit before tax by RM571,981 and RM570,595 (2022: RM393,407 and RM393,163) respectively, arising mainly as a result of lower/higher interest expense on floating rate loans and borrowings. This analysis assumes that all other variables remain constant. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

Notes to the Financial Statements

31 December 2023 (cont'd)

33. Financial Instruments (Cont'd)

(c) Fair value of financial instruments

The carrying amounts of short-term receivables and payables, cash and cash equivalents and short-term loans and borrowings approximate their fair value due to the relatively short-term nature of these financial instruments and/or insignificant impact of discounting.

The carrying amount of long-term floating rate loans and borrowings approximately their fair value as they will be re-priced to market interest rate on or near reporting date.

It was not practicable to estimate the fair value of investment in unquoted equity due to the lack of comparable quoted prices in an active market and the fair value cannot be reliably measured.

The table below analyses financial instruments carried at fair value, together with their fair value and carrying amounts shown in the statements of financial position.

	Fair value of financial instruments carried at fair value			Carrying amount RM
	Level 1 RM	Level 2 RM	Level 3 RM	
Group/Company 2023				
Financial asset				
Other investments	57,645	-	-	57,645
2022				
Financial asset				
Other investments	55,783	-	-	55,783

The fair value above has been determined using the following basis:

- The fair value of other investment was determined by reference to the quoted prices provided by financial intermediaries.

Transfer between levels of fair value hierarchy

There is no transfer between levels of fair value hierarchy during the financial year.

34. Capital Commitment

	Group/Company	
	2023 RM	2022 RM
Authorised and contracted for:		
Property, plant and equipment	134,929,420	37,525,000

Notes to the Financial Statements

31 December 2023 (cont'd)

35. Financial Guarantees

	Group 2023 RM	2022 RM	Company 2023 RM	2022 RM
Unsecured				
Corporate guarantees given to licensed banks for banking facilities granted to subsidiary companies	-	-	138,611	24,479
Bank guarantees given to suppliers	157,000	181,000	157,000	181,000
	157,000	181,000	295,611	205,479

36. Capital Management

The Group's and the Company's objectives when managing capital are to safeguard the Group's and Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group and the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group and the Company monitors capital using a gearing ratio, which is the net debt divided by total equity. The Group and the Company include within net debt, lease liabilities and bank borrowings less cash and cash equivalents. The Group's and Company's policy are to maintain a prudent level of gearing ratio that complies with debt covenants and regulatory requirements. The gearing ratios at the end of the reporting period are as follows:

	Group 2023 RM	2022 RM	Company 2023 RM	2022 RM
Lease liabilities	883,451	1,608,303	708,047	1,204,131
Bank borrowings	57,198,131	39,340,730	57,059,520	39,316,251
	58,081,582	40,949,033	57,767,567	40,520,382
Less: Cash and cash equivalents*	(12,351,169)	(15,010,269)	(12,151,505)	(14,261,203)
Net debt	45,730,413	25,938,764	45,616,062	26,259,179
Total equity	92,649,476	91,227,708	56,789,999	57,770,604
Gross gearing ratio	0.63	0.45	1.02	0.70
Net gearing ratio	0.49	0.28	0.80	0.45

* excluded bank overdrafts, pledged deposits and deposits not for short-term funding requirements.

There were no changes in the Group's and the Company's approach to capital management during the financial year.

Notes to the Financial Statements 31 December 2023 (cont'd)

37. Significant and Subsequent Events

During the financial year, the following significant and subsequent events took place for the Company and its subsidiary companies:

- (i) On 22 February 2023, the Company had acquired 5.38 acres warehouses 3 located at Pulau Indah Industrial Park, Port Klang. With a total build-up area of 136,803 square feet, the modern warehouse facility features approximately 125,000 square feet warehouse storage space and is able to cater up to 20,000 pallets with 24 loading bays and a 3-storey office building. The estimated construction costs will be approximately RM22,000,000, part finance by own fund and bank loan.
- (ii) On 31 January 2024, the Company had entered into the Sales and Purchase Agreement with Central Spectrum (M) Sdn Bhd, for the acquisitions of 3 contiguous parcels of leasehold land located in Pulau Indah Industrial Park, Port Klang measuring approximately 12.85 acres in total for an aggregate cash consideration of approximately RM42,000,000.

38. Date of Authorisation for Issue of Financial Statements

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 22 April 2024.

LIST OF PROPERTIES

Registered owner	Title / Location	Tenure	Description	Built-up area/ Land area (sq ft)	Date of Acquisition and Age of building	Existing use	Audited net book value as at 31 December 2023 (RM)
Tri-Mode	H.S.(D) 164210, Lot PT 152632, Mukim Klang, Daerah Klang, Negeri Selangor Darul Ehsan /	Leasehold for 78 years expiring on 30 March 2097	Industrial land	259,618	22/04/2016	HQ and Distribution Hub	14,223,495 (Land)
	No.1 (Lot 48), Jalan Sungai Chandong 24/KS11, Taman Perindustrian Pulau Indah, 42920 Pulau Indah, Selangor Darul Ehsan	(unexpired term of approximately 75 years)	Four-storey office and warehouse 1	133,209	3 years		20,246,331 (Building)
			Warehouse 2	27,685	2 years		3,196,513 (Building)
Tri-Mode	H.S.(D) 164211, Lot PT 152633, Mukim Klang, Daerah Klang, Negeri Selangor Darul Ehsan /	Leasehold for 78 years expiring on 30 March 2097	Industrial land	258,311	22/04/2016	Haulage parking yard, workshop and transit depot	14,250,284 (Land)
	No.2 (Lot 45), Jalan Sungai Chandong 28/KS11, Taman Perindustrian Pulau Indah, 42920 Pulau Indah, Selangor Darul Ehsan	(unexpired term of approximately 75 years)	A parking yard, single-storey office, resting area, workshop and diesel skid tank	12,585	3 years		5,563,029 (Building)
Tri-Mode	Tri-Mode H.S.(D) 164207, Lot PT 152629, Mukim Klang, Daerah Klang, Negeri Selangor Darul Ehsan /	Leasehold for 78 years expiring on 30 March 2097	Industrial land	234,353	12/08/2021	Vacant industrial land for construction of warehouse 3.	16,122,259 (Land)
	Lot 47, Jalan Sungai Chandong 27/KS11, Taman Perindustrian Pulau Indah, 42920 Pulau Indah, Selangor Darul Ehsan	(unexpired term of approximately 75 years)	Three-storey office and warehouse 3	141,811	Work in progress		21,326,577 (Work in progress)

List Of Properties (Cont'd)

Registered owner	Title/ Location	Tenure	Description	Built-up area/ Land area (sq ft)	Date of Acquisition and Age of building	Existing use	Audited net book value as at 31 December 2023 (RM)
Tri-Mode	Parcel A12-3A, HS(M) 160, PT 118, Mukim 2, Tempat Teluk Bahang, Daerah Barat Daya, Negeri Pulau Penang. A-12-03A, Kerongsang Wing, Angsana Teluk Bahang, Jalan Teluk Bahang, Mukim 2, 11050 Teluk Bahang, Pulau Penang.	Leasehold for 99 years expiring on 20 April 2114 (unexpired term of approximately 92 years)	A unit of services apartment of Angsana Teluk Bahang Resort that operate under hotel operator management ("Senja Aman Apartment")	1,108	30/06/2014 Completed in 30/06/2020 (4 years)	An investment property that leased to hotel operator to generate income. In addition, there will be free stay to be made available as staff welfare.	2,704,467
Tri-Mode Penang	GRN 40064, Lot 2794 Seksyen 4, Bandar Butterworth, Daerah Seberang Perai Utara, Negeri Pulau Pinang and GRN 40065, Lot 2795 Seksyen 4, Bandar Butterworth, Daerah Seberang Perai Utara, Negeri Pulau Penang/ 18, Lorong Kampung Jawa, Off Jalan Bagan Luar, 12000 Butterworth, Pulau Pinang.	Freehold	A four-storey commercial shop lot	4,564 / 1,141	30/10/2003 (20 years)	Office	461,275

ANALYSIS OF SHAREHOLDINGS

AS AT 1 APRIL 2024

SHARE CAPITAL

Total Number of Issued Shares	: 166,000,000
Class of Shares	: Ordinary Shares
Voting Rights	: One vote for each ordinary share held

DISTRIBUTION OF SHAREHOLDINGS AS AT 1 APRIL 2024

SIZE OF SHAREHOLDINGS	No. of shareholders	Percentage of shareholders (%)	No. of shares	Percentage of shares (%)
Less than 100	4	0.49	100	0.00
100 to 1,000	144	17.52	78,300	0.05
1,001 to 10,000	369	44.89	2,102,800	1.27
10,001 to 100,000	240	29.20	8,784,600	5.29
100,001 to less than 5% of issued shares	63	7.66	38,220,900	23.02
5% and above of issued shares	2	0.24	116,813,300	70.37
TOTAL	822	100.00	166,000,000	100.00

DIRECTORS' SHAREHOLDINGS AS AT 1 APRIL 2024

No.	Names	Direct		Indirect	
		No. of Shares	Percentage of shares held (%)	No. of Shares	Percentage of shares held (%)
1.	Dato' Markiman Bin Kobiran	180,000	0.11	-	-
2.	Dato' Hew Han Seng	83,901,975	50.54	34,237,025 ⁽¹⁾	20.62
3.	Datin Sam Choi Lai	34,237,025	20.62	-	-
4.	Chiam Tau Meng	75,000	0.05	-	-
5.	Wai Wah Kwan @ Wai Ah Har	175,000	0.11	-	-

LIST OF SUBSTANTIAL SHAREHOLDERS AS AT 1 APRIL 2024

No.	Names	Direct		Indirect	
		No. of Shares	Percentage of shares held (%)	No. of Shares	Percentage of shares held (%)
1.	Dato' Hew Han Seng	83,901,975	50.54	34,237,025 ⁽¹⁾	20.62
2.	Datin Sam Choi Lai	34,237,025	20.62	-	-

Notes:

⁽¹⁾ Deemed interested by virtue of the shareholdings held by his spouse, Datin Sam Choi Lai pursuant to Section 8 of the Companies Act 2016.

LIST OF TOP 30 SHAREHOLDERS/ DEPOSITORS

AS AT 1 APRIL 2024

No.	Name of Shareholders	No. of Shares	Percentage of shares held (%)
1.	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR HEW HAN SENG (PB)	83,136,275	50.08
2.	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR SAM CHOI LAI (PB)	33,677,025	20.29
3.	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR YOONG KAH YIN	5,709,000	3.44
4.	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR KOH KIN LIP (MY0502)	4,800,000	2.89
5.	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR YOONG KAH YIN (PB)	2,390,000	1.44
6.	CGS INTERNATIONAL NOMINEES MALAYSIA (ASING) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TSAI, DEN-JUN	2,041,100	1.23
7.	ASIA POLY VENTURES SDN. BHD.	1,930,000	1.16
8.	LOO SOO WOI	1,448,000	0.87
9.	TOH CHUN KIT	1,325,000	0.80
10.	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR LIM KIAN WAT (PB)	1,240,000	0.75
11.	CGS INTERNATIONAL NOMINEES MALAYSIA (ASING) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR CHANG, TSUNG-JEN	1,023,400	0.62
12.	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR TUNKU HALIM BIN TUNKU ABDULLAH (PB)	964,800	0.58
13.	KUEH HOON HUAT	944,500	0.57
14.	NG CHIN HOE	800,000	0.48
15.	LIM SIN SANG	700,000	0.42
16.	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR HEW HAN SENG (MY2250)	698,700	0.42
17.	NG CHIN LEONG	600,900	0.36
18.	MAYBANK SECURITIES NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR BOO CHEN BENG (REM 188)	600,000	0.36
19.	SAM CHOI LAI	560,000	0.34
20.	YEOH LEE HOOI	537,900	0.32
21.	CHEN SEONG LEE	480,000	0.29
22.	KENANGA NOMINEES (TEMPATAN) SDN BHD RAKUTEN TRADE SDN BHD FOR NG CHIN HOE	441,100	0.27
23.	HEW YAT MING	436,800	0.26
24.	CARTABAN NOMINEES (TEMPATAN) SDN BHD RHB TRUSTEES BERHAD FOR SP TACTICAL INVESTMENT FUND	380,000	0.23
25.	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR GEH CHOH HUN	380,000	0.23
26.	FATIMAH BINTI NORBINSHA	378,800	0.23
27.	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR WONG SIOW HU (SEGAMAT-CL)	373,000	0.23
28.	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TEE TIAN HOCK (MY4551)	350,000	0.21
29.	CGS INTERNATIONAL NOMINEES MALAYSIA (ASING) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR HSU, WEN-PEI	332,400	0.20
30.	FATIMAH BINTI NORBINSHA	315,000	0.19
Total		148,992,900	89.76

NOTICE OF 32ND ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 32nd Annual General Meeting ("AGM") of the Company will be 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, 20 June 2024 at 11:00 a.m. for the transaction of the following businesses or at any adjournment thereof:-

AGENDA

As Ordinary Business:

1. To receive the audited financial statements for the financial year ended 31 December 2023 together with the Reports of the Directors and Auditors thereon. **(Please refer to Explanatory Notes 1)**
2. To re-elect the following directors who retire in accordance with Clause 165 of the Constitution of the Company and being eligible, have offered themselves for re-election: -
 - a) Dato' Markiman Bin Kobiran **Ordinary Resolution 1**
 - b) Dato' Hew Han Seng **Ordinary Resolution 2**
3. To approve the payment of directors' fees to the non-executive directors up to RM120,000 for the period from 32nd AGM up to the 33rd AGM. **Ordinary Resolution 3**
4. To approve the payment of directors' benefits to the non-executive directors of the Company up to an amount of RM9,000 for the period from 32nd AGM up to the 33rd AGM. **Ordinary Resolution 4**
5. To re-appoint Messrs. UHY as auditors of the Company until the conclusion of the next AGM and to authorise the Directors to fix their remuneration. **Ordinary Resolution 5**

As Special Business:

To consider and if thought fit, with or without modifications to pass the following resolutions: -

6. **Authority to allot and issue shares in general pursuant to Sections 75 and 76 of the Companies Act 2016** **Ordinary Resolution 6**

"THAT subject to Sections 75 and 76 of the Companies Act 2016 and approvals of the relevant governmental/regulatory authorities, the Directors be and are hereby empowered to issue and allot shares in the Company, at any time to such persons and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares to be issued does not exceed ten per centum (10%) of the total issued share capital of the Company or such higher percentage as Bursa Malaysia Securities Berhad allowed for the time being AND THAT the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad; AND THAT such authority shall commence immediately upon the passing of this Resolution and continue to be in force until the conclusion of the next AGM of the Company.

AND THAT in connection with the above, pursuant to Section 85 of the Companies Act 2016 to be read together with Clause 31 of the Constitution of the Company, the shareholders of the Company do hereby waive their pre-emptive rights over all new shares, options over or grants of new shares or any other convertible securities in the Company and/or any new shares to be issued pursuant to such options, grants or other convertible securities, such new shares when issued, to rank pari passu with existing issued shares in the Company."

Notice of 32nd Annual General Meeting (Cont'd)

- To transact any other business for which due notice shall have been given in accordance with the Companies Act 2016.

BY ORDER OF THE BOARD

TAN TONG LANG (MAICSA 7045482) (SSM PC No. 202208000250)
ANG WEE MIN (MAICSA 7076022) (SSM PC No. 202208000334)
Company Secretaries

Kuala Lumpur

Date: 30 April 2024

Remarks:

- Please refer to the Administrative Guide for the procedures to register and participate and vote in the virtual meeting.*
- A member of the Company is entitled to appoint one or more proxies to attend and vote in his/her stead. A proxy may but need not, be a member of the Company. Where a member/shareholder appoints more than one proxy to attend and vote at the meeting, such appointment shall be invalid unless he/she specifies the proportion of his/her shareholdings to be represented by each proxy.*
- Where a member of the Company is an authorised nominee defined under the Securities Industry (Central Depositories) Act, 1991 ("SICDA"), it may appoint one (1) or more proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.*
- Where a member of the Company is an exempt authorised nominee defined under the SICDA which is exempted from compliance with the provision of subsection 25A(1) of SICDA which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.*
- Where the authorised nominee or an exempt authorised nominee appoints more than one (1) proxy, the proportion of the shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.*
- The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under its Common Seal or under the hand of an officer or attorney duly authorised.*
- The Form of Proxy must be deposited at the Company's Share Registrar office at Boardroom Share Registrars Sdn. Bhd. 11th Floor, Menara Symphony, No. 5, Jalan Semangat (Jalan Professor Khoo Kay Kim), Seksyen 13, 46200 Petaling Jaya, Selangor, or alternatively to submit electronically via email to corporate@tmsgroup.com.my not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.*
- For the purpose of determining a member who shall be entitled to attend the meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company, a Record of Depositors as at 13 June 2024. Only members whose name appears on the Record of Depositors as at 13 June 2024 shall be entitled to attend, speak and vote at the said meeting or appoint proxies to attend, speak and vote and vote on his/her stead.*
- Pursuant to Rule 8.31A(1) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in this Notice of the 32nd AGM will be put to vote by way of poll.*

Notice of 32nd Annual General Meeting (Cont'd)

EXPLANATORY NOTES:-

1. Audited Financial Statements for the Financial Year Ended 31 December 2023

The Agenda No. 1 is meant for discussion only as Section 340(1)(a) of the Companies Act 2016 provide that the audited financial statements are to be laid in the general meeting and does not require a formal approval of the shareholders. Therefore, this Agenda item is not put forward for voting.

2. Ordinary Resolutions 1 and 2: Re-election of Directors

Clause 165 of the Constitution of the Company provides that at every AGM, one third (1/3) of the Directors at the date of the notice convening the AGM will retire from office unless elected or re-elected at the AGM. The directors retiring will be those longest in office since their last election. If Directors were elected on the same day, the Directors to retire will either be as agreed between those Directors or by lot. If the total number of the Directors is not three (3) or a multiple of it, the number nearest to one-third (1/3) will retire.

The performance of the Directors who are recommended for re-election has been assessed through the Board annual evaluation. The Nomination Committee and the Board are satisfied with the performance and effectiveness of Dato' Markiman Bin Kobiran and Dato' Hew Han Seng who are due for retirement as Directors, and being eligible, have offered themselves for re-election at the 32nd AGM.

3. Ordinary Resolutions 3 and 4: To Approve the Payment of Directors' Fees and Other Benefits Payable

Section 230(1) of the Companies Act 2016 provides amongst others, that "the fees" of the Directors and "any benefits" payable to the Directors of public company or a listed company and its subsidiaries, shall be approved at a general meeting.

The Company pays Directors' fees and benefits to the non-executive directors. The Board wishes to seek shareholders' approval for the payment of a maximum aggregate amount of RM120,000 for Directors' fees and a maximum aggregate amount of RM9,000 for the payment of other benefits to the non-executive Director of the Company for the period commencing from the conclusion of the 32nd AGM up to the conclusion of the 33rd AGM of the Company.

Directors' benefits include allowances and other claimable benefits which calculated based on the current Board size and the number of schedule meetings for the period commencing from the conclusion of the 32nd AGM up to the conclusion of the 33rd AGM of the Company.

In the event the proposed amount is insufficient (e.g. due to more meetings or enlarged Board size), approval will be sought at the next AGM for additional fees to meet the shortfall.

4. Ordinary Resolution 6: Authority to Issue Shares Pursuant to Sections 75 and 76 of the Companies Act 2016

The Ordinary Resolution 6, if passed, is a renewal of General Mandate to empower the Directors to issue and allot shares up to an amount not exceeding 10% of the issued share capital of the Company for the time being for such purposes as the Directors consider would be in the best interest of the Company. This authority, unless revoked or varied by the Company at a General Meeting, will expire at the next AGM.

The General Mandate will provide flexibility to the Company for any possible fund-raising activities, including but not limited to further placing of shares, for the purpose of funding future investment project(s) workings capital and/or acquisitions at any time without convening a general meeting as it would be both costs and time consuming to organize a general meeting.

There is no ordinary share was issued pursuant to the general mandate granted to the Directors at the 31st AGM held on 20 June 2023 and which will lapse at the conclusion of the 32nd AGM.

Pursuant to Section 85 of the Companies Act 2016 read together with Clause 31 of the Constitution of the Company, shareholders have pre-emptive rights to be offered any new shares in the Company which rank equally to the existing issued shares in the Company or other convertible securities.

Notice of 32nd Annual General Meeting (Cont'd)

Section 85(1) of the Companies Act 2016 provides as follows:

"85. Pre-emptive rights to new shares

- (1) Subject to the constitution, where a company issue shares which rank equally to existing shares as to voting or distribution rights, those shares shall first be offered to the holders of existing shares in a manner which would, if the offer were accepted, maintain the relative voting and distribution rights of those shareholders."

Clause 31 of the Constitution of the Company provides as follows:

"31.1 new share or convertible securities must be offered, before issue, to shareholders entitled to receive notices from the Company of General Meetings;

31.2 the offer must, as far as circumstances allow, be in proportion to the amount of existing shares or securities to which such shareholders are entitled;

31.3 the offer must be by a notice which specifies the number of shares or securities offered and which limits the time within which, the offer must be accepted or be treated as declined;

31.4 if the offer is not accepted within such time or if such shareholders decline to accept the offer, the Board may dispose of those shares or securities in a way which they decide as most beneficial to the Company;

31.5 the Board may also dispose of any new share or security which the Board consider cannot be conveniently offered under this Clause 31 on grounds of the ratio which the new shares or securities bear to shares or securities held by shareholders entitled to such an offer."

The proposed Ordinary Resolution, if passed, will exclude your pre-emptive right to be offered new shares and/or convertible securities to be issued by the Company pursuant to the said Ordinary Resolution.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

Pursuant to Rule 8.29(2) of the ACE Market Listing Requirements of Bursa Securities:-

1. Details of individual who are standing for election as Directors (excluding Directors for re-election)

No individual is seeking election as a Director at the 32nd AGM of the Company.

2. General mandate for issue of securities in accordance with Rule 6.04 of the ACE Market Listing Requirements of Bursa Securities.

The details of the proposed authority for Directors of the Company to issue shares in the Company pursuant to Sections 75 and 76 of the Companies Act 2016 are set out under Explanatory Note.

ADMINISTRATIVE GUIDE

FOR THE MEMBERS OF TRI-MODE SYSTEM (M) BERHAD

ADMINISTRATIVE DETAILS FOR SHAREHOLDERS/PROXIES/CORPORATE REPRESENTATIVES/ATTORNEYS PARTICIPATING THE 32ND ANNUAL GENERAL MEETING ("32ND AGM") OF TRI-MODE SYSTEM (M) BERHAD

Date	:	Thursday, 20 June 2024
Time	:	11.00 a.m.
Broadcast Venue	:	Conference Room, Wisma Tri-Mode No 1 (Lot 48), Jalan Sungai Chandong 24/KS11, Taman Perindustrian Pulau Indah (Fasa 3), 42920 Pulau Indah, Selangor, Malaysia
Meeting Platform	:	www.propollsolutions.com.my (Domain registration number D1A403203)

VIRTUAL MEETING

The 32nd AGM of Tri-Mode System (M) Berhad ("**Tri-Mode**") will be conducted as a fully virtual meeting through live streaming and online remote voting using the Remote Participation and Voting ("**RPV**") Facility. This is in line with the Guidance and FAQs on the Conduct of General Meetings for Listed Issuers issued by the Securities Commission Malaysia on 16 July 2021 and as revised or amended from time to time.

Please note that it is your responsibility to ensure the stability of your internet connectivity throughout the 32nd AGM as the quality of the live webcast and online remote voting are dependent on your internet bandwidth and stability of your internet connection.

NO SHAREHOLDERS/PROXIES/CORPORATE REPRESENTATIVES/ATTORNEYS from the public shall be physically present nor admitted at the Broadcast Venue on the day of the 32nd AGM.

RPV FACILITY

Shareholders are to participate, speak (in the form of real-time submission of typed texts) and vote remotely (collectively, "**participate**") at the 32nd AGM using the RPV Facility provided by Propoll Solutions Sdn Bhd, the poll facilitator of the 32nd AGM, via its website at www.propollsolutions.com.my ("Propoll Portal") (Domain registration number D1A403203).

Shareholders may use the Q&A platform in Zoom Cloud Meetings App to submit questions in real time during the 32nd AGM. Shareholders may also submit questions to the Board of Directors ("**Board**") prior to the 32nd AGM by emailing to corporate@tmsgroup.com.my no later than 11:00 am on 20 June 2024 or via the Q&A platform in the Propoll Portal from 2.00 pm on 14 June 2024 up to 10.30 am on 20 June 2024. If there is time constraint in answering the questions during the 32nd AGM, the answers will be emailed to respective shareholder who raised the questions.

If you wish to submit your questions through the Q&A platform via the Propoll Portal, you must first register as a user at the Propoll Portal. Thereafter, you may select "My Virtual Meeting" under the Main Menu and click on the Q&A platform to post your question(s).

Administrative Guide for the Members (Cont'd)

PROCEDURES FOR RPV FACILITY

Shareholders/proxies/corporate representatives/attorneys who wish to participate in the 32nd AGM remotely using the RPV Facility, are to follow the requirements and procedures as summarised below:

Procedures	Action
Before the day of the 32nd AGM	
(i) Register as a User	<ul style="list-style-type: none"> Access the Propoll Portal at www.propollsolutions.com.my. Click <<Login/Register>> followed by <<Register New User>> to register as a new user. Complete the registration by filling up the information required and upload a clear copy of your MyKAD (both front and back page) or Passport. Read and agree to the terms & conditions and thereafter, submit your registration. Please enter a valid email address in order for you to receive the verification email from the Propoll Portal. Your registration will be verified and approved by the Propoll Portal. Once approved, an email notification will be sent to you. If you are already a user with the Propoll Portal, you are not required to register again.
(ii) Submit your Question	<ul style="list-style-type: none"> You may pre-submit your questions: <ul style="list-style-type: none"> using the Propoll Portal from 2.00 pm on 14 June 2024 up to 10.30 am on 20 June 2024; or to the Board prior to the 32nd AGM by emailing to corporate@tmsgroup.com.my no later than 11.00 am on 20 June 2024.
On the day of the 32nd AGM	
(iii) Login to Propoll Portal at www.propollsolutions.com.my	<ul style="list-style-type: none"> Login with your user ID and password for remote participation at the 32nd AGM at any time from 10.30 a.m, i.e. 30 minutes before the commencement of the 32nd AGM. If you have forgotten your password, you can reset it by clicking on "Forgot Password".
(iv) Participate through Live Streaming	<ul style="list-style-type: none"> Select <<My Virtual Meeting>> under Main Menu. Click <<Join Meeting>> located next to the event. Please click on the video link and key in the password provided to you in the email notification from the Propoll Portal to join the live streaming of the 32nd AGM. If you have any question(s) during the 32nd AGM, you may use the Q&A platform in Zoom Cloud Meetings App to submit your question(s). The Chairman of the 32nd AGM ("Chairman") / Board / Management will try to respond to all relevant questions submitted during the 32nd AGM. If there is time constraint in answering the questions during the 32nd AGM, the responses will be emailed to respective shareholders after the conclusion of the 32nd AGM. If you are using a smartphone to participate in the 32nd AGM, please download Zoom Cloud Meetings App from the Google Play Store or App Store before the 32nd AGM. Please take note that the quality of the live streaming is dependent on the bandwidth and stability of the internet connection at your location.
(v) Online Remote Voting	<ul style="list-style-type: none"> Please select the <<Voting>> option located next to <<Join Meeting>> to indicate your votes for the resolutions that are tabled for voting. Voting session will commence once the Chairman declares that the voting platform is activated. The voting session will end upon the declaration by the Chairman. Please cast your vote on all resolutions as appeared on the screen and submit your votes. Once submitted, your votes will be final and cannot be changed.
(vi) End of the RPV Facility	<ul style="list-style-type: none"> The RPV Facility will end and the Q&A platform will be disabled the moment the Chairman announces the closure of the 32nd AGM.

Administrative Guide for the Members (Cont'd)

Notes to users of the RPV Facility:

- (a) Should your registration to join the 32nd AGM be approved, we will make available to you the rights to join the live streamed 32nd AGM and to vote remotely using the RPV Facility. Your login to the Propoll Portal on the day of the 32nd AGM will indicate your presence at the 32nd AGM.
- (b) If you encounter any issue with your online registration at the Propoll Portal, please call +6010-526 5490 or e-mail to propollsolution@gmail.com for assistance.

PROXY

1. The 32nd AGM will be conducted on a fully virtual basis. If you are unable to participate the 32nd AGM, you may appoint the Chairman as proxy and indicate the voting instructions in the Proxy Form.
2. If you wish to appoint proxy(ies) to participate in the 32nd AGM using the RPV Facility, please submit your Proxy Form, either by hand or by post to the following address, not less than 48 hours (by 11.00 a.m., 18 June 2024) before the time appointed for holding the 32nd AGM or any adjournment thereof, otherwise the Proxy Form shall be treated as invalid:-

The Share Registrar of Tri-Mode System (M) Berhad
Boardroom Share Registrars Sdn. Bhd.
11th Floor, Menara Symphony,
No. 5, Jalan Semangat (Jalan Professor Khoo Kay Kim),
Seksyen 13, 46200 Petaling Jaya, Selangor,

or alternatively to submit electronically via email to corporate@tmsgroup.com.my

3. Corporate representatives of corporate shareholders must deposit their original certificates of appointment of corporate representative to **Boardroom Share Registrars Sdn. Bhd.** or alternatively to submit electronically via email to corporate@tmsgroup.com.my not less than 48 hours before the time appointed for holding the 32nd AGM or any adjournment thereof, in order to participate in the 32nd AGM via the RPV Facility.
4. Attorneys appointed by power of attorney are to deposit their power of attorney to **Boardroom Share Registrars Sdn. Bhd.** or alternatively to submit electronically via email to corporate@tmsgroup.com.my not less than 48 hours before the time appointed for holding the 32nd AGM or any adjournment thereof, in order to participate in the 32nd AGM via the RPV Facility.
5. Shareholders who have appointed a proxy or attorney or authorised representative to participate at the 32nd AGM via the RPV Facility must ensure that his/her proxy or attorney or authorised representative register himself/herself at the Propoll Portal prior to the 32nd AGM.

POLL VOTING

1. The voting at the 32nd AGM will be conducted by poll in accordance with Paragraph 8.31A(1) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad. Tri-Mode has appointed **Corporate Bridge Solutions PLT** as the Poll Administrator with **Propoll Solutions Sdn. Bhd.** as Technology Partner to conduct the poll by way of online remote voting using the RPV Facility and **SLCC Networks Sdn. Bhd.** as Scrutineers to verify the poll results.
2. The online remote voting session will commence once the Chairman declares that the voting platform is activated. The voting session will end upon declaration by the Chairman. Please refer to item (v) for the online remote voting procedures using the RPV Facility.
3. Upon completion of the voting session, the Scrutineers will verify the poll results followed by the declaration of results by the Chairman.

Administrative Guide for the Members (Cont'd)

REVOCATION OF PROXY

If you have submitted your Proxy Form and subsequently decide to appoint another person or wish to participate in the 32nd AGM by yourself, please write in to **Boardroom Share Registrars Sdn. Bhd.** or alternatively to submit electronically via email to corporate@tmsgroup.com.my to revoke the earlier appointed proxy 48 hours before the time appointed for holding the 32nd AGM.

RECORDING

Unauthorised recording of the proceedings of the 32nd AGM is strictly prohibited.

RECORD OF DEPOSITORS ("ROD") FOR THE 32ND AGM

Only shareholders whose names appear on the ROD as at 13 June 2024 shall be entitled to participate or appoint proxy(ies) to participate at the 32nd AGM via the RPV Facility.

NO DOOR GIFT

There will be NO door gift to be provided for participating at the 32nd AGM.

ENQUIRIES

If you have any enquiry relating to the 32nd AGM, please contact any of the following persons during office hours from 9:00 am to 5:00 pm on Mondays to Fridays:

- (a) Mr Eric Tan (Tel: +6010-526 5490 or
E-mail: propollsolution@gmail.com)

PERSONAL DATA PRIVACY

By lodging and subscribe for a user account with Propoll Portal for appointing a proxy(ies) and/or representative(s) to participate and vote remotely at the 32nd AGM using the RPV Facility, the shareholder/proxy holder/representative(s) accepts and agrees to the personal data privacy terms.

TRI-MODE



S i n c e 1 9 9 2

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

FORM OF PROXY

* I/We I.C. or Company No
(Full name in block letters)

of
(Full address)

being a member/members of TRI-MODE SYSTEM (M) BERHAD hereby appoint (Proxy 1)

I.C. No. of

Email : or failing him/ her (Proxy 2)

I.C No. of

Email : or failing *him/her, the Chairman of the Meeting as *my/our proxy to vote for *me/us and on *my/our behalf at the 32nd Annual General Meeting ("AGM") of the Company to be 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, 20 June 2024 at 11:00 a.m. or at any adjournment thereof.

The proxy is to vote on the Resolutions set out in the Notice of the Meeting as indicated with an "X" in the appropriate spaces. If no specific direction as to the voting is given, the Proxy will vote or abstain from voting at his/her discretion.

RESOLUTION	AGENDA	FOR	AGAINST
1	To re-elect Dato' Markiman Bin Kobiran as Director who retires in accordance with Clause 165 of the Constitution of the Company.		
2	To re-elect Dato' Hew Han Seng as Director who retires in accordance with Clause 165 of the Constitution of the Company.		
3	To approve the payment of directors' fees to the non-executive directors up to RM120,000 for the period from 32 nd AGM up to the 33 rd AGM.		
4	To approve the payment of directors' benefits to the non-executive directors of the Company up to an amount RM9,000 for the period from 32 nd AGM up to the 33 rd AGM.		
5	To re-appoint Messrs. UHY as auditors of the Company until the conclusion of the next AGM and to authorise the directors to fix their remuneration.		
6	Authority to allot and issue shares pursuant to Sections 75 and 76 of the Companies Act 2016		

Signed this..... day of 2024

.....
Signature of Shareholder(s)

* Strike out whichever is not applicable

The proportions of my/our holdings to be represented by my/our proxies are as follows:-

First Proxy

No. of Shares:

Percentage :%

Second Proxy

No. of Shares:

Percentage :%

Notes:

1. Please refer to the Administrative Guide for the procedures to register and participate and vote in the virtual meeting.
2. A member of the Company is entitled to appoint one or more proxies to attend and vote in his/her stead. A proxy may but need not, be a member of the Company. Where a member/shareholder appoints more than one proxy to attend and vote at the meeting, such appointment shall be invalid unless he/she specifies the proportion of his/her shareholdings to be represented by each proxy.
3. Where a member of the Company is an authorised nominee defined under the Securities Industry (Central Depositories) Act, 1991 ("SICDA"), it may appoint one (1) or more proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
4. Where a member of the Company is an exempt authorised nominee defined under the SICDA which is exempted from compliance with the provision of subsection 25A(1) of SICDA which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
5. Where the authorised nominee or an exempt authorised nominee appoints more than one (1) proxy, the proportion of the shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.
6. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under its Common Seal or under the hand of an officer or attorney duly authorised.
7. The Form of Proxy must be deposited at the Company's Share Registrar office at at Boardroom Share Registrars Sdn. Bhd. 11th Floor, Menara Symphony, No. 5, Jalan Semangat (Jalan Professor Khoo Kay Kim), Seksyen 13, 46200 Petaling Jaya, Selangor, or alternatively to submit electronically via email to corporate@tmsgroup.com.my not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.
8. For the purpose of determining a member who shall be entitled to attend the meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company, a Record of Depositors as at 13 June 2024. Only members whose name appears on the Record of Depositors as at 13 June 2024 shall be entitled to attend, speak and vote at the said meeting or appoint proxies to attend, speak and vote and vote on his/her stead.
9. Pursuant to Rule 8.31A(1) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in this Notice of the 32nd AGM will be put to vote by way of poll.

Please fold here

**Place
Stamp Here**

The Share Registrar of
TRI-MODE SYSTEM (M) BERHAD
Boardroom Share Registrars Sdn Bhd

11th Floor, Menara Symphony
No.5, Jalan Semangat (Jalan Professor Khoo Kay Kim)
Seksyen 13, 46200 Petaling Jaya
Selangor Darul Ehsan

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TRI-MODE



S i n c e 1 9 9 2

TRI-MODE SYSTEM (M) BERHAD

199101018953 (229265-X)

Wisma Tri-Mode

No.1 (Lot 48), Jalan Sungai Chandong 24/KS11

Taman Perindustrian Pulau Indah (Fasa 3)

42920 Pulau Indah, Selangor Darul Ehsan

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