



CJ CENTURY LOGISTICS HOLDINGS BERHAD
199701008845 (424341-A)

INTERIM FINANCIAL REPORT

31 MARCH 2020

21 MAY 2020



CJ CENTURY LOGISTICS HOLDINGS BERHAD (Registration No. 199701008845 (424341-A))
Interim report on unaudited consolidated results for the financial period ended 31 March 2020

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE QUARTER ENDED 31 MARCH 2020

| | -----Individual quarter----- | | | | -----Cumulative quarter----- | | | |
|---|--|---|-------------------|-------|--|--|-------------------|-------|
| | Current year quarter 31.03.2020 RM'000 | Preceding year corresponding quarter 31.03.2019 RM'000 | -----Changes----- | | Current year to date 31.03.2020 RM'000 | Preceding year corresponding period 31.03.2019 RM'000 | -----Changes----- | |
| | | | RM'000 | % | | | RM'000 | % |
| Revenue | 109,424 | 127,096 | (17,672) | -14% | 109,424 | 127,096 | (17,672) | -14% |
| Direct operating expenses | (92,030) | (113,475) | 21,445 | 19% | (92,030) | (113,475) | 21,445 | 19% |
| Gross profit | 17,394 | 13,621 | 3,773 | 28% | 17,394 | 13,621 | 3,773 | 28% |
| Net other operating expenses | (18,834) | (13,252) | (5,582) | -42% | (18,834) | (13,252) | (5,582) | -42% |
| Results from operating activities | (1,440) | 369 | (1,809) | -490% | (1,440) | 369 | (1,809) | -490% |
| Net finance costs | (2,023) | (1,444) | (579) | -40% | (2,023) | (1,444) | (579) | -40% |
| Loss before taxation | (3,463) | (1,075) | (2,388) | -222% | (3,463) | (1,075) | (2,388) | -222% |
| Taxation | (61) | (696) | 635 | 91% | (61) | (696) | 635 | 91% |
| Loss for the period | (3,524) | (1,771) | (1,753) | -99% | (3,524) | (1,771) | (1,753) | -99% |
| Other comprehensive income | | | | | | | | |
| Foreign currency translation differences for foreign operations | (16) | (3) | (13) | -433% | (16) | (3) | (13) | -433% |
| Other comprehensive income for the period | (16) | (3) | (13) | -433% | (16) | (3) | (13) | -433% |
| Total comprehensive loss for the period | (3,540) | (1,774) | (1,766) | -100% | (3,540) | (1,774) | (1,766) | -100% |
| Loss attributable to: | | | | | | | | |
| Equity holders of the Company | (3,548) | (1,797) | (1,751) | -97% | (3,548) | (1,797) | (1,751) | -97% |
| Non-controlling interests | 24 | 26 | (2) | -8% | 24 | 26 | (2) | -8% |
| Loss profit for the period | (3,524) | (1,771) | (1,753) | -99% | (3,524) | (1,771) | (1,753) | -99% |
| Total comprehensive loss attributable to: | | | | | | | | |
| Equity holders of the Company | (3,564) | (1,800) | (1,764) | -98% | (3,564) | (1,800) | (1,764) | -98% |
| Non-controlling interests | 24 | 26 | (2) | -8% | 24 | 26 | (2) | -8% |
| Total comprehensive loss for the period | (3,540) | (1,774) | (1,766) | -100% | (3,540) | (1,774) | (1,766) | -100% |
| Loss per share attributable to equity holders of the Company: | | | | | | | | |
| Basic (sen) | (0.91) | (0.46) | (0.45) | -98% | (0.91) | (0.46) | (0.45) | -98% |
| Diluted (sen) | NA | (0.46) | - | - | NA | (0.46) | - | - |

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the Year Ended 31 December 2019.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2020

| | As at end of current quarter 31.03.2020 RM'000 | As at preceding financial year end 31.12.2019 RM'000 |
|--|---|---|
| ASSETS | | |
| Non-current Assets | | |
| Property, plant and equipment | 389,914 | 385,451 |
| Right-of-use assets | 9,099 | 9,926 |
| Deferred tax asset | 5 | 5 |
| Goodwill on consolidation | 1,443 | 1,443 |
| | <u>400,461</u> | <u>396,825</u> |
| Current Assets | | |
| Inventories | 6,681 | 9,539 |
| Receivables | 121,434 | 141,559 |
| Deposits, cash and bank balances | 61,255 | 64,999 |
| | <u>189,370</u> | <u>216,097</u> |
| TOTAL ASSETS | <u><u>589,831</u></u> | <u><u>612,922</u></u> |
| EQUITY AND LIABILITIES | | |
| Equity attributable to equity holders of the Company | | |
| Share capital | 200,043 | 200,043 |
| Treasury shares | (2,506) | (2,506) |
| Reserves | 114,763 | 118,327 |
| | <u>312,300</u> | <u>315,864</u> |
| Non-controlling Interests | 953 | 929 |
| Total Equity | <u>313,253</u> | <u>316,793</u> |
| Non-current Liabilities | | |
| Borrowings | 150,768 | 159,158 |
| Lease liabilities | 2,685 | 2,855 |
| Deferred taxation | 8,115 | 8,560 |
| | <u>161,568</u> | <u>170,573</u> |
| Current Liabilities | | |
| Borrowings | 36,448 | 32,428 |
| Payables | 71,975 | 85,899 |
| Lease liabilities | 6,587 | 7,229 |
| | <u>115,010</u> | <u>125,556</u> |
| Total Liabilities | <u>276,578</u> | <u>296,129</u> |
| TOTAL EQUITY AND LIABILITIES | <u><u>589,831</u></u> | <u><u>612,922</u></u> |
| Net assets per share attributable to ordinary equity holders of the Company (RM) | 0.80 | 0.81 |

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the Year Ended 31 December 2019.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 MARCH 2020

| | Current year to date 31.03.2020 RM'000 | Preceding year corresponding period 31.03.2019 RM'000 |
|---|--|--|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Loss for the year | (3,524) | (1,771) |
| Adjustments: | | |
| Non-Cash Items | 8,870 | 5,941 |
| Non-Operating Items | <u>(215)</u> | <u>374</u> |
| Operating profit before working capital changes | 5,131 | 4,544 |
| Movement in working capital: | | |
| Net change in current assets | 23,041 | (3,081) |
| Net change in current liabilities | <u>(14,075)</u> | <u>(22,976)</u> |
| Cash generated from operations | 14,097 | (21,513) |
| Tax Paid | <u>(551)</u> | <u>(546)</u> |
| Net cash from / (used in) operating activities | <u>13,546</u> | <u>(22,060)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Interest received | 373 | 373 |
| Disposal of property, plant and equipment | 545 | 24 |
| Decrease in investment in money market funds | 4,817 | 23,060 |
| Purchase of property, plant and equipment | <u>(5,915)</u> | <u>(5,568)</u> |
| Net cash (used in) / from investing activities | <u>(180)</u> | <u>17,889</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Proceeds from borrowings | - | 7,872 |
| Repayment of lease liabilities | (2,374) | (611) |
| Repayment of hire purchase payables | (2,107) | (1,576) |
| Repayment of borrowings | (5,548) | (3,159) |
| Interest paid | <u>(2,264)</u> | <u>(1,767)</u> |
| Net cash (used in) / from financing activities | <u>(12,292)</u> | <u>758</u> |
| Net increase / (decrease) in cash and cash equivalents | 1,074 | (3,413) |
| Cash and cash equivalents at beginning of the period | <u>23,046</u> | <u>17,028</u> |
| Cash and cash equivalents at end of the period | <u>24,120</u> | <u>13,615</u> |
| Cash and cash equivalents at the end of the financial period comprise the following : | | |
| Cash on hand and at banks | 11,150 | 9,865 |
| Investment in money market funds | 37,135 | 39,000 |
| Deposits with licensed banks | <u>12,970</u> | <u>3,750</u> |
| | 61,255 | 52,615 |
| Less: Investment in money market funds | <u>(37,135)</u> | <u>(39,000)</u> |
| | <u>24,120</u> | <u>13,615</u> |

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Report for the Year Ended 31 December 2019.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MARCH 2020

| | Attributable to Equity Holders of the Company | | | | Total RM'000 | Non-controlling Interests RM'000 | Total Equity RM'000 |
|--|---|---|-----------------------------|---|-----------------|--|---------------------------|
| | Share Capital RM'000 | Non-distributable Treasury Shares RM'000 | Other Reserves RM'000 | Distributable Retained Earnings RM'000 | | | |
| As at 1 January 2020 | 200,043 | (2,506) | 3,586 | 114,741 | 315,864 | 929 | 316,793 |
| Total comprehensive income for the period | - | - | (16) | (3,548) | (3,564) | 24 | (3,540) |
| As at 31 March 2020 | 200,043 | (2,506) | 3,570 | 111,193 | 312,300 | 953 | 313,253 |
| As at preceding year corresponding quarter | | | | | | | |
| As at 1 January 2019 | 200,043 | (2,506) | 2,168 | 123,248 | 322,953 | 955 | 323,908 |
| Share-based payment under Employees' Share Option Scheme ("ESOS") | - | - | 392 | - | 392 | - | 392 |
| Total comprehensive income for the period | - | - | (3) | (1,797) | (1,800) | 26 | (1,774) |
| As at 31 March 2019 | 200,043 | (2,506) | 2,557 | 121,451 | 321,545 | 981 | 322,526 |

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the Year Ended 31 December 2019.

Notes To The Financial Statements

1. Basis of Preparation

The interim financial statements are unaudited and have been prepared in accordance with the requirements of MFRS 134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad. The interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2019.

These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2019.

2. Significant Accounting Policies

The Group has adopted the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the provisions of the Companies Act, 2016 in Malaysia for accounting period beginning on 1 January 2020. As disclosed in the Group's annual financial statements for the financial year ended 31 December 2019, the following are new/revised accounting standards effective for annual periods beginning on or after 1 January 2020.

| | |
|---|--|
| MFRSs | Amendments to References to the Conceptual Framework in MFRS Standards |
| Amendments to MFRS 3 | Definition of a Business |
| Amendments to MFRS 9, MFRS 139 and MFRS 7 | Interest Rate Benchmark Reform |
| Amendments to MFRS 101 and MFRS 108 | Definition of Material |

The adoption of the above amendments did not have any material impact on the financial statements of the Group.

The Group has not applied the following MFRSs which have been issued as at the end of reporting period but are not yet effective :-

| | |
|------------------------------------|---|
| MFRS 17 | Insurance Contracts |
| Amendments to MFRS 101 | Classification of Liabilities as Current or Non-current |
| Amendments to MFRS 10 and MFRS 128 | Sale or Contribution of Assets between an Investor and its Associate or Joint Venture |

The above pronouncements do not have any material impact on the financial statements of the Group.

3. Auditors' Report on Preceding Annual Financial Statements

The auditors' report of the Group's annual financial statements for the financial year ended 31 December 2019 was not qualified.

4. Seasonal or Cyclical Factors

The business operations of the Group are not significantly affected by any seasonal or cyclical factors.

5. Unusual Items

There were no unusual items affecting assets, liabilities, equity, net income or cash flows in the financial quarter under review.

6. Changes in Estimates

There was no change in estimates of amounts reported in prior interim periods that had a material effect in the current reporting quarter.

7. Changes in Debt and Equity Securities

There was no issuance or repayment of debt or equity securities, share cancellations and resale of treasury shares during the financial quarter under review.

8. Dividend Paid

No dividend was paid in the financial quarter under review.

9. Segmental Reporting

Analysis of the Group's revenue and results for the 3 months period ended 31 March 2020 is as follows:

| | Total Logistics Services RM'000 | Procurement Logistics Services RM'000 | Courier Services RM'000 | Consolidation Adjustment RM'000 | Group Results RM'000 |
|---|--|--|-------------------------------|---------------------------------------|----------------------------|
| Revenue | | | | | |
| External sales | 68,158 | 32,812 | 8,454 | - | 109,424 |
| Inter-segment sales | <u>931</u> | <u>-</u> | <u>-</u> | <u>(931)</u> | <u>-</u> |
| Total revenue | <u><u>69,089</u></u> | <u><u>32,812</u></u> | <u><u>8,454</u></u> | <u><u>(931)</u></u> | <u><u>109,424</u></u> |
| Profit | | | | | |
| Segment results | 3,703 | 1,407 | (6,550) | - | (1,440) |
| Net finance costs | | | | | <u>(2,023)</u> |
| Loss from ordinary activities before taxation | | | | | (3,463) |
| Taxation | | | | | <u>(61)</u> |
| Loss from ordinary activities after taxation | | | | | (3,524) |
| Non-controlling interests | | | | | <u>(24)</u> |
| Net loss for the period | | | | | <u><u>(3,548)</u></u> |

Analysis of the Group's revenue and results for the 3 months period ended 31 March 2019 is as follows:

| | Total Logistics Services RM'000 | Procurement Logistics Services RM'000 | Courier Services RM'000 | Consolidation Adjustment RM'000 | Group Results RM'000 |
|---|--|--|-------------------------------|---------------------------------------|----------------------------|
| Revenue | | | | | |
| External sales | 63,205 | 58,229 | 5,662 | - | 127,096 |
| Inter-segment sales | <u>864</u> | <u>-</u> | <u>-</u> | <u>(864)</u> | <u>-</u> |
| Total revenue | <u><u>64,069</u></u> | <u><u>58,229</u></u> | <u><u>5,662</u></u> | <u><u>(864)</u></u> | <u><u>127,096</u></u> |
| Profit | | | | | |
| Segment results | 1,338 | 2,975 | (3,944) | - | 369 |
| Net finance costs | | | | | <u>(1,444)</u> |
| Loss from ordinary activities before taxation | | | | | (1,075) |
| Taxation | | | | | <u>(696)</u> |
| Loss from ordinary activities after taxation | | | | | (1,771) |
| Non-controlling interests | | | | | <u>(26)</u> |
| Net loss for the period | | | | | <u><u>(1,797)</u></u> |

Total revenue of the Group was RM109.424 million, representing a decrease of 14% from RM127.096 million in the corresponding period ended 31 March 2019. The Group recorded an operating loss of RM1.440 million from an operating profit of RM0.369 million in the three months ended 31 March 2020.

Total Logistics Services

Segment revenue and profit generated from the Total Logistics Services operations for the period under review increased by RM4.953 million and RM2.365 million respectively as compared to the corresponding period ended 31 March 2019 mainly due to the higher volumes from certain operations particularly the oil logistics segment.

Procurement Logistics Services

The Procurement Logistics operations recorded a lower segment revenue of RM32.812 million in the three months ended 31 March 2020 compared to RM58.229 million in year 2019 due to the effect of the Movement Control Order by the Malaysian government in respond to the spread of Novel Coronavirus (COVID-19). The segment profit for the period under review was RM1.407 million, a decrease of 52.7% from RM2.975 million.

Courier Services

For the financial quarter ended 31 March 2020, the courier services revenue and segment loss were RM8.454 million and RM6.550 million as compared to RM5.662 million and RM3.944 million respectively in the corresponding period ended 31 March 2019. The loss was mainly due to the expansion of trucks, network and people resources.

9. Segmental Reporting (cont'd)

| | Total Logistics Services RM'000 | Procurement Logistics Services RM'000 | Courier Services RM'000 | Consolidation Adjustment RM'000 | Group Results RM'000 |
|---------------------|--|--|-------------------------------|---------------------------------------|----------------------------|
| As at 31 March 2020 | | | | | |
| Segment Assets | 879,233 | 92,028 | 45,439 | (426,868) | <u>589,831</u> |
| Segment Liabilities | 609,604 | 52,775 | 28,425 | (414,226) | <u>276,578</u> |
| As at 31 March 2019 | | | | | |
| Segment Assets | 825,826 | 94,581 | 28,165 | (418,188) | <u>530,385</u> |
| Segment Liabilities | 531,077 | 62,191 | 19,891 | (405,300) | <u>207,859</u> |

10. Related Party Disclosures

All related party transactions within the Group had been entered into in the normal course of business and were carried out on normal commercial terms.

11. Financial Instruments**Categories of financial instruments**

| | As at 31.03.2020 RM'000 | As at 31.12.2019 RM'000 |
|---|-------------------------------|-------------------------------|
| Financial assets | | |
| Fair value through profit or loss | | |
| Investment in money market funds | 37,135 | 41,953 |
| Amortised costs | | |
| Trade receivables | 81,863 | 91,673 |
| Other receivables and refundable deposits | 24,117 | 34,265 |
| Amount owing from affiliated companies | 4,934 | 7,455 |
| Deposits, cash and bank balances | <u>24,120</u> | <u>23,046</u> |
| | <u>172,169</u> | <u>198,392</u> |
| Financial liabilities at amortised costs | | |
| Trade payables | 20,804 | 29,332 |
| Other payables and accrued expenses | 45,339 | 49,382 |
| Amount owing to affiliated company | 1,009 | 703 |
| Total borrowings | 165,766 | 171,313 |
| Hire-purchase payables | 21,450 | 20,273 |
| Lease liabilities | <u>9,272</u> | <u>10,084</u> |
| | <u>263,641</u> | <u>281,087</u> |

The Group uses the following hierarchy in determining the fair value of the financial instruments carried at fair value:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the asset or liability.

Fair value of the Group's investment in money market funds, which is measured based on quoted net asset value of the underlying funds, is categorised under Level 1 fair value hierarchy.

The carrying amounts of financial assets and financial liabilities recognised at amortised cost in the financial statements approximate their fair values, including long-term borrowings which are subjected to floating interest rates.

12. Valuation of Property, Plant and Equipment

The Group's property, plant and equipment are stated at cost. There is no policy of regular revaluation of its property, plant and equipment as at the end of the financial period under review.

13. Material Events Subsequent to the End of the Interim Period

There were no material events subsequent to the end of the interim period.

14. Changes in Composition of the Group

There were no changes in the composition of the Group during the financial period under review.

15. Capital Commitments

Capital commitments for the purchase of property, plant and equipment not provided for at the end of the reporting quarter are as follows:-

| | As at 31.03.2020 RM'000 | As at 31.12.2019 RM'000 |
|---------------------------------|-------------------------------|-------------------------------|
| Approved and contracted for | 22,491 | 26,960 |
| Approved but not contracted for | <u>4,376</u> | <u>6,131</u> |

16. Changes in Contingent Liabilities

There were no changes in contingent liabilities since the last annual balance sheet as at 31 December 2019.

17. Review of Performance

For the financial quarter ended 31 March 2020, the Group's revenue and pre-tax loss were RM109.424 million and RM3.463 million respectively, compared to revenue and pre-tax loss of RM127.096 million and RM1.075 million respectively for the corresponding period in the previous financial year. The decrease in revenue by 14% was mainly attributable to the lower activities in Procurement Logistics Services segment due to the effect of the Movement Control Order by the Malaysian government in response to the spread of COVID-19. The increase in pre-tax loss was mainly due to the lower activities in Procurement Logistics Services as well as ongoing costs as a result of the expansion of the courier operation during the financial quarter.

18. Comparison with Immediate Preceding Quarter's Results

| | Current year quarter 31.03.2020 RM'000 | Immediate preceding quarter 31.12.2019 RM'000 | -----Changes----- | |
|-----------------------------------|--|---|-------------------|--------------|
| | | | RM'000 | % |
| Revenue | 109,424 | 111,920 | (2,496) | -2% |
| Direct operating expenses | <u>(92,030)</u> | <u>(95,569)</u> | <u>3,539</u> | <u>4%</u> |
| Gross profit | 17,394 | 16,351 | 1,043 | 6% |
| Net other operating expenses | <u>(18,834)</u> | <u>(16,727)</u> | <u>(2,107)</u> | <u>-13%</u> |
| Results from operating activities | (1,440) | (376) | (1,064) | -283% |
| Net finance costs | <u>(2,023)</u> | <u>652</u> | <u>(2,675)</u> | <u>-410%</u> |
| (Loss) / Profit before taxation | (3,463) | 276 | (3,739) | -1355% |
| Taxation | <u>(61)</u> | <u>(1,667)</u> | <u>1,606</u> | <u>96%</u> |
| Loss for the period | <u>(3,524)</u> | <u>(1,391)</u> | <u>(2,133)</u> | <u>-153%</u> |

For the financial quarter ended 31 March 2020, the Group reported revenue and pre-tax loss of RM109.424 million and RM3.463 million respectively, compared to revenue and pre-tax profit of RM111.920 million and RM0.276 million respectively for the preceding quarter. The decrease in revenue was mainly attributable to the lower activities in Procurement Logistics Services segment due to the effect of the Movement Control Order by the Malaysian government in response to the spread of COVID-19. The pre-tax loss was mainly due to the ongoing costs as a result of the expansion of the courier operation during the financial quarter as well as lower activities from Procurement Logistics Services.

19. Prospects for the Current Financial Year

The Group expects the operating environment to remain challenging going forward as the disruption from the COVID-19 pandemic is expected to continue indefinitely. Most industries in Malaysia are feeling the impact of COVID-19 from the effects of quarantine measures imposed by governments of a number of countries, which has disrupted the ability of workers and operations of companies. Notwithstanding, the Group will continue to exercise prudence in its business dealings, improving the Group's financial and operational efficiency and reducing costs.

20. Profit Forecast

There was no profit forecast announced in relation to the financial quarter under review.

21. Taxation

| | -----Individual quarter----- | | -----Cumulative quarter----- | |
|------------------------|--|---|--|--|
| | Current year quarter 31.03.2020 RM'000 | Preceding year corresponding quarter 31.03.2019 RM'000 | Current year to date 31.03.2020 RM'000 | Preceding year corresponding period 31.03.2019 RM'000 |
| Provision for taxation | 505 | 758 | 505 | 758 |
| Deferred taxation | <u>(444)</u> | <u>(62)</u> | <u>(444)</u> | <u>(62)</u> |
| | <u>61</u> | <u>696</u> | <u>61</u> | <u>696</u> |

Income tax is calculated at the Malaysian statutory tax rate of 24% of the estimated assessable profit for the period.

The effective tax rate of the Group for the current and previous corresponding periods were higher than the statutory tax rate of the respective periods principally due to certain expenses being not deductible for tax purposes.

22. Note to the Statement of Comprehensive Income

| | -----Individual quarter----- | | -----Cumulative quarter----- | |
|--|--|---|--|--|
| | Current year quarter 31.03.2020 RM'000 | Preceding year corresponding quarter 31.03.2019 RM'000 | Current year to date 31.03.2020 RM'000 | Preceding year corresponding period 31.03.2019 RM'000 |
| Interest income | 373 | 373 | 373 | 373 |
| Interest expenses - borrowings | (2,264) | (1,767) | (2,264) | (1,767) |
| Interest expenses - right-of-use assets | (133) | (50) | (133) | (50) |
| Depreciation and amortisation | (6,667) | (3,670) | (6,667) | (3,670) |
| Provision for and write off of receivables | (134) | (131) | (134) | (131) |
| Foreign exchange gain | 163 | 789 | 163 | 789 |
| Gain on disposal of quoted or unquoted investments or properties | 203 | 24 | 203 | 24 |
| Share-based payment under ESOS | - | (392) | - | (392) |
| Other income including investment income (excluding items disclosed above) | 10 | 3 | 10 | 3 |

There were no other exceptional items or derivatives during the period under review.

23. Status of Corporate Proposal

There was no corporate proposal announced but not completed as at the date of this report.

24. Trade Receivables

| | As at 31.03.2020 RM'000 | As at 31.12.2019 RM'000 |
|--------------------------------|-------------------------------|-------------------------------|
| Trade Receivables | 83,184 | 92,862 |
| Less: Allowance for impairment | <u>(1,321)</u> | <u>(1,189)</u> |
| | <u><u>81,863</u></u> | <u><u>91,673</u></u> |

The ageing of past due but not impaired analysis of the Group's trade receivables is as follows:-

| | As at 31.03.2020 RM'000 | As at 31.12.2019 RM'000 |
|-------------------|-------------------------------|-------------------------------|
| 1- 30 days | 19,761 | 16,986 |
| 31 - 60 days | 10,310 | 7,919 |
| 61 - 90 days | 4,406 | 3,171 |
| more than 90 days | <u>2,042</u> | <u>1,665</u> |
| | <u><u>36,519</u></u> | <u><u>29,741</u></u> |

The credit terms of the Group range from 3 to 120 days. Included in the Group's trade receivables are debtors with a carrying amount of RM36.519 million which are past due for which no impairment had been provided as there has not been a significant change in credit quality and the Group believes that the amounts are still considered fully recoverable.

The Group does not have any significant credit risk exposure to any single counterparty.

25. Group's Borrowings and Debt Securities

| | -----As at 31 March 2020----- | | |
|-----------------|----------------------------------|-----------------------|-------------------------------|
| | Short term RM'000 | Long term RM'000 | Total borrowings RM'000 |
| Secured | | | |
| - Term Loans | 28,347 | 137,419 | 165,766 |
| - Hire Purchase | <u>8,101</u> | <u>13,349</u> | <u>21,450</u> |
| | <u><u>36,448</u></u> | <u><u>150,768</u></u> | <u><u>187,216</u></u> |
| | -----As at 31 December 2019----- | | |
| | Short term RM'000 | Long term RM'000 | Total borrowings RM'000 |
| Secured | | | |
| - Term Loans | 26,760 | 144,553 | 171,313 |
| - Hire Purchase | <u>5,668</u> | <u>14,605</u> | <u>20,273</u> |
| | <u><u>32,428</u></u> | <u><u>159,158</u></u> | <u><u>191,586</u></u> |

The weighted average effective interest rates of the term loans is 4.76% (2019 : 4.92%) per annum which are subjected to floating interest rates. The term of the hire-purchase ranges from one to five years and the weighted average effective interest rates implicit in the hire-purchase arrangements range from 5.04% to 5.64% (2018 : 5.16% to 5.64%) per annum. The interest rates are fixed at the inception of the hire-purchase arrangement.

26. Off Balance Sheet Financial Instruments

The Group does not have any financial instruments with off balance sheet risk, the latest practicable date which is not earlier than 7 days from the date of this quarterly report.

27. Material Litigation

The Group is not presently engaged in any material litigation, claim or arbitration, either as plaintiff or defendant and the Directors do not have any knowledge of any proceedings pending or threatened against the Group or any fact likely to give rise to any proceedings which may materially affect the financial position or business of the Group.

28. Dividend

The Board of Directors does not recommend any dividend in respect of the reporting quarter and financial year-to-date.

29. Earnings Per Share

| | -----Individual quarter----- | | -----Cumulative quarter----- | |
|--|--|---|--|--|
| | Current year quarter 31.03.2020 RM'000 | Preceding year corresponding quarter 31.03.2019 RM'000 | Current year to date 31.03.2020 RM'000 | Preceding year corresponding period 31.03.2019 RM'000 |
| Net loss attributable to equity holders of the Company | <u>(3,548)</u> | <u>(1,797)</u> | <u>(3,548)</u> | <u>(1,797)</u> |
| Weighted average number of ordinary shares in issue | 390,261 | 390,261 | 390,261 | 390,261 |
| Effect on dilution of ESOS | <u>-</u> | <u>1,159</u> | <u>-</u> | <u>1,159</u> |
| Weighted average number of ordinary shares (diluted) | <u>390,261</u> | <u>391,420</u> | <u>390,261</u> | <u>391,420</u> |
| Basic loss per share (sen) | (0.91) | (0.46) | (0.91) | (0.46) |
| Diluted loss per share (sen) | NA | (0.46) | NA | (0.46) |

By Order of the Board of Directors

Company Secretaries

Kuala Lumpur
21 May 2020