

# 2021 ANNUAL REPORT



# Business Ethics

**Our Business Ethics underpin everything we do** – the services we deliver and how we behave and communicate with each other as well as with our customers and suppliers.

## Safety

**Be safe and well**

Everyone in our community should feel safe and well in the course of their day with us. We support and care for each other.



## Integrity

**Do the right things**

Various stakeholders rely on us. We have the courage to be honest and take responsibility for our actions.



## TABLE OF CONTENTS

Financial Highlights	<b>2</b>
Corporate Information	<b>3</b>
About Us	<b>4</b>
Chairman's Message	<b>6</b>
Chief Executive Officer's Message (incorporating Management Discussion and Analysis)	<b>9</b>
Board of Directors	<b>14</b>
Senior Management Team	<b>17</b>
Additional Compliance Information	<b>18</b>
Corporate Structure	<b>21</b>
Sustainability Report	<b>22</b>
Corporate Governance Overview Statement	<b>40</b>
Statement on Risk Management and Internal Control	<b>51</b>
Audit Committee Report	<b>54</b>
Directors' Responsibilities Statement	<b>56</b>
Financial Statements	<b>58</b>
List of Properties	<b>140</b>
GRI Standards Index	<b>141</b>
Analysis of Shareholdings	<b>143</b>
Notice of Annual General Meeting	<b>146</b>
Proxy Form	

## FINANCIAL HIGHLIGHTS

	2017	2018	2019	2020	2021
<b>PROFITABILITY</b>					
<b>Continuing Operations</b>					
Revenue (RM'000)	294,597	389,482	461,941	589,850	<b>843,022</b>
Earnings before interest, tax, depreciation and amortisation (EBITDA) (RM'000)	31,537	31,457	32,983	59,544	<b>71,918</b>
Profit/(Loss) before taxation (RM'000)	21,113	20,805	13,440	27,237	<b>28,849</b>
<b>Discontinued Operation</b>					
Loss after tax	-	(7,183)	(17,993)	(32,208)	<b>(12,231)</b>
Profit/(Loss) for the year attributable to equity holders (RM'000)	15,222	9,784	(7,531)	922	<b>6,722</b>
<b>BALANCE SHEET</b>					
Share capital (RM'000)	199,184	200,043	200,043	300,043	<b>300,043</b>
No of shares in issue (units) ('000)	392,799	394,230	394,230	594,230	<b>594,230</b>
Shareholders' equity (RM'000)	319,229	322,953	315,864	415,905	<b>421,593</b>
<b>FINANCIAL RATIO</b>					
Revenue growth (Continuing Operations only)	-1.9%	32.2%	18.6%	27.7%	<b>42.9%</b>
Earnings growth	-24.5%	-35.7%	-177.0%	112.2%	<b>629.1%</b>
Return on equity	4.8%	3.0%	-2.4%	0.2%	<b>1.6%</b>
<b>SHARE INFORMATION</b>					
Weighted average number of ordinary shares (units) ('000)	391,281	392,933	390,261	498,168	<b>586,919</b>
Dividend per share (sen)	1.5	0.75	-	-	<b>-</b>
Earnings/(Loss) per share (sen)	3.89	2.49	(1.93)	0.19	<b>1.15</b>
Net assets per share (sen)	81	83	81	71	<b>72</b>



## CORPORATE INFORMATION

### BOARD OF DIRECTORS

#### DATUK LEE SAY TSHIN

Independent Non-Executive  
Chairman

#### TEOW CHOO HING

Chief Executive Officer

#### SUNG HYUNSUP

Deputy Chief Executive Officer

#### YEAP KHOO SOON EDWIN

Executive Director

#### JONATHAN PARK

Non-Independent  
Non-Executive Director

#### PARK CHUL MOON

Non-Independent  
Non-Executive Director

#### KIM TAE GYUN

Non-Independent  
Non-Executive Director

#### SARYANI BINTI CHE AB RAHMAN

Independent Non-Executive Director

#### WINSTON TAN KHENG HUANG

Independent Non-Executive Director

### AUDIT COMMITTEE

#### SARYANI BINTI CHE AB RAHMAN

Chairperson

#### DATUK LEE SAY TSHIN

Member

#### WINSTON TAN KHENG HUANG

Member

#### KIM TAE GYUN

Member

### COMPANY SECRETARIES

#### Chua Siew Chuan

(MAICSA 0777689)  
SSM PC No: 201908002648

#### Yeow Sze Min

(MAICSA 7065735)  
SSM PC No: 201908003120

### AUDITORS

Ernst & Young PLT

### PRINCIPAL BANKERS

Malayan Banking Berhad  
OCBC Bank (Malaysia) Berhad  
Public Bank Berhad  
RHB Bank Berhad

### STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia  
Securities Berhad

### REGISTERED OFFICE

Level 7, Menara Milenium,  
Jalan Damanlela,  
Pusat Bandar Damansara,  
Damansara Heights,  
50490 Kuala Lumpur  
Tel : 03 2084 9000  
Fax : 03 2094 9940 /  
03 2095 0292

### CORPORATE OFFICE

No.12, Persiaran Astana / KU2,  
Bandar Bukit Raja, 41050 Klang,  
Selangor Darul Ehsan  
Tel : 03 3385 5888  
Fax : 03 3385 6000  
Email : info@cjcentury.com  
Website : www.cjcentury.com

### SHARE REGISTRAR

Securities Services (Holdings) Sdn Bhd  
Level 7, Menara Milenium,  
Jalan Damanlela,  
Pusat Bandar Damansara,  
Damansara Heights,  
50490 Kuala Lumpur  
Tel : 03 2084 9000  
Fax : 03 2094 9940 /  
03 2095 0292





## TOTAL LOGISTICS SOLUTIONS PROVIDER

We design logistics to help our clients build a resilient supply chain.

As a leading logistics solutions provider, our expertise lies in designing, implementing, and managing your logistics requirements. We take pride in providing value-added logistics services that meet every discerning needs and are committed to building a strong logistics ecosystem for our clients, to safeguard the sustainability of their businesses.

Constantly adapting to the changing times, we strive to enhance your competitiveness through our technological advancement and latest infrastructure to modern systems, resulting in new levels of resilience and efficiency.

As part of CJ Logistics, we have access to an extensive network throughout the world. We aspire to help you get connected to the world through our innovative logistics solutions and best supply chain management capabilities.



Total logistics solutions to meet every supply chain requirements.

- Contract Logistics
- Freight Forwarding
- Transportation & Distribution
- Supply Chain Management Consulting

## BUILDING RESILIENT SUPPLY CHAIN



### INTEGRATED FREIGHT SOLUTIONS



Planning global routes to

**200** major ports

Connecting and enabling global supply chains and facilitating trade

### NATIONWIDE WAREHOUSING FACILITIES



Operate

**>30**

modern warehouses  
across Malaysia

Warehouse space

**4.5**

million sq ft

### RESPONSIBLE TRUCKING



**>130**

vehicles with  
real-time fleet  
management system



Ship-to-ship transfer of fuel and crude oil for the oil industry, with track record of safe, timely and compliant operations.

■ Ship-to-ship Transfer

■ Ship Husbandry



Cost effective and comprehensive document storage solutions with efficiency and flexibility.

■ Off-site Storage

■ Documents Digitisation & Indexing

■ Document Management & Data Protection

■ Retrieval & Disposal



Sourcing, product assembly, packaging, warehousing and distribution of home and electrical appliances.

■ Original Equipment Manufacturing

■ Assembly Services



## COMPREHENSIVE E-FULFILLMENT SERVICES



Offer scalable e-fulfillment solutions and a range of value-added services

## MULTI-FACETED LOGISTICS EXPERTISE



Staff strength

>1,000

employees nationwide

## DELIVERING EXCELLENCE AND BEST STANDARDS



APPROVAL NUMBER(S): ISO 9001-0048410



MS 2400  
4059-10/2015



CERTIFIED TO ISO 45001:2018  
CERT. NO. : OHS 00498



CERTIFIED TO GOOD DISTRIBUTION  
PRACTICE FOR MEDICAL DEVICES  
CERT. NO. : GDPMD 00222



CERTIFIED TO ISO 39001:2012  
CERT. NO. : RTS 00103



CERTIFIED TO ISO 28000:2007  
CERT. NO. : SCSMS 00102

## CHAIRMAN'S MESSAGE



**Dear Shareholders,**

*It is my pleasure to present CJ Century Logistics Holdings Berhad's ("CJ Century" or "Company") Annual Report for the financial year ended 31 December 2021.*

*"We are ready for growth, sustainably"*

### INDUSTRY REVIEW

Malaysia's gross domestic product ("GDP") grew by 3.1% in 2021, from a contraction of 5.6% in 2020. The modest growth in 2021 followed the largest decline recorded since the 1998 Asian Financial Crisis. Although the logistics industry was largely unaffected by the poor business environment brought about by the pandemic, the resultant cost and competitive pressures posed serious threats to our business.

During the financial year, new challenges emerged resulting from the recovery of global trade as people began to live alongside the virus. Due to the trade imbalance, a critical shortage of containers drove up shipping costs resulted in delays in shipments across the world.

Nevertheless, I am confident that our balance sheet strength and our dedicated employees will enable us to continue serving our discerning customers by providing excellent supply chain solutions that effectively enhance their value chain. CJ Century has been delivering trusted and reliable service while adapting and improving in tune with the changing times.



## FINANCIAL REVIEW

Our revenue for 2021 amounted to RM869.5 million, an increase of 36.8% recorded during 2020. Following the disposal of the Courier Services operation, our financial results were separated into continuing and discontinued operations. For continuing operations, we achieved revenue of RM843.0 million and profit before taxation of RM28.8 million in 2021, representing a jump in revenue and profit before taxation of 42.9% and 5.9% respectively. However, profit after taxation declined 43.1% to RM18.9 million due to reversal in deferred tax liabilities and adjustment of overprovision of tax in the previous financial year. A more detailed discussion and analysis of our performance is contained in the Chief Executive Officer's Message of this Annual Report.

In addition to our improved financial performance, our balance sheet remained healthy with shareholders' funds of RM421.6 million, and net assets per share of 72 sen as at 31 December 2021.

Our net gearing has improved from 0.48 times to 0.38 times and we will continue to manage our expansion on an optimal debt-equity funding mix, without unnecessarily stressing our balance sheet.

## INVESTING FOR GROWTH

During the financial year, we were fortunate to be able to stem the continued bleeding of our Courier Services operation by the disposal of the entire business on 1 July 2021. We are now able to resume with our growth trajectory as the Courier Services operation had in the past, diverted a substantial portion of our resources, both operationally and financially, away from our core logistics operations.

We have always recognised the importance of human resources and have been actively recruiting the right people to support our growth. In today's competitive environment for talents, we are cognisant of the need to be an employer of choice with a competitive rewarding system and preferred working environment. Attention continued to be paid on investment in employee development to upskill our workforce, enabling them to master their existing jobs while preparing them for new challenges as they progress up the corporate ladder.

## LOOKING AHEAD

Even as the pandemic continues its relentless path of destruction two years on with no signs of slowing down, the world is able to open up as vaccination rate increases and countries start to live with the pandemic. Similarly, our government strives to improve our livelihoods, while we continue to do our part in maintaining strict Standard Operating Procedures.

With the experience we have gained from the pandemic, the importance of being sustainable has suddenly been thrust to the forefront, as our survival depends very much on what we do today. Our next phase of growth will incorporate environmental, social and governance considerations.

## RESPONSIBLE CORPORATE PRACTICES

As we push for sustainable growth across all our business operations, CJ Century remains committed in advocating and implementing the best standards of corporate governance, proper risk management and internal control measures as well as continue to prioritise responsible management and minimize environmental impact across the Company.

Save for the Courier Services operation which has been disposed, all our business divisions are operating as usual, underpinned by strict operating procedures to ensure uninterrupted process workflows for continued sustainability and revenue generation. I would like to take this opportunity to commend all our business segments for responding well to the new environment particularly safeguarding the well-being of our employees and their families.



Aligned with our broader business priorities, the Company also recognises that we have a responsibility in supporting the communities which we are a part of. During the financial year, the Company had contributed financially to various educational institutions, community associations and charitable organisations. Additionally, we have also supported our team by making face masks and rapid test kits readily available to all employees. Donations were also made to assist our local communities towards the purchase of personal protective equipment, essential medical supplies, and participating in food aid programmes for the marginalised.



When the major flood happened in December 2021, the Company was at hand to provide all the necessary support to our affected employees as well as the local community. A total relief sum of RM200,000 was disbursed to our affected employees and further amounts were disbursed to the local community to support their immediate needs.

CJ Century is dedicated to pursue sustainable logistics in the years to come. In keeping with the global focus on sustainability principles, we will continuously improve our practices in sustainability by proactively tracking and analysing our sustainability measures and its progress, while striving towards our goals of creating the right balance between economic growth, the well-being of society and the environment.

## THANK YOU

On behalf of the Board of Directors ("Board") of CJ Century, I would like to convey our sincerest appreciation to our customers, business associates and partners for your continued support and confidence in the Company.

During the year, it gave me great pleasure to welcome Kim Tae Gyun (Ted) and Sung Hyunsup (Joseph) to our Board while acknowledging the contributions of Hong Sung Yong and the late Lee Eui Sung, who had resigned because of changes in nominee directors proposed by our major shareholder, CJ Logistics Corporation. It is most unfortunate that Lee Eui Sung passed away soon after his resignation as a director of CJ Century and I wish to take this opportunity to convey my deepest condolences to his family.

I would also like to extend my appreciation to the CJ Century team, led by Teow Choo Hing (Steven), who we are counting on to continue the drive towards becoming Malaysia's largest logistics company.

We recognize that the continued success of the Company very much depends on your support, our esteemed shareholders, and on behalf of the Board, I would like to extend our gratitude for your unwavering confidence and belief in CJ Century. As a reflection of the changing times, we look forward to meeting you virtually again at the forthcoming Annual General Meeting on Thursday, 28 April 2022.

**DATUK LEE SAY TSHIN**  
Chairman





## CHIEF EXECUTIVE OFFICER'S MESSAGE

### (INCORPORATING MANAGEMENT DISCUSSION AND ANALYSIS)



*If year 2020 was a year of disruption, year 2021 was a year of start and stop. Covid-19 no longer just disrupted our lives but has also changed the way we operate. We adapted ourselves to manage the uncertainty and the variable outcomes despite all the preparations.*

*I now present to you our performance for year 2021.*

#### OPERATING ENVIRONMENT

We had completed the disposal of our Courier Services operation on 1 July 2021. Following the disposal, our financial results were separated into continuing and discontinued operations.

#### Continuing Operations

We have often said that our fortunes are very much dependent on the well-being of our customers. Events over the last two (2) years have re-enforced our belief in this correlation. As some of our customers suffered declines during the year 2020 from the pandemic and the ensuing lockdowns, it is pragmatic that most of the curbs were eased during year 2021, extending a lifeline to most businesses. We have managed to capitalize on this opportunity for logistics services during the tendering and servicing multi-national contracts.

Furthermore, the Group continued to implement operational efficiency and enhance our operational synergies. This is to be achieved by seriously looking at our operations and costs to serve, while trimming any unnecessary fats in our processes.

With the acquisition of CJ Korea Express Malaysia Sdn Bhd ("CJKX") during the previous financial year, we were able to further strengthen our total logistics offerings as well as expansion via the sharing of key logistics hubs and networks across the whole of Malaysia, particularly in the North as well as East Coast of Peninsular Malaysia. More importantly, we were able to leverage on CJKX to tap the opportunity to serve the ever-expanding Korean businesses operating in Malaysia.

### Discontinued Operations

The operating environment of our Courier Services operation was indeed challenging, to say the least, because of stiff competition from other courier logistics service providers and cut-throat margins. We had incurred total losses of approximately RM70.0 million during the four (4) years which we have operated the business, mainly due to costs incurred for the expansion of trucks, network and people resources. We were indeed fortunate to be able to exit the courier services operation and therefore stemming further losses to the Group. This is in line with our strategic direction to discontinue operations which are deemed less viable and to refocus our resources on our core competencies.

### OPERATIONAL REVIEW

The Group's business comprises two major segments, namely Total Logistics Services and Procurement Logistics Services.

Under our Total Logistics Services, CJ Century offers highly customized and competitive supply chain solutions to our customers. The Company's clientele base comprises of a varied mix of customers and industries, from fast-moving consumer goods to electrical products. As at 31 December 2021, the Company managed a logistics facility portfolio of 4.5 million square feet, of which 2.0 million square feet were self-owned.

We had during the year completed the construction of a 58,900 square feet warehouse on a 5 acres land in Kemaman, Terengganu for the handling of raw sugar on a dedicated basis for CJ Bio Malaysia Sdn Bhd, a related company of CJ Century. This warehouse was operational in April 2021.

As part of our expansion and replacement program, we had during FY 2021 invested in 18 units of prime movers and 86 trailers in our haulage operation. We will continue to expand our portfolio of assets to ensure sustainable growth and operational efficiency.

CJ Century's Procurement Logistics Services offers original equipment manufacturing solutions to electrical and electronic products distributors. With today's market requirement changing at an incredible pace, customers are outsourcing more of their supply chain to third party logistics provider to include procurement, assembly and repackaging services. This business segment saw an improvement during 2021 from the pick-up in export volumes when lockdowns were eased domestically as well as in our export markets.

### FINANCIAL REVIEW

Our revenue for 2021 amounted to RM869.5 million, an increase of 36.8% recorded during FY 2020. Following the disposal of the courier services operation, our financial results were separated into continuing and discontinued operations. For continuing operations, we achieved revenue of RM843.0 million and profit before taxation of RM28.8 million in FY 2021, representing a jump in revenue and profit before taxation of 42.9% and 5.9% respectively. However, profit after taxation declined 43.1% to RM18.9 million due to reversal in deferred tax liabilities and adjustment of overprovision of tax in the previous financial year.



Revenue	FY 2021 RM'000	FY 2020 RM'000	Variance RM'000	Percentage
Total Logistics	681,054	431,429	249,625	57.9%
Procurement Logistics	173,383	164,265	9,118	5.6%
Courier Services (Discontinued)	26,553	45,857	(19,304)	-42.1%
Consol Adjustment	(11,467)	(5,844)	(5,623)	
<b>Group Results</b>	<b>869,523</b>	<b>635,707</b>	<b>233,816</b>	<b>36.8%</b>

Earnings before Interest and Taxation (EBIT)	FY 2021 RM'000	FY 2020 RM'000	Variance RM'000	Percentage
Total Logistics	30,520	28,645	1,875	6.5%
Procurement Logistics	9,701	6,153	3,548	57.7%
Courier Services (Discontinued)	(19,944)	(31,046)	11,103	35.8%
Consol Adjustment	6,099	(117)	6,216	
<b>Group Results</b>	<b>26,376</b>	<b>3,635</b>	<b>22,741</b>	<b>625.6%</b>

## ANALYSIS OF RESULTS

### Total Logistics

Segment revenue and EBIT from the Total Logistics Services increased by RM249.6 million (increase of 57.9%) and RM1.9 million (increase of 6.5%) respectively as compared to the previous financial year, mainly due to the higher volumes handled by our Total Logistics Services segment. Nevertheless, the rate of increase in profit was lower than the rate of increase in revenue mainly due to the temporary increase in costs to operate new distribution centres which arose from the sudden surge of volumes as well as lower volumes recorded by the Oil Logistics operation.



### Procurement Logistics

Segment revenue and EBIT for Procurement Logistics Services increased by RM9.1 million (increase of 5.6%) and RM3.5 million (increase of 57.7%) respectively as compared to the previous financial year, mainly due to higher export volumes. Unlike events in FY 2020, we were able to operate throughout FY 2021 where lockdowns were eased and we were able to produce more for our export customers. The rate of increase in profit was higher than the rate of increase in revenue mainly due to the partial recovery of a doubtful debt which was provided in FY 2020.





## FINANCIAL MANAGEMENT

During the financial year, our net gearing had improved from 0.48 times to 0.38 times and we will continue to manage our expansion on an optimal debt-equity funding mix, without unnecessarily stressing our balance sheet.

The Group's capital expenditures on property, plant and equipment for 2021 was RM16.2 million and future capital commitments mainly comprises additional trucks for the transport operation, IT system upgrades, expansion of the logistics business infrastructure and ongoing maintenance capital expenditure. The investments shall be financed by the Group's internal resources and bank borrowings.

## OUR PEOPLE

We continued to advocate the importance of health and safety to our employees. During various stages of the pandemic, we had adopted flexible work arrangements for office-based employees and encouraged our employees to work from home. The pandemic has also pushed us towards the use of digital media and video conferencing to replace physical meetings. Most of the Group's personal computers were replaced with laptops to enable our employees to work from home.



Despite the pandemic, our employees were still encouraged to enrol in training courses, seminars, professional and technical courses albeit conducted online, to continuously update their awareness of the market developments, and to improve their management and operational skills. As at 31 December 2021, the Company's staff force declined to 1,024 employees (2020: 1,766 employees) due to the disposal of our Courier Services operation.



As part of the CJ Group's philosophy, we have ensured that salaries and benefits remained intact during the entire pandemic period to-date. In addition to fixed remunerations, discretionary incentives continued to be paid to our deserving employees.

## OUTLOOK

Given the hope brought about by the vaccination of vast swath of the population, the way forward is to accept that living with Covid-19 is the new norm. The pandemic has brought about positive opportunities to us as it has provided us a chance to relook at ourselves and reset our business strategies targeting new areas for growth. We have also been able to take stock of ourselves and adapt to new changes including being more mobile and utilizing the latest technology for our communications.

Technology is a key disruptor in the logistics industry, with all aspects of information technology being required in freight, contract logistics and e-commerce management. We will continue to invest heavily in improving our systems and technology to remain at the forefront of the logistics industry in Malaysia.

Our key strength continues to be our people. We inspire them to perform at their best, with a culture of caring and inclusiveness. We share our joys and sorrows, and our people recognizes the relationship as being like a big extended family. Our corporate ethos enshrines the concept of meritocracy, emphasizing integrity and service to customers.

Although our attention is naturally focused on cost efficiency and improving productivity, we have become more aware of the importance of always being sustainable. The pandemic has made us realize that our survival depends very much on what we do today, therefore our next phase of growth will incorporate environmental, social and governance considerations. A more detailed discussion and analysis of our sustainability efforts is contained in the Sustainability Report of this Annual Report.

With the above in motion, I am indeed very positive on the outlook of CJ Century and am confident we will achieve our best-ever performance in 2022.

## ACKNOWLEDGEMENTS

I would like to take this opportunity to thank all our stakeholders for rising to the challenges during such unprecedented times. Your continued support has enabled us to continue our journey of growth.

As the Covid-19 pandemic morphs into an endemic, we need to remind each other to stay positive and be grateful for what we have.

## TEOW CHOO HING

Chief Executive Officer

24 February 2022



## BOARD OF DIRECTORS

### DATUK LEE SAY TSHIN

- **Independent Non-Executive Chairman**
- **Male, Age 68, Malaysian**
- **Appointed on 31 October 2016**

Holds a Bachelor of Economics (Honours) from University of Malaya in 1975.

An accomplished banker with over 46 years of experience in the banking industry. Held various positions in HSBC Bank Malaysia Berhad, including Managing Director of Strategic Business Development and currently the Vice Chairman, Strategic Initiatives for HSBC Bank Malaysia Berhad.

Chairman of the Nomination Committee and member of the Audit Committee and Remuneration Committee of CJ Century.

Also sits on the Board of IOI Properties Group Berhad.

Council Member of the Malaysia-China Business Council (since October 2020).

Attended all five (5) Board Meetings of the Company held in the financial year ended 31 December 2021.

### TEOW CHOO HING

- **Chief Executive Officer**
- **Male, Age 62, Malaysian**
- **Appointed on 28 July 1997**

Holds Bachelor and Master degrees of Science in Civil Engineering from the University of Oklahoma, United States of America ("USA").

Started career in 1986 as a Project Engineer for an interstate highway project in the State of Oklahoma, USA. Involvement in logistics since 1991, when he set up a bonded warehouse in Port Klang with several partners.

Does not have any directorship in other public companies and listed issuers in Malaysia.

Attended all five (5) Board Meetings of the Company held in the financial year ended 31 December 2021.

### SUNG HYUNSUP

- **Deputy Chief Executive Officer**
- **Male, Age 47, Korean**
- **Appointed on 25 August 2021**

Holds a Degree in Finance from Florida State University, USA.

Started career at Wachovia Bank, USA in Audit Corporate Credit from 2002 till 2005. He then built his career as an Accountant at Eden Spa & Tanning LLC., USA in 2005 and Merck Millipore, Singapore, in 2008. Subsequently, he joined the CJ Logistics Group from 2011 to present. He has been with the CJ Logistics Group in various capacities and cities, including CJ Logistics Korea, Philippines and Vietnam. He last held the position of the Chief Financial Officer of CJ Logistics Vietnam.

Chairman of the Remuneration Committee of CJ Century with effective from 24 February 2022.

Does not have any directorship in other public companies and listed issuers in Malaysia.

Attended two (2) Board Meetings of the Company held in the financial year ended 31 December 2021 since he was appointed as Deputy Chief Executive Officer of the Company on 25 August 2021.



## YEAP KHOO SOON EDWIN

- **Executive Director**
- **Male, Age 51, Malaysian**
- **Appointed on 15 January 2002**

Holds a Bachelor of Science (Accounting) from Queen's University, United Kingdom, Fellow of the Institute of Chartered Accountants in England & Wales (ICAEW) and member of the Malaysian Institute of Accountants (MIA).

Career in financial management and corporate finance since 1992 with a firm of accountants in London, United Kingdom and the Corporate Finance Department of an investment bank before joining CJ Century in 2000.

Does not have any directorship in other public companies and listed issuers in Malaysia.

Council member of the Malaysian Employers Federation.

Attended all five (5) Board Meetings of the Company held in the financial year ended 31 December 2021.

## JONATHAN PARK

- **Non-Independent Non-Executive Director**
- **Male, Age 51, Korean**
- **Appointed on 1 June 2020**

Holds a Degree in Accounting from Binghamton University, New York, USA.

Has over 20 years of cumulative corporate finance and Mergers & Acquisitions ("M&A") advisory experience from various investment banks such as Morgan Stanley, JP Morgan, Macquarie Securities, and most recently MiraeAsset Daewoo Securities where he was head of M&A advisory. Currently, he is the Head of M&A and Global Integration and Senior Vice President of CJ Logistics Corporation.

Does not have any directorship in other public companies and listed issuers in Malaysia.

Attended all five (5) Board Meetings of the Company held in the financial year ended 31 December 2021.

## PARK CHUL MOON

- **Non-Independent Non-Executive Director**
- **Male, Age 47, Korean**
- **Appointed on 27 February 2018**

Holds a Bachelor of Industrial Engineering and Certificate of Logistics Management from Gyeongsang National University, Republic of Korea.

Started his career as an Associate of CJ Logistics' 3PL Business Division in 2000. Moved on to be CJ Logistics Corporation's representative in India from 2005 to 2006 and then progressed to be CJ Logistics Corporation's 3PL Business Division Manager from 2007 to 2009.

Then posted to be the Managing Director of CJ Logistics Indonesia from 2010 to 2014 before being posted to CJ Logistics' Singapore Regional Headquarters from 2015 to 2016. Currently, he is the Head of Global Division and Vice President of CJ Logistics Corporation.

Member of the Nomination Committee of CJ Century.

Does not have any directorship in other public companies and listed issuers in Malaysia.

Attended all five (5) Board Meetings of the Company held in the financial year ended 31 December 2021.

**KIM TAE GYUN**

- **Non-Independent Non-Executive Director**
- **Male, Age 47, Korean**
- **Appointed on 21 May 2021**

Holds a Degree in Accounting from Hanyang University, Republic of Korea.

Built career with the CJ Logistics Corporation over a period of 20 years from 2002 to present. During that time, he has led the CJ Logistics Corporation in various capacities, including heading CJ Rokin in China. Currently, he is the Head of Global Business Planning Team and Vice President of CJ Logistics Corporation.

Member of the Audit Committee and the Chairman of the Remuneration Committee of CJ Century and subsequently, resigned as the Chairman of the Remuneration Committee on 24 February 2022.

Does not have any directorship in other public companies and listed issuers in Malaysia.

Attended four (4) Board Meetings of the Company held in the financial year ended 31 December 2021 since he was appointed as Non-Independent Non-Executive Director of the Company on 21 May 2021.

**SARYANI BINTI CHE AB RAHMAN**

- **Independent Non-Executive Director**
- **Female, Age 55, Malaysian**
- **Appointed on 31 October 2016**

Holds a Diploma in Accountancy from University Teknologi MARA, Bachelor of Arts in Accountancy from London Guildhall University, United Kingdom and ACCA from Emile Woolf College, London.

Started career in HRM/Aurthur Andersen in 1987. Joined Sime Darby Group in 1995 and had 12 years of audit experience in various industries within the Group. Held post as Head of Group Compliance Audit in Malaysia Region, Power Division, Property Division and Plantation Division from 1997 to 2007 and progressed to the Business Development and Finance Department before leaving the Group in 2013.

Chairperson of the Audit Committee and member of the Nomination Committee and Remuneration Committee of CJ Century.

Does not have any directorship in other public companies and listed issuers in Malaysia.

Attended all five (5) Board Meetings of the Company held in the financial year ended 31 December 2021.

**WINSTON TAN KHENG HUANG**

- **Independent Non-Executive Director**
- **Male, Age 47, Malaysian**
- **Appointed on 31 October 2016**

Holds a LLB (Hons) from University of Newcastle-Upon-Tyne, United Kingdom, Barrister-At-Law (Lincoln's Inn), United Kingdom and Master of Business Administration from Edinburgh Business School, Heriot-Watt University. Admitted to the Bar of England and Wales in 1997, to the Malaysian Bar in 1998 and to the Singapore Bar in 2007.

Founded Valensea Law LLC as a Director in 2014. Prior to that, he was a Director at Drew & Napier LLC from 2007 to 2013 and a Director at LSH Law Corporation from 2013 to 2014. Licensed to practice law in Malaysia and is currently a Partner of Mak, Ng, Shao & Kee (Advocates & Solicitors) in Malaysia.

Member of the Audit Committee, Nomination Committee and Remuneration Committee of CJ Century.

Does not have any directorship in other public companies and listed issuers in Malaysia.

Attended all five (5) Board Meetings of the Company held in the financial year ended 31 December 2021.

*Save as disclosed above, none of the Directors has :*

- *Any family relationship with any Director and/or major shareholder of the CJ Century*
- *Any conflict of interest with CJ Century*
- *Any conviction for offences within the past five (5) years other than traffic offences, if any, or any public sanction or penalty imposed by the relevant regulatory bodies during the financial year*



## SENIOR MANAGEMENT TEAM

### HENG MON SING

- **Chief Operating Officer, Procurement Logistics**
- **Male, Age 57, Malaysian**
- **Appointed on 1 July 1996**

Holds a Bachelor degree in Electrical / Electronic Engineering from University of Technology Malaysia. Joined the CJ Century Group in 1996. Held several managerial portfolios before his appointment as Chief Operating Officer, Procurement Logistics in 2014.

### WILLIAM YIN THIN WOOL

- **Chief Operating Officer, Integrated Logistics**
- **Male, Age 51, Malaysian**
- **Appointed on 2 February 2021**

Holds a Professional Degree with the Chartered Institute of Transport (MCLIT). More than 30 years of experience in total logistics and transportations. Held several senior managerial positions with multi-national companies and local set up prior to joining CJ Century as Chief Operating Officer, Integrated Logistics.

### KIM PIL YOUNG

- **Chief Financial Officer**
- **Male, Age 45, Korean**
- **Appointed on 1 December 2016**

Holds a Bachelor of Science (Major in Agricultural Economics) from Korea University, Republic of Korea. More than 15 years of experience in finance and accounting. Has been with CJ Logistics since 2007, before he joined the CJ Century Group in 2016 as Chief Financial Officer.

The profiles of Teow Choo Hing, Sung Hyunsup and Yeap Khoo Soon Edwin are disclosed in the section on Board of Directors.

*Save as disclosed above, none of the Senior Management staff has :*

- *Any family relationship with any Director and/or major shareholder of the CJ Century*
- *Any conflict of interest with CJ Century*
- *Any conviction for offences within the past five (5) years other than traffic offences, if any, or any public sanction or penalty imposed by the relevant regulatory bodies during the financial year*
- *Any directorship in other public companies and listed issuers in Malaysia*

## ADDITIONAL COMPLIANCE INFORMATION

In conformance with Bursa Malaysia Securities Berhad Main Market Listing Requirements, the following information is provided:-

### Material Contracts

There were no material contracts entered into by the Company and/or its subsidiary companies which involve directors' and major shareholders' interests for the financial year ended 31 December 2021 except as disclosed in Note 21 of the financial statements.

### Recurrent Related Party Transactions of a Revenue or Trading Nature ("RRPTs")

The RRPTs entered into by the Group during the financial year ended 31 December 2021 were as follows:

Name of related party	Relationship	Nature of Transaction	Amount for Jan to Dec 2021 RM'000
CJ Logistics Corporation ("CJ Logistics") (Principal activities are land and marine transportation, stevedoring and warehousing)	Holding company of CJ Asia	Provision of : - logistics services to CJ Korea Express Malaysia Sdn Bhd ("CJKX") - guarantee fee to CJ Century Logistics Sdn Bhd ("CJCL") - recovery cost & guarantee fees to CJKX - brand royalty fees to CJKX - brand royalty fees to EC Distribution Sdn Bhd - brand royalty fees to EC Services Enterprise Sdn Bhd - courier services by CJCL - logistics services by CJKX	23,718 186 544 1,228 18 34 (11) 3,748
CJ Logistics Asia Pte. Ltd. ("CJ Asia") (Principal activities are investment holding and providing total logistics solutions)	Immediate holding company of CJ Century Logistics Holdings Berhad ("CJ Century")	Provision of : - information technology services to CJCL - information technology services to CJKX - logistics services to CJCL - logistics services to CJKX - loan interest to CJKX - loan interest to CJ Century - loan interest to CJLEM - logistics services by CJCL - logistics services by CJKX	123 811 22 36 817 686 2 1,293 1,737
CJ Logistics Express Malaysia Sdn Bhd ("CJLEM") (Principal activity is courier services)	A wholly owned subsidiary of CJ Asia	Provision of : - courier services to CJCL - courier services to CJKX - logistics services by CJCL - logistics services by CJKX - rental by CJCL - rental by CJKX	24 2 403 1 2,166 86
Shanghai Smart Cargo Supply Chain Management Co., Ltd. ("Shanghai Smart") (Principal activity is logistics services)	A wholly owned subsidiary company of CJ Logistics	Provision of : - logistics services by CJKX	9

Name of related party	Relationship	Nature of Transaction	Amount for Jan to Dec 2021 RM'000
CJ Logistics PH Corp. (Principal activity is logistics services)	A wholly owned subsidiary of CJ Asia	Provision of : - logistics services to CJCL - logistics services by CJCL	1,248 48
CJ Bio Malaysia Sdn. Bhd. (Principal activity is feed manufacturing)	An associate of CJ Corporation	Provision of : - logistics services by CJKX	139,745
CJ Logistics (Thailand) Co., Ltd. (Principal activity is logistics services)	An associate of CJ Asia	Provision of : - logistics services to CJKX - logistics services to CJCL - logistics services by CJKX	99 3 233
CJ Korea Express Freight Vietnam Co., Ltd. (Principal activity is logistics services)	An associate of CJ Asia	Provision of : - logistics services to CJKX - logistics services by CJKX	4 21
Korea Express Shanghai Co., Ltd. (Principal activity is freight transportation)	A wholly owned subsidiary of CJ Logistics	Provision of : - logistics services to CJCL - logistics services to CJKX - logistics services by CJCL - logistics services by CJKX	20 290 7 648
CJ Smart Cargo Hong Kong Limited (Principal activity is logistics services)	A subsidiary of Shanghai Smart	Provision of : - logistics services to CJKX	1,632
CJ Olivenetworks Co., Ltd. (Principal activity is comprehensive total information technology services)	A subsidiary of CJ Corporation	Provision of : - information technology services to CJKX - information technology services to CJCL	121 234
PT. CJ Logistics Indonesia (Principal activity is logistics services)	A subsidiary of CJ Asia	Provision of : - logistics services to CJKX - logistics services by CJKX	184 266
CJ Korea Express Qingdao Co., Ltd. (Principal activity is logistics services)	A wholly owned subsidiary of CJ Logistics	Provision of : - logistics services to CJKX	69
CJ Korea Express Tianjin Co., Ltd. (Principal activities are storage, brokerage of forwarding transportation)	A wholly owned subsidiary of CJ Logistics	Provision of : - logistics services to CJKX	53
CJ Logistics Europe GMBH (Principal activities are storage, brokerage of forwarding transportation)	A wholly owned subsidiary of CJ Logistics	Provision of : - logistics services to CJKX	45

Name of related party	Relationship	Nature of Transaction	Amount for Jan to Dec 2021 RM'000
CJ Korea Express Shenzhen Co.,Ltd (Principal activity is logistics services)	A subsidiary of CJ Asia	Provision of : - logistics services to CJKX	17
CJ Logistics Japan Corporation (Principal activity is forwarding services)	A wholly owned subsidiary of CJ Logistics	Provision of : - logistics services by CJKX	34
CJ Logistics Holdings America Corporation (Principal activity is investment holding)	A wholly owned subsidiary of CJ Logistics	Provision of : - logistics services by CJKX	201
CJ Logistics Canada Corporation (Principal activities are warehousing, transport and forwarding)	A subsidiary of CJ Logistics America, LLC	Provision of : - logistics services to CJKX	2

#### Audit and Non-Audit Fees

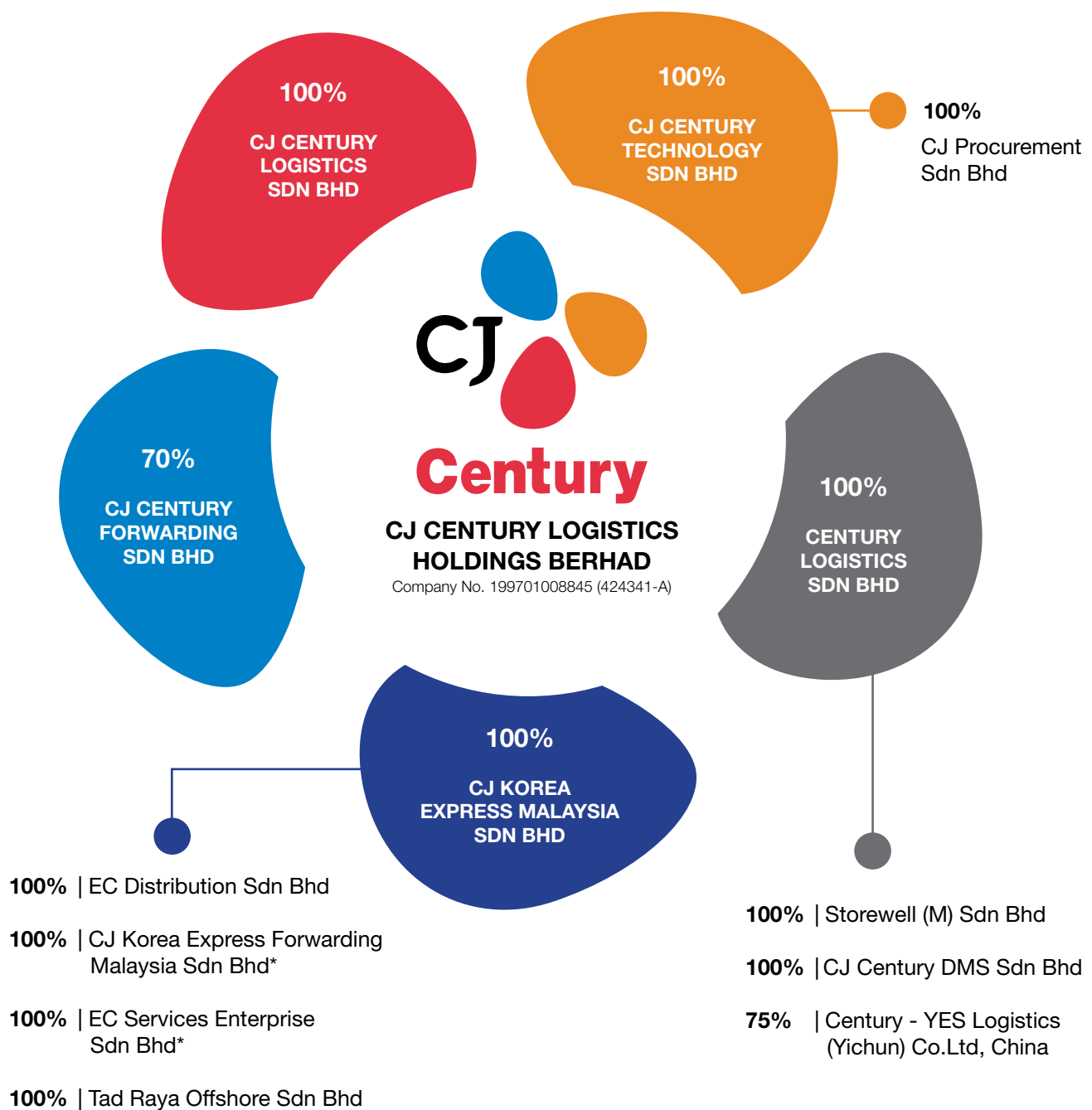
The following were the fees charged for the audit and non-audit services rendered to the Company and the Group by the external auditors and its affiliates in Malaysia during the financial year:-

	Group RM'000	Company RM'000
Fee for audit services rendered	530	100
Fee for non-audit services rendered	10	10

#### Utilisation of Proceeds

The Company did not undertake any corporate proposal to raise proceeds during the financial year.

## CORPORATE STRUCTURE



\* CJKX holds call option on 51% shareholdings.



# SUSTAINABILITY REPORT

## About this Report

This Sustainability Report ("Report") provides information about sustainability practices and initiatives of CJ Century Logistics Holdings Berhad ("CJ Century"). We disclose material information relating to our business activities for the year from 1 January 2021 to 31 December 2021. To help identify trends, it includes quantitative performance data from the previous three years. Material events that take place up to the Board of Directors' ("Board") approval on 24 February 2022 are also included.

In presenting this Report, we have been guided by the principles and requirements of the Global Reporting Initiative Standards and disclosures from the GRI Sustainability Reporting Standards, which are listed in the GRI Standards Index.

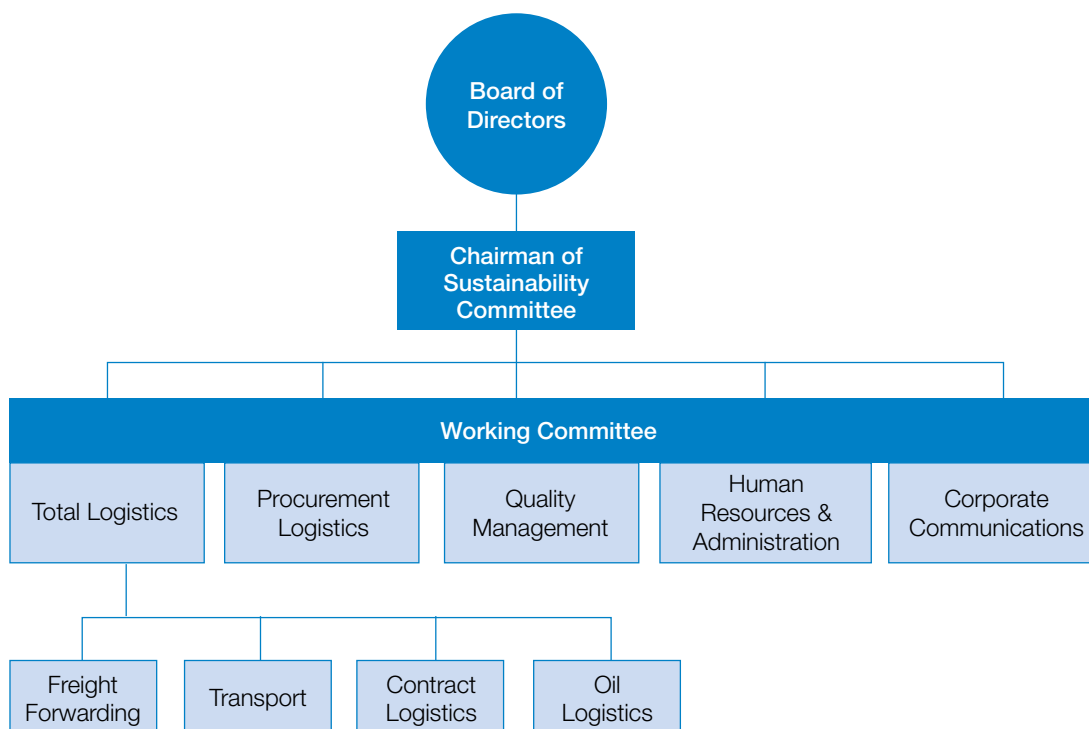
This report contains certain forward-looking statements relating to future performance where such statements are premised on current assumptions and circumstances, which could change, hence they necessarily involve uncertainty. Various factors could cause actual results to differ materially from those expressed or implied by these forward-looking statements.

We seek to continuously improve upon all aspects of our sustainability journey, including our approach, processes and performance. As such, we invite you to read about our sustainability performance in the following chapters and look forward to receiving your feedback. Please address any comments or feedback to [info@cjcentury.com](mailto:info@cjcentury.com).

## Sustainability Governance

At CJ Century, all matters related to sustainability are governed and managed across various levels in the organisation. We strive to maintain high standards of corporate governance best suited to the needs and interests of CJ Century. Our Board has the ultimate responsibility and works together with the key senior management team to steer the Company's sustainability efforts and performance.

Since 2018, our Sustainability Committee ("SC"), which comprises members across all departments and operational units steers strategic oversight of environmental, social and governance ("ESG") matters and risk mitigation, with the full support of the Board. Spearheaded by the Executive Director, the SC has been striving to integrate material sustainability initiatives across the business operations to build long-term competitive advantage and value creation, at the highest governance level.



In establishing and maintaining a culture of ethical behaviour and practices, we are committed to uphold the highest standards in corporate governance. To this end, we strive to strictly comply with the principles and guidelines set out in the Malaysian Code on Corporate Governance issued by the Securities Commission Malaysia.

The following policies serve to embed our commitment towards responsible corporate governance across our operations:

Board Policies	Company Policies
<ul style="list-style-type: none"> <li>• Board Charter</li> <li>• Code of Conduct and Ethics</li> <li>• Code on Insider Trading</li> <li>• Terms of Reference of the Audit Committee</li> <li>• Terms of Reference of the Nomination Committee</li> <li>• Terms of Reference of the Remuneration Committee</li> </ul>	<ul style="list-style-type: none"> <li>• Anti-Bribery and Anti-Corruption ("ABAC") Policy</li> <li>• Whistleblowing Policy &amp; Procedures</li> <li>• Child Labour Policy</li> <li>• Human Resources and Labour Standards Policy</li> <li>• Environment Policy</li> <li>• Quality Policy</li> <li>• Safety Policy</li> <li>• Supplier Code of Conduct</li> </ul>

The above Policies are communicated to our employees on CJ Century's intranet to facilitate awareness, in addition to wider stakeholders including suppliers, contractors, business partners and associates on our corporate website. We require all employees to abide by these policies and our ethical standards as stipulated in our employee handbook as they deliver excellence for the Company.

In encouraging high standards of honesty and integrity in decision-making and behaviour, we encourage employees to consider the ethical implications and all other aspects of our ethics programme before giving and receiving gifts, in their dealings with third parties such as stakeholders, partners, vendors, and the general public.

We shall strive to ensure that our employees continue holding true to the value of integrity, act professionally and ethically to maintain our record of zero reported incidents of bribery and corruption. In FY 2021, we conducted two ABAC training programmes to provide employees with in-depth understanding of fraudulent acts and promote integrity through ethical principles in the course of their duties.



To facilitate the effective execution of business operations and internal processes, clearly defined organisational structure as well as detailed roles and responsibilities for key senior management are in place, with aim to continuously protect the interests of all stakeholders. This is further supported by an established matrix for the delegation of authority and financial authority limits.

More details of our corporate governance practices are set out in the Corporate Governance Overview Statement in this Annual Report.

## Stakeholders Engagement

Over the years, our solid alliances with our stakeholders have enabled us to grow from strength to strength. We recognise that ongoing communication with stakeholders is essential. As we continue our journey of growth, we plan and deploy responsible stakeholders' engagement and promotion activities to communicate with the targeted stakeholders through various platforms, both internally and externally, to upkeep our corporate brand and strengthen our presence in the industry.

Stakeholder Group	Engagement Method	Frequency	Material Matters	Response
Customers	<ul style="list-style-type: none"> <li>Customer feedback and surveys</li> <li>E-fulfilment of transportation and storage transactions</li> </ul>	<ul style="list-style-type: none"> <li>Daily</li> <li>Weekly</li> </ul>	<ul style="list-style-type: none"> <li>Product and service quality</li> <li>Protection of customer privacy</li> <li>Customer welfare</li> <li>Innovation</li> <li>Training and education</li> </ul>	<ul style="list-style-type: none"> <li>Drive digital transformation across the company for greater productivity and service quality.</li> <li>Put in place a management system to mitigate cyberattacks and data protection.</li> <li>Ensure our employees are well-equipped with the latest knowledge and skills for business growth.</li> </ul>
Employees	<ul style="list-style-type: none"> <li>Departmental meeting</li> <li>Company intranet</li> <li>Performance evaluations</li> <li>Compensations and benefits</li> </ul>	<ul style="list-style-type: none"> <li>Daily</li> <li>Weekly</li> <li>Annually</li> </ul>	<ul style="list-style-type: none"> <li>Compensation, welfare, and employee care</li> <li>Workplace safety and health protection</li> <li>Performance development</li> <li>Career enhancement</li> <li>Training programmes</li> </ul>	<ul style="list-style-type: none"> <li>Provide structured training and development programmes to achieve employees personal and the Company's business goals.</li> <li>Provide a wide range of benefits.</li> <li>Ensure a safe and conducive workplace.</li> </ul>
Investors/ Analysts	<ul style="list-style-type: none"> <li>Investor briefings</li> <li>Shareholders' meetings</li> <li>Annual reports</li> <li>Corporate website</li> <li>Research reports</li> <li>Company announcements</li> <li>Press releases</li> </ul>	<ul style="list-style-type: none"> <li>Ad Hoc</li> <li>Quarterly</li> <li>Annually</li> </ul>	<ul style="list-style-type: none"> <li>Financial and operation performance</li> <li>Good corporate governance and ethical management</li> </ul>	<ul style="list-style-type: none"> <li>Implement strategies to enhance business and financial resilience.</li> <li>Conduct investor relations activities to engage the investment community.</li> </ul>
Government/ Local Authorities/ Industry Affiliates	<ul style="list-style-type: none"> <li>Facility visits</li> <li>Collaborative partnerships</li> <li>Audits and inspections</li> <li>Industry-related initiatives and events</li> </ul>	<ul style="list-style-type: none"> <li>Periodic</li> </ul>	<ul style="list-style-type: none"> <li>Regulatory requirements</li> <li>Economic issues</li> <li>Environment issues</li> <li>Bursa listing requirements</li> <li>Safety and health regulations including prevention of COVID-19</li> </ul>	<ul style="list-style-type: none"> <li>Uphold good corporate governance through robust policies and management systems.</li> <li>Support and collaborate in industry affiliations to steer industry initiatives.</li> </ul>

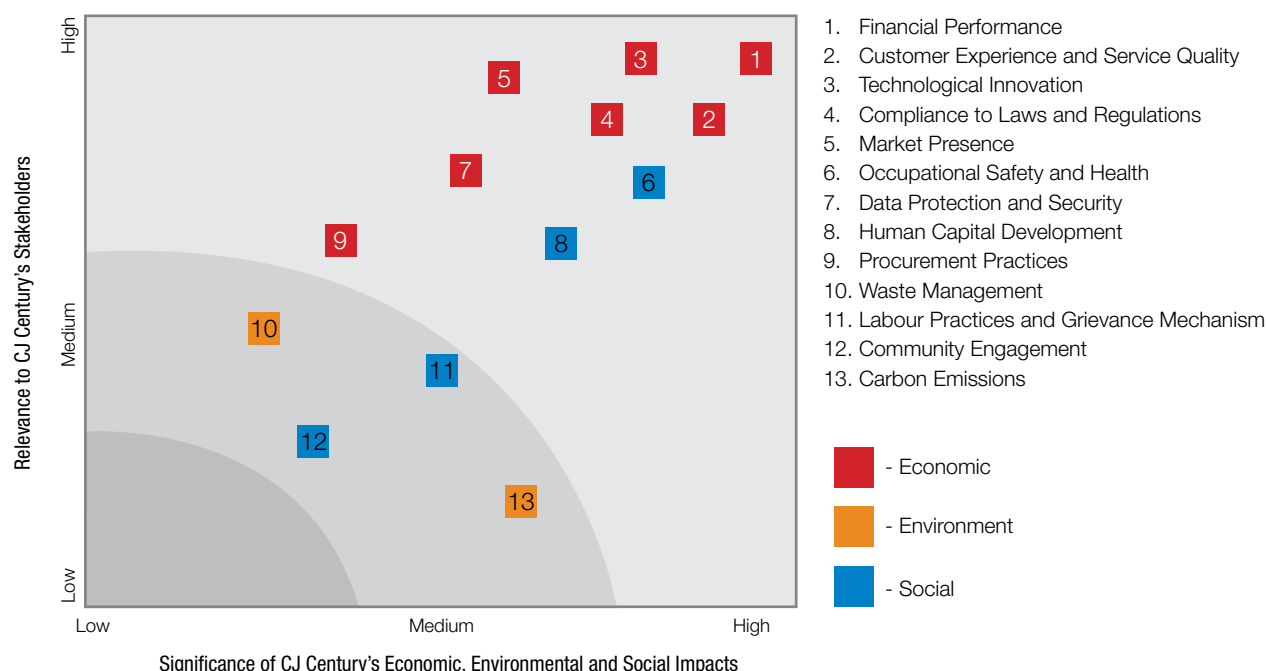
Stakeholder Group	Engagement Method	Frequency	Material Matters	Response
Business Partners/ Suppliers	<ul style="list-style-type: none"> <li>Business exchanges</li> <li>Written communications</li> <li>Supplier evaluations and registrations</li> </ul>	<ul style="list-style-type: none"> <li>Daily</li> <li>Weekly</li> <li>Annually</li> </ul>	<ul style="list-style-type: none"> <li>Supply chain management</li> <li>Contract terms and conditions</li> <li>Business dealings</li> </ul>	<ul style="list-style-type: none"> <li>Practise responsible procurement practices.</li> <li>Set guidelines for suppliers to adopt responsible practices in their operations.</li> </ul>
Local Community	<ul style="list-style-type: none"> <li>Corporate website and social media platforms</li> <li>Community engagement programmes</li> <li>Corporate advertisements</li> </ul>	<ul style="list-style-type: none"> <li>Daily</li> <li>Ad hoc</li> </ul>	<ul style="list-style-type: none"> <li>Environmental impact from operation</li> <li>Emissions management</li> <li>Talent recruitment</li> </ul>	<ul style="list-style-type: none"> <li>Social investment for community enrichment.</li> </ul>

### Materiality Assessment and Key Sustainability Matters

Our Thirteen (13) Key Sustainability Matters were assessed based on the internal and external stakeholders' interests and business impact to the Company's sustainability management. The applicability and relevance of the identified sustainability matters were comprehensively reviewed by the SC through an internal workshop with the members of senior management, in accordance with research findings, peer companies benchmarking and the management's evaluation.

Our sustainability efforts are complementary and integrated within our growth strategies. We are determined to sharpen our value proposition in furthering progress towards supporting the United Nations Sustainable Development Goals ("UNSDGs") while delivering performance improvements and sustained outcomes for our stakeholders.










Key Sustainability matters for the financial year ended 31 December 2021:



### United Nations Sustainable Development Goals

Based on the material sustainability matters identified, CJ Century reviewed and adopted the UNSDGs which are relevant and aligned to our sustainability agendas and governance policies. In the mid to long-term, we will reinforce the linkage between the UNSDGs and our business by identifying relevant opportunities and risk factors, to make greater efforts to achieve a better and more sustainable future for all.



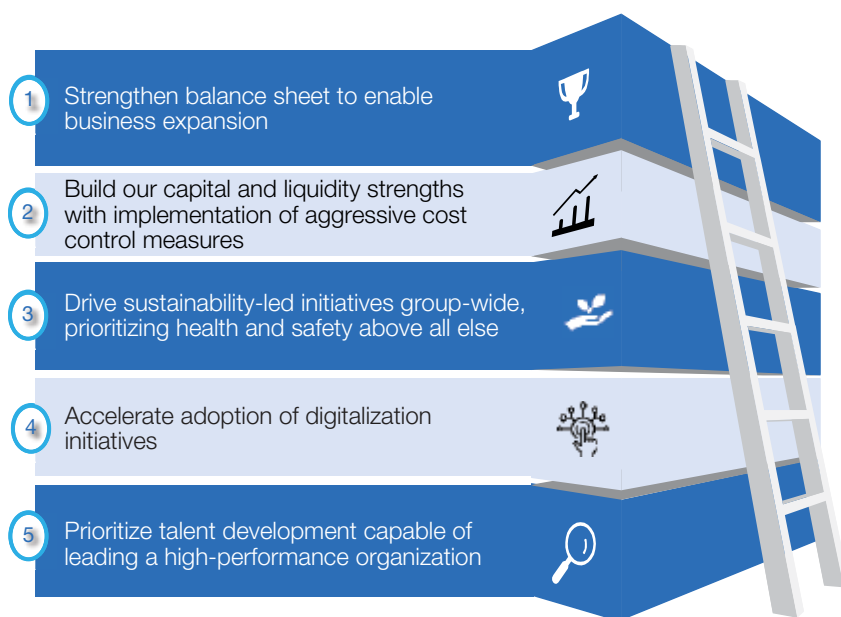
Pillar	Key Sustainability Matters	UNSDGs
Economic	<ol style="list-style-type: none"> <li>Financial Performance</li> <li>Customer Experience and Service Quality</li> <li>Technological Innovation</li> <li>Market Presence</li> <li>Procurement Practices</li> </ol>	  
Environment	<ol style="list-style-type: none"> <li>Waste Management</li> <li>Carbon Emissions</li> </ol>	  
Social	<ol style="list-style-type: none"> <li>Occupational Safety and Health</li> <li>Human Capital Development</li> <li>Labour Practices and Grievance Mechanism</li> <li>Social Investment and Community Engagement</li> </ol>	 
Governance	<ol style="list-style-type: none"> <li>Compliance to Laws and Regulations</li> <li>Data Protection and Security</li> </ol>	

As part of the sustainability initiative, we established Key Performance Indicators (“KPIs”), identified action plans for the key materiality matters and assigned responsibility to specific departments and individuals to track progress and compile results.

## ECONOMIC: MAPPING STRATEGIC POSITIONING FOR SUSTAINABLE FINANCIAL GROWTH

### Strategic Financial Management

During the year under review, we steadily gained momentum in improving business profitability amidst a challenging year brought about by the pandemic. We started the year of 2021 setting strategic goals through the launching of a 5-pronged approach, with aim to restore business profitability, enhance sustainability execution and strengthen our long-established position as one of the leading logistics service providers in the country.



We strategically leveraged both financial and non-monetary capitals to concentrate on positioning the Company for faster growth and expand our market share. Underpinned by a steady stream of improvements diligently executed across our businesses, we closed the year of 2021 with stronger financial performance, in addition to healthy growth in our clientele base and effective internal cost control measures.

The key contributor, the Total Logistics Segment had grown progressively in the reporting year. Our owned and operated assets, including fleet of vehicles and warehouses, enabled greater control and customisation of quality logistics service offerings at competitive rates, supported by service advantage from our in-house support services. This gives us a strong foothold in securing new multinational and local conglomerate customers, while retaining our long-standing key customers. Additionally, our Freight Forwarding Division attained improved shipping activities driven by sound planning and seamless freight management services against favourable market conditions.



Following the exit from the loss-making Courier Services operation, we reoriented to improve facilities automation. With warehouses in prime locations near Port Klang, Selangor and Port of Tanjung Pelepas, Johor, the Contract Logistics Division further strengthened its multi-site management capability with several new digitalisation initiatives, particularly upgradation of warehouse management system to improve warehouse efficiency and productivity.

The interior space of our warehouses adopts clear span design, is configurable to accommodate a wide range of shelving and racking systems for versatile inventory management processes and value-added fulfilment services for our customers. At our Bukit Raja Distribution Centre ("BRDC"), the long-span covered loading bays allow all weather access and movement of various dimensions of trucks, thus optimising loading dock operations and warehouse productivity.

The Company's financial review and outlook are discussed in the Chief Executive Officer's Message of this Annual Report.

### Technological Innovation

The logistics industry is rapidly evolving with disruptive technologies, increasing competition, and changing customer expectations. In keeping with the constant shift, investment in various technologies were also planned across all verticals to steer the adoption of digital transformation initiatives at scale, from modernising infrastructure to management systems for new levels of operational efficiency and resilience.

Driven by the growth of our E-commerce order fulfilment offerings, our warehouse in Puchong, Selangor has adopted the new "Pick-to-Light" system, an order-fulfilment technology designed to improve picking accuracy and efficiency in July 2021. The new system had successfully increased accuracy, maintained consistently high day-to-day deliverables and sped up warehouse orders fulfilment process.

Targeted to be completed in first quarter of FY 2022, our Freight Forwarding and Transport Divisions embarked on upgradation of new management systems with built-in integrations for complete real-time supply chain management visibility. The interfaces between two management systems streamline operations management, including, but not limited to vehicle and distribution load capacity optimisation, effective route planning to minimise futile trips, driver monitoring and improve fuel efficiency.

Digital workflow is important in migrating towards digital transformation. In the reporting year, we carried out several digital workplace initiatives, as part of our strategic technology investments for increased efficiency and cost savings. These included:

- A new human resources management ("HRM") system with mobile accessibility, aimed at storing employee data online securely and digitising paper based HRM activities.
- Digitalised the process of purchasing goods/services and maintaining inventory from purchase orders to vendor management in a unified platform.
- Rolled out the Company's intranet, offering our employees easy access to a single source of information including shared HRM documents and policies, corporate news streams and other employment related matters.
- Upgraded the server and hardware of our data centre located in Port Klang to ensure long-term efficiency, better security, and business continuity.

## Customer Experience and Service Quality

High quality customer service is an integrated part of CJ Century's management system. It is embedded into the core values of our Quality Policy and serves as the guiding principles to support every interaction with our customers and the cooperation between our customers, suppliers and employees. The core values consist of customer satisfaction, human resources consideration, service excellence and corporate responsibility.

Guided by our Quality Policy, our dedicated Quality Management team champions and maintains the accreditation of ISO 9001:2015 Quality Management System for all our office facilities and self-owned warehouses. We conform to the requirements of certification bodies ensuring that we meet the best-in-class standards of our service quality. We communicated to all our staff that they are jointly responsible for implementing and complying with all procedures detailed within these applicable standards. Any quality deviations will be registered and dealt with through our quality management system to avoid any recurrence.

Understanding that effective customer service strategy is the cornerstone of our business growth, we strive to meet our customers' needs and requirements to create a positive, hassle-free customer experience for every customer. For continuous improvements, we conducted annual customer satisfaction survey to gauge the level of satisfaction in areas such as services and product solutions, overall experiences and identify areas of improvement. In 2021, we achieved an average of 86% customer satisfaction rate, which exceeded our targeted rate of 70%.

We place high priority on our supply chain security. Guided by ISO 28000:2007 Supply Chain Security Management System, we combined our customers' security requirements with applicable local and global regulations and implementation of good operational practices with enhanced security control.

Standards	Certified Sites
<b>ISO 9001:2015 Quality Management System</b>	<ul style="list-style-type: none"> <li>• BRDC, Klang, Selangor</li> <li>• Lot 8, Port Klang, Selangor               <ul style="list-style-type: none"> <li>• Freight Forwarding Division</li> <li>• Transport Division</li> <li>• Contract Logistics Division</li> </ul> </li> <li>• Johor Branch, Port of Tanjung Pelepas, Johor</li> </ul>
<b>ISO 28000:2007 Supply Chain Security Management System</b>	<ul style="list-style-type: none"> <li>• BRDC, Klang, Selangor</li> <li>• Lot 8, Port Klang, Selangor</li> <li>• Johor Branch, Port of Tanjung Pelepas, Johor</li> <li>• Penang Branch, Penang</li> </ul>

## Data Protection and Security

We process significant quantity of personal and sensitive data due to the nature of business. We respect privacy rights and are committed to provide privacy-compliant services to our valued customers through responsible data security management. We do not use customer data for secondary purposes without approval. Sensitive and personal information is handled strictly in accordance with the Personal Data Protection Act 2010 that serves as an integral guidance to the Company.

To maintain the integrity of the company data, our IT Access Control and User Access Management Policies list clear guidelines safeguarding access to IT systems and applications. Access to all sensitive information is protected by access controls to ensure it is not improperly disclosed, modified, or rendered.

To strengthen our system, we enhanced our IT security features which include firewall and antivirus to protect against viruses, malware exploits and any ransomware annually. As we aggressively digitise operations and take on greater responsibility for storing business data, particularly customers' data, we had also rolled out Multi-Factor Authentication to decrease the possibility of a cyber-attack.

We had revised our IT Policy in November 2021 to improve our IT governance structures and ensure that protection of the Company's essential business systems and data are appropriately in place for all employees and independent contractors.

Our response plans were tested by independent external and internal auditors and benchmarked against industry best practices. Audits of information technology and security controls, external attack and penetration testing as well as vulnerability scans are carried out by our internal team or appointed consultant periodically, as mitigating measures.

Information security materials are made available on our intranet to better educate employees on prevailing risks, especially in the handling of sensitive corporate data, in compliance with the Personal Data Protection Act 2010.

In FY 2021, CJ Century identified no complaints concerning breaches of consumer privacy, nor did we identify any leaks, thefts, or losses of customer data or critical information. Going forward, we will continue to enhance the technology layer within our offerings, in pursuit of building digital logistics solutions.

### Procurement Practices

We engage with numerous suppliers and vendors ("Suppliers") to ensure smooth operations, including packaging material, and vehicle spare parts for maintenance to consistently provide products and services that meet our customers' needs. Guided by our Supplier Code of Conduct ("SCOC"), we seek to develop an ethical supplier base and ensure fair and transparent business relations with suppliers.

The SCOC provides guiding principles for our vendors and suppliers to comply with our expectations of ethical standards, covering the following areas:

- Good Labour Practices
- Occupational Health and Safety
- Environmental Compliance
- Security Practices
- Responsible Business Ethics
- Legal Compliance

Our supplier selection process involves sending out Request for Quotation to suitable suppliers and subsequently assessing them on a level playing field based on their response commercially and contractually. Once engaged, we require our suppliers to maintain the level of integrity required by CJ Century.

In order to ensure consistency of quality of products and services, new and existing suppliers are required to undergo performance assessment covering quality of services, timeliness of delivery, complaint management, pricing, and compliance to safety requirements. Suppliers who fail in the performance assessment will be suspended and deregistered from the Master Approved Vendor List. During the year under review, a total of 809 suppliers have been assessed, and there were no breaches to the SCOC in FY 2021.

We support local businesses and prioritise local suppliers that are able to meet our business requirement. As at 31 December 2021, 97.4% of our suppliers are local.

## ENVIRONMENT: MAKING A SHIFT TO GREENER SUPPLY CHAIN MANAGEMENT

### Environmental Consciousness and Management

We recognise the potential impact of our business on the environment. In support of the Malaysian Government's carbon neutrality pledge, we endeavour to play our part in inculcating a culture of responsible management in energy use, waste management, pollution, and greenhouse gas emissions across our business operations, including adhering to all applicable laws, regulations and standards related to the environmental protection.

In line with SDG 13, we are building our internal capacity to share the responsibility of protecting the earth. In FY 2021, we have revised our Environment Policy to intensify our commitment towards improving our environmental performance within our business. Plans are currently underway to map out an effective environmental management framework, in preparation to obtain the ISO 14001:2015 Environment Management System certification at the Company's own facilities.

The Company did not receive fines for non-compliance with environmental laws and regulations.

### Greenhouse Gas Emissions

Since 2018, CJ Century started reporting greenhouse gas ("GHG") emissions to ensure greater disclosure and accountability of the Company's carbon footprint. As the adverse effects of climate change continues to manifest, we adopted the following initiatives in the reporting year to lower the impact of GHG emissions in our logistics operations through technical and operational measures.

- Upgrading of new warehouse management systems to drive greener logistics operations and support our clients' transition to low-carbon supply chain.
- Training programmes were periodically organised to inculcate eco-driving skills and habits among our drivers.
- Monitored fuel consumption of vehicles to ensure sustainable vehicle performance and decrease harmful emissions.
- Deployment of non-polluting electric forklifts to minimise warehouses' carbon footprint. We aim to increase the use of electric forklifts by 30% in FY 2022.
- Procurement of 15 eco-friendly prime movers that uses 3% less fuel thus allowing lower carbon dioxide emissions. We are gradually phasing out the existing fleet in a sustainable manner and ready for the future of sustainable transport.





Our owned fleet of 130 trucks comply with the national emission standards and are readily adapted to use biodiesel, in line with the Government's nationwide implementation of B20 biodiesel targeted in 2022.

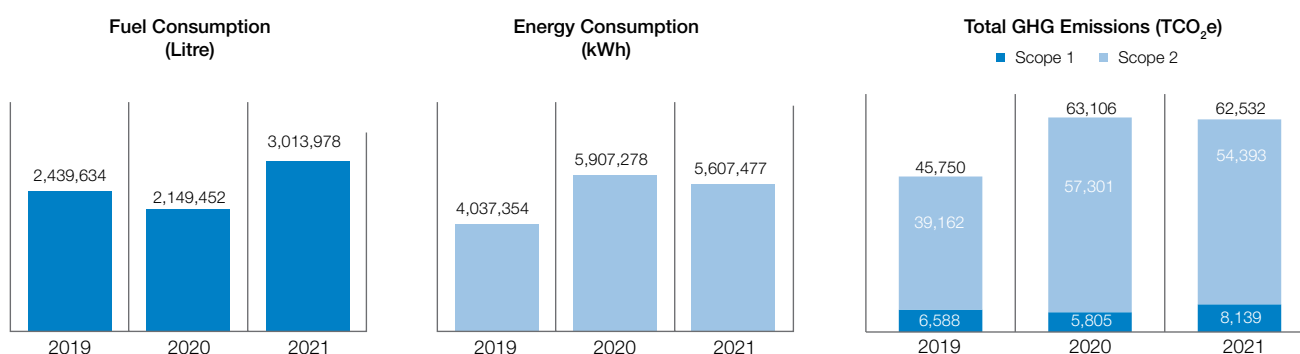
Our Oil Logistics Division fully supports any climate change mitigation initiatives relevant to the Ship-to-Ship ("STS") operations, which are implemented by the Floating Storage Units ("FSUs") owners. Fuel consumption data of all FSUs are collected and reported in accordance with the methodologies and processes set out in the Ship Energy Efficiency Management Plan, as required by Regulation 22A of Annex VI of the International Convention for the Prevention of Pollution from Ships ("MARPOL") formulated by the International Maritime Organisation ("IMO").

All FSUs that we currently managed use non-ozone depleting refrigerants. Refrigerant consumption on all FSUs is closely monitored to minimise releases and leakages of refrigerants from onboard installations.

Helping customers in greening their business operations, our Data Management Solutions Division digitised 375,000 copies of documents and consolidated it onto space-efficient digital storage platforms securely in FY 2021, complementing our efforts in reducing environmental footprint. This digitisation effort is forecasted to increase further in the coming years.



We track our carbon footprint emissions in Scope 1 and Scope 2 in accordance with the Greenhouse Gas Protocol Corporate Standard.



#### Notes:

- Scope 1: Direct CO<sub>2</sub> emissions that are emitted from fuel consumption of our owned fleet of vehicles. Fuel consumption from the Courier Services segment has been excluded, following the disposal of our last mile-delivery business. Restatements were made for FY 2019 and FY 2020's data to reflect greater accuracy.
- Scope 2: Indirect CO<sub>2</sub> emissions that are consumed by our organisation such as purchased electricity.

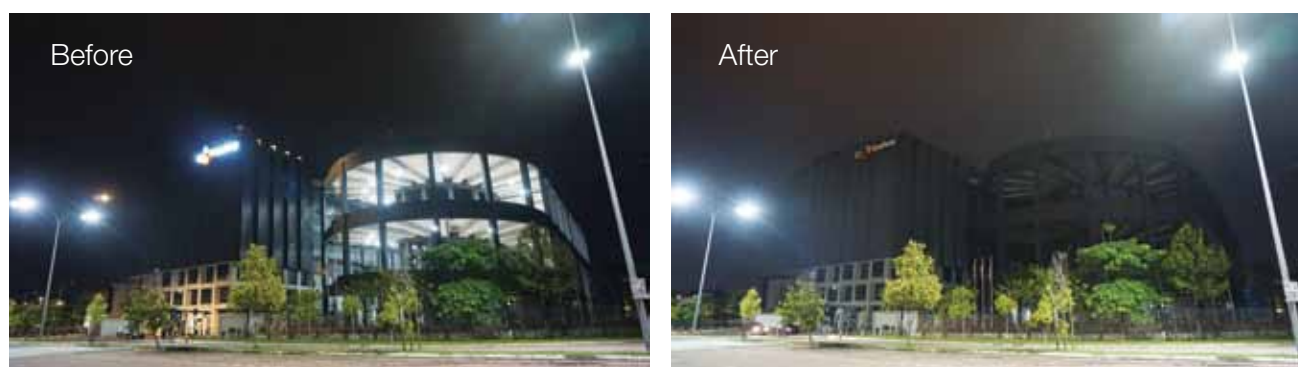
In FY 2021, indirect GHG emissions from all our operations achieved an overall 5% reduction despite the increase in business across all divisions, attributed to the on-going energy and operational efficiency initiatives. At the same time, although our Transport Division charted significant increase in transportation volumes, we recorded a slight reduction of 1% in the direct GHG emissions from our fleet of vehicles due to the effective fuel consumption monitoring and management for fleet vehicles.

### Energy and Water Savings

At CJ Century, managing energy and water consumption efficiently and wisely is key to meeting our environmental commitments in the workplace. We set goals to reduce energy and water consumption annually through our internal Save Earth campaign to achieve minimum energy consumption, where each business unit adheres to the guidelines and specific requirements relating to energy efficiency measures.

We take a holistic view towards energy reduction by implementing regular asset upgrading efforts across our operation sites and office premises to continually reduce our energy consumption as a means of climate mitigation. These included:

- BRDC utilises 100% Light Emitting Diodes (“LED”) lights and controls for better energy-efficiency. Continuous replacement of energy-efficient lighting equipment in the remaining warehouses is ongoing, targeted to be completed by 2023.
- Installation of variable refrigerant flow (“VRF”) air-conditioning system at BRDC. Temperature is controlled at 24°C, and timer is set to turn off the system at 6pm daily.
- Participated in the Earth Hour on 27 March 2021 to switch off non-essential lights across our operation sites for one hour. This company-wide campaign served as a catalyst to attract our employees’ attention towards awareness of positive environmental impact.



We aim to reduce energy use by 30% from 2021 levels for office and owned warehouses, by 2030. With this goal in mind, we are embarking on installation of solar energy system on some of our distribution centres to attain greater energy efficiency as well as lower of electricity costs.

We are mindful of water conservation in our workplace. We seek to ensure that our usage of water resources, mainly for sanitary use at toilets, pantries, irrigation and washing activities, is responsibly managed. At BRDC, we installed rainwater harvesting system to harvest water for irrigation and gardening activities. To prevent water leakage in the workplace, we regularly check all appliances and equipment fitted according to the recommended maintenance procedures and fix any leaks immediately.

### Waste Management

CJ Century’s business activities and operations do not generate hazardous waste. Nevertheless, we adopt appropriate control mechanism and efficient resource allocation, to ensure responsible disposal of general waste in accordance with international standards and relevant national waste regulations.

We provide ro-ro bins dedicated for recyclables in all our owned warehouses. These recyclables will then be collected by the vendors to be sent to their recycling facilities for further processing. Additionally, at one of the in-plant warehouses managed for our consumer goods customer, written off stock balances will be tempered by using compactor and palletised, to be sent to the designated disposal site by waste collection vehicles.

Our STS operation strictly adheres to the six technical annexes outlined in the MARPOL convention. Sustainable waste management as well as garbage management plans are developed to prevent and minimise accidental and operational pollution from ships. We minimise the waste production as practical as possible, ensure correct handling and storage of wastes and disposal by licensed contractors to the approved shore facility at the Port of Tanjung Pelepas, Johor.

### Recycling of Resources

To drive organisational green behavioural change and inculcate green minded employees in the workplace, we actively promote the principles of reduce, reuse, and recycle to extend product life through our internal Save Earth Campaign, where applicable.

<p>Sale of carton boxes and stretch film amounting to <b>RM168,500</b> to recycling centres</p>	<p>Sale of scrap metals approximately <b>15 tonnes</b></p>	<p>Recycled approximately <b>16,000 litres</b> of used engine oil to appointed workshops where impurities and heavy metals are removed for reused</p>
---	--	---

During the year, we recorded lower consumption of single-use paper by 37% due to digitalised paper-based human resources and procurement processes as well as automated workflows through upgradation of designated management systems. Supporting one of our clients' sustainable packaging initiatives, we replace with good recycled carton boxes to pack their fulfilment orders with ordinary packaging needs, as part of our collective efforts to sustain the planet.

### Pollution Prevention

We strive to achieve the best possible trade-off between optimum productivity and pollution control to comply with the relevant environmental regulations and standards.

At our Oil Logistics Division, we are committed towards marine pollution protection effort, by utilising the best strategy in Oil Spill Response ("OSR") within Malaysian waters through engagement with proven track record and well-trained agencies. Our oil spill emergency planning and response model is proven and accepted by Marine Department of Malaysia and international agencies. Additionally, we conduct routine OSR surveillance and training at anchorage, to ensure top notch capability for oil spill response readiness. Through robust oil spill prevention measures and adequately controlled STS operations in place, we registered zero oil spill incidents and pollution across our STS operations.

To support the use of cleaner fuels, our STS operations ensures compliance to the IMO 2020 Sulphur Regulations and Global Sulphur Cap 2020 which limit sulphur content to 0.5% m/m for sustainable operation. All the FSUs operated by us use low sulphur compliant fuel, to reduce air pollution and ensure less impact on toxicity to both the environment and human health.

As we progress into the future, we are driven to continue investing in green technologies and appropriately trained human capital as well as integrating sustainable practices into our operations on all levels to improve our environmental performance.



## SOCIAL: EMPOWERING OUR PEOPLE AND COMMUNITY

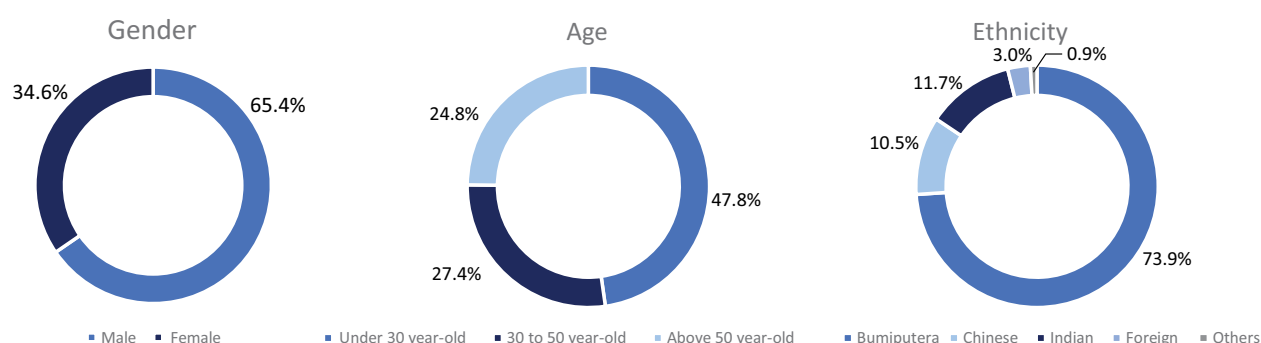
### Diversity and Equal Opportunity

CJ Century recognises and values the benefits of diversity in people, ideas and cultures. By respecting diversity in the workplace, we avoid prejudice and do not tolerate unlawful discrimination based on characteristics such as age, gender, race, ethnic background, sexual orientation, gender identity, national origin or religious beliefs. This applies to interactions with employees and any other stakeholders including customers and suppliers, where employees represent CJ Century.

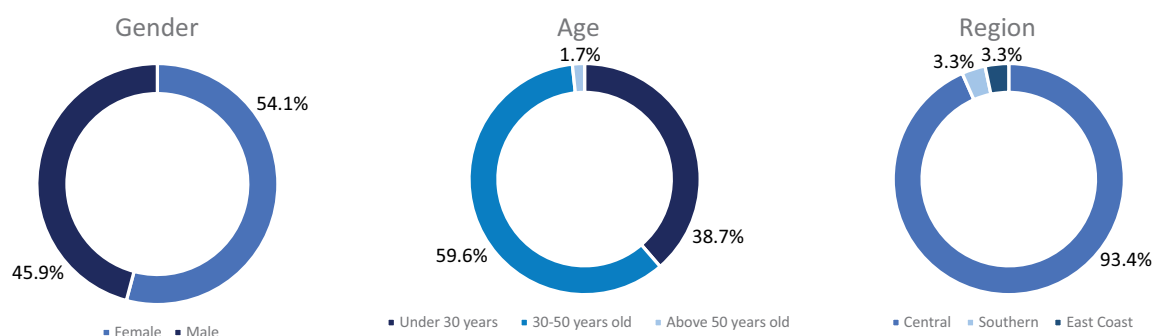
We are committed to maintain cordial relationship with our employees in accordance with all policies, namely Code of Conduct and Business Ethics Policy and Human Resources and Labour Standards Policy that support our belief in workplace diversity. Accordingly, we strive to provide equal employment opportunities by adhering to strict guidelines in recruiting, training and promoting employees at all levels fairly. We are pleased to report that there has been no cases of alleged discrimination in the reporting year, reflecting our undivided support for a diverse and inclusive workforce.

In FY 2021, 96% of our senior management positions are held by Malaysians, whereas the remaining 4% are Korean expatriates. We believe in the ability of local talents to deliver their excellent service and performance for the Company; hence we will continue to prioritise locals for employment.

### Employee Profile



### New Hires



### Nurturing and Developing Our Talents

We believe that empowering employees is important for increased efficiency and productivity. We strive to promote a continuous learning culture and provide our employees the flexibility to explore their career aspirations through on-the-job trainings offered across our business divisions.

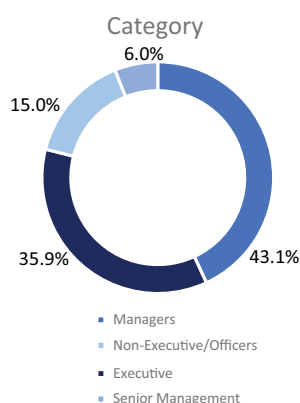
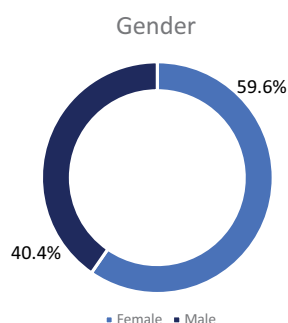
As one of the important human resource development agendas, we undertake a rigorous talent identification and review exercise to build our talent pipeline. We are committed to motivate and develop employees without regard to an individual's ethnicity, race, colour, religion, gender, age and disability. Through merit-based performance management process, the managers help their teams to identify training needs, skills gaps, and challenges faced during job, and help chart their individual career development plans.



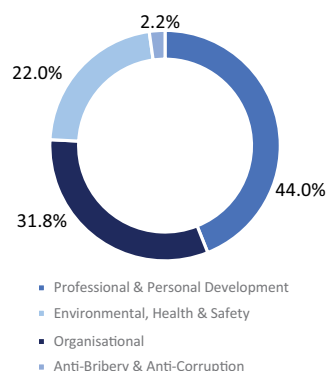
During the reporting year, we had revamped our performance management system by aligning the employees' performance with the goals and objectives of the Company, enabling the employees to have a holistic view of the targeted shared goals and be conscious of organisational value. This will result in our employees being motivated to strive toward achieving their goals in a positive and focused manner.

Moving beyond traditional learning to build a strong and knowledgeable workforce, we leveraged on technological advances to upskill employees at scale and ensure employees' learning programmes are accessible remotely. In FY 2021, we invested RM226,733 in training and development programmes, with a total of 12,382 training hours provided to our employees.

### Training Hours



### Types of Training Programmes



We will continue to improve employees' skills through training system enhancement and provision of finer training and development programmes, in addition to ensuring our workforce remains engaged and armed with the tools they need, whether on the go or from home.

### Talent Retention and Succession Planning

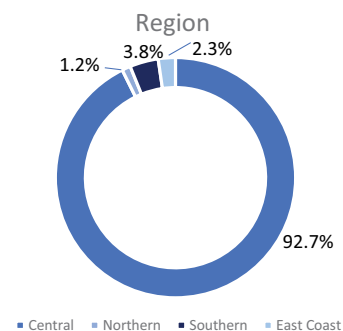
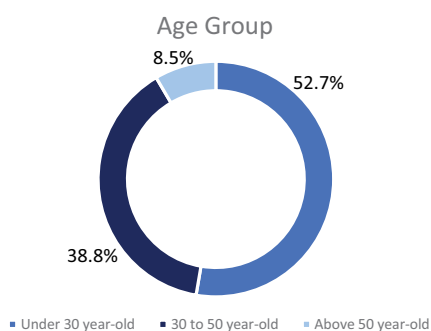
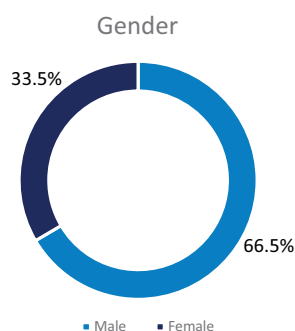
At CJ Century, we strongly believe that our employees are our most valuable assets and creating an inclusive working environment is the key to retain talents and enhance their sense of belonging. Aligned with our human capital management strategies, we strive to improve employee satisfaction through provision of career advancement, competitive remuneration and structured development in both functional and leadership areas.

Succession plans are put in place for key positions to ensure sustainability in terms of continuous effective and efficient operations within the Company, in addition to cultivating a healthy leadership pipeline.

Our employee benefits comply fully with the Employment Act 1955 and beyond, including various allowances, medical claims, insurance, annual medical check-up, maternity allowance and meal subsidy programme. We review our employee benefits and reward programmes periodically, ensuring that potential candidates are drawn to CJ Century and existing employees remain motivated.

To foster a culture of engagement, we continually invest in building our engagement capabilities and monitor the progress we are making, to identify any development areas. The managers also play a key role in creating a respectful and trusting relationship with their direct reports. Various employee engagement activities were organised to ensure our employees feel connected with each other, to the Company and the goals of the business.

### Turnover Rate



With so much uncertainty caused by the pandemic, we understand that our employees too have different family situations, living arrangements, and socioeconomic circumstances to deal with. In the reporting year, we re-evaluated our employee benefits packages to help our team members feel secure, stable, and cared for.

There were zero salary cuts in FY 2020 and FY 2021.



Heavy rains that lasted in December 2021 have caused a series of floods and flash flood in several parts of Malaysia. With many of our employees residing in Klang, one of the worst flood-affected areas, we had organised an emergency relief contribution of RM200,000 to the affected employees to rebuild their properties and lives.

Additionally, we strive to create a thriving workplace that enables all employees to combine work and family responsibilities, benchmarking our employment practices against endorsed national standards, to ensure the quality of work-life for our employees' health and wellbeing are taken care of.

Our family care benefits provide female employees undergoing childbirth with fully paid maternity leave entitlement to care for their new-born. To help new mothers' transition back to work after their maternity leave, we established adequate support mechanisms by providing flexibility, and reasonable break time for them to express breast milk. Understanding that caregiving is a shared responsibility, male employees are also given two days of paternity leave, allowing them to stay at home to take care of their family after delivery and welcome their new born.

Subject		Unit	2019	2020	2021
Maternity	No. of employees taken parental leave	Person	12	17	22
	No. of employees return to work after leave	Person	12	17	22
	Return ratio	%	100%	100%	100%
	No. of employees still employed after 12-month	Person	15	12	15
	Retention ratio*	%	100%	100%	88%
Paternity	No. of employees taken parental leave	Person	12	17	14
	No. of employees return to work after leave	Person	12	17	14
	Return ratio	%	100%	100%	100%
	No. of employees still employed after 12-month	Person	2	12	16
	Retention ratio*	%	100%	100%	94%

\* Maintained work for 12 months after returning to work

We will consider the possibility of adopting more comprehensive family-friendly practices, including the establishment of a comfortable, safe lactation room.

### Whistle Blowing and Grievance Mechanisms

Staying true to our founding philosophy of pursuing rational management, we have formulated management principles, including adopting an open style of communication and encourage our employees to raise concerns about any case of non-compliance in any of our business, at the earliest possible opportunity.

CJ Century recognises that the management of grievances is an integral aspect of our social performance efforts. Our Whistleblowing Policy and Procedures is in place as a safe channel for employees and external stakeholders to report potential or actual improprieties in financial and operational matters. Complaints can be made verbally or in writing to the key senior management personnel, and we are committed to carry out independent investigations for appropriate remedial and follow-up actions. Externally, the Contact Us section in our website serves as an avenue for individuals and communities to submit their concerns or grievances to our key management personnel directly.

All concerns arising from our business processes shall be freely raised, and our Board of Directors and management are committed to the fair resolution of workplace disputes or issues, in accordance with our Whistleblowing Policy and Procedures as well as Grievances and Disciplinary Manual.

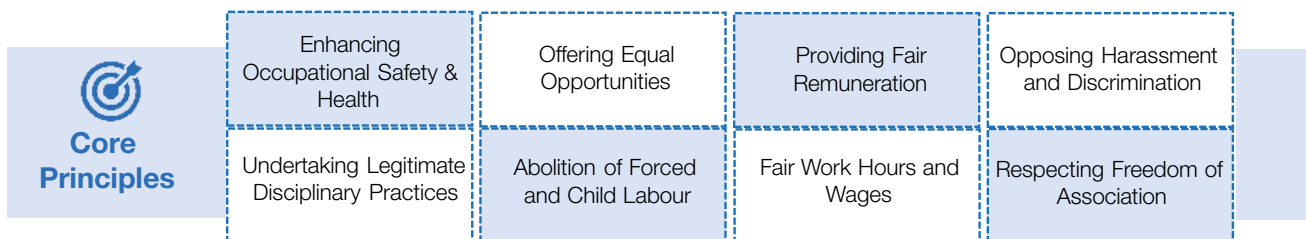
We recognise the importance of confidentiality and shall grant anonymity to the complainants. We do not tolerate retaliation by any employee against any person who in good faith reports possible violations and are committed to ensuring no one suffers any detrimental treatment for reporting their suspected breaches of minimum standards, work-related issues, harassment, or discrimination taking place in any part of our business.

### Labour Practices

We respect the rights of our employees, stakeholders and communities and are committed to adopt a 'best practice' position to prevent violation of human rights in the conduct of business. We have during the year adopted our Human Resources and Labour Standards Policy and Child Labour Policy, reflecting our aim to make a positive contribution in social progress and advancing human rights. To find out more details about the Policies, please refer to our corporate website.

Covering all aspects of human resources management across the organisation and business operations, the two Policies are established based on fundamental principles set out in the globally recognised standards and domestic legislation, as relevant to our operations.

#### Our core principles of Human Resources and Labour Standard Policy are:



We acknowledge that managing the commitment to core labour standards is a continuous process, and a systematic review and monitoring process is necessary to ensure the objectives are being met. Guided by human rights norms and principles, we will promote good governance across our operations and seek to work with our suppliers who share our values of integrity and human rights commitment.

### Occupational Safety and Health

Occupational Safety and Health ("OSH") are deeply embedded in our culture at CJ Century. We recognise that it is our responsibility to safeguard our employees' right to a safe and healthy workplace that is free from serious occupational hazards and take every measure to ensure our employees can fully perform their work duties safely, hence develop a rewarding career with us.

Underpinned by our robust Occupational Safety and Health Management System ("OSHMS"), we place high emphasis on developing an inclusive workplace and proactive safety culture.

Our OSHMS uses Plan-Do-Check-Act ("PDCA") approach to achieve our Safety and Health objectives.

Determine and assess OSH risks, opportunities, establish OSH objectives and process to achieve the objectives outlined in the Safety and Health Policy.

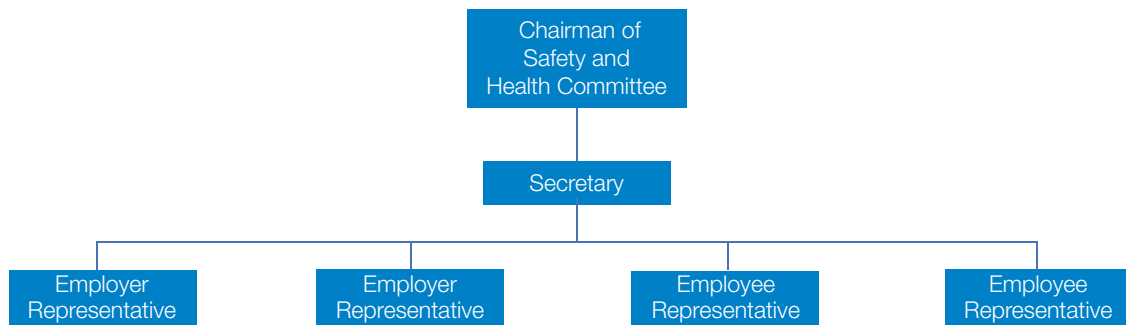
Take actions to continually improve the OSH performance to achieve the intended outcome.



Implement the process as planned.

Monitor and measure activities and processes with regard to Safety and Health Policy and report the results.

Headed by a Chairman and its members comprising employees and employer representatives, the Safety and Health Committee (“SHC”) oversees the safety and health matters, review adequacy of Safety and Health Policy and practices based on OSH legal requirements and address regulatory compliance issues through quarterly meetings.



We believe rigorous standards and an unwavering commitment to best-practice safety procedures are the keystones of safeguarding the security and health of our employees and those involved in our operations. To achieve this, we enforce safe working practices and compliance to all applicable international good practices as well as national safety and health regulations to enable responsible, safe and secure operations.

Our commitment to ensure the health and safety of our employees and contractors is demonstrated by the establishment of a Safety and Health Policy, complemented by a clearly defined management system framework encompasses OSH fundamentals such as leadership and workers participation, hazard and risk management, resources provision, performance evaluations and continual improvement.

Our management team is committed to ensuring all our business divisions integrate our Safety and Health Policy and occupational health and safety performance into the strategic planning of our business activities, to safeguard the health and well-being of all our employees, contractors, visitors and stakeholders. The Policy can be found on our website at [www.cjcentury.com](http://www.cjcentury.com).

We believe that most incidents are preventable. We closely engage with both internal and external stakeholder groups through routine safety briefings and awareness campaigns to nurture committed workforce and maintain good workplace discipline. We also require our contractors to comply with our Safety and Health Policy to manage risks and prevent occupational illnesses, accidents and injuries.

We constantly review and assess our Safety and Health Policy and management system, where if necessary, new measures are introduced to promote best practices, improve safe and hygienic working conditions, and minimise workplace accidents. All employees will be fully informed of any changes made.

We provide regular safety and health training for all employees to promote awareness of occupational health and safety and prevent safety accidents in advance, ensuring our employees are able to respond immediately in the event of an accident. In the reporting year, we had conducted 20 safety and health related training programmes and trained 215 employees in all aspects of their jobs, ensuring that our employees are equipped with the right skills and tools to work safely and take ownership of their personal safety by adhering strictly to the Standard Operating Procedures (“SOPs”).



CJ Century commits to the ISO 45001:2018 Occupational Health and Safety management principles. List of operation sites certified as below:

#### ISO 45001:2018 Occupational Health and Safety Management

- BRDC, Klang, Selangor
- Lot 8, Port Klang, Selangor
- Johor Branch, Port of Tanjung Pelepas, Johor
- CJ Century Technology Sdn. Bhd., Port Klang, Selangor



Every operation has potential risks that may occur. Recognising these risks are inherent in our operation, we implement and maintain Hazard Identification, Risk Assessment and Determining Control ("HIRADC") procedure to identify and assess risks and hazards which may potentially lead to accidents or illnesses, and subsequently determination of necessary controls to eliminate unsafe acts and conditions at the workplace.

At our Procurement Logistics assembly plant, we are committed to comply with the relevant laws and regulations prescribed by the Department of Occupational Safety and Health ("DOSH"). All employees receive safety and job specific instructions and are required to follow a distinct step-by-step structure to complete their work tasks efficiently, and above all, safely.

In light of the potential scale of the consequences, our STS operation team ensures risk assessment is carried out prior to commencement of a transfer job, in accordance with the International Safety Management Code and our robust Safety Management System Manual. Risk mitigation measures and specific contingency plans, covering all possible emergencies alongside comprehensive response integrated with similar plans prepared according to local authorities' requirements, are in place to ensure safe STS operations. Pre-STs briefing and technical details review are organised either on each FSU individually or together with daughter vessels.

Our Transport Division is certified with the ISO 39001: 2012 Road Traffic Safety ("RTS") Management System, a testament to demonstrate our commitment to road traffic safety. Through the development and implementation of an appropriate RTS policy, we ensured responsible operations, prioritising employee safety while further improving road safety and setting a positive example to others.

We continued to take a proactive approach towards mitigating occupational hazards and risks in FY 2021. We conducted regular compliance checks on the implementation of safe management measures across all our office premises and operation sites, reviewed incidents and near misses statistics through open reporting and root cause analysis, conducted site inspections and audits as well as listened to employee feedbacks for appropriate corrective and/or preventative actions.

### Our Safety and Health Performance

	FY 2019	FY 2020	FY 2021
<b>Fatalities</b>	0	0	0
<b>Number of Incidents</b>	1	2	2
<b>Incident Rate</b>	0.88	3.39	1.69
<b>Severity Rate</b>	1.79	32.46	11.83

#### Notes:

\* The calculation of incident rate and severity rate are based on JKKP Form 8 by Department of Occupational Health and Safety.

Incident rate = (Number of incident / Average number of employees) x 1,000

Severity rate = (Number of workday loss / Total manhours worked) x 1,000,000

During the year under review, we maintained zero case of workplace fatalities, major injury and occupational illness. We are committed to reduce our incident rate by intensifying safety training programmes to all employees and tighten our controls on safety and health processes.

### COVID-19 Response

As the pandemic continued in Malaysia during 2021, we prioritised the safety of our people and the community at large through implementation of response measures across our operations as we strive to maintain quality service to clients with minimal disruptions.

To curb potential spread of COVID-19 in the workplace, we remained committed in ensuring full compliance with the Ministry of Health of Malaysia's SOPs and management guidelines through implementation of COVID-19 preventive measures. These included:

- Established COVID-19 response procedures for office and operations
- Carried out case investigation and contact tracing in the event of reported infections at the workplace
- Implemented COVID-19 awareness programmes across various channels including via emails and signages at entrances, lobbies and lifts
- Reinforced strict hygiene standards and safety measures in offices and operation sites
- Enforced the Work From Home Guidelines for management support teams
- Suspended international and interstate business travels and corporate events
- Ensured physical distancing and mandatory wearing of face mask. Hand sanitiser stations were set up for employees throughout our offices and operation sites
- Deployed vigilant cleaning and regular sanitisation in the workplace and our fleet of vehicles
- Enforced mandatory screening pre-entry; all employees and visitors are required to scan the MySejahtera application and measure body temperature prior to entering our premises

Some of these measures are still carried out until today, and we constantly ensure employees are well informed about the updated SOPs.

We recognise that building defences against COVID-19 in the workplace and our community at large is a team effort. To intensify the fight against COVID-19 company-wide, we carried out mass Rapid Antigen Test every fortnightly for the operations employees, between July to December 2021, to prevent the emergence of workplace clusters.

When the Government worked to ramp up the COVID-19 National Immunisation Programme, we had proactively joined the drive by rolling out an internal campaign to constantly share the vaccine updates and encourage registration for COVID-19 vaccination among our employees. We made considerable progress in achieving 99.5% of vaccination rate amongst our active workforce in end-October FY2021, in line with the Government's projected timeline for adult vaccination target.



### Community Engagement

Aligned with the UNSDGs, our sustainability commitment extends to the local communities. We are committed to enrich their lives and create a better shared future for the community we live and work in through social investments and corporate giving, focusing on education, healthcare and community enrichment programmes.

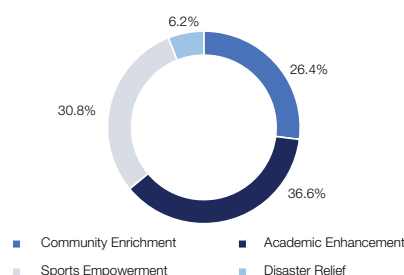
In FY 2021, we invested RM325,000 to support initiatives that impact the wellbeing of the community. Concerned about pressing community needs since the COVID-19 outbreak, we provided monetary aid to support purchase of medical masks and hand sanitisers for the underprivileged families and vulnerable groups who were severely affected during the different phases of movement control order, in addition to provision of daily living necessity to the needy in preparation of festive celebrations.

Our compassion to social responsibility also included local relief efforts by providing pragmatic financial support to the victims inundated by flash floods which hit Klang Valley during end-December 2021. With many of our employees residing in Klang, one of the worst flood-affected areas, we had also organised an emergency relief contribution of RM200,000 to the affected employees to rebuild their properties and lives.

Upholding the believe that inclusive and quality education has a positive impact on the society, we continue to support education through provision of education aid to the underprivileged and Orang Asli community, donation to a local university for the construction of campus facilities as well as contribution of our logistics competency to facilitate the delivery of building materials, cabin structures and furniture to support a non-governmental organisation mission in building a model of transformative youth education programmes. This year also saw the extension of our partnership with the Malaysian Tenpin Bowling Congress to develop and empower youths through the sport of tenpin bowling.

Nonetheless, the investment of manpower and time were very minimal in the reporting year due to the impact of the pandemic, where many activities could not be held, and many disadvantaged groups were more in need of cash donations.

contributed  
**RM325,000**  
for social causes  
in FY2021



As a matter of general policy, CJ Century does not make or offer monetary or in-kind political contributions to political parties, political party officials or candidates for political office. In the reporting year, the Company did not incur significant fines and non-monetary sanctions for non-compliance with laws and/or regulations.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors (“**Board**”) of CJ Century Logistics Holdings Berhad (“**CJ Century**” or “**the Company**”) recognises the need to lead CJ Century to achieve high standards and excellence in corporate governance in the best interest of the Company for all its stakeholders without compromising the interests of its other stakeholders. The Board understands that this is not just through achieving the desired financial performance but also through being ethical and sustainable.

The Board of CJ Century is pleased to present this Corporate Governance (“**CG**”) Overview Statement to provide shareholders and investors with a summary of the CG practices of the Company for the financial year ended 31 December 2021 (“**FY 2021**”) as set out in the Malaysian Code on Corporate Governance (“**MCCG**”) with reference to the following three (3) key principles under the leadership of the Board:

Principle A	Principle B	Principle C
<b>Board leadership and effectiveness</b>	<b>Effective audit and risk management</b>	<b>Integrity in corporate reporting and meaningful relationship with stakeholders</b>
<ul style="list-style-type: none"> <li>Board responsibilities</li> <li>Board composition</li> <li>Remuneration</li> </ul>	<ul style="list-style-type: none"> <li>Audit committee</li> <li>Risk management and internal control</li> </ul>	<ul style="list-style-type: none"> <li>Engagement with stakeholders</li> <li>Conduct of general meetings</li> </ul>

This overview statement is prepared in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“**MainLR**”) and should be read together with the CG Report of the Company for the FY 2021 which is available on the Company’s website at [www.cjcentury.com](http://www.cjcentury.com).

### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

#### 1.0 Board’s leadership on Objectives and Goals

- 1.1 The Board of CJ Century strives to ensure that all the Company’s strategic objectives are well-conveyed throughout the Company in order to achieve both short and long term goals of the Company as a fundamental part of discharging its responsibilities to protect and enhance value for all stakeholders and raise the performance of the Company. The Board is guided by the prevailing legal and regulatory requirements such as the Companies Act 2016 (“**CA 2016**”), the MainLR, the MCCG, as well as the Company’s Constitution and the Board Charter in discharging its fiduciary duties and responsibilities. The Board had ensured that it set the appropriate tone at the top, providing thought leadership and championing good governance and ethical practices throughout the Company.

All the Directors of the Company had objectively discharged their duties and responsibilities at all times as fiduciaries in the best interests of the Company. During the FY 2021, all the Directors of the Company had attended appropriate training / briefing programmes to update and enhance their knowledge to enable them to discharge their duties more effectively as Directors and to keep abreast of the development in the marketplace. Below are the training / briefing programmes attended by each of the Directors:

Directors	Training / briefing programmes attended
Sung Hyunsup (Appointed on 25 August 2021)	<ul style="list-style-type: none"> <li>Mandatory Accreditation Programme</li> <li>CJ Logistics Online Safety Training</li> <li>CJ Logistics Online Sexual Harassment Sensitivity Training</li> <li>CJ Logistics Online Interviewing Skills Training</li> <li>CJ Logistics Online Leadership Training</li> </ul>

Directors	Training / briefing programmes attended
Yeap Khoo Soon Edwin	<ul style="list-style-type: none"> <li>Virtual talk: Risk, Strategy and Governance - How Integrated Thinking Can Support Boards in Creating Long-Term Value</li> <li>ICDM – Innovate for Exponential Growth</li> <li>Optimizing Last-mile delivery in times of Disruption</li> <li>ESG Webinar for FTSE4Good Bursa Malaysia Index</li> <li>LHAG Special Webinar Presentation – Companies in Financial Distress: What about the employees?</li> <li>The Sustainability Accelerator Programme</li> <li>Supply Chain Security Training and Threat Awareness</li> <li>TTCS 2nd Virtual Tax Conference 2021</li> <li>Fraud Risk Management Workshops</li> </ul>
Saryani Binti Che Ab Rahman	<ul style="list-style-type: none"> <li>ABO Conversation with Audit Committees</li> </ul>
Winston Tan Kheng Huang	<ul style="list-style-type: none"> <li>Directors' Responsibilities and Climate Change under Singapore Law – The Law Society of Singapore</li> <li>Transcending Boundaries – Competition Law in a Digital Era (Session 3) - Singapore Academy of Law</li> <li>Cross Border Personal Data Transfers: Spotlight on ASEAN Model Contractual Clauses - The Law Society of Singapore</li> </ul>
Jonathan Park	<ul style="list-style-type: none"> <li>CJ Logistics Online Safety Training</li> <li>CJ Logistics Online Sexual Harassment Sensitivity Training</li> <li>CJ Logistics Online Interviewing Skills Training</li> <li>CJ Logistics Online Leadership Training</li> </ul>
Kim Tae Gyun (Appointed on 21 May 2021)	<ul style="list-style-type: none"> <li>Mandatory Accreditation Programme</li> <li>CJ Logistics Online Safety Training</li> <li>CJ Logistics Online Sexual Harassment Sensitivity Training</li> <li>CJ Logistics Online Interviewing Skills Training</li> <li>CJ Logistics Online Leadership Training</li> </ul>
Park Chul Moon	<ul style="list-style-type: none"> <li>CJ Logistics Online Safety Training</li> <li>CJ Logistics Online Sexual Harassment Sensitivity Training</li> <li>CJ Logistics Online Interviewing Skills Training</li> <li>CJ Logistics Online Leadership Training</li> </ul>

Datuk Lee Say Tshin and Teow Choo Hing did not attend any structured training programmes during the financial year under review but they have continuously kept themselves abreast of the relevant developments in the marketplace through the updates and briefings by the Company Secretaries such as the 2021 CG Monitor Report released by the Securities Commission Malaysia, as well as briefings by internal auditors and external auditors, communications with other Directors, as well as daily work exposures throughout the year.

The Board promotes the best interests of the Company with a view to add long-term value to the Company's shares, shareholders and other stakeholders. To enable the Board to discharge its responsibilities in meeting the Company's goals and objectives of the Company, the Board had, among others, carried out the following as guided by the Board Charter:

1. Promoted good governance culture;
2. Supervised and assessed performance of management;
3. Ensured a sound framework for internal control and risk management;
4. Identified principal risks;
5. Looked into succession planning and continuing development of Directors;
6. Ensured effective communication with stakeholders; and
7. Ensured the integrity of financial and non-financial reporting.

1.2 The Chairman of the Board, had during the year:

- demonstrated leadership to the Board in discharging his duties and responsibilities effectively without limiting the principle of collective responsibility for the Board decisions;
- through the Company Secretary, set the board agenda and ensuring that board members receive complete and accurate information in a timely manner;
- led the conduct of the Board meetings and discussions in a manner that encouraged constructive discussions and effective contribution from each Director;
- encouraged active participation and allowed dissenting views to be freely expressed;
- acted as the facilitator between the Board and the Management by coordinating smooth communication flow between both parties;
- ensured appropriate steps are taken to provide effective communication with stakeholders and that their views are communicated to the board as a whole;
- led the Board in establishing and monitoring good corporate governance practices within the Group;
- reviewed the minutes of the Board meetings to ensure that the minutes accurately reflect the Board's deliberations, and matters arising from the minutes have been addressed properly;
- chaired the general meetings of the Company and committed to answer queries from the shareholders; and
- worked with the Management in reviewing plans, defining issues, maintaining accountability and in any marketing efforts that would effectively position the Company to facilitate growth.

1.3 The positions of the Chairman and Chief Executive Officer (“**CEO**”) are held by two (2) different individuals to promote accountability and facilitate division of responsibilities between them. In this regard, no one individual can influence the Board's discussions and decision-making. Generally, the Chairman would lead the Board in its collective oversight of management, while the CEO focuses on the business and day-to-day management of the Company. The distinct and separate roles of the Chairman and CEO, with a clear division of responsibilities, ensure a balance of power and authority, such that no one individual has unfettered powers of decision-making, and are clearly defined in the Board Charter.

1.4 The Chairman of the Board is also the Chairman of the Nomination Committee (“**NC**”) and member of the two (2) Board Committees, namely the Audit Committee (“**AC**”) and Remuneration Committee (“**RC**”).

The Board took cognisance that having the same person assume the position of chairman of the Board and member of other board committees gives rise to the risk of self-review and may impair the objectivity of the chairman and the Board when deliberating on the observations and recommendations put forth by the board committees. However, Datuk Lee Say Tshin is not involved in management and operational matters of the Company, and he always provides constructive ideas and opinions to the Board and Board Committees respectively based on different perspectives as a Board Chairman and member of Board Committees.

1.5 The Company is supported by two (2) suitably qualified and competent Company Secretaries. Both Company Secretaries are qualified Chartered Secretaries under Section 235(2)(a) of the CA 2016 and are Fellow members of the Malaysian Association of the Institute of Chartered Secretaries and Administrators (“**MAICSA**”). The Company Secretaries are external company secretaries from Securities Services (Holdings) Sdn. Bhd. with vast knowledge and experience from being in public practice and is supported by a dedicated team of company secretarial personnel.

The Company Secretaries, or together with their representatives, had during the year:

- together with the Management, managed all Board and Board Committee meeting logistics;
- attended and recorded minutes of all Board and Board Committee meetings and facilitates Board communications;
- advised the Board on its roles and responsibilities;
- briefed the Board the latest letters and circulars issues by Bursa Malaysia Berhad;
- facilitate the conduct of the assessments to be undertaken by the Board and Board Committees as well as compile the results of the assessment;
- advised the Board on corporate disclosures and compliance with company and securities regulations and listing requirements; and
- managed proceedings pertaining to the Twenty-Fourth Annual General Meeting (“**AGM**”).

The Company Secretaries had and will continue to constantly keep themselves abreast on matters concerning company law, the capital market, corporate governance, and other pertinent matters, and with changes in the same regulatory environment, through continuous training and industry updates. They have also attended many relevant continuous professional development programmes as required by the MAICSA for practicing chartered secretaries.

The Board is satisfied with the performance and support rendered by the Company Secretaries to the Board in the discharge of its function and duties.



- 1.6 The Notice of the Board and Board Committee meetings are served to the Directors and Board Committee members at least five (5) business days prior to the Board Meeting unless there is an exceptional case.

All meeting materials are circulated to Directors at least five (5) business days in advance of Board and Board Committee meetings via email to allow ample time for Directors to consider the relevant information.

The Minutes of the Board and Board Committee meetings are circulated to the respective Chairman/Chairperson in a timely manner for review before they are confirmed. All Board members reviewed and confirmed the minutes of meetings to ensure they accurately reflect the deliberations and decisions of the Board, including whether any Director abstained from voting or deliberation on a particular matter.

## 2.0 Demarcation of Responsibilities

- 2.1 The Board has a Board Charter that is in line with the MCCG. The updated Board Charter clearly identifies the respective roles and responsibilities of the Board, Board Committees, individual directors and Management, as well as issues and decisions reserved for the Board, the Board's governance structure and authority, and Terms of Reference ("TOR") of the Board Committees and Management. The updated Board Charter is available on the Company's website at [www.cjcentury.com](http://www.cjcentury.com).

As part of its efforts to ensure the effective discharge of its duties, the Board has delegated certain functions and authorities to three (3) of its Board Committees, namely, AC, NC and RC. These Committees are entrusted with specific responsibilities to assist the Board in overseeing the Company's affairs, in accordance with their limits of authority and respective TOR, which are published on the Company's website at [www.cjcentury.com](http://www.cjcentury.com) together with the Board Charter. These TOR are reviewed as and when the need arises, and were recently amended to reflect the latest compliance requirements as a result of changes in the regulatory framework. The Board keeps itself abreast of the responsibilities delegated to each Board Committee, and matters deliberated at each Board Committee meeting through the minutes of the Board Committee meetings and reports by the respective Board Committee Chairman / Chairperson, at Board meetings.

### AC

*Details on the AC are contained in the AC Report in this Annual Report.*

### RC

*Details on the RC are contained in the 2021 Corporate Governance Report.*

### NC

During the FY 2021, the NC comprised three (3) Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director as follows:

Name	Designation	Directorship
Datuk Lee Say Tshin	Chairman	Independent Non-Executive Director
Winston Tan Kheng Huang	Member	Independent Non-Executive Director
Saryani Binti Che Ab Rahman	Member	Independent Non-Executive Director
Park Chul Moon	Member	Non-Independent Non-Executive Director

### Activities of the NC

During the FY 2021, the NC had met once and performed the following activities in the discharge of its duties:

- Recommended the appointment of a Non-Independent Non-Executive Director and another Executive Director nominated by CJ Logistics Asia Pte. Ltd., the substantial shareholder of the Company
- Recommended the re-election of the directors who are to retire by rotation at the Twenty-Fourth AGM of the Company
- Reviewed the contribution and performance of each individual director to assess the character, experience, integrity, and competence to effectively discharge their role as a director through a comprehensive assessment system
- Reviewed the required mix of skills and experience and other qualities of the Board
- Evaluated the performance of the Board and the Board committees
- Assessed the independence of the Independent Directors of the Company
- Reviewed the term of office of the AC and assessed its effectiveness as a whole
- Reviewed training programmes for year 2021 for the Board

In recommending suitable candidates for directorships and Board committees to the Board, the NC takes into consideration the candidate's experience, competency, character, time commitment and potential contribution to the Group. Any new nomination received is recommended to the Board after a comprehensive assessment and the NC's endorsement.

The attendance of Directors who are members of Board Committees during the FY 2021 is set out below:

Director	Designation	AC	NC	RC
Datuk Lee Say Tshin	Independent Non-Executive Director	5/5	2/2	1/1
Winston Tan Kheng Huang	Independent Non-Executive Director	5/5	2/2	1/1
Saryani Binti Che Ab Rahman	Independent Non-Executive Director	5/5	2/2	1/1
Hong Sung Yong (Resigned on 30 April 2021)	Non-Independent Non-Executive Director	1/1	Not member	1/1
Park Chul Moon	Non-Independent Non-Executive Director	Not member	2/2	Not member
Kim Tae Gyun (Appointed on 21 May 2021)	Non-Independent Non-Executive Director	4/4	Not member	0/0*

\* Appointed as the Chairman of the RC on 21 May 2021 and there was no RC meeting held thereafter during the FY 2021.

All other Directors do not sit on Board Committees.

### 3.0 Good Business Conduct and Healthy Corporate Culture

- 3.1 The Board had adopted a Code of Conduct and Ethics in order to maintain the highest level of integrity and ethical conduct of the Board, Management and employees of the Group and to provide guidance to strive to uphold the ethical conduct in the Board and / or employees daily.

The Code of Conduct and Ethics covered this following:

- conflict of interest
- confidentiality of information
- grievance procedure
- disciplinary procedure
- absenteeism and tardiness
- misconduct
- dress code
- corruption
- whistleblowing

A copy of the Code of Conduct and Ethics is available on the Company's website at [www.cjcentury.com](http://www.cjcentury.com).

Employees are made aware that relevant disciplinary actions will be taken for unethical behaviour and misconduct.

- 3.2 The Company has in place a formalised Whistleblowing Policy which is incorporated in the Code of Conduct and Ethics. If an employee has information or proof of any cases of corruption, fraud or malpractice, he /she is encouraged to bring the issue to the attention of the Whistleblowing Committee.

For the FY 2021, there was one (1) whistleblowing report which has been received relating to an operation head. The matter has been addressed by the Group's Human Resources and Administration Department.

## 4.0 Sustainability

4.1 The following are the five (5) pronged approaches applied by the Company in achieving business sustainability:-

- (a) Strengthen balance sheet to enable business expansion;
- (b) Build capital and liquidity with implementation of aggressive cost control measures;
- (c) Drive sustainability-led initiatives group-wide, prioritising health and safety above all else;
- (d) Accelerate adoption of digitalisation initiatives; and
- (e) Prioritise talent development capable of leading a high-performance organisation.

As part of the efforts in promoting and building sustainability momentum within the Group, the Management has strengthened the Environmental, Social and Governance integration into the group wide operations in the FY 2021, with a particular focus on environmental and social dimensions. Please refer to the Sustainability Report in the Annual Report for further details.

- 4.2 The Company has engaged with stakeholders in a variety of ways which had been done at both the business units and group levels through formal and informal activities. The collective opinions and insights from the stakeholders help the Board make informed decisions, while aligning the stakeholders' expectations with the Company's sustainability priorities and business approach.
- 4.3 The Board through the NC assesses the training programmes attended by each Director during the FY 2021 to ensure that the Directors had and will continue to constantly keep them abreast on the relevant requirements and matters concerning the sustainability, including the latest development in industry as well as the sustainability issues relevant to the Group.
- 4.4 The Company has established a dedicated Sustainability Committee to embed decision-making and identify risks and opportunities related to sustainability factors. The functions of the Sustainability Committee include establishing and reviewing objectives, strategies, action plans related to sustainability involving stakeholders' engagement. The Committee is tasked to report to the Board on the status of sustainability activities. As part of the sustainability initiative, the Company has also established the key performance indicators ("KPI"), identified action plans for all the sustainability matters and assigned responsibility to specific departments and individuals to track progress and compile results.

## 5.0 Board Composition

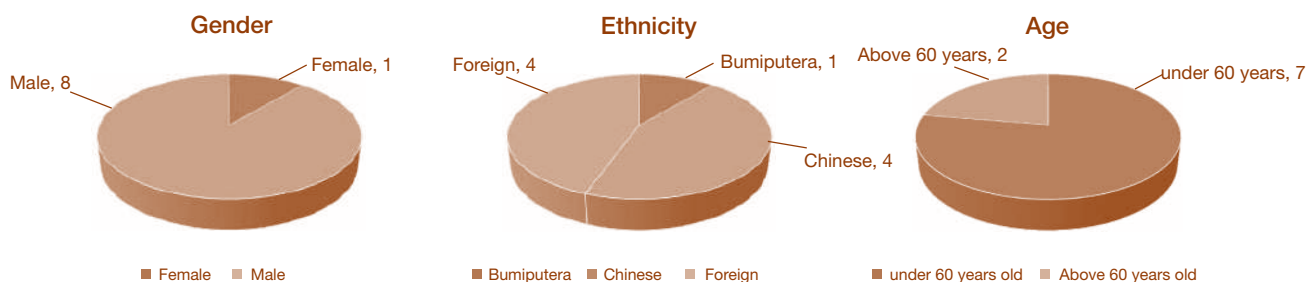
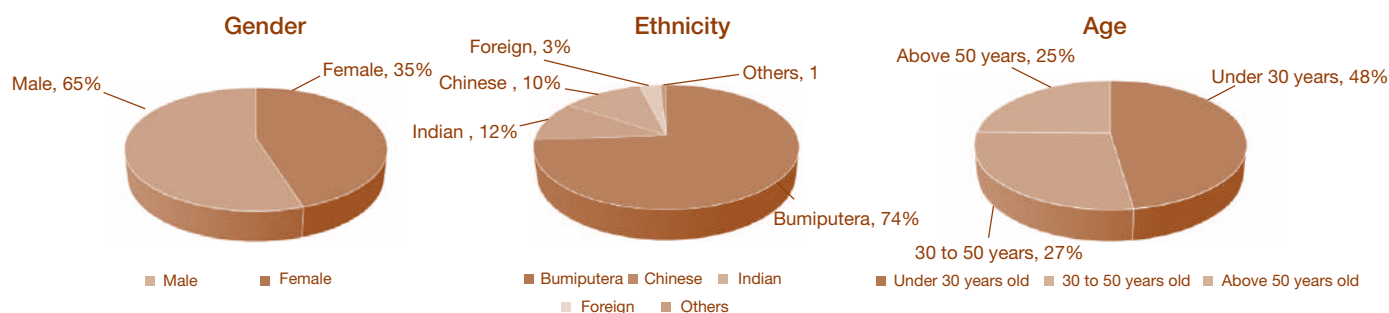
- 5.1 The NC oversees and reviews on an on-going basis, the overall composition of the Board in terms of size, the required mix of skills, experience and other qualities and core competencies for the Directors of the Company. The effectiveness of the Board as a whole and the contribution and performance of each individual Director to the effectiveness of the Board and the Board Committees will also be assessed by the NC on an annual basis.
- 5.2 For the FY 2021, the Board comprises nine (9) members, of which three (3) of them are Independent Non-Executive Directors, three (3) of them are Non-Independent Non-Executive Directors and three (3) of them are Executive Directors. Although less than half of the Board comprises Independent Directors, the Board views the number of its Independent Non-Executive Directors as adequate to provide the necessary check and balance to the Board's decision-making process. Further, as the Chairman of the Board is independent, the Chairman of the Board provides the strong leadership necessary to marshal the Board's priorities objectively.
- 5.3 The NC assessed the independence of the Independent Directors and monitors their tenure annually.

None of the Independent Directors has exceeded a cumulative term of nine (9) years in the Company as at 31 December 2021.

- 5.4 The Board has not adopted a policy which limits the tenure of its Independent Directors to nine (9) years, being a step up practice.
- 5.5 The Board is supportive of boardroom diversity as it can offer greater depth and breadth compared to non-diverse board.

The Board practices no discrimination in terms of appointment of Directors as well as hiring employees wherein the Directors and Senior Management are recruited based on their merit, skills and experiences and not driven by age, cultural background and gender.

For the FY 2021, there is one (1) female Director on the Board.

**Gender, Ethnicity and Age Diversities in the Board****Gender, Ethnicity and Age Diversities in the workforce**

- 5.6 Where and when appropriate, the Board will prioritise the appointment of more female Directors to the Board and senior management, based on needs and merits.

CJ Logistics Corporation had nominated Kim Tae Gyun and Sung Hyunsup to be appointed as the Directors in place of Hong Sung Yong and Lee Eui Sung who resigned on 30 April 2021 and 25 August 2021 respectively. Kim Tae Gyun and Sung Hyunsup were appointed to the Board on 21 May 2021 and 25 August 2021.

The Board acknowledges the importance of not solely relying on recommendations from existing Board members, Management or major shareholders in identifying candidates for appointment of Directors, but trust that the nomination has its merits. The NC and the Board reviewed Kim Tae Gyun and Sung Hyunsup's credentials and believe that they are suitably qualified to be appointed in replacement of Hong Sung Yong and Lee Eui Sung as Directors of the Company.

The Board is allowed by the Board Charter to use a variety of approaches and sources to ensure that it is able to identify the most suitable candidates and will consider independent sources as and when required.

- 5.7 The performance of retiring Directors who are recommended for re-election at the forthcoming AGM would be assessed through the Board and Board Committee evaluations which includes the independence of Independent Non-Executive Director, if any.
- 5.8 The NC is chaired by Datuk Lee Say Tshin, the Independent Director appointed by the Board, who is also the Chairman of the Board. The NC Chairman has led the annual review of Board effectiveness, ensuring that the performance of each individual Director is independently assessed and will lead the succession planning and appointment of future Board members.
- 5.9 The Board recognises that a gender-diverse Board could offer greater depth and breadth whilst the diversity at key senior management would lead to better decision-making.

Currently, there is one (1) female Director on the Board. The Board affirms that appointment of more woman representatives to the Board and senior management will be prioritised when vacancies arise and when suitable candidates are identified.

- 5.10 The gender diversity strategies are set out in the Board Charter of the Company.

The Board is supportive of gender diversity in the Board composition as recommended by the MCCG and will endeavour to continuously identify and assess suitably qualified female candidates for nomination.

## 6.0 Overall Effectiveness of the Board

6.1 The Board has, through the NC, conducted the following annual assessments in the FY 2021:

- Directors' self-assessment;
- Evaluation on the effectiveness of the Board as a whole and Board Committees;
- Assessment of Independent Directors; and
- Review of the term of office and performance of AC and each of its members.

Based on the outcome of the evaluation, the NC is:

- Satisfied with the performance of the individual Director;
- Satisfied with the effectiveness of the Board and Board Committees;
- Satisfied with the level of independence demonstrated by the Independent Directors and their ability to act in the best interest of the Company; and
- Satisfied with the performance of the AC and each of its members.

The Board will consider engaging a professional, experienced and independent party to lend greater objectivity to the assessments as and when required.

## 7.0 Level and Composition of Remuneration

7.1 The Board believes that competitive remuneration is important to attract, retain and motivate Directors with necessary calibre, expertise and experience to lead the Group in the long term. The Board had adopted policies and procedures to determine the remuneration of Directors and senior management which takes into account the demands, complexities and performance of the Company as well as skills and experience required to determine the remuneration of Directors and senior management.

7.2 During the FY 2021, the RC comprised only Non-Executive Directors and a majority of them are Independent Directors. Nonetheless, following the review of the NC and the Board's approval of the change in the RC's composition on 24 February 2022, the RC now comprises a majority of Non-Executive Directors.

## 8.0 Remuneration of Directors and Senior Management

8.1 The breakdown of the remuneration of each individual Director is as follows:

*Executive Directors (from the Company and Group)*

Director	Salary, Bonus and EPF (RM)	Other benefits (RM)	Total (RM)
Teow Choo Hing, CEO	2,932,413	15,500	2,947,913
Yeap Khoo Soon Edwin, Executive Director	934,990	23,950	958,940

*Executive Director (from the Group)*

Director	Salary, Bonus and EPF (RM)	Other benefits (RM)	Total (RM)
Lee Eui Sung, Deputy CEO (to 25 August 2021)	592,592	111,212	703,804
Sung Hyunsup, Deputy CEO (from 25 August 2021)	283,296	22,904	306,200



The abovementioned Executive Directors did not receive any other form of remuneration from the Company or the Group, save as disclosed above.

*Independent Non-Executive Directors*

Director	Fees (RM)	Meeting allowances (RM)	Total (RM)
Datuk Lee Say Tshin	120,000	7,000	127,000
Saryani binti Che Ab Rahman	96,000	7,000	103,000
Winston Tan Kheng Huang	72,000	7,000	79,000

The Independent Non-Executive Directors are also entitled to the Company's Hospital and Surgical Plan.

*Non-Independent Non-Executive Directors*

The Non-Independent Non-Executive Directors, namely Hong Sung Yong (to 30 April 2021), Kim Tae Gyun (from 21 May 2021), Park Chul Moon and Jonathan Park do not receive any fees or any other form of remuneration from the Company or the Group during the FY 2021.

- 8.2 The Board is of the view that it is inappropriate to disclose the remuneration of the top five (5) senior management's remuneration for the best interest of the Group by virtue that the information is subject to the Personal Data Protection Act 2010, that requires written consent from the respective senior management personnel for disclosure of their personal data to the public at large, and taking into consideration the sensitivity, security, and issue of staff morale.
- 8.3 The Company is of the view that the disclosure of the detailed remuneration of each member of senior management on a named basis would not derive any tangible benefits to the stakeholders.

## PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

### 9.0 Effective and Independent AC

- 9.1 The AC is chaired by Puan Saryani Binti Che Ab Rahman, an Independent Non-Executive Director, which is a separate person from the Chairman of the Board.

She is responsible to ensure the overall effectiveness and independence of the AC. Together with other members of the AC, she had ensured among others that:

- the AC is fully informed about significant matters related to the Company's audit and its financial statements and addresses these matters;
- the AC appropriately communicates its insights, views and concerns about relevant transactions and events to internal and external auditors;
- the AC's concerns on matters that may have an effect on the financial or audit of the company are communicated to the external auditor; and
- there is co-ordination between internal and external auditors.

- 9.2 The TOR of the AC will be updated to include the latest requirement in the MainLR for a former partner of the external audit firm of the Company to observe a cooling off period of at least three (3) years and the same will be tabled to the AC meeting to be held in May 2022 for discussion before recommending to the Board for approval.

- 9.3 The AC has established policies and procedures to assess the suitability, objectivity and independence of external auditors and such assessment would be carried out annually.

During the FY 2021, the AC and the Board proposed and recommended that Messrs. Ernst & Young PLT be re-appointed as the external auditors of the Company and this was approved by the shareholders of the Company at the Twenty-Fourth AGM of the Company based on the credentials and resources of Messrs. Ernst & Young PLT, as well as their communication with the Audit Committee.

Messrs. Ernst & Young PLT also provided its written assurance to the AC that they are, and have been, independent through the conduct of the audit engagement in accordance with By-Laws of the Malaysian Institute of Accountants.

- 9.4 The AC comprises a majority of Independent Directors, which is in compliance with the MainLR.
- 9.5 As promulgated by the MCGG, the AC should collectively possess a wide range of necessary skills to discharge its duties, and that all members should be financially literate and are able to understand matters under the purview of the AC including the financial reporting process. The Board regards that the members of the AC collectively possess the accounting and related financial management expertise and experience required for the AC to discharge its responsibilities and assist the Board in its oversight over the financial reporting process.

All members of the AC have also undertaken and will continue to undertake continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules as and when required.

## 10.0 Risk Management and Internal Control

- 10.1 The Board is supported by the Risk Management Committee to identify, assess and monitor the key business risks of the Company in order to safeguard shareholders' investment and Company's assets.

The members of the Risk Management Committee comprises the CEO, Deputy CEO, the Executive Director and the Chief Operating Officer.

Risk Manager is assumed by the Executive Director and additional resources or manpower would be identified to facilitate the coordination and monitoring process as and when required.

- 10.2 The Company also engages the internal auditors to provide independent assessments on the adequacy, efficiency and effectiveness of the Company's internal control system. The internal auditors reports directly to the AC and internal audit plans are tabled to the AC for review and approval by the Board to ensure adequate coverage.

The risk management and internal control are ongoing processes, which are undertaken by each department. The Company will continuously enhance the existing system of risk management and internal control by taking into consideration the changing business environment.

Further details on the features of the risk management and internal control framework, and the adequacy and effectiveness of this framework, are disclosed in the Statement on Risk Management and Internal Control in this Annual Report.

## 11.0 Effective Governance, Risk Management and Internal Control Framework

- 11.1 The internal audit function of the Company is carried out by an outsourced professional service firm that assists the AC and the Board in managing the risks and establishment of the internal control system and processes of the Company by providing an independent assessment on the adequacy, efficiency and effectiveness of the Company's risk management and internal control system and processes. The internal auditors reports directly to both the AC and the Board.

The internal auditors has and will continue to keep abreast with developments in the profession, relevant industry and regulations.

The internal audit function is independent of the operations of the Company and provides reasonable assurance that the Company's system of internal control is satisfactory and operating effectively.

Further details of the internal audit function are set out in the Statement on Risk Management and Internal Control and the AC Report of this Annual Report.

- 11.2 The internal audit function is outsourced to Tricor Axcelasia Sdn. Bhd. and the internal audit staff on the engagement are free from any relationships or conflicts of interest, which could impair their objectivity and independence.

The staff involved in the internal audit reviews possess professional qualifications and/or a university degree. Most of them are members of the Institute of Internal Auditors Malaysia. The Engagement Partner has a diverse professional experience in internal audit, risk management and corporate governance advisory.

The internal audit was conducted using a risk-based approach and was guided by the International Professional Practice Framework (IPPF).

## PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

### 12.0 Continuous Communication between the Company and Stakeholders

- 12.1 The Board believes that a constructive and effective investor relationship is essential in enhancing shareholder value. The Board, in its best efforts, always keeps the shareholders and various stakeholders informed of the Company's business and corporate development and ensures that the Company's communication with them is transparent and timely. Announcements, news, promotions and all relevant updates are posted on the Company's website regularly. Shareholders may also communicate with the Company on investor relation matters by posting their enquiries to the Company through the Company's web enquiry form on its website. The Company will endeavour to reply to these enquiries in the shortest possible time.
- 12.2 The Company is not categorised as "Large companies" and hence, have not adopted integrated reporting based on a globally recognised framework.

### 13.0 Encourage Shareholders Participation at General Meetings

- 13.1 The Notice for the Twenty-Fourth AGM that was scheduled to be held on 22 April 2021 was issued less than 28 days prior to the meeting but was still in good time to give shareholders a good lead time to read and consider the resolutions to be resolved.

The Notice of General Meeting provides explanation beyond the minimum content stipulated in the MainLR for the resolutions proposed along with any background information and reports or recommendation that are relevant, where required and necessary, to enable shareholders to make an informed decision in exercising their voting rights.

- 13.2 All the Directors of the Company attended the Twenty-Fourth AGM of the Company held on 22 April 2021 on a fully virtual basis to engage with shareholders and proxies proactively.

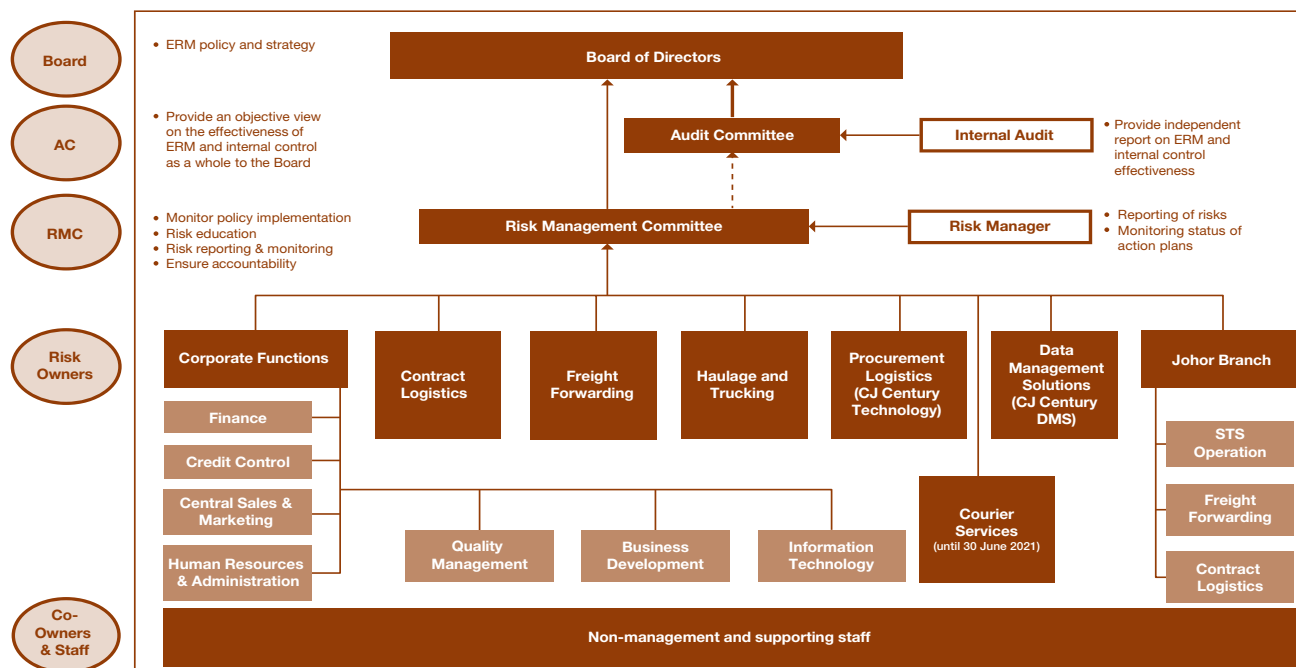
The said AGM included an avenue for questions by and answers to shareholders and proxies. The Chairman had invited shareholders and proxies to raise their questions on the Company's financial statements and other items for approval at the said AGM via Securities Services e-Portal.

- 13.3 In view of the current COVID-19 pandemic, the Company had taken the necessary precautions and preventive measures in complying with the directives issued by the Ministry of Health Malaysia. These include the option of remote shareholders and proxy participation at the AGM. At its virtual Twenty-Fourth AGM held on 22 April 2021, the Company had continued to leverage on technology to facilitate remote shareholders' participation and electronic voting for the conduct of poll on the resolution.
- 13.4 The Chairman of the Board ensured that sufficient opportunities were given to shareholders and proxies to raise questions relating to the affairs of the Company and that adequate responses were given.
- 13.5 The Board had ensured that the required infrastructure and tools were in place to enable the smooth broadcast of the Twenty-Fourth AGM and meaningful engagement with the shareholders. The questions posed by the shareholders were responded by the Directors but not made visible to the participants of the Twenty-Fourth AGM in view that the AGM was held before the MCGG was revised to include this further recommendation. The Board would consider this for future general meetings.
- 13.6 The Minutes of the Twenty-Fourth AGM, which includes the questions raised by shareholders together with the responses by the Company and outcome of the voting results, was made available to the shareholders within thirty (30) business days after the Twenty-Fourth AGM at the Company's website at [www.cjcentury.com](http://www.cjcentury.com).

The Corporate Governance Overview Statement and the Corporate Governance Report are made in accordance with a resolution of the Board passed on 24 February 2022.

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

## Risk Reporting Structure



## INTRODUCTION

The Malaysian Code on Corporate Governance ("MCCG") sets out the principle that the Board of Directors ("Board") of a listed company should establish a sound risk management framework and internal control system to safeguard shareholders' investment and assets of the Group.

The Statement on Risk Management and Internal Control by the Board on the Group is made pursuant to paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and in accordance with the Principles and Recommendations relating to risk management and internal controls provided in the MCCG and as guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers.

## BOARD'S RESPONSIBILITY

The Board recognises and affirms its overall responsibility for the Group's system of risk management and internal controls practices for good corporate governance. The Board, through its various committees, has continuously reviewed the adequacy and effectiveness of the system, in particular the financial, operational, as well as compliance aspects of the Group throughout the financial year.

There is an ongoing process for identifying, evaluating and managing the significant risks faced by the Group in its achievement of objectives and strategies. The process has been in place during the year up to the date of approval of this statement and is subject to review by the Board. It should be noted, however, that such systems are designed to manage rather than to eliminate the risk of failure to achieve business objectives. In addition, it should be noted that these systems can only provide reasonable but not absolute assurance against material misstatement, loss or fraud.

The Board is assisted by Senior Management in implementing the Board approved policies and procedures on risk and control by identifying and analysing risk information; designing, operating suitable internal controls to manage and control these risks; and monitoring effectiveness of risk management and control activities.

The key features of the risk management and internal control systems are described below.

## RISK MANAGEMENT

The Group established an Enterprise Risk Management (“ERM”) Framework to proactively identify, evaluate and manage key risks to an optimal level. In line with the Group’s commitment to deliver sustainable value, this framework aims to provide an integrated and organised approach entity-wide. It outlines the ERM methodology which is guided by ISO 31000:2009, Risk management – Principles and guidelines, mainly promoting the risk ownership and continuous monitoring of key risks identified.

The Group has established a formal database of risks and controls where information is captured in the form of risk registers. Key risks of major business units are identified, assessed and analysed taking into consideration of their source of risk, existing key controls, risk impacts and the likelihood of occurrence. Risk profiles for the major business units are presented to the Risk Management Working Committee and Board for deliberation and approval for adoption. Comprehensive action plans to address key risks are continuously being developed by the respective risk owners.

The risk profile of the major business units of the Group are monitored by its respective Senior Management. The risks identified for the Group were considered in formulating the strategies and plans that were approved and adopted by the Board. The strategies and plans are monitored and revised as the need arises. These processes are embedded within the Group’s overall business operations and guided by the documented policies and procedures.

## INTERNAL CONTROL

The Board receives and reviews regular reports from the Management on key financial data, performance indicators and regulatory matters. This is to ensure that matters that require the Board and Senior Management’s attention are highlighted for review, deliberation and decision on a timely basis. The Board approves appropriate responses or amendments to the Group’s policy. Besides, the results of the Group are reported quarterly and any significant fluctuations are analysed and acted on in a timely manner.

There is a comprehensive budgeting system that requires preparation of the annual budget by all major business units. The annual budget which contains financial, operating targets and performance indicators are reviewed and approved by the Executive Directors together with the Senior Management before being presented to the Board. The budgets are further reviewed and revised, if necessary, during the middle of the year in order to reflect changes in operating conditions affecting the Group.

Issues relating to the business operations are highlighted to the Board’s attention during Board meetings. The Audit Committee reviews internal control matters and update the Board on significant control gaps for the Board’s attention and action.

The other salient features of the Group’s systems of internal controls are as follows:

- Quarterly review of the financial performance of the Group by the Board and the Audit Committee;
- Defined organisation structure and delegation of responsibilities;
- Policies, Procedures and Standard Operating Procedures which are systematically documented, revised and made available to guide staff in their daily operations;
- Operations review meetings are held by the respective business units to monitor the progress of business operations, deliberate significant issues and formulate corrective measures;
- An ISO 9001 Quality Management System Committee reviews processes and documentation. Surveillance audits are conducted by assessors of the ISO certification bodies on a yearly basis to ensure that the system is adequately implemented;
- Areas for improvement are highlighted and the implementation of its recommendations is monitored;
- A structured recruitment process, a performance appraisal system and a wide variety of training and development programs are in place to maintain staff competency; and
- A Code of Conduct and Ethics is communicated to all employees of the Group.

## INTERNAL AUDIT

The Board acknowledges the importance of the internal audit function and has outsourced its internal audit function to an external consultant, as part of its efforts in ensuring that the Group’s systems of internal controls are adequate and effective. The internal audit activities of the Group are carried out according to an annual audit plan approved by the Audit Committee. The internal audit function adopts a risk-based approach and prepares its audit plans based on key risks identified. The internal audit provides an assessment of the adequacy and effectiveness of the Group’s system of internal controls, as well as recommendations, if any, for the improvement of the control policies and procedures. The results of the internal audit assessments are reported periodically to the Audit Committee.

The internal audit reports are reviewed by the Audit Committee and forwarded to Senior Management so that recommended corrective actions could be implemented. The Senior Management is responsible for ensuring that the necessary corrective actions on reported weaknesses are made within the required time frame.

A total cost of RM63,000 was spent on internal audit activities in 2021.



## REVIEW BY BOARD

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

- Senior Management within the organisation responsible for the development and maintenance of the risk management and internal control system; and
- The work by the internal audit function which submits reports to the Audit Committee together with the assessment of the internal controls systems relating to key risks and recommendations for improvement.

The Board considered the system of internal controls described in this statement to be satisfactory and the risks to be at an acceptable level within the context of the Group's business environment.

The Board and Senior Management will continue to take measures to strengthen the risk and control environment and monitor the risk and internal controls framework.

The Board discusses with the Executive Directors that the Group's risk management and internal control systems are operating adequately and effectively, in all material aspects based on the risk management and internal control systems of the Group.

In addition, the External Auditors have reviewed this Statement on Risk Management and Internal Control for inclusion in the Annual Report, and reported to the Board that nothing has come to their attention that causes them to believe that the Statement is inconsistent with their understanding of the process adopted by the Board in reviewing the adequacy and integrity of the system of internal control.

## CONCLUSION

For the financial year under review and up to the date of approval of this Statement on Risk Management and Internal Control, the Board is satisfied that the risk management and internal control system was satisfactory and has not resulted in any material loss, contingency or uncertainty. The Board has not identified any circumstances which suggest any fundamental deficiencies in the Group's internal control system.

The above statement is made in accordance with a resolution of the Board made on 24 February 2022.

## AUDIT COMMITTEE REPORT

### MEMBERS

Composition of the Audit Committee and details of attendance at the Audit Committee Meeting during the financial year ended 31 December 2021, where a total of five (5) meetings were held, are as follows:

	Number of Meetings Attended
Saryani Binti Che Ab Rahman (Chairperson / Independent Non-Executive Director)	5/5
Datuk Lee Say Tshin (Member / Independent Non-Executive Director)	5/5
Kim Tae Gyun (Member / Non-Independent Non-Executive Director)	4/4
Winston Tan Kheng Huang (Member / Independent Non-Executive Director)	5/5

The Terms of Reference of the Audit Committee is available for reference on the Company's website at [www.cjcentury.com](http://www.cjcentury.com).

### SUMMARY OF WORK OF THE AUDIT COMMITTEE

The following summarises the work of the Audit Committee in the discharge of its functions and duties during the financial year ended 31 December 2021 and how it has met its responsibilities in line with the Duties and Responsibilities as stipulated in its Terms of Reference:

- (a) reviewed the unaudited quarterly reports on the consolidated results of the Group for all the relevant financial quarters prior to recommending the same for the Board of Directors ("Board") approval;
- (b) reviewed and discussed the relevant business and financial updates from management, including enquiring on management's plans and strategies, every quarter;
- (c) reviewed the recurrent related party transactions of a revenue or trading nature of the Group every quarter;
- (d) reviewed the trade receivables of the Group every quarter;
- (e) reviewed the status of litigations concerning the Group every quarter;
- (f) reviewed and confirmed the minutes of the Audit Committee meetings every quarter;
- (g) reviewed and received internal audit reports by the internal auditors;
- (h) reviewed the annual audited financial statements of the Group while engaging actively with the external auditor prior to recommending the same for the Board's approval, taking into consideration significant risks and areas of audit focus, contingent liability, and compliance with the applicable approved accounting standards in Malaysia and other legal and regulatory requirements;
- (i) reviewed the external audit reports and assessed the auditor's findings and management's responses thereto in respect of the audit in respect of the financial year ended 31 December 2020;
- (j) reviewed and approved the external audit plan in respect of the financial year ended 31 December 2021;
- (k) met privately twice with the external auditors without the presence of the executive directors and management during Audit Committee meetings to enquire on whether there were any issues to be highlighted to the Audit Committee, awareness of fraud concerning the Group, if any, and/or management cooperation level, as well as to share the Audit Committee's expectations of the external auditors;
- (l) reviewed and evaluated with the external and internal auditors, the adequacy of the internal control and risk management systems of the Group;
- (m) reviewed the external audit fees prior to recommending the same for the Board's approval;
- (n) reviewed and approved the internal audit plan, including changes as necessary during the financial year ended 31 December 2021;
- (o) assessed the performance of the internal auditors;
- (p) reviewed the Audit Committee Report and Statement on Risk Management and Internal Control for inclusion in the Company's 2020 Annual Report;

## SUMMARY OF WORK OF THE AUDIT COMMITTEE (CONT'D)

- (q) reviewed the Circular to Shareholders dated 30 March 2021 in relation to the Proposed Renewal of Existing Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature and Proposed New Shareholders' Mandate for new Recurrent Related Party Transactions of a Revenue or Trading Nature and Share Buy-Back Statement in relation to the Proposed Renewal of Share Buy-Back Authority for the Company to Purchase its Own Shares; and
- (r) reported to the Board on the proceedings of each Audit Committee meeting (through the Audit Committee Chairperson).

## SUMMARY OF WORK OF THE INTERNAL AUDIT FUNCTION

The internal audit function is independent of the operations of the Group and provides reasonable assurance that the internal control system of the Group is satisfactory and operating effectively. The internal auditors adopted a risk-based approach towards the planning and conduct of audits, which are consistent with the Group's framework in designing, implementing and monitoring its internal control system.

The internal audit function was performed by external consultants during the year to identify and assess the principal risks and to review the adequacy and effectiveness of the internal controls of the Group. Areas for improvement were highlighted and the implementation of recommendations were monitored. None of the internal control weaknesses have resulted in any material losses, contingencies or uncertainties that would require disclosure in the Annual Report.

A summary of the work of the internal audit function for the financial year ended 31 December 2021 is as follows:

- (a) Performed internal audit work in accordance with the pre-approved internal audit plan, focusing on contract logistics, business development and Johor Branch;
- (b) Followed up on the implementation of agreed action plans for past internal audits;
- (c) Carried out reviews on the systems of internal control of the Group in ensuring proper safeguarding of assets, maintenance of accurate records and transactions, monitoring the quality of assets, compliance with relevant laws and regulations, adherence to established policies and procedures as well as management efficiency;
- (d) Presented the internal audit reports to the Audit Committee at three of their meetings;
- (e) Discussed with the Audit Committee on the adequacy of the internal control and risk management systems of the Group; and
- (f) Presented and discussed with the Audit Committee on the internal audit plan, including changes as necessary during the financial year ended 31 December 2021.

The internal auditors adopted a risk-based approach to prioritise the audit work and to scope the audits on high risk auditable areas. Internal audit's assurance provides a comprehensive review on the established controls to determine if they are appropriate, effectively applied and consistent with the Group's risk management policies. Audit recommendations for improvements to the existing system of internal controls and work processes are made to the Management for resolutions where necessary.

## DIRECTORS' RESPONSIBILITIES STATEMENT

The Directors are required under the provisions of the Companies Act 2016 to prepare financial statements which gives a true and fair view of the state of affairs of the Group and the Company as at the end of each financial year and their results and cash flows for each financial year. The Directors are of the view that they have adopted suitable accounting policies and applied them consistently, made judgements and estimates that are reasonable and prudent, as well as ensured that all applicable accounting standards have been followed. The financial statements are prepared on the going concern basis and the directors have ensured that proper accounting records are kept which disclose with reasonable accuracy the financial position of the Group and the Company and are kept in accordance with the Companies Act 2016. The Directors also have general responsibilities for taking the necessary and reasonable steps to safeguard the assets of the Group, and to detect and prevent fraud as well as other irregularities.



# FINANCIAL STATEMENTS

Directors' Report	<b>58</b>
Statement by Directors	<b>62</b>
Statutory Declaration	<b>62</b>
Independent Auditors' Report	<b>63</b>
Statements of Comprehensive Income	<b>67</b>
Statements of Financial Position	<b>69</b>
Statements of Changes in Equity	<b>71</b>
Statements of Cash Flows	<b>73</b>
Notes to the Financial Statements	<b>76</b>



## DIRECTORS' REPORT

The directors have pleasure in presenting their report together with the audited financial statements of the Group and the Company for the financial year ended 31 December 2021.

### PRINCIPAL ACTIVITIES

The Company is principally an investment holding company. The principal activities of the Company's subsidiaries are disclosed in Note 15 to the financial statements.

There have been no significant changes in the nature of the principal activity during the financial year.

### RESULTS

	The Group RM'000	The Company RM'000
Profit/(loss), net of tax	6,707	(13,484)
Attributable to:		
Owners of the company	6,722	(13,484)
Non controlling interests	(15)	–
	6,707	(13,484)

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

In the opinion of the directors, the results of the operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature, other than effect arising from the disposal of subsidiary as disclosed in Note 15 (c) to financial statements.

### DIVIDENDS

Since the end of the previous financial year, no dividend has been paid or declared by the Company.

The directors do not recommend the payment of any dividend in respect of the current financial year.

## DIRECTORS

The names of the directors of the Company in office since the beginning of the financial year to the date of this report are:

Datuk Lee Say Tshin  
 Teow Choo Hing  
 Yeap Khoo Soon Edwin  
 Park Chul Moon  
 Jonathan Park  
 Winston Tan Kheng Huang  
 Saryani Binti Che Ab Rahman  
 Kim Tae Gyun (appointed on 21 May 2021)  
 Sung Hyunsup (appointed on 25 August 2021)  
 Hong Sung Yong (resigned on 30 April 2021)  
 Lee Eui Sung (resigned in 25 August 2021)

The names of the directors of the Company's subsidiaries in office since the beginning of the financial year to the date of this report are:

Teow Choo Hing  
 Yeap Khoo Soon Edwin  
 Fadil Bin Saharudin  
 Heng Mon Sing  
 Wan Zanil Hairiz Bin Harun  
 Kim Pil Young  
 Lee Hyo Hee  
 Zurkarnain Bin Aziddin  
 Park Chul Moon (appointed on 1 July 2021)  
 Sung Hyunsup (appointed on 1 September 2021)  
 Mohamad Azlin Bin Dzulkifli (appointed on 17 January 2022)  
 Lee Eui Sung (resigned on 1 September 2021)  
 Hong Sung Yong (resigned on 1 July 2021)  
 Albert Soo Boon Hock (resigned on 8 July 2021)  
 Sabarin Bin Ibrahim (resigned on 17 January 2022)

## DIRECTORS' BENEFITS

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement, to which the Company was a party, whereby the directors might acquire benefits by means of acquisition of shares in or debentures of the Company or any other body corporate.

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the directors as shown in Note 8 to the financial statements) by reason of a contract made by the Company or a related corporation with any director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest, except as disclosed in Note 21 to the financial statements.

## INDEMNITY TO DIRECTORS

The Company maintained a Directors' and Officers' Liability Insurance ("D&O Insurance") of RM10,000,000 in respect of liabilities arising from civil claims against its directors and officers for alleged wrongful acts committed in their capacity as directors and officers while holding office for the Group and the Company.

## DIRECTORS' INTERESTS

According to the register of directors' shareholdings, the interests of directors in office at the end of the financial year in shares and options over shares in the Company and its related corporations during the financial year are as follows:

	Balance as at 1.1.2021	Number of ordinary shares		Balance as at 31.12.2021
		Bought	Sold	
Shares in the Company				
Direct interest				
Teow Choo Hing	47,374,194	500,000	—	47,874,194
Yeap Khoo Soon Edwin	2,962,300	420,000	—	3,382,300
Indirect interest				
Teow Choo Hing *	2,224,416	—	—	2,224,416
Datuk Lee Say Tshin *	80,000	—	—	80,000

\* Indirect interest pursuant to Section 59(11)(c) of the Companies Act 2016.

By virtue of the above directors' interests in the shares of the Company, they are also deemed to have an interest in the shares of all the subsidiaries of the Company to the extent that the Company has an interest.

None of the other directors in office at the end of the financial year held shares or had any beneficial interest in the shares of the Company or its related corporations during the financial year.

## ISSUE OF SHARES

The Company did not issue any new shares or debentures during the financial year.

## TREASURY SHARES

During the financial year, the Company bought back 1,757,700 of its issued ordinary shares from the open market at average price of RM0.47 per share. The total consideration paid for the purchase was RM829,000.

The treasury shares are held in accordance with Section 127(4)(b) of the Companies Act 2016 at a carrying amount of RM4,197,000 as at year end.

## OTHER STATUTORY INFORMATION

- (a) Before the statements of comprehensive income and statements of financial position of the Group and of the Company were made out, the directors took reasonable steps:
  - (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for expected credit loss and satisfied themselves that all known bad debts had been written off and that adequate allowance for expected credit loss had been made for receivables; and
  - (ii) to ensure that any current assets which were unlikely to realise their value as shown in the accounting records in the ordinary course of business have been written down to an amount which they might be expected so to realise.
- (b) At the date of this report, the directors are not aware of any circumstances which would render:
  - (i) the amount written off for bad debts or the amount of the allowance for expected credit loss in the financial statements of the Group and of the Company inadequate to any substantial extent; and
  - (ii) the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

## OTHER STATUTORY INFORMATION (CONT'D)

- (c) At the date of this report, the directors are not aware of any circumstances 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.
- (d) At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.
- (e) As at the date of this report, there does not exist:
  - (i) 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
  - (ii) any contingent liability of the Group and of the Company which have arisen since the end of the financial year.
- (f) In the opinion of the directors:
  - (i) 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 will or may affect the ability of the Group and of the Company to meet their obligations when they fall due; and
  - (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

## SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

Significant events during the financial year are disclosed in Note 15 to the financial statements.

## HOLDING COMPANIES

The immediate holding company is CJ Logistics Asia Pte. Ltd. which is incorporated in Singapore. The intermediate holding companies are CJ Logistics Corporation and CJ CheilJedang Corporation. The ultimate holding company is CJ Corporation, a company listed in the Korean Exchange. All of these companies are incorporated in South Korea.

## AUDITORS

The auditors, Ernst & Young PLT, have expressed their willingness to continue in office.

## AUDITORS' REMUNERATION

The remuneration of the auditors of the Group and of the Company is disclosed in Note 6 to the financial statements.

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young PLT, as part of the terms of its audit engagement against claims by third parties arising from the audit for an unspecified amount. No payment has been made to indemnify Ernst & Young PLT during the financial year.

Signed on behalf of the Board in accordance with a resolution of the directors dated 24 February 2022.

**TEOW CHOO HING**

**SUNG HYUNSUP**

## STATEMENT BY DIRECTORS

### Pursuant to Section 251(2) of the Companies Act 2016

We, Teow Choo Hing and Sung Hyunsup, being two of the directors of **CJ CENTURY LOGISTICS HOLDINGS BERHAD**, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 67 to 139 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements 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 at 31 December 2021 and of its financial performance and the cash flows for the year then ended.

Signed on behalf of the Board in accordance with a resolution of the directors dated 24 February 2022.

**TEOW CHOO HING**

**SUNG HYUNSUP**

## STATUTORY DECLARATION

### Pursuant to Section 251(1)(b) of the Companies Act 2016

I, Kim Pil Young, being the Chief Financial Officer primarily responsible for the financial management of **CJ CENTURY LOGISTICS HOLDINGS BERHAD**, do solemnly and sincerely declare that the accompanying financial statements set out on pages 67 to 139 are in my opinion 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 Kim Pil Young  
at Selangor on 24 February 2022.

**KIM PIL YOUNG**

Before me,

**COMMISSIONER FOR OATHS**



# INDEPENDENT AUDITORS' REPORT

To the members of CJ CENTURY LOGISTICS HOLDINGS BERHAD  
(Incorporated in Malaysia)

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

### **Opinion**

We have audited the financial statements of CJ CENTURY LOGISTICS HOLDINGS BERHAD, which comprise the statements of financial position as at 31 December 2021 of the Group and of the Company, and statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 67 to 139.

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 2021, and of its financial performance and cash flows for the 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 audit 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 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 the 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 year. We have determined that there are no key audit matters to communicate in our report on the financial statements of the Company. The key audit matter for the audit of the financial statements of the Group is described below. This matter was addressed in the context of our audit of the financial statements of the Group as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter. For the matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditors' responsibilities for the audit of the financial statements* section of our report, including in relation to this matter. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis of our audit opinion on the accompanying financial statements.

#### **1. Total logistics services revenue recognition**

(Refer to Note 2.5 (b) and Note 4 to the financial statements)

The Group's revenue is mainly derived from total logistics services rendered. Revenue recognised over time (i.e. over the period of service delivery) by the Group during the year from total logistics services amounted to RM616.3 million, representing 73% of the Group's revenue from continuing operations for the year ended 31 December 2021.

We have identified revenue recognition in respect of total logistics services recognised over time to be an area of audit focus as we consider the high volume of transactions to be a possible cause of higher risk of material misstatements in the timing and amount of revenue recognised. Specifically, we focused our audit efforts to determine the possibility of overstatement of revenue.

**Key audit matters (cont'd)****1. Total logistics services revenue recognition (cont'd)**

To address this area of audit focus, we performed, amongst others, the following procedures:

- We obtained an understanding of the Group's internal controls over the timing and amount of revenue recognised;
- We involved our information technology specialists to test the operating effectiveness of the automated controls over timing and amount of revenue recognised;
- We tested the non-automated controls over completeness and measurement of revenue recognised;
- We read, on a sampling basis, the sales contracts entered into with customers to obtain an understanding of the specific terms and conditions;
- We performed correlation analysis between revenue, trade receivables and cash and bank balances using data analytics; and
- We tested samples of transactions close to the year end, to establish whether the transactions were recorded in the correct accounting period

**2. Impairment assessment of goodwill arising from acquisition of CJ Korea Express Malaysia Sdn. Bhd. group ("CJKX")**

(Refer to Note 2.5(a), Note 2.5(j), Note 3.2(ii), Note 15(a) and Note 16 to the financial statements)

The Group had on 30 June 2020 completed the acquisition of 100% equity interest in CJKX. In accordance with MFRS 3 Business Combinations, the Group was provided a measurement period of not exceeding one year from the acquisition date, to obtain the information necessary to identify and measure all of the various components of the business combination as of the acquisition date. The final goodwill arising from the acquisition of CJKX was determined to be RM21,932,000 as disclosed in Note 15 (a) to the financial statements.

As required by MFRS 136 Impairment of Assets, an impairment review is performed on goodwill at least annually and when there is an indicator of impairment. In carrying out the impairment assessment of goodwill, management determined the recoverable amount based on the value-in-use ("VIU") calculation of the cash-generating unit ("CGU"). The recoverable amount of the CGU was higher than its carrying amount, and therefore, no impairment losses need to be recognised.

We focused on the impairment testing as the impairment assessment prepared is complex, and contains assumptions, particularly budgeted gross margin, growth rates and discount rates that are inherently uncertain. The key assumptions are as disclosed in Note 16 to the financial statements.

In addressing this area of audit focus, we performed amongst others, the following procedures:

- We assessed the assumptions to determine if they are appropriate and supportable by comparing those assumptions with historical trends, taking into consideration the current and expected outlook of the industry;
- We involved internal specialists to assess the appropriateness of the methodology adopted, the discount rate and terminal growth rate applied in the discounted cash flow projections;
- We assessed the mathematical accuracy of the VIU calculation; and
- We evaluated the Group's disclosure of key assumptions used in estimation and the sensitivity analysis.

**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 the 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 which is expected to be made available to us after the date of this auditors' report.

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 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 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.
- 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 disclosures 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.

***Auditors' responsibilities for the audit of the financial statements (cont'd)***

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 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 matters***

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.

**Ernst & Young PLT**

202006000003 (LLP0022760-LCA) & AF 0039  
Chartered Accountants

Kuala Lumpur, Malaysia  
24 February 2022

**Nurida Salwa Binti Mohd Muhili**

No. 03371/06/2022 J  
Chartered Accountant

# STATEMENTS OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2021

	Note	The Group 2021 RM'000	2020 RM'000 Restated	The Company 2021 RM'000	2020 RM'000
<b>Continuing operations</b>					
Revenue	4	843,022	589,850	–	–
Cost of sales	5(a)	(717,210)	(485,453)	–	–
Gross profit		125,812	104,397	–	–
Other income		4,135	4,879	5,400	5,400
Interest income	9(a)	626	1,297	14	–
Administrative expenses		(58,029)	(49,732)	(5,576)	(5,587)
Finance costs	9(b)	(9,922)	(8,741)	(686)	–
Depreciation of property, plant and equipment and amortisation of intangible asset		(17,175)	(13,857)	–	–
Depreciation of right-of-use assets		(16,598)	(11,006)	–	–
<b>Profit/(loss) before tax from continuing operations</b>	6	28,849	27,237	(848)	(187)
Taxation	10	(9,911)	6,017	(105)	(448)
<b>Profit/(loss) for the year from continuing operations</b>		18,938	33,254	(953)	(635)
<b>Discontinued operation</b>					
Gain/(loss) from disposal of subsidiary		8,175	–	(12,531)	–
Loss after tax		(20,406)	(32,208)	–	–
<b>Loss for the year from discontinued operation</b>	15(c)	(12,231)	(32,208)	(12,531)	–
<b>Profit/(loss) for the year</b>		6,707	1,046	(13,484)	(635)
<b>Other comprehensive loss:</b>					
<i>Item that will be reclassified subsequently to profit or loss</i>					
Exchange differences on translating foreign operations from continuing operations		(205)	(19)	–	–
Other comprehensive loss for the year, net of tax		(205)	(19)	–	–
<b>Total comprehensive income/(loss) for the year</b>		6,502	1,027	(13,484)	(635)



## STATEMENTS OF COMPREHENSIVE INCOME (CONT'D)

For the financial year ended 31 December 2021

	Note	The Group 2021 RM'000	2020 RM'000 Restated	The Company 2021 RM'000	2020 RM'000
Profit/(loss) attributable to:					
Owners of the Company					
- continuing operations		18,953	33,130	(953)	(635)
- discontinued operation		(12,231)	(32,208)	(12,531)	–
		6,722	922	(13,484)	(635)
Non-controlling interests					
- continuing operations		(15)	124	–	–
Profit/(loss) for the year		6,707	1,046	(13,484)	(635)
Total comprehensive income/(loss) attributable to:					
Owners of the Company					
- continuing operations		18,748	33,111	(953)	(635)
- discontinued operation		(12,231)	(32,208)	(12,531)	–
		6,517	903	(13,484)	(635)
Non-controlling interests					
- continuing operations		(15)	124	–	–
Total comprehensive income/(loss) for the year		6,502	1,027	(13,484)	(635)
<b>Earnings per ordinary share</b>					
Basic/diluted (sen)					
- continuing operations		3.23	6.65		
- discontinued operation		(2.08)	(6.47)		
	11	1.15	0.19		

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

# STATEMENTS OF FINANCIAL POSITION

As at 31 December 2021

	Note	The Group		The Company	
		2021	2020	2021	2020
		RM'000	RM'000	RM'000	RM'000
			Restated		
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	12	428,227	461,125	–	–
Other asset	13	–	60	–	–
Right-of-use assets	14	21,657	22,011	–	–
Investment in subsidiaries	15	–	–	111,275	112,278
Goodwill on consolidation	16	23,375	23,375	–	–
Deferred tax assets	17	2,140	3	132	–
Intangible asset	18	503	619	–	–
Amount owing by a subsidiary	21	–	–	191,175	–
<b>Total non-current assets</b>		<b>475,902</b>	<b>507,193</b>	<b>302,582</b>	<b>112,278</b>
<b>Current assets</b>					
Inventories	19	25,802	36,434	–	–
Trade receivables	20(a)	134,346	138,680	–	–
Other receivables, deposits and prepaid expenses	20(b)	40,487	46,631	16	21
Amount owing by subsidiaries	21	–	–	14,810	208,707
Amount owing by related parties	21	20,959	12,089	–	–
Amount owing by immediate holding company	21	1,082	745	–	–
Amount owing by intermediate holding company	21	152	560	–	–
Contract assets	22	23,580	15,944	–	–
Tax recoverable		1,922	5,469	–	–
Investment in money market funds	23	11,476	16,489	–	–
Deposits, cash and bank balances	23	43,134	43,716	198	208
<b>Total current assets</b>		<b>302,940</b>	<b>316,757</b>	<b>15,024</b>	<b>208,936</b>
<b>Total assets</b>		<b>778,842</b>	<b>823,950</b>	<b>317,606</b>	<b>321,214</b>

## STATEMENTS OF FINANCIAL POSITION (CONT'D)

As at 31 December 2021

	Note	The Group 2021 RM'000	2020 RM'000 Restated	The Company 2021 RM'000	2020 RM'000
<b>EQUITY AND LIABILITIES</b>					
<b>Capital and reserves</b>					
Share capital	24	300,043	300,043	300,043	300,043
Treasury shares	25	(4,197)	(3,368)	(4,197)	(3,368)
Reserves	26	125,747	119,230	8,102	21,586
Equity attributable to owners of the Company		421,593	415,905	303,948	318,261
Non-controlling interests		683	1,053	–	–
<b>Total equity</b>		<b>422,276</b>	<b>416,958</b>	<b>303,948</b>	<b>318,261</b>
<b>Non-current liabilities</b>					
Hire-purchase payables	27	6,331	10,483	–	–
Lease liabilities	14	6,536	10,287	–	–
Long-term borrowings	28	120,580	138,220	–	–
Deferred tax liabilities	17	7,930	5,838	–	–
<b>Total non-current liabilities</b>		<b>141,377</b>	<b>164,828</b>	<b>–</b>	<b>–</b>
<b>Current liabilities</b>					
Trade payables	29(a)	47,581	52,880	–	–
Other payables and accrued expenses	29(b)	70,064	79,117	1,145	1,152
Amount owing to subsidiaries	21	–	–	–	1,698
Amount owing to related parties	21	394	279	–	–
Amount owing to immediate holding company	21	30,649	25,181	12,422	–
Amount owing to intermediate holding company	21	9,709	7,094	–	–
Hire-purchase payables	27	2,453	9,459	–	–
Lease liabilities	14	15,878	12,212	–	–
Short-term borrowings	30	33,637	52,673	–	–
Contract liabilities	22	3,882	2,437	–	–
Tax liabilities		942	832	91	103
<b>Total current liabilities</b>		<b>215,189</b>	<b>242,164</b>	<b>13,658</b>	<b>2,953</b>
<b>Total liabilities</b>		<b>356,566</b>	<b>406,992</b>	<b>13,658</b>	<b>2,953</b>
<b>Total equity and liabilities</b>		<b>778,842</b>	<b>823,950</b>	<b>317,606</b>	<b>321,214</b>

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

# STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 December 2021

The Group	Note	Non-distributable reserves			Distributable reserves			Total RM'000
		Share capital RM'000	Treasury shares RM'000	Translation reserve RM'000	Equity-settled employees' benefit reserve RM'000	Retained earnings RM'000	Attributable to equity holders of the Company RM'000	Non-controlling interests RM'000
As at 1 January 2020		200,043	(2,506)	755	2,831	114,741	315,864	929
Issuance of shares in relation to acquisition of subsidiaries	24	100,000	-	-	-	-	100,000	-
Purchase of treasury shares	25	-	(862)	-	-	-	(862)	-
Transfer to retained earnings upon expiry of Employees' Share Option Scheme ("ESOS")		-	-	-	(2,831)	2,831	-	-
Profit for the year		-	-	-	-	922	922	124
Other comprehensive loss for the year		-	-	(19)	-	-	(19)	-
Total comprehensive (loss)/income for the year		-	-	(19)	-	922	903	124
As at 31 December 2020		300,043	(3,368)	736	-	118,494	415,905	1,053
As at 1 January 2021		300,043	(3,368)	736	118,494	-	415,905	1,053
Purchase of treasury shares	25	-	(829)	-	-	-	(829)	-
Acquisition of non-controlling interest	15(b)	-	-	-	-	-	-	(355)
Profit/(loss) for the year		-	-	-	-	6,722	6,722	(15)
Other comprehensive loss for the year		-	-	(205)	(205)	-	(205)	-
Total comprehensive (loss)/income for the year		-	-	(205)	(205)	6,722	6,517	(15)
As at 31 December 2021		300,043	(4,197)	531	125,216	683	421,593	422,276

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

## STATEMENTS OF CHANGES IN EQUITY (CONT'D)

For the financial year ended 31 December 2021

The Company	Note	Non-distributable reserves			Distributable reserves	
		Share capital RM'000	Treasury shares RM'000	Equity-settled employees' benefit reserve RM'000	Retained earnings RM'000	Total RM'000
As at 1 January 2020		200,043	(2,506)	2,831	19,390	219,758
Issuance of shares in relation to acquisition of subsidiaries	24	100,000	—	—	—	100,000
Purchase of treasury shares	25	—	(862)	—	—	(862)
Transfer to retained earnings upon expiry of ESOS		—	—	(2,831)	2,831	—
Total comprehensive loss for the year		—	—	—	(635)	(635)
As at 31 December 2020		300,043	(3,368)	—	21,586	318,261
As at 1 January 2021		300,043	(3,368)	—	21,586	318,261
Purchase of treasury shares	25	—	(829)	—	—	(829)
Total comprehensive loss for the year		—	—	—	(13,484)	(13,484)
As at 31 December 2021		300,043	(4,197)	—	8,102	303,948

The accompanying accounting policies and explanatory information form an integral part of the financial statements.



# STATEMENTS OF CASH FLOWS

For the financial year ended 31 December 2021

	Note	The Group		The Company	
		2021	2020	2021	2020
		RM'000	RM'000	RM'000	RM'000
			Restated		
<b>Cash flows from operating activities</b>					
Profit/(loss) before tax					
- continuing operations		28,849	27,237	(848)	(187)
- discontinued operation		(12,231)	(32,208)	(12,531)	–
		16,618	(4,971)	(13,379)	(187)
Adjustments for:					
Depreciation of property, plant and equipment					
- continuing operations	6	17,059	13,857	–	–
- discontinued operation	6	1,951	5,195	–	–
Depreciation of right-of-use assets					
- continuing operations	6	16,598	11,006	–	–
- discontinued operation	6	778	1,607	–	–
Amortisation of intangible asset					
- continuing operations	18	116	–	–	–
Interest expense					
- continuing operations	9(b)	9,922	8,741	686	–
- discontinued operation	9(b)	462	1,162	–	–
Property, plant and equipment written off					
- continuing operations	6	39	60	–	–
- discontinued operation	6	–	189	–	–
Allowance for expected credit loss on trade receivables					
- continuing operations	6	898	2,876	–	–
Allowance for expected credit loss (“ECL”) on deposits with licensed bank					
- continuing operations	6	1,135	–	–	–
Impairment on other asset					
- continuing operations	6	60	–	–	–
Interest income					
- continuing operations	9(a)	(626)	(1,297)	(14)	–
Net gain on disposal of property, plant and equipment					
- continuing operations	6	(311)	(395)	–	–
Net (gain)/loss on disposal of subsidiary		(8,175)	–	12,531	–
Gain on termination of leases					
- continuing operations	6	(50)	(2)	–	–
Balance carried forward to next page		56,474	38,028	(176)	(187)

## STATEMENTS OF CASH FLOWS (CONT'D)

### For the financial year ended 31 December 2021

	Note	The Group 2021 RM'000	2020 RM'000 Restated	The Company 2021 RM'000	2020 RM'000
<b>Cash flows from operating activities</b>					
Balance brought forward from previous page		56,474	38,028	(176)	(187)
Net unrealised loss/(gain) on foreign exchange					
- continuing operations	6	1,263	(1,776)	492	-
- discontinued operation	6	96	(107)	-	-
Write back of allowance for expected credit loss					
- continuing operations	6	(1,970)	(281)	-	-
<b>Operating profit/(loss) before working capital changes</b>		55,863	35,864	316	(187)
Movement in working capital:					
Decrease/(increase) in inventories		10,632	(21,198)	-	-
(Increase)/decrease in receivables		(3,290)	(34,477)	5	19
Changes in related companies balances		(3,407)	6,451	-	-
Changes in subsidiaries balances		-	-	532	2,785
Decrease/(increase) in cash held on behalf of customers		3,475	(1,376)	-	-
(Decrease)/increase in payables		(2,649)	26,690	(7)	(200)
<b>Cash generated from operations</b>		60,624	11,954	846	2,417
Tax paid		(6,299)	(5,297)	(249)	(407)
<b>Net cash generated from operating activities</b>		54,325	6,657	597	2,010
<b>Cash flows from investing activities</b>					
Acquisition of subsidiaries	15(a)	-	32,298	-	-
Acquisition of minority interest in subsidiary company	15(b)	(355)	-	-	-
Increase in investment in a former subsidiary	15(c)	-	-	(19,000)	(1,003)
Interest received		626	1,297	14	-
Proceeds from disposal of property, plant and equipment		613	1,135	-	-
Proceeds from disposal of subsidiary	15(c)	1,241	-	7,472	-
Additions of property, plant and equipment (Note 1 below)		(10,040)	(30,104)	-	-
Movement in deposits pledged as securities		175	(1,310)	-	-
Decrease in investment in money market funds		5,013	25,464	-	-
<b>Net cash (used in)/generated from investing activities</b>		(2,727)	28,780	(11,514)	(1,003)

## STATEMENTS OF CASH FLOWS (CONT'D)

For the financial year ended 31 December 2021

Note	The Group		The Company	
	2021 RM'000	2020 RM'000 Restated	2021 RM'000	2020 RM'000
<b>Cash flows from financing activities</b>				
Drawdown of bank borrowings	33,000	29,000	–	–
Repayment of bank borrowings	(49,676)	(14,135)	–	–
Advance received from immediate holding company	19,760	–	19,760	–
Interest paid	(10,384)	(9,903)	(686)	–
Repayment of hire-purchase payables	(7,303)	(9,070)	–	–
Repayment of principal portion of lease liabilities	(16,985)	(12,483)	–	–
Repayment of principal portion of advance received from immediate holding company	(14,978)	–	(7,338)	–
Purchase of treasury shares	(829)	(862)	(829)	(862)
<b>Net cash (used in)/generated from financing activities</b>	<b>(47,395)</b>	<b>(17,453)</b>	<b>10,907</b>	<b>(862)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>4,203</b>	<b>17,984</b>	<b>(10)</b>	<b>145</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>38,931</b>	<b>20,947</b>	<b>208</b>	<b>63</b>
<b>Cash and cash equivalents at end of year</b>	<b>43,134</b>	<b>38,931</b>	<b>198</b>	<b>208</b>
Cash and cash equivalents comprise of:				
Cash and bank balances	32,993	33,605	198	208
Deposits with licensed banks	10,141	10,111	–	–
	43,134	43,716	198	208
Less: Cash held on behalf of customers	–	(3,475)	–	–
Less: Deposits pledged as securities	–	(1,310)	–	–
	43,134	38,931	198	208

### Note 1

Cash outflows on acquisition of property, plant and equipment of the Group is as follows:

	Note	The Group	
		2021 RM'000	2020 RM'000
Additions during the year	12	16,218	38,843
Less: Acquisition under hire-purchase arrangements		(6,178)	(8,739)
<b>Cash outflows</b>		<b>10,040</b>	<b>30,104</b>

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

## 31 December 2021

### 1. CORPORATE INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and listed on the Main Market of Bursa Malaysia Securities Berhad.

The Company is principally an investment holding company. The principal activities of the Company's subsidiaries are disclosed in Note 15.

The registered office of the Company is located at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur.

The principal place of business of the Company is located at No 12, Persiaran Astana/KU2, Bandar Bukit Raja, 41050 Klang, Selangor Darul Ehsan, Malaysia.

The immediate holding company is CJ Logistics Asia Pte. Ltd. which is incorporated in Singapore. The intermediate holding companies are CJ Logistics Corporation and CJ CheilJedang Corporation. The ultimate holding company is CJ Corporation, a company listed in the Korean Exchange. All of these companies are incorporated in South Korea.

The financial statements of the Group and of the Company have been authorised by the Board of Directors for issuance on 24 February 2022.

### 2. SIGNIFICANT ACCOUNTING POLICIES

#### 2.1 Basis of preparation

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 on the historical cost basis except as disclosed in the summary of significant accounting policies below.

The financial statements are presented in Ringgit Malaysia (RM) and all values are rounded to the nearest thousand (RM'000) except where otherwise indicated.

#### 2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except as follows:

On 1 January 2021, the Group and the Company adopted the following new and amended MFRSs mandatory for annual financial periods beginning on or after 1 January 2021.

Description	Effective for annual periods beginning on or after
Amendments to MFRS 9 Financial Instruments, MFRS 139 Financial Instruments: Recognition and Measurement, MFRS 7 Financial Instruments: Disclosure, MFRS 4 Insurance Contracts and MFRS 16 Leases (Interest Rate Benchmark Reform - Phase 2)	1 January 2021
Amendments to MFRS 16 Leases (Covid-19 Related Rent Concessions beyond 30 June 2021)	1 April 2021

The initial adoption of the abovementioned pronouncements did not have any material impact to the financial statements of the Group and the Company.

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.3 Standards and interpretations issued but not yet effective

The standards, amendments, and interpretations that are issued but not yet effective up to the date of issuance of the Group's consolidated financial statements and Company's financial statements are disclosed below. The Group and the Company intend to adopt these standards, if applicable, when they become effective.

Description	Effective for annual periods beginning on or after
Amendments to MFRSs contained in the document entitled "Annual Improvements to MFRS Standards 2018-2020"	1 January 2022
Amendments to MFRS 3 Business Combinations (Reference to the Conceptual Framework)	1 January 2022
Amendments to MFRS 116 Property, Plant and Equipment (Property, Plant and Equipment - Proceeds before Intended Use)	1 January 2022
Amendments to MFRS 137 Provisions, Contingent Liabilities and Contingent Assets (Onerous Contracts - Cost of Fulfilling a Contract)	1 January 2022
MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 101 Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to MFRS 101 Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108 Disclosure of Accounting Estimates	1 January 2023
Amendments to MFRS 112 Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to MFRS 10 Consolidated Financial Statements: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 128 Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

The Group and the Company expect that the adoption of the standards and interpretations above will have no material impact on the financial statements in the period of initial application.

### 2.4 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 December 2021. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- (i) Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- (ii) Exposure, or rights, to variable returns from its investment with the investee; and
- (iii) The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (i) The contractual arrangement(s) with the other vote holders of the investee;
- (ii) Rights arising from other contractual arrangements; and
- (iii) The Group's voting rights and potential voting rights.

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.4 Basis of consolidation (cont'd)

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income ("OCI") are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

### 2.5 Summary of significant accounting policies

#### (a) Business combinations and goodwill

##### (i) Business combination

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of MFRS 9 Financial Instruments, is measured at fair value with the changes in fair value recognised in the statement of profit or loss in accordance with MFRS 9. Other contingent consideration that is not within the scope of MFRS 9 is measured at fair value at each reporting date with changes in fair value recognised in profit or loss.



## 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.5 Summary of significant accounting policies (cont'd)

#### (a) Business combinations and goodwill (cont'd)

##### (ii) Goodwill

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit (CGU) and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

#### (b) Revenue recognition from contracts with customers

Revenue is recognised when or as a performance obligation in the contract with customer is satisfied, i.e. when the "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation is a promise to transfer a distinct goods or services (or a series of distinct goods or services that are substantially the same and that have the same pattern of transfer) to the customer that is explicitly stated in the contract and implied in the Group's customary business practices.

A contract with customer exists when the contract has commercial substance, the Group and their customers have approved the contract and intend to perform their respective obligations, the Group's and the customer's rights regarding the goods or services to be transferred and the payment terms can be identified, and it is probable that the Group will collect the consideration to which it will be entitled to in exchange of those goods or services.

Revenue from contracts with customers is recognised by reference to each distinct performance obligation in the contract with customer. Revenue from contracts with customers is measured at its transaction price, being the amount of consideration which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties such as sales taxes or goods and services taxes. If the amount of consideration varies due to discounts, rebates, refunds, credits, incentives, penalties or other similar items, the Group estimates the amount of consideration to which it will be entitled based on the expected value or the most likely outcome. If the contract with customer contains more than one performance obligation, the amount of consideration is allocated to each performance obligation based on the relative stand-alone selling prices of the goods or services promised in the contract.

The revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.5 Summary of significant accounting policies (cont'd)

#### (b) Revenue recognition from contracts with customers (cont'd)

The control of the promised goods or services may be transferred over time or at a point in time. The control over the goods or services is transferred over time and revenue is recognised over time if:

- (i) the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- (ii) the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- (iii) the Group's performance does not create an asset with an alternative use and the Group has an enforceable right to payment for performance completed to date.

Revenue for performance obligation that is not satisfied over time is recognised at the point in time at which the customer obtains control of the promised goods or services.

Performance obligations are as follows:

##### Total logistics services

Performance obligations within this revenue segment include freight forwarding services, warehousing services, oil and gas logistics services, road transportation services and data management services. As the customer simultaneously receive and consume the benefits of these services provided by the Group as the Group performs, revenue is recognised over time based on output method.

##### Procurement logistics services

Performance obligations within this revenue segment include contract manufacturing of electrical products and assembling services.

Revenue from contract manufacturing of electrical products are recognised at a point in time when control of goods has been transferred to the customers, being at the point the manufactured products are placed at the disposal of the customers based on the agreed-upon shipping term.

For revenue from assembling services, the Group has contract with customers to assemble electrical products, on their behalf. Under these contracts, the Group provides procurement and assembly services. The Group does not have control of the goods before it is being transferred to the customer. The Group is acting as an agent and recognises revenue at the net amount that is retained for these arrangements. Revenue is recognised at a point in time because this is when the customer benefits from the Group's services.

##### Courier services

The Group recognises revenue of express delivery at a point in time, which is based on the right consideration in an amount that corresponds directly with the value of the Group's performance completed to date.

##### Sales of resin

Revenue from sale of resin is recognised when the Group has transferred control of the goods to the customer, being the point in time when the goods have been delivered to the customer and upon its acceptance.

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.5 Summary of significant accounting policies (cont'd)

#### (c) Employee benefits

##### (i) Short term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees of the Group and of the Company. 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 leave are recognised when the absences occur.

##### (ii) Defined contribution plans

The Group and the Company make contributions to the Employee Provident Fund in Malaysia, a defined contribution pension scheme. Contributions to defined contribution pension scheme are recognised as an expense in the period in which the related service is performed.

#### (d) Income tax

##### (i) Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

##### (ii) Deferred tax

Deferred tax is provided for using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries and associates, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries and associates, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.5 Summary of significant accounting policies (cont'd)

#### (d) Income tax (cont'd)

##### (ii) Deferred tax (cont'd)

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same tax entity and the same tax authority.

##### (iii) Sales and service tax ("SST")

Revenue is recognised net of SST charged to customers. Expenses and assets are recognised inclusive of SST. The amount payable to taxation authority is included as payables in the statement of financial position.

#### (e) Foreign currencies

##### (i) Functional and presentation currency

The financial statements of the Group and the Company are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements are presented in Ringgit Malaysia ("RM"), which is also the Group's and the Company's functional currency.

##### (ii) Foreign currency transactions

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items denominated in foreign currencies measured at fair value are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are recognised in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which are recognised initially in OCI and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

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

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.5 Summary of significant accounting policies (cont'd)

#### (e) Foreign currencies (cont'd)

##### (ii) Foreign currency transactions (cont'd)

On consolidation, the assets and liabilities of foreign operations are translated at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of foreign operation, the components of OCI relating to that particular foreign operation are reclassified in profit or loss.

#### (f) Property, plant and equipment

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 Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to 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 accumulated depreciation and any accumulated impairment losses.

Freehold land and capital work in progress are not depreciated. Depreciation of other property, plant and equipment is provided on a straight-line basis to write off the cost of each asset to its residual value over the estimated useful life, at the following annual rates:

Leasehold land	44 to 96 years
Buildings	2% - 10%
Improvements and renovations	10%
Motor vehicles	10% - 20%
Warehouse, office and other equipment	10% - 33%

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss in the year the asset is derecognised.

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year-end.

Upon the disposal of an item of property, plant and equipment, the difference between the net disposal proceeds and the carrying amount is charged or credited to profit or loss.

#### (g) Inventories

Inventories are valued at the lower of cost (determined principally on the "first in, first out" basis) and net realisable value. The cost of assembling parts and trading goods comprises the original cost of purchase plus the cost of bringing the inventories to their present location. The cost of assembled products includes the cost of assembling parts and consumables, direct labour and a proportion of production overheads. Net realisable value represents the estimated selling price in the ordinary course of business less selling and distribution costs.

#### (h) Cash and cash equivalents

For the purpose of statement of cash flows, cash and cash equivalents comprise cash at banks and on hand, deposits with licensed banks 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.

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.5 Summary of significant accounting policies (cont'd)

#### (i) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### (i) Financial assets

##### Initial recognition and measurement

Financial assets are classified, at initial recognition, and measured at either amortised cost, fair value through other comprehensive income or fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under MFRS 15.

In order for a financial asset to be classified and measured at amortised cost, it needs to give rise to cash flows that are 'solely payments of principal and interest ("SPPI") on the principal amount outstanding. The assessment is referred to as the SPPI test and is performed at an instrument level.

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.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

##### Subsequent measurement

For the purpose of subsequent measurement, financial assets of the Group and of the Company are classified in three categories:

#### (i) Financial assets at amortised cost (debt instruments)

This category is the most relevant to the Group. The Group measures 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 rate ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's and Company's financial assets at amortised cost include trade receivables, other receivables and deposits, amount owing by subsidiaries, amount owing by related parties, amount owing by immediate and intermediate holding companies and deposits, cash and bank balances.



## 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.5 Summary of significant accounting policies (cont'd)

#### (i) Financial instruments (cont'd)

##### (i) Financial assets (cont'd)

##### Subsequent measurement (cont'd)

##### (ii) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments.

Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through other comprehensive income ("OCI"), debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statements of financial position at fair value with the net changes in fair value recognised in the statements of profit or loss.

The Group's financial assets at fair value through profit or loss include investment in money market funds.

##### (iii) Financial assets at fair value through other comprehensive income (no recycling)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under MFRS 132 *Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to income statement. Dividends are recognised as other income in the income statement when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

#### Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.5 Summary of significant accounting policies (cont'd)

#### (i) Financial instruments (cont'd)

##### (i) Financial assets (cont'd)

##### **Derecognition (cont'd)**

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

##### **Impairment of financial assets**

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects 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.

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

The Group considers a financial asset in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flow held by the Group.

#### (ii) Financial liabilities

##### **Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings or payables as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

##### **Subsequent measurement**

The measurement of financial liabilities depends on their classification, as described below:

##### (i) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by MFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gain or losses on liabilities held for trading are recognised in the statements of profit or loss.

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.5 Summary of significant accounting policies (cont'd)

#### (i) Financial instruments (cont'd)

#### (ii) Financial liabilities (cont'd)

##### Subsequent measurement (cont'd)

#### (ii) Financial liabilities at amortised cost

Other financial liabilities are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

The Group's and the Company's financial liabilities at amortised cost include trade payables, other payables and accrued expenses, amount owing to subsidiaries, amount owing to related parties, amount owing to immediate and intermediate holding companies, borrowings, hire-purchase payables and lease liabilities.

#### Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statements of profit or loss.

#### (iii) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of the financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

#### (j) Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Company makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's ("CGU") fair value less costs to sell and its value in use. For the purpose of assessing impairment, recoverable amount is determined for an individual asset. Unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGU).

In assessing value in use, the estimated future cash flows expected to be generated by the asset 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. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount. Impairment losses are recognised in profit or loss.

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.5 Summary of significant accounting policies (cont'd)

#### (j) Impairment of non-financial assets (cont'd)

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's 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, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss. Impairment loss on goodwill is not reversed in a subsequent period.

#### (k) Provisions

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

Provisions are reviewed at each reporting date 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.

#### (l) Fair value measurement

The Group measures financial instruments such as derivative and certain non-financial assets such as other investments are fair value at each reporting date.

Fair value is 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 fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- (i) In the principal market for the asset or liability; or
- (ii) In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset 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.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- (i) Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- (ii) Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- (iii) Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.5 Summary of significant accounting policies (cont'd)

#### (l) Fair value measurement (cont'd)

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Group's management determines the policies and procedures for both recurring fair value measurement and for non-recurring measurement.

External valuers are involved for valuation of significant assets and significant liabilities. Selection criteria of external valuers include market knowledge, reputation, independence and whether professional standards are maintained. The management decides, after discussions with the Group's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Group's accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The management, in conjunction with the Group's external valuers, also compares each of the changes in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

#### (m) Current versus non-current classification

The Group presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is classified as current when it is:

- (i) expected to be realised or intended to be sold or consumed in normal operating cycle;
- (ii) held primarily for the purpose of trading;
- (iii) expected to be realised within twelve months after the reporting period; or
- (iv) cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

- (i) it is expected to be settled in the normal operating cycle;
- (ii) it is held primarily for the purpose of trading;
- (iii) it is due to be settled within twelve months after the reporting period; or
- (iv) there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.5 Summary of significant accounting policies (cont'd)

#### (n) Share capital and share issuance expenses

An equity instrument is any contract that evidences a residual interest in the assets of the Group 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. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

#### (o) Leases

##### (i) Definition of leases

A contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- the contract involves the use of an identified asset which this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the customer has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the customer has the right to direct the use of the asset. The customer has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the customer has the right to direct the use of the asset if either the customer has the right to operate the asset; or the customer designed the asset in a way that predetermines how and for what purpose it will be used.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices. However, for leases of properties in which the Group is a lessee, the Group has elected not to separate non-lease components and will instead account for the lease and non-lease components as a single lease component.

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date. The arrangement is assessed for whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

##### (ii) Recognition and initial measurement

###### As a lessee

The Group recognises right-of-use asset and lease liability at the lease commencement date. The right-of-use 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 the site on which it is located, less any lease incentives received.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the respective Group entities' incremental borrowing rate. Generally, the Group entities use their incremental borrowing rate as the discount rate.



## 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.5 Summary of significant accounting policies (cont'd)

#### (o) Leases (cont'd)

##### (ii) Recognition and initial measurement (cont'd)

###### As a lessee (cont'd)

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments less any incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee;
- the exercise price under a purchase option that the Group is reasonably certain to exercise; and
- penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The Group excludes variable lease payments that linked to future performance or usage of the underlying asset from the lease liability. Instead, these payments are recognised in profit or loss in the period in which the performance or use occurs.

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

###### As a lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, the lease is a finance lease; if not, then it is an operating lease.

If an arrangement contains lease and non-lease components, the Group applies MFRS 15 to allocate the consideration in the contract based on the stand-alone selling prices.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. It assesses the lease classification of a sublease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sublease as an operating lease.

##### (iii) Subsequent measurement

###### As a lessee

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.5 Summary of significant accounting policies (cont'd)

#### (o) Leases (cont'd)

##### (iii) Subsequent measurement (cont'd)

###### As a lessee (cont'd)

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 an index or rate, if there is a revision of in-substance fixed lease payments, or if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

###### As a lessor

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of revenue.

#### (p) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

#### (q) Contract assets and contract liabilities

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs the contract.

#### (r) Investment in subsidiaries

Investments in subsidiary companies are stated at cost. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments, the difference between the net disposal proceeds and its carrying amount is charged or credited to profit or loss.

#### (s) Discontinued operation

A disposal group qualifies as discontinued operation if it is a component of an entity that either has been disposed of or is classified as held for sale, and represents a separate major line of business or geographic area of operations, or is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operation, or is a subsidiary acquired exclusively with a view to resale.

When an operation is classified as discontinued, a single amount is presented in the statement of comprehensive income, which comprise of the post-tax profit or loss of the discontinued operation and the post-tax gain or loss recognised on the measurement to fair value less costs to sell, or on the disposal, of the assets or disposal group constituting the discontinued operation. The comparative statement of comprehensive income is re-presented as if the operation had been discontinued from the start of the comparative period.

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.5 Summary of significant accounting policies (cont'd)

#### (t) Intangible assets

Intangible assets acquired separately are measured initially at cost. Following initial recognition, intangible assets are measured at cost less any accumulated amortisation and accumulated impairment losses.

##### Customer relationship

It is arising from the acquisition of subsidiary company, which is separately identifiable, is stated at cost and amortised on a straight-line basis over a period of 8 years.

## 3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's financial statements requires the directors 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 amount of the asset or liability affected in the future.

### 3.1 Judgements made in applying accounting policies

There were no critical judgements made by management in the process of applying accounting policies that have significant effect on the amount recognised in the financial statements during the current financial year.

### 3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

#### (i) Allowance for expected credit loss of trade receivable

Allowance for expected credit loss is measured based on expected credit loss model based on assumptions on risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting inputs to the impairment calculation based on the Group's past history, existing market conditions as well as forward looking estimates as of the end of the reporting period.

All financial assets are assessed at each reporting date whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the assets.

#### (ii) Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires management to estimate the future cash flows expected to arise from the cash-generating unit and also to choose a suitable discount rate in order to calculate present value of those cash flows. The carrying amount of goodwill at the reporting date is disclosed in Note 16.

#### 4. REVENUE

Set out below is the disaggregation of the Group's revenue from contracts with customers:

	The Group	
	2021 RM'000	2020 RM'000 Restated
<b>Continuing operations</b>		
Total logistics services	669,639	425,622
Procurement logistics services	173,383	164,228
	843,022	589,850
<b>Timing of revenue recognition:</b>		
<b>Continuing operations</b>		
<b>Over time:</b>		
<u>Total logistics services</u>		
Freight forwarding	360,401	183,116
Warehousing	156,989	114,828
Oil and gas logistics	38,774	59,260
Transportation	59,254	42,402
Data management services	217	238
Rental	713	—
	616,348	399,844
<u>Procurement logistics services</u>		
Warehousing	5,160	5,027
<b>At a point in time:</b>		
<u>Total logistics services</u>		
Trading of resin	53,291	25,778
<u>Procurement logistics services</u>		
Assembling services	9,138	9,307
Contract manufacturing	159,085	149,894
	168,223	159,201
	843,022	589,850

#### 5. DIRECT OPERATING COSTS

(a) Cost of sales comprise:

	The Group	
	2021 RM'000	2020 RM'000 Restated
<b>Continuing operations</b>		
Direct operating costs	665,554	446,223
Direct staff costs	51,656	39,230
	717,210	485,453

## 5. DIRECT OPERATING COSTS (CONT'D)

(b) Expenses classified by nature are as follows:

	The Group		The Company	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
		Restated		
<b>Continuing operations</b>				
Direct operating costs	665,554	446,223	–	–
Staff costs, included under:				
Cost of sales	51,656	39,230	–	–
Administrative expenses	30,953	23,521	4,139	3,937
	82,609	62,751	4,139	3,937
Depreciation of property, plant and equipment and amortisation of intangible assets	17,175	13,857	–	–
Depreciation of right-of-use assets	16,598	11,006	–	–
Finance costs	9,922	8,741	686	–
Other expenses	27,076	26,211	1,437	1,650
	818,934	568,789	6,262	5,587

## 6. PROFIT/(LOSS) BEFORE TAX

Included in profit/(loss) before tax are the following charges/(credits):

	The Group		The Company	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
		Restated		
<b>After charging:</b>				
Rental expenses of:				
- premises				
- continuing operations	2,101	4,111	–	–
- discontinued operation	97	300	–	–
- motor vehicles and equipment				
- continuing operations	6,275	4,985	–	–
- discontinued operation	1,044	414	–	–
Depreciation of property, plant and equipment				
- continuing operations	17,059	13,857	–	–
- discontinued operation	1,951	5,195	–	–
Depreciation of right-of-use assets				
- continuing operations	16,598	11,006	–	–
- discontinued operation	778	1,607	–	–
Amortisation of intangible asset				
- continuing operations	116	–	–	–
Allowance for expected credit loss ("ECL")				
- continuing operations	898	2,876	–	–
Auditors' remuneration:				
- statutory audit				
- continuing operations	530	520	100	100
- discontinued operation	–	5	–	–
- other services				
- continuing operations	10	130	10	130

**6. PROFIT/(LOSS) BEFORE TAX (CONT'D)**

Included in profit/(loss) before tax are the following charges/(credits) (cont'd):

	<b>The Group</b>		<b>The Company</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
		<b>Restated</b>		
<b>After charging (cont'd):</b>				
Property, plant and equipment written off				
- continuing operations	39	60	-	-
- discontinued operation	-	189	-	-
Loss on disposal of subsidiary	-	-	12,531	-
Impairment on other asset				
- continuing operations	60	-	-	-
Allowance for ECL on deposits with licensed bank				
- continuing operations	1,135	-	-	-
Loss on foreign exchange				
- unrealised				
- continuing operations	1,263	-	492	-
- discontinued operation	96	-	-	-
<b>And crediting:</b>				
Gain on foreign exchange:				
- realised				
- continuing operations	1,711	1,871	-	-
- unrealised				
- continuing operations	-	1,776	-	-
- discontinued operation	-	107	-	-
Net gain on disposal of property, plant and equipment				
- continuing operations	311	395	-	-
Gain on termination of lease				
- continuing operations	50	2	-	-
Gain from disposal of subsidiary	8,175	-	-	-
Write back of allowance for expected credit loss				
- continuing operations	1,970	281	-	-

**7. STAFF COST**

	<b>The Group</b>		<b>The Company</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
		<b>Restated</b>		
Wages and salaries	78,584	78,366	3,539	3,316
Defined contribution plans	9,645	9,190	498	586
Other staff related expenses	6,390	4,082	102	35
	94,619	91,638	4,139	3,937
Continuing operations	82,609	62,751	4,139	3,937
Discontinued operation	12,010	28,887	-	-
	94,619	91,638	4,139	3,937

Included in staff costs of the Group and of the Company is directors' remuneration as disclosed in Note 8.



## 8. DIRECTORS' REMUNERATION

	The Group		The Company	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
<b>Directors of the Company</b>				
Executive directors:				
Salaries and other emoluments	3,334	3,116	3,334	3,116
Defined contribution plans	533	499	533	499
	3,867	3,615	3,867	3,615
Non-executive directors:				
Fees	288	288	288	288
	4,155	3,903	4,155	3,903
<b>Directors of subsidiaries</b>				
Executive directors:				
Salaries and other emoluments	2,392	1,708	–	–
Defined contribution plans	185	165	–	–
	2,577	1,873	–	–
<b>Total</b>	<b>6,732</b>	<b>5,776</b>	<b>4,155</b>	<b>3,903</b>

The estimated monetary value of benefits-in-kind received and receivable by the directors otherwise than in cash from the Group and the Company amounted to RM196,266 (2020: RM133,786) and RM39,450 (2020: RM43,774) respectively.

The number of directors of the Company whose total remuneration during the financial year fall within the following bands is analysed below:

	Number of directors	
	2021	2020
<b>Executive directors:</b>		
RM250,001 - RM300,000	1	–
RM500,001 - RM550,000	–	1
RM550,001 - RM600,000	1	–
RM850,001 - RM900,000	–	1
RM900,001 - RM1,000,000	1	–
RM2,700,001 - RM2,750,000	–	1
RM2,900,001 - RM2,950,000	1	–
	4	3
<b>Non-executive directors:</b>		
RM50,001 - RM100,000	2	2
RM100,001 - RM150,000	1	1
<b>Total</b>	<b>7</b>	<b>6</b>

There is no other key management personnel other than the directors of which their remuneration has been disclosed above.

**9. INTEREST INCOME AND FINANCE COSTS****(a) Interest income**

	<b>The Group</b>		<b>The Company</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
		<b>Restated</b>		
<b>Continuing operations</b>				
Interest income on short-term deposits	626	1,297	14	—

**(b) Finance costs**

	<b>The Group</b>		<b>The Company</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
		<b>Restated</b>		
Interest expense on:				
Term loan	5,383	6,745	—	—
Hire-purchase	770	1,207	—	—
Bank guarantee	244	181	—	—
Revolving credit	1,084	336	—	—
Amount owing to immediate holding company	1,505	558	686	—
Lease liabilities (Note 14)	1,398	876	—	—
	10,384	9,903	686	—
Continuing operations	9,922	8,741	686	—
Discontinued operation	462	1,162	—	—
	10,384	9,903	686	—

**10. TAXATION**

The major components of income tax expense for the years ended 31 December 2021 and 2020 are:

	<b>The Group</b>		<b>The Company</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
		<b>Restated</b>		
<b>Continuing operations</b>				
<b>Current income tax</b>				
Current year	9,489	3,610	280	327
Under/(over) provision in prior years	467	(2,120)	(43)	119
	9,956	1,490	237	446

## 10. TAXATION (CONT'D)

	The Group		The Company	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
		Restated		
<b>Continuing operations (cont'd)</b>				
<b>Deferred income tax</b>				
Relating to origination and reversal of temporary differences	1,016	(5,107)	(129)	–
(Over)/under provision in prior years	(1,061)	(2,400)	(3)	2
	(45)	(7,507)	(132)	2
Taxation	9,911	(6,017)	105	448

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2020: 24%) of the estimated assessable profit/(loss) for the year.

A reconciliation of income tax expense applicable to profit/(loss) before tax at the statutory income tax rate to income tax expense at the effective income tax rate of the Company is as follows:

	The Group		The Company	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Profit before tax from continuing operation	28,849	27,237	(848)	(187)
Loss before tax from discontinued operation	(12,231)	(32,208)	(12,531)	–
Profit/(loss) before tax	16,618	(4,971)	(13,379)	(187)
Tax at the statutory tax rate of 24% (2020: 24%)	3,988	(1,193)	(3,211)	(45)
Expenses that are not deductible	6,546	1,833	3,362	372
Income not subject to tax	(72)	(1,872)	–	–
Deferred tax assets not recognised	53	50	–	–
Utilisation of deferred tax assets not recognised	(10)	(315)	–	–
Under/(over) provision in prior years:				
Income tax	467	(2,120)	(43)	119
Deferred tax	(1,061)	(2,400)	(3)	2
Taxation	9,911	(6,017)	105	448

**11. EARNINGS/(LOSS) PER SHARE (“EPS”)**

Basic EPS is calculated by dividing the profit/(loss) for the year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is calculated by dividing the profit attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

	<b>The Group</b>	
	<b>2021</b>	<b>2020</b>
	<b>RM'000</b>	<b>RM'000</b>
		<b>Restated</b>
Profit/(loss) attributable to ordinary equity holders of the Company (RM'000)		
- continuing operations	18,953	33,130
- discontinued operations	(12,231)	(32,208)
	6,722	922
Weighted average number of ordinary shares in issue ('000)	586,919	498,168
Basic/diluted earnings/(loss) per share (sen)		
- continuing operations	3.23	6.65
- discontinued operations	(2.08)	(6.47)
	1.15	0.19

The basis earnings/(loss) per share and the diluted earnings/(loss) per share are the same as the Company has no dilutive potential ordinary shares as at the end of the reporting date.

## 12. PROPERTY, PLANT AND EQUIPMENT

## The Group

	Freehold land RM'000	Leasehold land RM'000	Buildings RM'000	Improvements and renovation RM'000	Motor vehicles RM'000	Warehouse, office and other equipment RM'000	Capital assets in progress RM'000	Total RM'000
<b>Cost</b>								
As at 1 January 2020	39,849	62,435	265,080	15,315	70,927	47,025	85	500,716
Additions	-	-	11,222	2,298	6,868	5,808	12,647	38,843
Disposals	-	-	-	-	(3,766)	(655)	-	(4,421)
Write-offs	-	-	-	(39)	-	(1,515)	-	(1,554)
Acquisition of subsidiaries (Note 15 (a))	38,500	1,900	14,000	282	137	2,052	-	56,871
Reclassification	-	-	-	-	-	85	(85)	-
Restated as at 31 December 2020/ 1 January 2021	78,349	64,335	290,302	17,856	74,166	52,800	12,647	590,455
Additions	-	-	982	867	8,889	5,396	84	16,218
Disposals	-	-	-	(325)	(1,326)	(1,051)	-	(2,702)
Write-offs	-	-	-	(84)	-	(463)	-	(547)
Disposal of subsidiary	-	-	-	(915)	(28,213)	(11,224)	-	(40,352)
Reclassification	-	-	11,209	27	-	1,391	(12,627)	-
As at 31 December 2021	78,349	64,335	302,493	17,426	53,516	46,849	104	563,072
<b>Accumulated depreciation</b>								
As at 1 January 2020	-	7,998	30,007	10,008	39,402	26,114	-	113,529
Charge for the year	-	1,262	6,143	1,426	5,732	4,489	-	19,052
Disposals	-	-	-	-	(3,039)	(643)	-	(3,682)
Write-offs	-	-	-	(8)	-	(1,297)	-	(1,305)
Restated as at 31 December 2020/ 1 January 2021	-	9,260	36,150	11,426	42,095	28,663	-	127,594
Charge for the year	-	1,296	6,571	1,714	4,674	4,755	-	19,010
Disposals	-	-	-	(325)	(1,176)	(899)	-	(2,400)
Write-offs	-	-	-	(63)	-	(445)	-	(508)
Disposal of subsidiary	-	-	-	(256)	(7,749)	(2,582)	-	(10,587)
As at 31 December 2021	-	10,556	42,721	12,496	37,844	29,492	-	133,109

## 12. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

## The Group

	Freehold land RM'000	Leasehold land RM'000	Buildings RM'000	Improvements and renovation RM'000	Motor vehicles RM'000	Warehouse, office and other equipment RM'000	Capital assets in-progress RM'000	Total RM'000
<b>Accumulated impairment</b>								
As at 1 January 2020/								
31 December 2020/								
1 January 2021/								
31 December 2021	-	1,736	-	-	-	-	-	1,736
<b>Net carrying amount</b>								
As at 31 December 2020	78,349	53,339	254,152	6,430	32,071	24,137	12,647	461,125
As at 31 December 2021	78,349	52,043	259,772	4,930	15,672	17,357	104	428,227

(a) Property, plant and equipment with carrying amount totalling RM346,898,286 (2020: RM353,467,517) were charged to financial institutions as securities for term loans of the Group (Note 28).

(b) Net carrying amount of motor vehicles and equipment acquired under hire-purchase arrangements amounted to RM13,394,496 (2020: RM32,550,419). These motor vehicles have been charged to local licensed financial institutions for hire-purchase payables as described in Note 27.



### 13. OTHER ASSET

	The Group	
	2021 RM'000	2020 RM'000
<b>At cost</b>		
Transferable club membership	60	60
Less: Accumulated impairment	(60)	–
	–	60

### 14. LEASES

#### Group as a lessee

The Group has lease contracts for various items of leasehold land and premises and equipment used in its operations. Leases of premises and equipment generally have lease ranges from 2 to 5 years. The Group's obligations under its leases are secured by the lessor's title to the leased assets.

The Group also has certain leases with lease terms of 12 months or less and leases of office equipment with low value. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

	The Group RM'000
<b>Cost</b>	
As at 1 January 2020	16,601
Additions	17,041
Acquisition of subsidiaries	7,934
Termination	(301)
As at 31 December 2020/1 January 2021	41,275
Additions	21,363
Termination	(4,874)
Disposal of subsidiary	(5,171)
As at 31 December 2021	52,593
<b>Accumulated depreciation</b>	
As at 1 January 2020	6,675
Charge for the year	12,613
Termination	(24)
As at 31 December 2020 /1 January 2021	19,264
Charge for the year	17,376
Termination	(2,795)
Disposal of subsidiary	(2,909)
As at 31 December 2021	30,936
<b>Carrying amount</b>	
As at 31 December 2020	22,011
As at 31 December 2021	21,657

**14. LEASES (CONT'D)****Group as a lessee (cont'd)**

During the financial year, the Group recognised an amount of RM7,232,981 and RM2,283,944 (2020: RM8,086,882 and RM1,724,490) of short-term leases and leases of low value assets on a straight-line basis as expenses, respectively.

Set out below are the carrying amounts of lease liabilities and the movements during the period:

	<b>The Group</b>	
	<b>2021</b>	<b>2020</b>
	<b>RM'000</b>	<b>RM'000</b>
As at 1 January	22,499	10,084
Additions	21,363	17,041
Acquisition of subsidiaries	–	8,136
Termination	(2,129)	(279)
Disposal of subsidiary	(2,334)	–
Interest expenses (Note 9(b))	1,398	876
Payment of lease rental	(18,383)	(13,359)
As at 31 December	22,414	22,499
<b>Analysed into</b>		
Non-current	6,536	10,287
Current	15,878	12,212
	22,414	22,499

The minimum lease payments for the lease liabilities are payable as follows:

	<b>Future minimum lease payments RM'000</b>	<b>Interest RM'000</b>	<b>Present value of minimum lease payments RM'000</b>
<b>2020</b>			
<b>Group</b>			
Current	12,516	(304)	12,212
Non-current	11,309	(1,022)	10,287
	23,825	(1,326)	22,499
<b>2021</b>			
Current	16,306	(428)	15,878
Non-current	7,066	(530)	6,536
	23,372	(958)	22,414

## 15. INVESTMENT IN SUBSIDIARIES

	The Company	
	2021	2020
	RM'000	RM'000
Unquoted shares	120,848	121,851
Less: Accumulated impairment losses	(9,573)	(9,573)
	111,275	112,278

The subsidiaries, all incorporated in Malaysia except as otherwise indicated, are as follows:

	Effective interest		
	2021	2020	
	%	%	Principal activities
<b>Direct subsidiaries</b>			
CJ Century Logistics Sdn. Bhd.	100	100	Total logistics and courier services
CJ Century Technology Sdn. Bhd.	100	100	Procurement logistics services
Century Logistics Sdn. Bhd.	100	100	Investment holding
CJ Century Forwarding Sdn. Bhd. # @	70	70	Freight forwarding and shipping agency
CJ Korea Express Malaysia Sdn. Bhd.	100	100	Investment holding, providing total logistics solutions and trading in resin products
CJ Logistics Express Malaysia Sdn. Bhd.	–	100	Courier services
<u>Subsidiaries of Century Logistics Sdn. Bhd.</u>			
Storewell (M) Sdn. Bhd.	100	100	Bonded warehousing
CJ Century DMS Sdn. Bhd. #	100	70	Data management solution
Century-YES Logistics (Yichun) Co. Ltd. ^ # (Incorporated in the People's Republic of China)	75	75	Dormant
<u>Subsidiary of CJ Century Technology Sdn. Bhd.</u>			
CJ Procurement Sdn. Bhd.	100	100	Procurement logistics services
<u>Subsidiaries of CJ Korea Express Malaysia Sdn. Bhd.</u>			
CJ Korea Express Forwarding (M) Sdn. Bhd.*	100	100	Forwarding and its related services
EC Services Enterprise Sdn. Bhd. *	100	100	Transport, haulage and cleaning services
EC Distribution Sdn. Bhd.	100	100	Warehousing services
Tad Raya Offshore Sdn. Bhd.	100	100	Warehousing and storage services and other related activities

**15. INVESTMENT IN SUBSIDIARIES (CONT'D)**

- \* The Company holds call option on 51% shareholdings.  
 ^ The financial statements of this subsidiary were not subject to audit.  
 @ A director of the Company's subsidiary has 30% equity interest in this subsidiary. During the financial year, this subsidiary has provided freight forwarding services amounting to RM275,300 (2020: RM217,600) to CJ Century Logistics Sdn. Bhd.  
 # As at year end, none of the non-wholly-owned subsidiaries has material non-controlling interests

**(a) Final purchase price allocation ("PPA") in relation to the acquisition of CJ Korea Express Malaysia Sdn. Bhd. ("CJKX")**

During the financial year ended 31 December 2021, the Group has completed the PPA exercise to determine the fair values of the net assets of CJKX and its subsidiaries ("CJKX Group") within the stipulated time period, i.e. 12 months from the acquisition date, in accordance with MFRS 3.

	<b>The Group RM'000</b>
<b>Fair value of consideration transferred</b>	
Equity instruments issued (200,000,000 new ordinary shares)	100,000
<b>Identifiable assets acquired and liabilities assumed</b>	
Property, plant and equipment	56,871
Right-of-use assets	7,934
Intangible assets	619
Other asset	60
Inventories	5,697
Trade and other receivables	36,231
Amount owing by immediate holding company	112
Amount owing by intermediate holding company	137
Amount owing by related companies	8,834
Tax recoverable	1,151
Deposits, cash and bank balances	33,304
Lease liabilities	(8,136)
Borrowings	(4,715)
Deferred tax liabilities	(4,787)
Trade and other payables	(24,410)
Amount owing to immediate holding company	(25,094)
Amount owing to intermediate holding company	(5,071)
Amount owing to related companies	(297)
Tax payable	(372)
<b>Total identifiable net assets at fair value</b>	<b>78,068</b>
<b>Final goodwill</b>	<b>21,932</b>

The goodwill of RM21,932,000 arising from the acquisition which is allocated to total logistics segment in CJKX Group.

## 15. INVESTMENT IN SUBSIDIARIES (CONT'D)

### (a) Final purchase price allocation ("PPA") in relation to the acquisition of CJ Korea Express Malaysia Sdn. Bhd. ("CJKX") (cont'd)

#### Acquisition-related costs

The Company incurred acquisition-related costs of RM1,006,414 which have been charged to the Company's profit or loss.

	The Group RM'000
<b>Net cash inflow arising from acquisition of subsidiary</b>	
Purchase consideration settled in cash and cash equivalents, including the acquisition-related cost	(1,006)
Cash and cash equivalents acquired	33,304
	32,298

The adjusted fair values of CJKX Group identifiable assets and liabilities have been retrospectively adjusted in the Consolidated Statement of Financial Position as at 31 December 2020.

Below are the effects of the final PPA adjustments in accordance with MFRS 3:

	As previously stated RM'000	Adjustments RM'000	As restated RM'000
<b>As at 31 December 2020</b>			
<b>Consolidated Statement of Financial Position</b>			
<b>Non-current assets</b>			
Property, plant and equipment	462,018	(893)	461,125
Goodwill on consolidation	23,166	209	23,375
Intangible assets	–	619	619
<b>Non-current liabilities</b>			
Deferred tax liabilities	5,903	(65)	5,838

### (b) Acquisition of non-controlling interest in CJ Century DMS Sdn. Bhd.

On 20 August 2021, Century Logistics Sdn. Bhd., a direct wholly owned subsidiary of the Group, completed the acquisition of the remaining 30% equity interest in CJ Century DMS Sdn. Bhd. ("DMS") for a cash consideration of RM355,000. As a result, DMS became a wholly owned subsidiary of the Group.

### (c) Disposal of CJ Logistics Express Malaysia Sdn. Bhd. ("CJLEM")

On 17 December 2020, CJLEM has entered into the Business Transfer Agreement to acquire the courier service business ("the discontinued operation") from CJ Century Logistics Sdn. Bhd. Effective 17 December 2020, the discontinued operation has been reorganised to operate by CJLEM.

On 4 June 2021, the Company entered into a sale and purchase agreement with CJ Logistics Asia Pte. Ltd. for the disposal of its courier services business through the divestment of its 100% equity interest in CJLEM for a total cash consideration of RM7,472,000 ("Disposal"). The Disposal was completed on 1 July 2021. As a result, CJLEM ceased to be a subsidiary of the Group.

**15. INVESTMENT IN SUBSIDIARIES (CONT'D)****(c) Disposal of CJ Logistics Express Malaysia Sdn. Bhd. ("CJLEM") (cont'd)**

The results of the discontinued operation are presented as below:

	<b>The Group</b>	
	<b>1.1.2021</b>	<b>1.1.2020</b>
	<b>to</b>	<b>to</b>
	<b>1.7.2021</b>	<b>31.12.2020</b>
	<b>RM'000</b>	<b>RM'000</b>
Revenue	26,501	45,857
Cost of sales	(41,048)	(64,514)
Gross loss	(14,547)	(18,657)
Other income	–	205
Administrative expenses	(2,668)	(5,792)
Finance costs	(462)	(1,162)
Depreciation of property, plant and equipment	(1,951)	(5,195)
Depreciation of right-of-use	(778)	(1,607)
Loss before tax	(20,406)	(32,208)
Taxation	–	–
Loss after tax	(20,406)	(32,208)
Gain on disposal of a subsidiary	8,175	–
Loss after tax from discontinued operation	(12,231)	(32,208)

**Net cash flows from discontinued operation:**

	<b>The Group</b>	
	<b>1.1.2021</b>	<b>1.1.2020</b>
	<b>to</b>	<b>to</b>
	<b>1.7.2021</b>	<b>31.12.2020</b>
	<b>RM'000</b>	<b>RM'000</b>
Net cash used in operating activities	(10,844)	(27,954)
Net cash used in investing activities	(31,716)	(25,081)
Net cash generated from financing activities	47,791	2,162
Net cash inflows/(outflows)	5,231	(50,873)

## 15. INVESTMENT IN SUBSIDIARIES (CONT'D)

### (c) Disposal of CJ Logistics Express Malaysia Sdn. Bhd. ("CJLEM") (cont'd)

Below are the effects of the disposal on the financial position and the cash flows of the Group:

	RM'000
Property, plant and equipment	29,765
Right-of-use assets	2,262
Trade receivables	5,329
Amount owing by related companies	61
Amount owing by intermediate holding company	11
Other receivables, deposits and prepaid expenses	1,814
Cash and bank balances	6,231
Lease liabilities	(2,334)
Short-term borrowings	(20,000)
Trade payables	(1,275)
Amount owing to related companies	(1,987)
Amount owing to immediate holding company	(4,069)
Other payables and accrued expenses	(6,478)
Hire-purchase payables	(10,033)
Share of net liabilities disposed	(703)
Gain on disposal	8,175
Total sale consideration	7,472
Less: Cash and cash equivalent of subsidiary disposed	(6,231)
Net cash inflow from disposal of subsidiary	1,241

Below are the effects of the disposal on the financial position and the cash flows of the Company:

	RM'000
Cost of investment as at 1 January 2021	1,003
Add: Subscription of new ordinary share (i)	19,000
Cost of investment on disposal date	20,003
Loss on disposal	(12,531)
Total sale consideration, representing the net cash inflow from disposal of subsidiary	7,472

- (i) On 29 January 2021, the Company acquired 19,000,000 new ordinary shares at an issue price of RM1 each from CJLEM via cash.



## 16. GOODWILL ON CONSOLIDATION

Goodwill on consolidation of the Group arose from the acquisition of certain subsidiaries to enable the Group to operate as a total logistics service provider. As at year end, the cash generating units to which the carrying value of goodwill related to the total logistic services of CJ Korea Express Malaysia Sdn. Bhd. ("CJKX") group, ship-to-ship transfer operation and Lot 8 general warehouse. The carrying amount of the goodwill is as follows:

	The Group	
	2021 RM'000	2020 RM'000 Restated
At 1 January	23,375	1,443
Acquisition of subsidiaries (Note 15(a)) (as restated)	–	21,932
At 31 December	23,375	23,375

The Group tests goodwill annually for impairment. The Group determines the recoverable amounts based on the value-in-use ("VIU") calculation using cash flows projections from financial budgets approved by management covering a three-year period. The pre-tax discount rate applied to the cash flows projections and the forecasted growth rates used to extrapolate cash flows beyond the three-year period are 11.50% (2020: 11.50%) and 2% (2020: 2%) respectively.

The calculation of value-in-use for the CGUs are most sensitive to the following assumptions:

- |                        |   |  |
|------------------------|---|--|
| Pre-tax discount rates | - | Discount rates reflect the current market assessment of the time value of money and the risk specific to the CGUs. |
| Growth rates           | - | Growth rates are based on industry growth forecasts.   |
| Budgeted gross margins | - | Gross margins are based on past performance and its expectations of market development.                            |

### Sensitivity to change in assumptions

#### CGUs of total logistics segment in CJKX Group

- An increase of 0.5 percentage point in the discount rate used would have decreased the VIU by RM6,045,000.
- A decrease of 0.5 percentage point in the terminal growth rate used would have decreased the VIU by RM5,128,000.
- A decrease of 0.5 percentage point in the budgeted gross margin used would have decreased the VIU by RM17,675,000.

CGUs of total logistics segment in ship-to-ship transfer operation and Lot 8 general warehouse are not sensitive to change in assumptions.

## 17. DEFERRED TAX (ASSETS)/LIABILITIES

	The Group		The Company	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
		Restated		
At 1 January	5,835	8,555	–	(2)
Recognised in profit or loss (Note 10)	(45)	(7,507)	(132)	2
Acquisition of subsidiaries (Note 15(a))	–	4,787	–	–
At 31 December	5,790	5,835	(132)	–
Presented as follows:				
Deferred tax assets	(2,140)	(3)	(132)	–
Deferred tax liabilities	7,930	5,838	–	–
	5,790	5,835	(132)	–

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

### Deferred tax liabilities of the Group

	Property, plant and equipment RM'000	Others RM'000	Total RM'000
At 1 January 2021	19,686	15	19,701
Recognised in profit or loss	287	–	287
At 31 December 2021	19,973	15	19,988
<b>Restated</b>			
At 1 January 2020	14,625	1,048	15,673
Recognised in profit or loss	274	(1,033)	(759)
Acquisition of subsidiaries (Note 15(a))	4,787	–	4,787
At 31 December 2020	19,686	15	19,701

### Deferred tax assets of the Group

	Unabsorbed capital allowances RM'000	Unused tax losses RM'000	Other payables and accrued expenses RM'000	Total RM'000
At 1 January 2021	(10,282)	(2,956)	(628)	(13,866)
Recognised in profit or loss	2,189	(389)	(2,132)	(332)
At 31 December 2021	(8,093)	(3,345)	(2,760)	(14,198)
At 1 January 2020	(6,398)	(105)	(615)	(7,118)
Recognised in profit or loss	(3,884)	(2,851)	(13)	(6,748)
At 31 December 2020	(10,282)	(2,956)	(628)	(13,866)

**17. DEFERRED TAX (ASSETS)/LIABILITIES (CONT'D)****Deferred tax assets of the Company**

	<b>Unrealised foreign exchange loss RM'000</b>
At 1 January 2021	–
Recognised in profit or loss	(132)
At 31 December 2021	(132)

Details of unused tax losses and other deductible temporary differences which have not been recognised in the statements of financial position are as follows:

	<b>The Group 2021 RM'000</b>	<b>2020 RM'000</b>
Unused tax losses	3,459	3,280
Other deductible temporary differences	1,654	1,654
	5,113	4,934

The availability of the unused tax losses for offsetting against future taxable profits of the Group is subject to no substantial changes in shareholdings of the respective companies under the Income Tax Act, 1967, and guidelines issued by the tax authority. Effective from year of assessment 2019, unused tax losses are allowed to be carried forward for a maximum period of ten years.

Deferred tax assets have not been recognised in respect of the above items as it is not probable that future taxable profits will be available in the Company and certain subsidiaries against which the Group can utilise the benefits.

The unutilised tax losses of the Group is available for offsetting against future taxable profits of the Group, as follows:

	<b>The Group 2021 RM'000</b>	<b>2020 RM'000</b>
Utilisation period		
10 years	179	241
9 years	241	3,039
8 years	3,039	–

## 18. INTANGIBLE ASSET

	The Group	
	2021 RM'000	2020 RM'000 Restated
<b>Cost</b>		
At 1 January	619	–
Acquisition of subsidiaries (Note 15(a))	–	619
At 31 December	619	619
<b>Accumulated amortisation</b>		
At 1 January	–	–
Amortisation for the year	116	–
At 31 December	116	–
<b>Net carrying amount</b>		
As at 31 December	503	619

Relates to customer relationship stated at cost and amortised on a straight line basis over a remaining period of 7 years (2020: 8 years).

## 19. INVENTORIES

	The Group	
	2021 RM'000	2020 RM'000
<b>At cost</b>		
Assembled products	3,829	9,190
Assembling parts	3,349	7,040
Trading goods	14,882	10,621
Goods in transit	3,742	9,583
	25,802	36,434

The cost of inventories held for sale recognised as cost of sales during the year amounted to RM190,569,857 (2020: RM153,513,561).

## 20. TRADE AND OTHER RECEIVABLES

### (a) Trade receivables

	The Group	
	2021 RM'000	2020 RM'000
Trade receivables	136,976	142,415
Less: Allowance for expected credit loss	(2,630)	(3,735)
Net	134,346	138,680

The Group's credit terms range from 3 to 120 days (2020: 3 to 120 days).

**20. TRADE AND OTHER RECEIVABLES (CONT'D)****(a) Trade receivables (cont'd)**

In determining the recoverability of the trade receivables, the Group considers any change in the credit quality of the trade receivables from the date credit was initially granted up to the reporting date.

The Group has applied a simplified approach in calculating loss allowances for trade receivables at an amount equal to lifetime expected credit loss ("ECL"). The Group estimated the loss allowance on trade receivables by applying an ECL rate at each reporting date. The ECL rate is computed based on estimated irrecoverable amounts determined by reference to past default experience of the Group and an analysis of the counterparty's current financial position.

The ageing analysis of the Group's trade receivables is as follows:

	<b>The Group</b>	
	<b>2021</b>	<b>2020</b>
	<b>RM'000</b>	<b>RM'000</b>
Neither past due nor impaired	95,135	91,902
1 - 30 days past due not impaired	20,495	27,122
31 - 60 days past due not impaired	7,634	11,918
61 - 90 days past due not impaired	5,238	3,226
More than 90 days past due not impaired	5,844	4,512
Past due but not impaired	39,211	46,778
Impaired	2,630	3,735
	136,976	142,415

Movement in the allowance for expected credit loss is as follows:

	<b>The Group</b>	
	<b>2021</b>	<b>2020</b>
	<b>RM'000</b>	<b>RM'000</b>
At 1 January	3,735	1,189
Allowance for expected credit loss (Note 6)	898	2,876
Write back of allowance for expected credit loss (Note 6)	(1,970)	(281)
Write-off against trade receivables	(33)	(49)
At 31 December	2,630	3,735

As the end of the reporting period, amount owing by ten major customers of the Group, which transacted with subsidiaries principally involved in the provision of total logistics and another subsidiary principally involved in the provision of procurement logistics services, accounted for 32% (2020: 33%) of the Group's trade and other receivables. The extension of credit to and repayments from these customers are closely monitored by management to ensure that they adhere to the agreed credit terms and policies.

The currency profile of trade receivables is as follows:

	<b>The Group</b>	
	<b>2021</b>	<b>2020</b>
	<b>RM'000</b>	<b>RM'000</b>
Ringgit Malaysia	135,149	140,805
United States Dollar	1,827	1,610
	136,976	142,415

## 20. TRADE AND OTHER RECEIVABLES (CONT'D)

### (b) Other receivables, deposits and prepaid expenses

	The Group		The Company	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Other receivables	27,301	26,250	—	—
Refundable deposits	7,026	9,306	—	—
Prepaid expenses	6,160	11,075	16	21
	40,487	46,631	16	21

Included in other receivables of the Group are amounts recoverable from customers of a subsidiary engaged in procurement logistics services for purchases of assembling parts made on their behalf totalling RM19,474,727 (2020: RM23,750,702).

The currency profile of other receivables and deposits of the Group is as follows:

	The Group	
	2021	2020
	RM'000	RM'000
Ringgit Malaysia	31,282	30,021
United States Dollar	3,043	5,533
Others	2	2
	34,327	35,556

## 21. AMOUNT OWING BY/(TO) SUBSIDIARIES, RELATED PARTIES, IMMEDIATE AND INTERMEDIATE HOLDING COMPANIES

	The Group		The Company	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
<b>Non current asset</b>				
<b>Amounts owing by:</b>				
<u>Non-trade</u>				
Subsidiary	—	—	191,175	—
<b>Current assets</b>				
<b>Amounts owing by:</b>				
<u>Non-trade</u>				
Subsidiaries	—	—	14,810	208,707
<u>Trade</u>				
Related parties	20,959	12,089	—	—
Immediate holding company	1,082	745	—	—
Intermediate holding company	152	560	—	—
	22,193	13,394	205,985	208,707

**21. AMOUNT OWING BY/(TO) SUBSIDIARIES, RELATED PARTIES, IMMEDIATE AND INTERMEDIATE HOLDING COMPANIES (CONT'D)**

	<b>The Group</b>		<b>The Company</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Amounts owing to:</b>				
<u>Non-trade</u>				
Subsidiaries	—	—	—	(1,698)
Immediate holding company	(28,084)	(23,302)	(12,422)	—
<u>Trade</u>				
Related parties	(394)	(279)	—	—
Immediate holding company	(2,565)	(1,879)	—	—
Intermediate holding company	(9,709)	(7,094)	—	—
	(40,752)	(32,554)	(12,422)	(1,698)

The non-trade balances are unsecured, interest-free and repayable on demand except for the following:

- RM28,084,000 (2020: RM23,302,000) of amount owing to immediate holding company which bears effective interest rate at 4.5% (2020: 4.5%) per annum, unsecured and repayable on demand.
- RM191,175,000 (2020: RM Nil) of amount owing by subsidiary which is expected to be repaid after 12 months from the year end, unsecured and interest free. The amount owing by subsidiary has been reclassified from current assets to non-current assets during the year.

The currency profile of amount owing by subsidiaries, related parties, immediate and intermediate holding company is follows:

	<b>The Group</b>		<b>The Company</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Ringgit Malaysia	17,541	10,334	205,985	208,707
United States Dollar	4,617	3,060	—	—
Singapore Dollar	35	—	—	—
	22,193	13,394	205,985	208,707

The currency profile of amount owing to subsidiaries, related parties, immediate and intermediate holding company is follows:

	<b>The Group</b>		<b>The Company</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Ringgit Malaysia	(36)	—	—	(1,698)
United States Dollar	(28,290)	(32,554)	—	—
Singapore Dollar	(12,426)	—	(12,422)	—
	(40,752)	(32,554)	(12,422)	(1,698)

The trade balances are subject to a normal credit term of 30 days (2020: 30 days), unsecured, interest-free and repayable on demand.



## 21. AMOUNT OWING BY/(TO) SUBSIDIARIES, RELATED PARTIES, IMMEDIATE AND INTERMEDIATE HOLDING COMPANIES (CONT'D)

Related parties refer to:

- Directors and key management personnel having authority and representation for planning, directing and controlling the activities of the Group and of the Company and their close family members; and
- Subsidiaries, related parties, immediate holding and intermediate holding companies of the Company and their subsidiaries.

Name of related parties	Relationship
<u>Related parties</u>	
WOWSHOP Sdn. Bhd.	An associate of CJ Corporation (ceased to be a related parties in September 2020).
Shanghai Smart Cargo Supply Chain Management Co., Ltd.	A wholly owned subsidiary of CJ Logistics Corporation
CJ Logistics PH Corp.	A wholly owned subsidiary of CJ Logistics Asia Pte. Ltd.
CJ Bio Malaysia Sdn Bhd	An associate of CJ Corporation
PT. CJ Logistics Indonesia	A subsidiary of CJ Logistics Asia Pte. Ltd.
CJ Logistics (Thailand) Co., Ltd.	An associate of CJ Logistics Asia Pte. Ltd.
CJ Korea Express Freight Vietnam Co., Ltd.	An associate of CJ Logistics Asia Pte. Ltd.
CJ Korea Express Shenzhen Co., Ltd.	A subsidiary of CJ Logistics Asia Pte. Ltd.
CJ Korea Express Qingdao Co., Ltd.	A wholly owned subsidiary of CJ Logistics Corporation
CJ Korea Express Tianjin Co., Ltd.	A wholly owned subsidiary of CJ Logistics Corporation
CJ Logistics Japan Corporation	A wholly owned subsidiary of CJ Logistics Corporation
CJ Logistics America, LLC	A wholly owned subsidiary of CJ Logistics Corporation
CJ Logistics Europe GMBH	A wholly owned subsidiary of CJ Logistics Corporation
Korea Express Shanghai Co., Ltd.	A wholly owned subsidiary of CJ Logistics Corporation
CJ Smart Cargo Hong Kong Limited	A subsidiary of Shanghai Smart Cargo Supply Chain Management Co., Ltd.
CJ Logistics Express Malaysia Sdn. Bhd.	A wholly owned subsidiary of CJ Logistics Asia Pte. Ltd.
CJ Olivenetworks Co., Ltd.	A subsidiary of CJ Corporation
CJ Logistics Holdings America Corporation	A wholly owned subsidiary of CJ Logistics Corporation
CJ Logistics Canada Corporation	A subsidiary of CJ Logistics America, LLC
<u>Immediate holding company</u>	
CJ Logistics Asia Pte. Ltd.	Holding company of the Company
<u>Intermediate holding company</u>	
CJ Logistics Corporation	Holding company of CJ Logistics Asia Pte. Ltd.
<u>Ultimate holding company</u>	
CJ Corporation	Holding company of CJ Logistics Corporation

In addition to the transactions detailed elsewhere in the financial statements, the Group and the Company had the following transactions with related parties during the financial year:

	The Group	
	2021 RM'000	2020 RM'000
<b>CJ Logistics Corporation</b>		
Provision of information technology services to CJ Century Logistics Sdn. Bhd. ("CJCL")	—	339
Provision of logistics services to CJCL	—	265
Provision of courier services by CJCL	(11)	11

**21. AMOUNT OWING BY/(TO) SUBSIDIARIES, RELATED PARTIES, IMMEDIATE AND INTERMEDIATE HOLDING COMPANIES (CONT'D)**

In addition to the transactions detailed elsewhere in the financial statements, the Group and the Company had the following transactions with related parties during the financial year: (cont'd)

	<b>The Group</b>	
	<b>2021</b>	<b>2020</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>CJ Logistics Corporation (cont'd)</b>		
Provision of logistics services by CJ Korea Express Malaysia Sdn. Bhd. ("CJKX")	3,748	1,300
Provision of logistics services to CJKX	23,718	4,320
Provision of consultancy fees to CJKX	—	146
Provision of recovery cost and guarantee fees to CJKX	544	155
Provision of brand royalty fees to CJKX	1,228	—
Provision of brand royalty fees to EC Distribution Sdn Bhd ("ECD")	18	—
Provision of brand royalty fees to EC Services Enterprise Sdn Bhd ("ECS")	34	—
Provision of guarantee fees to CJCL	186	—
<b>CJ Logistics Asia Pte. Ltd.</b>		
Provision of loan interest to CJ Century Logistics Holdings Berhad ("CJCEN")	686	—
Provision of information technology services to CJCL	123	321
Provision of courier services by CJCL	—	220
Provision of logistics services by CJCL	1,293	186
Provision of logistics services to CJCL	22	—
Provision of information technology services to CJKX	811	—
Provision of logistics services by CJKX	1,737	307
Provision of logistics services to CJKX	36	4
Provision of loan interest to CJKX	817	282
Provision of loan interest to CJLEM	2	—
<b>CJ Korea Express Malaysia Sdn. Bhd.</b>		
Provision of logistics services to CJCL	—	526
Provision of logistics services by CJCL	—	484
Provision of courier services by CJCL	—	16
Provision of data management solution services by CJ Century DMS Sdn. Bhd. ("CJCD")	—	15
<b>CJ Korea Express Forwarding (M) Sdn. Bhd.</b>		
Provision of rental by CJCL	—	18
<b>WOWSHOP Sdn. Bhd.</b>		
Provision of courier services by CJCL	—	12,193
Provision of logistics services by CJCL	—	6,078
<b>Shanghai Smart Cargo Supply Chain Management Co., Ltd</b>		
Provision of logistics services by CJCL	—	10
Provision of logistics services by CJKX	9	1

## 21. AMOUNT OWING BY/(TO) SUBSIDIARIES, RELATED PARTIES, IMMEDIATE AND INTERMEDIATE HOLDING COMPANIES (CONT'D)

In addition to the transactions detailed elsewhere in the financial statements, the Group and the Company had the following transactions with related parties during the financial year: (cont'd)

	The Group	
	2021 RM'000	2020 RM'000
<b>CJ Logistics PH Corp.</b>		
Provision of logistics services by CJCL	48	83
Provision of logistics services to CJCL	1,248	602
Provision of logistics services by CJKX	–	3
<b>CJ Bio Malaysia Sdn Bhd</b>		
Provision of logistics services by CJKX	139,745	45,457
Provision of logistics services to CJKX	–	1
<b>PT. CJ Logistics Indonesia</b>		
Provision of logistics services by CJKX	266	1
Provision of logistics services to CJKX	184	17
<b>CJ Logistics (Thailand) Co.,Ltd</b>		
Provision of logistics services to CJCL	3	–
Provision of logistics services by CJKX	233	42
Provision of logistics services to CJKX	99	49
<b>CJ Korea Express Shenzhen Co., Ltd.</b>		
Provision of logistics services by CJKX	–	1
Provision of logistics services to CJKX	17	1
<b>CJ Korea Express Qingdao Co., Ltd.</b>		
Provision of logistics services by CJKX	–	2
Provision of logistics services to CJKX	69	11
<b>CJ Korea Express Freight Vietnam Co.,Ltd</b>		
Provision of logistics services by CJCL	–	17
Provision of logistics services by CJKX	21	44
Provision of logistics services to CJKX	4	9
<b>CJ Korea Express Tianjin Co., Ltd.</b>		
Provision of logistics services by CJKX	–	1
Provision of logistics services to CJKX	53	15
<b>CJ Logistics Japan Corporation</b>		
Provision of logistics services by CJKX	34	2
<b>CJ Logistics America, LLC</b>		
Provision of logistics services by CJKX	–	4
<b>CJ Logistics Europe GMBH</b>		
Provision of logistics services to CJKX	45	6

**21. AMOUNT OWING BY/(TO) SUBSIDIARIES, RELATED PARTIES, IMMEDIATE AND INTERMEDIATE HOLDING COMPANIES (CONT'D)**

In addition to the transactions detailed elsewhere in the financial statements, the Group and the Company had the following transactions with related parties during the financial year: (cont'd)

	<b>The Group</b>	
	<b>2021</b>	<b>2020</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Korea Express Shanghai Co., Ltd.</b>		
Provision of logistics services by CJCL	7	—
Provision of logistics services to CJCL	20	—
Provision of logistics services by CJKX	648	319
Provision of logistics services to CJKX	290	290
<b>CJ Smart Cargo Hong Kong Limited</b>		
Provision of logistics services to CJKX	1,632	153
<b>CJ Olivenetworks Co., Ltd.</b>		
Provision of information technology services to CJCL	234	—
Provision of information technology services to CJKX	121	131
<b>CJ Logistics Express Malaysia Sdn. Bhd.</b>		
Provision of courier services to CJCL	24	—
Provision of logistics services by CJCL	403	—
Provision of rental by CJCL	2,166	—
Provision of courier services to CJKX	2	—
Provision of logistics services by CJKX	1	—
Provision of rental by CJKX	86	—
<b>CJ Logistics Holdings America Corporation</b>		
Provision of logistics services by CJKX	201	—
<b>CJ Logistics Canada Corporation</b>		
Provision of logistics services to CJKX	2	—
	<b>The Company</b>	
	<b>2021</b>	<b>2020</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>CJ Logistics Asia Pte. Ltd.</b>		
Provision of loan interest to CJCEN	686	—
<b>CJ Century Logistics Sdn. Bhd.</b>		
Management fee income	4,680	4,680
<b>CJ Century Technology Sdn. Bhd.</b>		
Management fee income	600	600
<b>CJ Century DMS Sdn. Bhd.</b>		
Management fee income	120	120

## 22. CONTRACT ASSET/(LIABILITIES)

	The Group	
	2021 RM'000	2020 RM'000
<b>Contract assets</b>		
Accrued billings in respect of revenue from total logistics services (Note a)	23,580	15,944
<b>Contract liabilities</b>		
Deferred income (Note b)	(3,882)	(2,437)

Set out below is the amount of revenue recognised from:

	The Group	
	2021 RM'000	2020 RM'000
Amounts included in contract liabilities at the beginning of the year	2,437	503

(a) Revenue arising from total logistics services

Accrued billings is in respect to revenue from on-going total logistics services recognised over time as at the reporting date.

The increase in accrued billings is due to the higher volume of transactions during the year.

(b) Deferred income

Deferred income relates to advance billings received for total logistics services.

The increase in deferred income is due to higher advance billings received in line with the higher volume of transactions during the year.

## 23. INVESTMENT IN MONEY MARKET FUNDS, DEPOSITS, CASH AND BANK BALANCES

### Investment in money market funds

	The Group		The Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Investment in money market funds	11,476	16,489	–	–

Investment in money market funds of the Group are managed by one (2020: one) licensed fund management company of which amounts deposited can be withdrawn at the discretion of the Group given a two days-notice period.

Investment in money market funds of the Group are denominated in Ringgit Malaysia.

**23. INVESTMENT IN MONEY MARKET FUNDS, DEPOSITS, CASH AND BANK BALANCES (CONT'D)**Deposits, cash and bank balances

	<b>The Group</b>		<b>The Company</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Cash and bank balances	32,993	33,605	198	208
Deposits with licensed banks	11,276	10,111	–	–
Less: Allowance for expected credit loss	(1,135)	–	–	–
	10,141	10,111	–	–
	43,134	43,716	198	208

Movement in the allowance for expected credit loss is as follows:

	<b>The Group</b>	
	<b>2021</b>	<b>2020</b>
	<b>RM'000</b>	<b>RM'000</b>
At 1 January	–	–
Allowance for expected credit loss (Note 6)	1,135	–
At 31 December	1,135	–

In prior year, included in cash and bank balances of the Group is bank balance amounting to RM3,475,410, representing cash collected on behalf of the customers as part of the Group's courier services operations, which are to be remitted to the customers within 1 week from the date of collection.

The weighted average interest rate of deposits with licensed banks is 1.68% (2020: 1.69%) per annum. The maturity periods of deposits of the Group range from 1 to 7 days (2020: 1 to 365 days).

The deposits with licensed banks of the Group totalling RM1,135,000 (2020: RM1,310,000) have been pledged to licensed banks to secure against financing facilities from the banks. RM1,135,000 (2020: RM1,171,000) of the pledged deposit with licensed banks are also held under the name of a former director on behalf of the Group. It is currently not accessible by the Group and hence, an allowance for expected credit loss was made during the year.

The currency profile of the deposits, cash and bank balances is as follows (the Company's deposits, cash and bank balances are denominated in Ringgit Malaysia):

	<b>The Group</b>	
	<b>2021</b>	<b>2020</b>
	<b>RM'000</b>	<b>RM'000</b>
Ringgit Malaysia	40,573	42,304
Chinese Renminbi	1,237	1,160
United States Dollar	2,451	238
Others	8	14
	44,269	43,716

## 24. SHARE CAPITAL

	The Group/ The Company		Amount	
	Number of shares 2021	2020	2021 RM'000	2020 RM'000
<b>Issued and fully paid:</b>				
At 1 January	594,229,890	394,229,890	300,043	200,043
Issuance of shares in relation to acquisition of subsidiaries	–	200,000,000	–	100,000
At 31 December	594,229,890	594,229,890	300,043	300,043

The Company increased its issued and paid-up ordinary share capital by the issuance of 200,000,000 new ordinary shares at fair value of RM0.50 per share, being the purchase consideration for the acquisition of 100% equity interest in CJ Korea Express Malaysia Sdn. Bhd. and its subsidiaries ("CJKB Group") on 30 June 2020. The new shares issued rank pari passu in all aspects with the then existing ordinary shares of the Company.

The holders of ordinary shares (other than treasury 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 the ordinary shares (other than treasury shares) rank equally with regard to the Company's residual assets.

## 25. TREASURY SHARES

	The Group/ The Company		Amount	
	Number of shares 2021	2020	2021 RM'000	2020 RM'000
At 1 January	6,203,000	3,968,900	3,368	2,506
Shares bought back during the year	1,757,700	2,234,100	829	862
At 31 December	7,960,700	6,203,000	4,197	3,368

During the financial year, the Company bought back 1,757,700 (2020: 2,234,100) of its issued ordinary shares from the open market at average price of RM0.47 per share (2020: RM0.39 per share). The total consideration paid for the purchase was RM829,000 (2020: RM862,000).

The treasury shares are held in accordance with Section 127(4)(b) of the Companies Act 2016 at a carrying amount of RM4,197,000 (2020: RM3,368,000).

## 26. RESERVES

	The Group		The Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Translation reserve	531	736	–	–
Retained earnings	125,216	118,494	8,102	21,586
	125,747	119,230	8,102	21,586



**26. RESERVES (CONT'D)****Translation reserve**

Translation reserves represent the exchange differences arising from the translation of financial statements of the foreign operations where functional currencies are different from that of the presentation currency of these consolidated financial statements.

**Retained earnings**

The Company's retained earnings as of 31 December 2021 are distributable as dividends under the single tier income tax system.

**27. HIRE PURCHASE PAYABLES**

	<b>The Group</b>	
	<b>2021</b>	<b>2020</b>
	<b>RM'000</b>	<b>RM'000</b>
Total outstanding	9,602	21,294
Less: Interest-in-suspense	(818)	(1,352)
Principal outstanding	8,784	19,942
Less: Portion due within the next 12 months (shown under current liabilities)	(2,453)	(9,459)
Non-current portion	6,331	10,483

The non-current portion is repayable as follows:

	<b>The Group</b>	
	<b>2021</b>	<b>2020</b>
	<b>RM'000</b>	<b>RM'000</b>
Within 1 to 2 years	2,392	7,029
Within 2 to 5 years	3,939	3,454
	6,331	10,483

The term of the hire-purchase ranges from one to five years (2020: one to five years) and the weighted average effective interest rates implicit in the hire-purchase arrangements is 4.77% (2020: 5.10%) per annum. The interest rates are fixed at the inception of the hire-purchase arrangement.

The hire-purchase payables of the Group are secured by the financial institutions' charge over the assets under hire-purchase as disclosed in Note 12.

Hire-purchase payables are denominated in Ringgit Malaysia.

## 28. LONG-TERM BORROWINGS

	The Group	
	2021 RM'000	2020 RM'000
<b>Secured:</b>		
Term loan	138,217	159,893
Less: Portion due within the next 12 months (Note 30)		
Term loan	(17,637)	(21,673)
Non-current portion	120,580	138,220

The non-current portion of the long-term loans is repayable as follows:

	The Group	
	2021 RM'000	2020 RM'000
Within 1 to 2 years	16,626	17,639
Within 2 to 5 years	49,878	49,878
5 years and thereafter	54,076	70,703
	120,580	138,220

The weighted average effective interest rate of the above long-term loans is 3.58% (2020: 4.12%) per annum.

Term loan of the Group is secured by:

- (i) deed of assignment and specific debenture in favour of the lender over certain land and buildings (Note 12);
- (ii) assignment of rental proceeds; and
- (iii) corporate guarantee by the Company.

The Group's borrowings are denominated in Ringgit Malaysia.

## 29. TRADE PAYABLES, OTHER PAYABLES AND ACCRUED EXPENSES

### (a) Trade payables

Trade payables comprise amounts outstanding for trade purchases and ongoing costs. The credit terms of the Company for trade and other payables are granted on a case-by-case basis.

The currency profile of trade payables is as follows:

	The Group	
	2021 RM'000	2020 RM'000
Ringgit Malaysia	36,994	39,712
United States Dollar	10,575	13,109
Others	12	59
	47,581	52,880

**29. TRADE PAYABLES, OTHER PAYABLES AND ACCRUED EXPENSES (CONT'D)****(b) Other payables and accrued expenses**

	<b>The Group</b>		<b>The Company</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Other payables	34,460	46,272	6	14
Accrued expenses	29,031	27,636	1,139	1,138
Refundable deposits	1,006	813	–	–
Sales and Service tax payable	5,567	4,396	–	–
	70,064	79,117	1,145	1,152

Included in other payables of the Group is amount payable to designated suppliers of assembling parts by customers, which engaged a subsidiary to provide procurement logistics services, amounting to RM23,167,478 (2020: RM20,557,221).

The currency profile of other payables and accrued expenses is as follows:

	<b>The Group</b>	
	<b>2021</b>	<b>2020</b>
	<b>RM'000</b>	<b>RM'000</b>
Ringgit Malaysia	51,951	55,190
United States Dollar	18,048	23,883
Others	65	44
	70,064	79,117

The Company's other payables and accrued expenses are denominated in Ringgit Malaysia.

**30. SHORT-TERM BORROWINGS**

	<b>The Group</b>	
	<b>2021</b>	<b>2020</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Secured:</b>		
Revolving credit	16,000	31,000
Term loan	17,637	21,673
Portion of borrowings due within the next 12 months (Note 28)	33,637	52,673

The Group also has bank guarantees, trade facilities, unutilised bank overdrafts and revolving credit facilities amounting to RM113.1 million (2020: RM111.7 million) obtained from various financial institutions.

The revolving credit bears interest at rates ranging from 3.32% to 3.67% (2020: 3.30% to 3.73%) per annum.

Revolving credit of the Group is secured by corporate guarantee by the Company.

### 31. CAPITAL COMMITMENTS

As of the end of the financial year, the Group has the following capital commitments:

	<b>The Group</b>	
	<b>2021</b>	<b>2020</b>
	<b>RM'000</b>	<b>RM'000</b>
Approved and contracted for:		
- Buildings	–	1,082
- Improvements and renovation	37	216
- Motor vehicles	–	2,014
- Warehouse, office and other equipment	71	3,180
	108	6,492
Approved but not contracted for		
- Improvements and renovation	1,041	986
- Warehouse, office and other equipment	499	2,011
	1,648	9,489

### 32. CAPITAL MANAGEMENT

The Group manages its capital to ensure that entities within the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from 2020.

The capital structure of the Group consists of net debt (lease liabilities, amount due to immediate holding company, hire-purchase payables and borrowings as detailed in Notes 14, 21, 27, 28 and 30) offset by cash and bank balances and money market funds and equity of the Group (comprising share capital, treasury shares, reserves and non-controlling interests as detailed in Notes 24, 25 and 26).

The Group is not subject to any externally imposed capital requirements.

#### Gearing ratio

The gearing ratio at end of the reporting period is as follows:

	<b>The Group</b>	
	<b>2021</b>	<b>2020</b>
	<b>RM'000</b>	<b>RM'000</b>
Debts, comprising:		
Lease liabilities (Note 14)	22,414	22,499
Amount due to immediate holding company (Note 21)	28,084	23,302
Hire-purchase payables (Note 27)	8,784	19,942
Borrowings (Notes 28 and 30)	154,217	190,893
	213,499	256,636
Less: Investment in money market funds (Note 23)	(11,476)	(16,489)
Less: Deposits, cash and bank balances (Note 23)	(43,134)	(43,716)
Add: Cash held on behalf of customers (Note 23)	–	3,475
Net debt	158,889	199,906
Equity	422,276	416,958
Net debt to equity ratio	38%	48%

**33. CLASSIFICATION OF FINANCIAL INSTRUMENTS**

	<b>The Group</b>	
	<b>2021</b>	<b>2020</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Financial assets</b>		
<b>Fair value through profit or loss:</b>		
Investment in money market funds (Note 23)	11,476	16,489
<b>Amortised cost:</b>		
Trade receivables (Note 20(a))	134,346	138,680
Other receivables and refundable deposits (Note 20(b))	34,327	35,556
Amount owing by related parties (Note 21)	20,959	12,089
Amount owing by immediate holding company (Note 21)	1,082	745
Amount owing by intermediate holding company (Note 21)	152	560
Deposits, cash and bank balances (Note 23)	43,134	43,716
<b>Financial liabilities</b>		
<b>Amortised cost:</b>		
Trade payables (Note 29(a))	47,581	52,880
Other payables and accrued expenses (Note 29(b))	64,497	74,721
Amount owing to related parties (Note 21)	394	279
Amount owing to immediate holding company (Note 21)	30,649	25,181
Amount owing to intermediate holding company (Note 21)	9,709	7,094
Borrowings (Notes 28 and 30)	154,217	190,893
Hire-purchase payables (Note 27)	8,784	19,942
Lease liabilities (Note 14)	22,414	22,499

	<b>The Company</b>	
	<b>2021</b>	<b>2020</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Financial assets</b>		
<b>Amortised cost:</b>		
Amount owing by subsidiaries (Note 21)	205,985	208,707
Deposits, cash and bank balances (Note 23)	198	208
<b>Financial liabilities</b>		
<b>Amortised cost:</b>		
Other payables and accrued expenses (Note 29(b))	1,145	1,152
Amount owing to immediate holding company (Note 21)	12,422	–
Amount owing to subsidiaries (Note 21)	–	1,698

**34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include foreign currency risk, interest rate risk, credit risk and liquidity risk.

The Board of Directors reviews and agrees policies and procedures for the management of these risks, which are executed by the senior management. The Risk Management Committee provides independent oversight to the effectiveness of the risk management process.

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.

### 34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

The Company's shared services function provides services to the entities within the Group, coordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyse exposures by degree and magnitude of risks.

#### (i) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The foreign currency risk exposure is mainly in United States Dollar ("USD") and Singapore Dollar ("SGD").

Material foreign currency exposures are hedged via forward exchange contracts by using foreign exchange facilities maintained with leading banks in Malaysia. As at 31 December 2021, the Group has entered into USD forward exchange contracts with a nominal value of RM9,686,000 (2020: RM4,457,000) and the net gain arising from the fair value changes of the USD forward exchange contracts is RM56,000 (2020: net loss of RM111,000).

The table below demonstrates the sensitivity of the Group's profit after tax as at year end to a possible reasonable change in the USD and SGD exchange rates against Ringgit Malaysia with all other variables held constant:

		<b>Effect on profit after tax</b>	
		<b>2021</b>	<b>2020</b>
		<b>RM'000</b>	<b>RM'000</b>
USD	+5%	(1,341)	(2,077)
	-5%	1,341	2,077
SGD	+5%	(471)	—
	-5%	471	—

#### (ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group's interest rate risk relates to interest-bearing debts. The Group manages its interest rate risk by actively reviewing its debt portfolio. This strategy will allow the Group to capitalise on more favourable funding in a low interest rate environment and hence, to achieve a certain level of protection against interest rate hikes.

At the reporting date, if interest rates had been 25 basis points higher or lower and all other variables were held constant, the Group's profit/(loss) before tax for the year ended 31 December 2021 would decrease or increase by RM385,542 (2020: RM410,000), arising mainly as a result of higher or lower interest expense on floating rate loans and borrowings. The assumed movement in basis points for interest rate sensitivity analysis is based on a prudent estimate of the current market environment.

#### (iii) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group only transacts with entities that are rated the equivalent of investment grade and above. This information is supplied by independent search agencies where available and, if not available, the Group uses other publicly available financial information and its own trading records to rate the major customers. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by credit limits that are reviewed and approved by the Chief Executive Officer, Deputy Chief Executive Officer, Executive Director or Head of Department depending on the threshold of credit limit. Regular credit evaluation is performed on the financial condition of accounts receivable.

Other than those disclosed in Note 20(a), the Group does not have any significant credit risk exposure to any single counterparty or any Group of counterparties having similar characteristics. The Group defines counterparties as having similar characteristics if they are related entities.

**34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)****(iii) Credit risk (cont'd)**

The credit risk of the Group's and the Company's other financial assets, which comprise of other receivables and refundable deposits, amount owing by subsidiaries, amount owing by related parties, amount owing by immediate and intermediate holding companies, investment in money market funds, and deposits, cash and bank balances, arises from potential default of the counterparty.

The Group and the Company monitor the credit risks of other receivables and refundable deposits, amount owing by subsidiaries, amount owing by related parties, amount owing by immediate and intermediate holding companies on a regular basis and the Group and the Company do not expect any counterparty to fail to meet its obligations. The credit risk on investment in money market funds, deposits, cash and bank balances are limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The carrying amount of financial assets recorded in the financial statements, which is net of impairment losses, represents the Group's maximum exposure to credit risk without taking account of the value of any collateral obtained.

**(iv) Liquidity risk**

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The board of directors has built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves and banking facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The following tables detail the Group's expected maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on undiscounted cash flows of financial liabilities based on the earliest dates on which the Group can be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from the interest rate at the end of the reporting period. The contractual maturity is based on the earliest date on which the Group may be required to pay.

**The Group**

	<b>Less than 1 year RM'000</b>	<b>Within 1 to 2 years RM'000</b>	<b>Within 2 to 5 years RM'000</b>	<b>More than 5 years RM'000</b>	<b>Total RM'000</b>
<b>2021</b>					
Trade payables	47,581	–	–	–	47,581
Other payables and accrued expenses	64,497	–	–	–	64,497
Amount owing to related parties	394	–	–	–	394
Amount owing to immediate holding company	31,913	–	–	–	31,913
Amount owing to intermediate holding company	9,709	–	–	–	9,709
Hire-purchase payables	2,824	2,643	4,135	–	9,602
Lease liabilities	16,306	6,431	635	–	23,372
Borrowings	38,535	21,498	64,492	72,392	196,917
	211,759	30,572	69,262	72,392	383,985



## 34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

## (iv) Liquidity risk (cont'd)

## The Group

	Less than 1 year RM'000	Within 1 to 2 years RM'000	Within 2 to 5 years RM'000	More than 5 years RM'000	Total RM'000
<b>2020</b>					
Trade payables	52,880	–	–	–	52,880
Other payables and accrued expenses	74,721	–	–	–	74,721
Amount owing to related parties	279	–	–	–	279
Amount owing to immediate holding company	25,739	–	–	–	25,739
Amount owing to intermediate holding company	7,094	–	–	–	7,094
Hire-purchase payables	10,282	7,409	3,603	–	21,294
Lease liabilities	12,521	7,434	3,870	–	23,825
Borrowings	26,956	22,763	65,170	91,295	206,184
	210,472	37,606	72,643	91,295	412,016

## The Company

	Less than 1 year RM'000	Within 1 to 2 years RM'000	Within 2 to 5 years RM'000	More than 5 years RM'000	Total RM'000
<b>2021</b>					
Other payables and accrued expenses	1,145	–	–	–	1,145
Amount owing to immediate holding company	12,981	–	–	–	12,981
	14,126	–	–	–	14,126
<b>2020</b>					
Other payables and accrued expenses	1,152	–	–	–	1,152
Amount owing to subsidiaries	1,698	–	–	–	1,698
	2,850	–	–	–	2,850

### 34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

#### (v) Financial guarantees

The Company provides unsecured financial guarantees to banks in respect of banking facilities granted to certain subsidiaries. The Company monitors on an ongoing basis the results of the subsidiaries and repayments made by them. The maximum exposure to credit risk amounted to RM246.3 million (2020: RM302.7 million) representing the banking facilities of the subsidiaries as at the end of the reporting period.

The financial guarantees have not been recognised since the fair value on initial recognition was not material as the financial guarantees provided by the Company did not contribute towards credit enhancement of the subsidiaries' borrowings in view of the securities pledged by the subsidiaries as disclosed in Note 28.

### 35. SEGMENT INFORMATION

Segment information is presented in respect of the Group's business segments, which reflect the Group's internal reporting structure that are regularly reviewed by the Group's chief operating decision maker for the purposes of allocating resources to the segment and assessing its performance.

For management purposes, the Group is organised into the following operating divisions:

- Total logistics services
- Procurement logistics services
- Courier services

Inter-segment sales comprises provision of total logistics services to other business segment.

## 35. SEGMENT INFORMATION (CONT'D)

## Segment revenue and results

## The Group

	Continuing Operations			Discontinued Operation		
	Total logistics services RM'000	Procurement logistics services RM'000	Adjustment and Elimination RM'000	Courier services RM'000	Elimination and Adjustment RM'000	Subtotal Consolidated RM'000
<b>2021</b>						
<b>Revenue</b>						
External sales	669,639	173,383	—	26,501	—	869,523
Inter-segment sales	11,415	—	(11,415)	52	(52)	—
	681,054	173,383	(11,415)	26,553	(52)	869,523
<b>Results</b>						
Segment results	30,520	9,701	(2,076)	(19,944)	—	18,201
Gain from disposal of discontinued operations	—	—	—	—	8,175	8,175
Interest income	496	130	—	—	—	626
	31,016	9,831	(2,076)	(19,944)	8,175	27,002
Profit/(loss) from operations	(9,917)	(5)	—	(462)	—	(10,384)
Finance costs	(7,425)	(2,486)	—	—	—	(9,911)
Income tax expense						
	13,674	7,340	(2,076)	(20,406)	8,175	6,707
Profit/(loss) for the year						

**35. SEGMENT INFORMATION (CONT'D)****Segment revenue and results (cont'd)****The Group**

	Continuing Operations			Discontinued Operation		
	Total logistics services	Procurement logistics services	Adjustment and Elimination	Courier services	Elimination	Subtotal
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>2020</b>						
<b>Revenue</b>						
External sales	425,622	164,228	—	45,857	—	635,707
Inter-segment sales	5,807	37	(5,844)	—	—	—
	431,429	164,265	(5,844)	45,857	—	635,707
<b>Results</b>						
Segment results	28,645	6,153	(117)	(31,046)	—	3,635
Interest income	1,103	194	—	—	—	1,297
	29,748	6,347	(117)	(31,046)	—	4,932
Profit/(loss) from operations	(8,729)	(12)	—	(1,162)	—	(9,903)
Finance costs	8,822	(2,832)	27	—	—	6,017
Income tax credit/(expense)						
Profit/(loss) for the year	29,841	3,503	(90)	(32,208)	—	1,046

### 35. SEGMENT INFORMATION (CONT'D)

#### Segment assets and liabilities

For the purposes of monitoring segment performance and allocating resources between segments, all assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Segment capital expenditure is the total costs incurred during the year to acquire segment assets that are expected to be used for more than one period.

#### The Group

	Continuing Operations			Discontinued Operation		
	Total logistics services RM'000	Procurement logistics services RM'000	Adjustment and Elimination RM'000	Courier services RM'000	Adjustment and Elimination RM'000	Subtotal Consolidated RM'000
<b>2021</b>						
Segment assets	964,612	97,414	(283,184)	-	-	778,842
Segment liabilities	519,128	48,353	(210,915)	-	-	356,566
<b>2020 Restated</b>						
Segment assets	967,613	114,387	(302,767)	44,717	-	823,950
Segment liabilities	542,473	72,667	(229,988)	21,840	-	406,992

#### Other segment information

#### The Group

<b>2021</b>						
Capital expenditure*	37,190	109	-	282	-	37,581
Depreciation and amortisation	32,647	1,126	-	2,729	-	36,502
<b>2020</b>						
Capital expenditure*	69,810	308	-	8,317	-	78,435
Depreciation	23,709	1,154	-	6,802	-	31,665

\* Capital expenditure consists of additions of property, plant and equipment, right-of-use assets, intangible asset and goodwill on consolidation.

As at 31 December 2021 and 2020, there is no revenue concentration from a single customer that exceeds 10% of the total Group's revenue.

**36. FAIR VALUE OF ASSETS AND LIABILITIES**

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities:

**The Group**

	<b>Level 1 RM'000</b>	<b>Level 2 RM'000</b>	<b>Level 3 RM'000</b>
<b>2021</b>			
<u>Assets measured at fair value</u>			
Investment in money market funds	–	11,476	–
<b>2020</b>			
<u>Assets measured at fair value</u>			
Investment in money market funds	–	16,489	–

During the year, there were no transfers between Level 1, Level 2 and Level 3 of the fair value hierarchy.

**Level 2 fair value measurements**

The following is a description of the valuation techniques and inputs used in fair value measurement for assets and liabilities that are categorised within Level 2 of the fair value hierarchy:

Investment in money market funds

The fair values of investment in money market funds are based on price quotes for similar instruments or valuation techniques based on market observable inputs as quoted prices of identical instruments from an active market are not available. It is determined based on the quoted prices from investment fund and adjusted to incorporate credit risk.

**Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value**

The following are classes of financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair values:

	<b>Note</b>
Trade receivables	20(a)
Other receivables and refundable deposits	20(b)
Amount owing by subsidiaries	21
Amount owing by related parties	21
Amount owing by immediate holding company	21
Amount owing by intermediate holding company	21
Deposits, cash and bank balances	23
Trade payables	29(a)
Other payables and accrued expenses	29(b)
Amount owing to subsidiaries	21
Amount owing to related parties	21
Amount owing to immediate holding company	21
Amount owing to intermediate holding company	21
Borrowings	28, 30
Hire-purchase payables	27
Lease liabilities	14

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the reporting date.

### 37. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's statement of cash flows as cash flows from/(used in) financing activities.

#### The Group

	Hire- purchase payables (Note 27) RM'000	Lease liabilities (Note 14) RM'000	Amount due to immediate holding company (Note 21) RM'000	Borrowings (Note 28 and Note 30) RM'000	Total RM'000
At 1 January 2021	19,942	22,499	23,302	190,893	256,636
Net changes from financing cash flows:					
Payments for the principal portion of hire-purchase/ lease	(7,303)	(16,985)	–	–	(24,288)
Payments for the principal portion of loan with holding company	–	–	(14,978)	–	(14,978)
Drawdown of bank borrowings	–	–	–	33,000	33,000
Finance costs paid	(770)	(1,398)	(1,505)	(6,711)	(10,384)
Advance from immediate holding company	–	–	19,760	–	19,760
Repayment of bank borrowings	–	–	–	(49,676)	(49,676)
Total net changes from financing cash flows	(8,073)	(18,383)	3,277	(23,387)	(46,566)
Other changes:					
Finance costs payable	770	1,398	1,505	6,711	10,384
New hire purchase/lease	6,178	21,363	–	–	27,541
Termination	–	(2,129)	–	–	(2,129)
Disposal of subsidiary	(10,033)	(2,334)	–	(20,000)	(32,367)
Total other changes	(3,085)	18,298	1,505	(13,289)	3,429
At 31 December 2021	8,784	22,414	28,084	154,217	213,499



**37. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES (CONT'D)**

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's statement of cash flows as cash flows from/(used in) financing activities (cont'd):

**The Group**

	<b>Hire- purchase payables (Note 27) RM'000</b>	<b>Lease liabilities (Note 14) RM'000</b>	<b>Amount due to immediate holding company (Note 21) RM'000</b>	<b>Borrowings (Note 28 and Note 30) RM'000</b>	<b>Total RM'000</b>
At 1 January 2020	20,273	10,084	–	171,313	201,670
Net changes from financing cash flows:					
Payments for the principal portion of hire-purchase/lease	(9,070)	(12,483)	–	–	(21,553)
Drawdown of bank borrowings	–	–	–	29,000	29,000
Finance costs paid	(1,207)	(876)	(558)	(7,262)	(9,903)
Repayment of bank borrowings	–	–	–	(14,135)	(14,135)
Total net changes from financing cash flows	(10,277)	(13,359)	(558)	7,603	(16,591)
Other changes:					
Finance costs payable	1,207	876	558	7,262	9,903
Acquisition of subsidiaries	–	8,136	23,302	4,715	36,153
New hire-purchase/lease	8,739	17,041	–	–	25,780
Termination	–	(279)	–	–	(279)
Total other changes	9,946	25,774	23,860	11,977	71,557
At 31 December 2020	19,942	22,499	23,302	190,893	256,636

### 37. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES (CONT'D)

The table below details changes in the Company's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Company's statement of cash flows as cash flows from/(used in) financing activities.

#### The Company

	Amount due to immediate holding company (Note 21) RM'000
At 1 January 2021	—
Net changes from financing cash flows:	
Advance from immediate holding company	19,760
Payments for the principal portion of loan with immediate holding company	(7,338)
Finance costs paid	(686)
Total net changes from financing cash flows	11,736
Other changes:	
Finance costs payable	686
Total other changes	686
At 31 December 2021	12,422

### 38. COMPARATIVE FIGURES

The presentation and classification of items in the current year's financial statements have been consistent with the previous financial year except for comparative amounts which have been restated to conform with the requirements of MFRS 5 Non-current Assets Held for Sale and Discontinued Operations (as disclosed in Note 15 (c)) and to account for the adjustments of Group's goodwill retrospectively (as disclosed in Note 15 (a)).

## LIST OF PROPERTIES

As at 31 December 2021

Location	Existing use Description	Year of Acquisition or Revaluation*	Age of Building	Area (sq. feet)	Tenure	NBV as at 31/12/2021 (RM)
Lot 8, Lingkaran Sultan Mohamed 1 Bandar Sultan Suleiman 42000 Port Klang Selangor Darul Ehsan	3 single storey warehouses with office building	2001	20 years	558,647	Leasehold Expiry: 29 March 2087	28,360,832
Plot D16 & D18, Jalan Tanjung A/3 Kawasan Zon Bebas Pelabuhan Tanjung Pelepas 81560 Gelang Patah Johor Darul Takzim	Single storey warehouse with office building	2008*	15 years	335,412	Sub Lease Expiry: 23 March 2055	23,411,739
Plot D12, Jalan Tanjung A/2 Kawasan Zon Bebas Pelabuhan Tanjung Pelepas 81560 Gelang Patah Johor Darul Takzim	Single storey warehouse with office building	2007	14 years	321,037	Sub Lease Expiry: 23 March 2055	19,431,450
Plot D14, Jalan Tanjung A/3 Kawasan Zon Bebas Pelabuhan Tanjung Pelepas 81560 Gelang Patah Johor Darul Takzim	Single storey warehouse with office building	2009	12 years	156,511	Sub Lease Expiry: 23 March 2055	12,947,562
Plot D28-B, D28-C & D28-D Jalan DPB 3 Kawasan Zon Bebas Pelabuhan Tanjung Pelepas 81560 Gelang Patah Johor Darul Takzim	2 single storey warehouses	2014*	9 years	653,400	Sub Lease Expiry: 23 March 2055	69,913,345
Lot 4A, Jalan Sultan Mohamed 3 Bandar Sultan Suleiman 42000 Port Klang Selangor Darul Ehsan	Double storey factory with office building	2012	23 years (refurbished in 2013)	257,171	Leasehold Expiry: 30 June 2105	16,813,204
No.12, Persiaran Astana/KU2 Bandar Bukit Raja 41050 Klang Selangor Darul Ehsan	Three storey warehouse with office building	2019	2 years	358,105	Freehold	153,872,467
No.4, Jalan Jenjarum 28/39 Seksyen 28 40400 Shah Alam Selangor Darul Ehsan	Single storey warehouse with office building	2020*	15 years	296,825	Freehold	51,908,452
PT 10633, Kawasan Perindustrian Teluk Kalung Kemaman Terengganu Darul Iman	Single storey warehouse with office building	2020*	1 year	215,278	Leasehold Expiry: 7 July 2079	13,503,348
						390,162,399

## GRI STANDARDS INDEX

Classification		Disclosure	Page
Organisational Profile	102-1	Name of the organisation	3
	102-2	Activities, brands, products, and services	4, 5
	102-3	Location of headquarters	3
	102-5	Ownership and legal form	21
	102-7	Scale of the organisation	4, 5
	102-8	Information on employees	33, 34
	102-9	Supply chain management / Procurement practices	29
	102-10	Significant changes to the organisation	7, 10
	102-11	Risk Management	37, 38, 51 - 53
Strategy	102-14	Statement from senior decision-maker	9 -13
Ethics and Integrity	102-16	Values and principles	1
Governance	102-18	Corporate governance structure and sustainability governance	22
	102-20	Executive-level responsibility for economic, environmental, and social topics	22
	102-22	Composition of the highest governance body and its committees	45, 46
	102-23	Chair of the highest governance body	41, 46, 48
	102-24	Nominating and selecting the highest governance body	45, 46
	102-25	Conflicts of interest	18-20
	102-28	Evaluating the highest governance body's performance	47
	102-35	Remuneration policies	47, 48
Stakeholders Engagment	102-40	List of stakeholder groups	24, 25
	102-43	Approach to stakeholder engagement	24, 25
	102-44	Key topics and concerns raised	24, 25
Reporting Practices	102-45	Entities included in the consolidated financial statements	7
	102-46	Defining report content and topic boundaries	22
	102-47	List of material topics	25
	102-50	Reporting period	22
	102-54	Claims of reporting in accordance with the GRI Standards	22
	102-55	GRI content index	141, 142
Management Approach	103-1	Explanation of the material topic and its boundary	25
Economic Performance	201-1	Direct economic value generated and distributed	10-13, 26, 27

Classification		Disclosure	Page
Market Presence	202-2	Proportion of senior management hired from the local community	33
Anti-Corruption	205-2	Communciation and training about anti-corruption policies and procedures	23
Energy	302-1	Energy consumption within the organisation	31
Water and Effluents	303-5	Water consumption	31
Emissions	305-1	Direct (Scope 1) GHG emissions	30
	305-2	Energy indirect (Scope 2) GHG emissions	30
Waste	306-2	Management of significant waste-related impacts	32
Environmental compliance	307-1	Non-compliance with environmental laws and regulations	29, No breach cases
Employment	401-1	New employee hires and employee turnover	33, 34
	401-2	Benefits provided to full-time employees	34, 35
	401-3	Parental leave	35
Occupational Health and Safety	403-1	Occupational health and safety management system	36
	403-2	Hazard identification, risk assessment, and incident investigation	36
	403-3	Occupational health services	37
	403-4	Worker participation, consultation, and communication on occupational health and safety	37
	403-5	Worker training on occupational health and safety	37
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	37
	403-9	Work-related injuries	38
Training and Education	404-1	Average hours of training per year per employee	34
Diversity and Equal Opportunity	405-1	Diversity of governance body and employees	33, 46
Non-discrimination	406-1	Incidents of discrimination and corrective actions taken	36, No breach cases
Local Communities	413-1	Operations with local community engagement and development programs	39
Supplier Social Assessment	414-1	New suppliers that were screened using social criteria	29
Public Policy	415-1	Political contributions	39, No political contributions
Customer Privacy	418-1	Substantiated complaints concerning breaches of customer privacy and lossess of customer data	29, No complaint cases

# ANALYSIS OF SHAREHOLDINGS

As at 3 March 2022

Total Number of Issued Shares	:	594,229,890 (including the treasury shares of 9,169,400)
Paid-Up Share Capital	:	RM300,043,445.00 (including the treasury shares of RM4,896,042.34)
Class of Shares	:	Ordinary shares
Voting Rights	:	One vote per ordinary share

## 1. DISTRIBUTION OF SHAREHOLDERS

Size of Holdings	No. of Holders	%	No. of Holdings	%
1 – 99	145	3.65	5,341	0.00
100 – 1,000	388	9.77	226,808	0.04
1,001 – 10,000	1,830	46.11	10,544,366	1.80
10,001 – 100,000	1,336	33.66	45,783,484	7.83
100,001 – 29,253,023 (less than 5% of issued holdings)	269	6.78	207,956,255	35.54
29,253,024 and above (5% and above of issued holdings)	1	0.03	320,544,236	54.79
<b>TOTAL</b>	<b>3,969</b>	<b>100.00</b>	<b>585,060,490</b>	<b>100.00</b>

## 2. DIRECTORS' SHAREHOLDINGS

The Directors' Shareholdings of CJ Century Logistics Holdings Berhad based on the Register of Directors' Shareholdings are as follows:

No.		Direct	No. of Ordinary Shares Held %*	Indirect	%*
1.	Datuk Lee Say Tshin	–	–	80,000 <sup>(a)</sup>	0.01
2.	Teow Choo Hing	47,874,194	8.18	2,224,416 <sup>(b)</sup>	0.38
3.	Yeap Khoo Soon Edwin	3,382,300	0.58	–	–
4.	Kim Tae Gyun	–	–	–	–
5.	Jonathan Park	–	–	–	–
6.	Sung Hyunsup	–	–	–	–
7.	Park Chul Moon	–	–	–	–
8.	Saryani Binti Che Ab Rahman	–	–	–	–
9.	Winston Tan Kheng Huang	–	–	–	–

### Notes:

\* Calculated based on 585,060,490 Ordinary Shares

(a) Deemed interested pursuant to Section 8 of the Companies Act 2016 through the shareholdings of his spouse and son

(b) Deemed interested pursuant to Section 8 of the Companies Act 2016 through the shareholding of his spouse

### 3. LIST OF SUBSTANTIAL SHAREHOLDERS

The names of the Substantial Shareholders and their respective shareholdings in CJ Century Logistics Holdings Berhad based on the Register of Substantial Shareholders of the Company are as follows:

No.		Direct	No. of Ordinary Shares Held		%*
			%*	Indirect	
1.	CJ Logistics Asia Pte. Ltd	320,544,236	54.79	—	—
2.	Teow Choo Hing	47,874,194	8.18	2,224,416 #	0.38

**Notes:**

\* Calculated based on 585,060,490 Ordinary Shares

# Deemed interested pursuant to Section 8 of the Companies Act 2016 through the shareholding of his spouse

### 4. LIST OF THIRTY LARGEST SECURITIES ACCOUNTS HOLDERS

No.	Names	Shareholdings	%
1.	CJ Logistics Asia Pte. Ltd.	320,544,236	54.79
2.	Teow Choo Hing	22,799,448	3.90
3.	Datuk Syed Ahmad Khalid Bin Syed Mohammed	14,162,018	2.42
4.	Optimum Shine Sdn. Bhd.	13,051,738	2.23
5.	Affin Hwang Nominees (Tempatan) Sdn. Bhd. - Teow Choo Hing	13,024,782	2.23
6.	CGS-CIMB Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account For Teow Choo Hing	12,049,964	2.06
7.	Konsortium Ara Aramani Sdn. Bhd.	6,266,756	1.07
8.	Malaysia Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account For Lim Soon Foo	5,346,056	0.91
9.	UOB Kay Hian Nominees (Asing) Sdn. Bhd. - Exempt AN For UOB Kay Hian Pte. Ltd.	5,121,000	0.88
10.	Fariz Bin Jaafar	4,129,400	0.71
11.	Nurmala Binti Abdul Hafiz	3,000,000	0.51
12.	Lee Li Choo	2,800,000	0.48
13.	CIMB Group Nominees (Tempatan) Sdn. Bhd. - Exempt AN For Fortress Capital Asset Management (M) Sdn. Bhd.	2,675,600	0.46
14.	Yeap Khoo Soon Edwin	2,610,000	0.45
15.	CGS-CIMB Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account For Yoong Kah Yin	2,360,000	0.40
16.	Farhanah Binti Jaafar	2,250,800	0.38
17.	Affin Hwang Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account For Cheah Bee Tin	2,224,416	0.38
18.	Thong Weng Kin	2,095,928	0.36



**4. LIST OF THIRTY LARGEST SECURITIES ACCOUNTS HOLDERS (CONT'D)**

<b>No.</b>	<b>Names</b>	<b>Shareholdings</b>	<b>%</b>
19.	HSBC Nominees (Asing) Sdn. Bhd. - Exempt AN For Credit Suisse	2,000,000	0.34
20.	Cimsec Nominees (Tempatan) Sdn. Bhd. - CIMB For Yoong Kah Yin	1,810,000	0.31
21.	RHB Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account For Chen Hong Eng	1,763,648	0.30
22.	Alliancegroup Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account For Wong Wai Kong	1,600,000	0.27
23.	Foo Loke Weng	1,600,000	0.27
24.	Thong Weng Kin	1,431,144	0.24
25.	Wong Wai Kong	1,300,000	0.22
26.	Alliancegroup Nominees (Tempatan) Sdn. Bhd. - Ravindran A/L Kurusamy	1,238,000	0.21
27.	RHB Capital Nominees (Tempatan) Sdn. Bhd. - Phua Sin Mo	1,189,800	0.20
28.	RHB Nominees (Asing) Sdn. Bhd. - Exempt AN For Phillip Securities Pte. Ltd.	1,183,048	0.20
29.	Santraprise Sdn. Bhd.	1,119,174	0.19
30.	Ng Sok Siah	1,115,000	0.19
<b>TOTAL</b>		<b>453,861,956</b>	<b>77.58</b>

## NOTICE OF TWENTY-FIFTH ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the Twenty-Fifth Annual General Meeting (“**AGM**”) of the Company will be held on a **virtual basis** at the broadcast venue at Conference Room, No. 12, Persiaran Astana / KU2, Bandar Bukit Raja, 41050 Klang, Selangor Darul Ehsan, Malaysia on Thursday, 28 April 2022 at 10:00 a.m. for the following purposes:

### AGENDA

1. To receive the Audited Financial Statements for the financial year ended 31 December 2021 together with the Reports of the Directors and the Auditors thereon. (Note 1)
2. To approve the payment of Directors’ fees for the Independent Non-Executive Directors of the Company amounting to RM288,000 to be paid on a quarterly basis for the financial year ending 31 December 2022 and thereafter. (Resolution 1)
3. To approve the payment of benefits to the Independent Non-Executive Directors up to RM21,000 from 29 April 2022 until the date of the next AGM of the Company. (Resolution 2)
4. To re-elect the following Directors of the Company who are due to retire in accordance with Clause 118 of the Company’s Constitution and being eligible, have offered themselves for re-election:-
  - (a) Kim Tae Gyun; and (Resolution 3)
  - (b) Sung Hyunsup. (Resolution 4)
5. To re-elect the following Directors of the Company who are due to retire by rotation in accordance with Clause 119 of the Company’s Constitution and being eligible, have offered themselves for re-election:-
  - (a) Teow Choo Hing; and (Resolution 5)
  - (b) Saryani Binti Che Ab Rahman. (Resolution 6)
6. To re-appoint Messrs. Ernst & Young PLT as Auditors of the Company until the conclusion of the next AGM of the Company and to authorise the Directors to fix their remuneration. (Resolution 7)

### AS SPECIAL BUSINESS

To consider and, if thought fit, with or without any modification, to pass the following Ordinary Resolutions:

7. **Ordinary Resolution**  
 - **Proposed Renewal of Existing Shareholders’ Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature** (Resolution 8)

“**THAT** subject to the provisions of the Bursa Malaysia Securities Berhad Main Market Listing Requirements, approval be and is hereby given to the Company and/or its subsidiaries to enter into the existing recurrent related party transactions of a revenue or trading nature from time to time with the Related Party(ies) as specified in Part A of the Circular/Statement to Shareholders dated 30 March 2022 provided that such transactions are:-

- (i) recurrent transactions of a revenue or trading nature;
- (ii) necessary for day-to-day operations;
- (iii) carried out in the ordinary course of business on normal commercial terms which are not more favourable to the Related Party(ies) than those generally available to the public; and
- (iv) not to the detriment of the minority shareholders of the Company

(the “**Proposed Renewal of Existing Shareholders’ Mandate**”);

**THAT** the authority for the Proposed Renewal of Existing Shareholders’ Mandate shall continue to be in force until the earlier of:-

- (i) the conclusion of the next Annual General Meeting (“**AGM**”) of the Company at which time it will lapse unless the authority is renewed by a resolution passed at the next AGM;
- (ii) the expiration of the period within which the next AGM is to be held pursuant to Section 340(2) of the Companies Act 2016 (“**the Act**”) but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Act; or
- (iii) is revoked or varied by resolution passed by the shareholders of the Company in a general meeting before the next AGM;

**AND THAT** the Directors of the Company be and are hereby authorised to complete and to do all such acts and things (including executing such documents as may be required) as they may consider expedient or necessary to give effect to the Proposed Renewal of Existing Shareholders’ Mandate.”

#### 8. Ordinary Resolution

##### - Proposed Renewal of Share Buy-Back Authority for the Company to Purchase its Own Shares

(Resolution 9)

“**THAT** subject to the Companies Act 2016, Bursa Malaysia Securities Berhad (“**Bursa Securities**”) Main Market Listing Requirements, the Constitution of the Company, and all other applicable laws, rules and regulations, approval be and is hereby given to the Company to purchase such number of ordinary shares as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit, necessary and expedient in the interest of the Company (“**Proposed Share Buy-Back**”), provided that:-

- (i) the aggregate number of ordinary shares to be purchased and/or held by the Company pursuant to this resolution shall not exceed 10% of the total number of issued shares of the Company including the shares previously purchased and retained as Treasury Shares (if any); and
- (ii) the maximum funds to be allocated by the Company for the purpose of purchasing its own shares shall not exceed the aggregate of the retained profits of the Company based on the latest audited financial statements and/or the latest unaudited financial statements (where applicable) available at the time of the purchase;

**THAT** the authority conferred by this resolution shall continue to be in force until the earlier of:

- (i) the conclusion of the next Annual General Meeting (“**AGM**”) of the Company following this AGM at which this resolution was passed, at which time the said authority shall lapse unless by an ordinary resolution passed at that next AGM, the authority is renewed, either unconditionally or subject to conditions;
- (ii) the expiration of the period within which the next AGM of the Company is required by law to be held; or
- (iii) the authority is revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting, but not so as to prejudice the completion of the purchase(s) by the Company before the aforesaid expiry date and in any event, in accordance with the provisions of the guidelines issued by Bursa Securities and/or any other relevant governmental and/or regulatory authorities (if any);

**THAT** upon completion of the purchase by the Company of its own ordinary shares, the Directors of the Company be and are hereby authorised to deal with the ordinary shares purchased in their absolute discretion in the following manners:-

- (a) cancel all the ordinary shares so purchased;
- (b) retain the ordinary shares so purchased as treasury shares for distribution as dividend to shareholders and/or resell on the market of Bursa Securities and/or transfer under an employees' share scheme and/or transfer as purchase consideration; or
- (c) retain part thereof as treasury shares and cancel the remainder;

**AND THAT** the Directors of the Company be and are hereby authorised to take all such steps as necessary (including the opening and maintaining of depository account(s) under the Securities Industry (Central Depositories) Act, 1991) and enter into any agreements, arrangements and guarantees with any party or parties to implement, finalise and give full effect to the Proposed Share Buy-Back with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments (if any) as may be imposed by the relevant authorities from time to time or as the Board of Directors may in their discretion deem necessary and to do all such acts and things the Directors may deem fit and expedient in the best interest of the Company."

9. **Ordinary Resolution**

**- Authority to Issue Shares pursuant to the Companies Act 2016**

(Resolution 10)

**"THAT** subject always to the Companies Act 2016 ("**the Act**"), the Constitution of the Company and the approvals from Bursa Malaysia Securities Berhad ("**Bursa Securities**") and any other relevant governmental and/or regulatory authorities, the Directors of the Company be and are hereby empowered pursuant to the Act, to issue and allot shares in the capital of the Company from time to time at such price and upon such terms and conditions, for such purposes and to such person or persons whomsoever the Directors of the Company may in their absolute discretion, deem fit, provided always that the aggregate number of shares issued pursuant to this resolution does not exceed twenty percent (20%) of the total number of issued shares (excluding treasury shares) of the Company for the time being to be utilised until 31 December 2022 as empowered by Bursa Securities pursuant to its letters dated 16 April 2020 and 23 December 2021 to grant additional temporary relief measures to listed issuers and thereafter ten percent (10%) of the total number of issued shares (excluding treasury shares) of the Company for the time being as stipulated under Paragraph 6.03(1) of the Bursa Securities Main Market Listing Requirements ("hereinafter referred to as the "**General Mandate**")";

**AND THAT** the Directors of the Company be and are also empowered to obtain the approval for the listing of and quotation on Bursa Securities for the additional shares so issued pursuant to the General Mandate;

**AND FURTHER THAT** such authority shall commence immediately upon the passing of this Resolution and continue to be in force until the conclusion of the next Annual General Meeting of the Company."

10. To transact any other ordinary business of which due notice shall have been given.

By Order of the Board of Directors

**CHUA SIEW CHUAN (MAICSA 0777689) / SSM PC NO.: 201908002648**  
**YEOW SZE MIN (MAICSA 7065735) / SSM PC NO.: 201908003120**  
Company Secretaries

Kuala Lumpur  
30 March 2022

**Notes:**

1. This Agenda item is meant for discussion only, as the provision of Section 340(1)(a) of the Companies Act 2016 does not require a formal approval of the members/shareholders for the Audited Financial Statements. Hence, this Agenda item is not put forward for voting.
2. As part of the initiatives to curb the spread of COVID-19, the Twenty-Fifth AGM will be conducted on a virtual basis by way of live streaming and online remote voting via the Remote Participation and Voting ("**RPV**") facilities to be provided by SS E Solutions Sdn. Bhd. via Securities Services e-Portal's platform at <https://sshsb.net.my/>. Please read carefully and follow the procedures provided in the Administrative Guide in order to register, participate and vote remotely via the RPV facilities.
3. The Broadcast Venue, which is the main venue of the Twenty-Fifth AGM, is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 and Clause 79 of the Company's Constitution, which require the Chairman to be present at the main venue of the Twenty-Fifth AGM. Members, proxies and/or corporate representatives will not be allowed to be physically present at the Broadcast Venue on the day of the Twenty-Fifth AGM.

With the RPV facilities, the members, proxies and/or corporate representatives are strongly encouraged to exercise their rights to participate (including to pose questions to the Chairman, Board of Directors or Management) and vote at the Twenty-Fifth AGM.

As guided by the Securities Commission Malaysia's Guidance Note and Frequently Asked Questions on the Conduct of General Meetings for Listed Issuers, the right to speak is not limited to verbal communication only but includes other modes of expression. Therefore, all members, proxies and/or corporate representatives shall communicate with the main venue of the Twenty-Fifth AGM via real time submission of typed texts through a text box within Securities Services e-Portal's platform during the live streaming of the Twenty-Fifth AGM as the primary mode of communication. In the event of any technical glitch in this primary mode of communication, members, proxies and/or corporate representatives may email their questions to [eservices@sshsb.com.my](mailto:eservices@sshsb.com.my) during the Twenty-Fifth AGM. The questions and/or remarks submitted by the members, proxies and/or corporate representatives will be responded via broadcast by the Chairman, Board of Directors and/or Management during the Meeting.

4. In respect of depositories securities, only members whose names appear in the Record of Depositors on 21 April 2022 (General Meeting Record of Depositors) shall be eligible to participate, speak and vote at the meeting.
5. A member of the Company entitled to participate and vote at the meeting is entitled to appoint one (1) or more proxies to exercise all or any of his rights to attend, participate, speak and vote in his stead, provided that the member specifies the proportion of the member's shareholdings to be represented by each proxy.
6. A proxy may but does not need to be a member of the Company and a member may appoint any person to be his proxy without any restriction as to the qualification of the proxy.
7. The instrument appointing a proxy shall be in writing under the hand of the member/appointer or of his attorney duly authorised in writing or, if the appointer is a corporation, either under Seal or under the hand of an officer or attorney duly authorised.
8. Where a shareholder of the Company is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 (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.
9. The instrument appointing a proxy and the power of attorney or other authority (if any), under which it is signed or a duly notarised certified copy of that power or authority, must be deposited not less than 48 hours before the time for holding the Meeting or any adjournment thereof through either one of the following avenues:
 

(i) In Hardcopy Form of Proxy	<ol style="list-style-type: none"> <li>(a) To be deposited at the office of the Share Registrar, Securities Services (Holdings) Sdn. Bhd. at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan; or</li> <li>(b) To be submitted via fax at +603 2094 9940 or +603 2095 0292 or emailed to <a href="mailto:info@sshsb.com.my">info@sshsb.com.my</a>; or</li> </ol>
(ii) By Electronic Form of Proxy	<ol style="list-style-type: none"> <li>(c) To be submitted electronically via Securities Services e-Portal at <a href="https://sshsb.net.my/">https://sshsb.net.my/</a>. Please refer to the Administrative Guide available for download at <a href="http://www.cjcentury.com">www.cjcentury.com</a> for further details.</li> </ol>

**Explanatory Notes to Special Business:****1. Resolution 8**

The proposed Resolution 8 is intended to enable the Company and/or its subsidiaries (“**the Group**”) to enter into recurrent related party transactions or a revenue or trading nature which are necessary for the Group’s day-to-day operations to facilitate transactions in the normal course of business of the Group with the specified classes of related party(ies), provided that they are carried out on an arms’ length basis and on normal commercial terms and are not prejudicial to the shareholders and on terms not more favourable to the related party(ies) than those generally available to the public and are not to the detriment of the minority shareholders of the Company.

Please refer to Part A of the Circular/Statement to Shareholders dated 30 March 2022 for further information.

**2. Resolution 9**

The proposed Resolution 9 is intended to allow the Company to purchase its own shares up to 10% of the total number of issued shares in the ordinary share capital of the Company at any time within the time period stipulated in the Bursa Malaysia Securities Berhad Main Market Listing Requirements.

Please refer to Part B of the Circular/Statement to Shareholders dated 30 March 2022 for further information.

**3. Resolution 10**

The proposed Resolution 10 is intended to renew the authority granted to the Directors of the Company at the Twenty-Fourth AGM of the Company held on 22 April 2021 to issue and allot shares at any time to such persons in their absolute discretion without convening a general meeting provided that the aggregate number of the shares issued does not exceed:-

- i. twenty percent (20%) of the total number of issued shares of the Company for the time being (for issuance and allotment until 31 December 2022 as empowered by Bursa Securities pursuant to Bursa Malaysia Berhad’s letter dated 16 April 2020 and 23 December 2021 to grant additional temporary relief measures to listed issuers); and
- ii. ten percent (10%) of the total number of issued shares of the Company for the time being (for issuance and allotment after 31 December 2021 as stipulated under Paragraph 6.03(1) of the Bursa Malaysia Securities Berhad Main Market Listing Requirements).

The authority to issue shares granted by the members at the Twenty-Fourth AGM of the Company had not been utilised and hence, no proceeds were raised therefrom.

The renewed authority to issue shares will enable the Directors to take swift action for allotment of shares for any possible fund raising activities, including but not limited to further placing of shares, for the purpose of funding future investment project(s), working capital and/or acquisition(s) and to avoid delay and cost in convening general meetings to approve such issue of shares.

**CJ CENTURY LOGISTICS HOLDINGS BERHAD**

[Registration No. 199701008845 (424341-A)]

Incorporated in Malaysia

CDS Account No.	Mobile / contact number

**PROXY FORM**

\*I/We (full name), \_\_\_\_\_

bearing \*NRIC No./Passport No./Company No. \_\_\_\_\_

of (full address) \_\_\_\_\_

being a member of CJ Century Logistics Holdings Berhad ("the Company") hereby appoint:-

**First Proxy "A"**

Full Name (in Block)	NRIC/Passport No.	Proportion of Shareholdings	
			%

\* and

**\* Second Proxy "B"**

Full Name (in Block)	NRIC/Passport No.	Proportion of Shareholdings	
			%

# to put on a separate sheet where there are more than two (2) proxies

\*failing which the CHAIRMAN OF THE MEETING, as \*my / our proxy to attend and vote for \*me / us and on \*my / our behalf at the Twenty-Fifth Annual General Meeting ("**AGM**") of CJ Century Logistics Holdings Berhad to be held on a virtual basis at the broadcast venue at Conference Room, No. 12, Persiaran Astana / KU2, Bandar Bukit Raja, 41050 Klang, Selangor Darul Ehsan, Malaysia on Thursday, 28 April 2022 at 10:00 a.m. or any adjournment thereof.

(Please indicate with an "**X**" in the space provided below how you wish your proxy to vote. If no specific direction as to voting is given, the proxy will vote or abstain at his/her discretion.)

No.	Agenda		
1	To receive the Audited Financial Statements for the financial year ended 31 December 2021 together with the Reports of the Directors and the Auditors thereon. <div>(Note 1)</div>		
		<b>For</b>	<b>Against</b>
2	To approve the payment of Directors' fees for the Independent Non-Executive Directors of the Company amounting to RM288,000 to be paid on a quarterly basis for the financial year ending 31 December 2022 and thereafter. <div>(Resolution 1)</div>		
3	To approve the payment of benefits to the Independent Non-Executive Directors up to RM21,000 from 29 April 2022 until the date of the next AGM of the Company. <div>(Resolution 2)</div>		
4(a)	To re-elect Kim Tae Gyun, who is due to retire in accordance with Clause 118 of the Company's Constitution, as a Director of the Company. <div>(Resolution 3)</div>		





No.	Agenda		
4(b)	To re-elect Sung Hyunsup, who is due to retire in accordance with Clause 118 of the Company's Constitution, as a Director of the Company. (Resolution 4)		
5(a)	To re-elect Teow Choo Hing, who is due to retire by rotation in accordance with Clause 119 of the Company's Constitution, as a Director of the Company. (Resolution 5)		
5(b)	To re-elect Saryani Binti Che Ab Rahman, who is due to retire by rotation in accordance with Clause 119 of the Company's Constitution, as a Director of the Company. (Resolution 6)		
6	To re-appoint Messrs. Ernst & Young PLT as Auditors of the Company until the conclusion of the next AGM of the Company and to authorise the Directors to fix their remuneration. (Resolution 7)		
<b>Special Business</b>			
7	Proposed Renewal of Existing Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature. (Resolution 8)		
8	Proposed Renewal of Share Buy-Back Authority for the Company to purchase its Own Shares. (Resolution 9)		
9	Authority to Issue Shares pursuant to the Companies Act 2016. (Resolution 10)		

\* Strike out whichever not applicable.

As witness my/our hand this ..... day of ..... 2022.

.....  
Signature of Member/Common Seal

#### Notes:

1. This Agenda item is meant for discussion only, as the provision of Section 340(1)(a) of the Companies Act 2016 does not require a formal approval of the members/shareholders for the Audited Financial Statements. Hence, this Agenda item is not put forward for voting.
2. As part of the initiatives to curb the spread of COVID-19, the Twenty-Fifth AGM will be conducted on a virtual basis by way of live streaming and online remote voting via the Remote Participation and Voting ("**RPV**") facilities to be provided by SS E Solutions Sdn. Bhd. via Securities Services e-Portal's platform at <https://sshsb.net.my/>. Please read carefully and follow the procedures provided in the Administrative Guide in order to register, participate and vote remotely via the RPV facilities.
3. The Broadcast Venue, which is the main venue of the Twenty-Fifth AGM, is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 and Clause 79 of the Company's Constitution, which require the Chairman to be present at the main venue of the Twenty-Fifth AGM. Members, proxies and/or corporate representatives will not be allowed to be physically present at the Broadcast Venue on the day of the Twenty-Fifth AGM.  
  
With the RPV facilities, the members, proxies and/or corporate representatives are strongly encouraged to exercise their rights to participate (including to pose questions to the Chairman, Board of Directors or Management) and vote at the Twenty-Fifth AGM.  
  
As guided by the Securities Commission Malaysia's Guidance Note and Frequently Asked Questions on the Conduct of General Meetings for Listed Issuers, the right to speak is not limited to verbal communication only but includes other modes of expression. Therefore, all members, proxies and/or corporate representatives shall communicate with the main venue of the Twenty-Fifth AGM via real time submission of typed texts through a text box within Securities Services e-Portal's platform during the live streaming of the Twenty-Fifth AGM as the primary mode of communication. In the event of any technical glitch in this primary mode of communication, members, proxies and/or corporate representatives may email their questions to [eservices@sshsb.com.my](mailto:eservices@sshsb.com.my) during the Twenty-Fifth AGM. The questions and/or remarks submitted by the members, proxies and/or corporate representatives will be responded via broadcast by the Chairman, Board of Directors and/or Management during the Meeting.
4. In respect of depositories securities, only members whose names appear in the Record of Depositors on 21 April 2022 (General Meeting Record of Depositors) shall be eligible to participate, speak and vote at the meeting.
5. A member of the Company entitled to participate and vote at the meeting is entitled to appoint one (1) or more proxies to exercise all or any of his rights to attend, participate, speak and vote in his stead, provided that the member specifies the proportion of the member's shareholdings to be represented by each proxy.
6. A proxy may but does not need to be a member of the Company and a member may appoint any person to be his proxy without any restriction as to the qualification of the proxy.
7. The instrument appointing a proxy shall be in writing under the hand of the member/appointer or of his attorney duly authorised in writing or, if the appointer is a corporation, either under Seal or under the hand of an officer or attorney duly authorised.

8. Where a shareholder of the Company is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 (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.
9. The instrument appointing a proxy and the power of attorney or other authority (if any), under which it is signed or a duly notarised certified copy of that power or authority, must be deposited not less than 48 hours before the time for holding the Meeting or any adjournment thereof through either one (1) of the following avenues:
- |      |                             |     |   |
|------|-----------------------------|-----|---|
| (i)  | In Hardcopy Form of Proxy   | (a) | To be deposited at the office of the Share Registrar, Securities Services (Holdings) Sdn. Bhd. at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan; or   |
|      |                             | (b) | To be submitted via fax at +603 2094 9940 or +603 2095 0292 or emailed to <a href="mailto:info@sshsb.com.my">info@sshsb.com.my</a> ; or   |
| (ii) | By Electronic Form of Proxy | (c) | To be submitted electronically via Securities Services e-Portal at <a href="https://sshsb.net.my/">https://sshsb.net.my/</a> . Please refer to the Administrative Guide available for download at <a href="http://www.cjcentury.com">www.cjcentury.com</a> for further details. |

Then Fold Here

AFFIX  
STAMP

**CJ CENTURY LOGISTICS HOLDINGS BERHAD**

[Registration No. 199701008845 (424341-A)]

Level 7, Menara Milenium

Jalan Damanlela

Pusat Bandar Damansara

Damansara Heights

50490 Kuala Lumpur

Wilayah Persekutuan

1st Fold Here

Fold This Flap For Sealing





APPROVAL NUMBER(S): ISO 9001-0048410



MS 2400  
4059-10/2015



CERTIFIED TO ISO 45001:2018  
CERT. NO.: OHS 00498



CERTIFIED TO GOOD DISTRIBUTION  
PRACTICE FOR MEDICAL DEVICES  
CERT. NO.: GDPMD 00222



CERTIFIED TO ISO 39001:2012  
CERT. NO.: RTS 00103



CERTIFIED TO ISO 28000:2007  
CERT. NO.: SCSMS 00102



**CJ CENTURY LOGISTICS HOLDINGS BERHAD** 199701008845 (424341-A)

No.12, Persiaran Astana / KU2, Bandar Bukit Raja  
41050 Klang, Selangor Darul Ehsan, Malaysia

Tel : +603 3385 5888 Fax : +603 3385 6000 Email : info@cjcentury.com

 [www.cjcentury.com](http://www.cjcentury.com)