



CJ CENTURY LOGISTICS HOLDINGS BERHAD
199701008845 (424341-A)

INTERIM FINANCIAL REPORT

31 MARCH 2022

26 MAY 2022



CJ CENTURY LOGISTICS HOLDINGS BERHAD (Registration No. 199701008845 (424341-A))
Interim report on unaudited consolidated results for the financial period ended 31 March 2022

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE QUARTER ENDED 31 MARCH 2022

	-----Individual quarter-----				-----Cumulative quarter-----			
	Current year quarter 31.03.2022 RM'000	Preceding year corresponding quarter 31.03.2021 RM'000	-----Changes-----		Current to date 31.03.2022 RM'000	Preceding year corresponding period 31.03.2021 RM'000	-----Changes-----	
			RM'000	%			RM'000	%
Continuing Operations								
Revenue	242,789	219,908	22,881	10%	242,789	219,908	22,881	10%
Direct operating expenses	(205,442)	(187,716)	(17,726)	-9%	(205,442)	(187,716)	(17,726)	-9%
Gross profit	37,347	32,192	5,155	16%	37,347	32,192	5,155	16%
Net other operating expenses	(22,052)	(22,482)	430	2%	(22,052)	(22,482)	430	2%
Results from operating activities	15,295	9,710	5,585	58%	15,295	9,710	5,585	58%
Net finance costs	(1,954)	(2,440)	486	20%	(1,954)	(2,440)	486	20%
Profit before taxation from continuing operations	13,341	7,270	6,071	84%	13,341	7,270	6,071	84%
Taxation	(3,995)	(338)	(3,657)	-1082%	(3,995)	(338)	(3,657)	-1082%
Profit for the period from continuing operations	9,346	6,932	2,414	35%	9,346	6,932	2,414	35%
Discontinued Operation								
Loss for the period from discontinued operation	-	(9,127)	9,127	100%	-	(9,127)	9,127	100%
Profit for the period	9,346	(2,195)	11,541	526%	9,346	(2,195)	11,541	526%
Other comprehensive loss								
Foreign currency translation differences for foreign operations	(5)	(14)	9	64%	(5)	(14)	9	64%
Other comprehensive loss for the period from continuing operations	(5)	(14)	9	64%	(5)	(14)	9	64%
Total comprehensive income for the period	9,341	(2,209)	11,550	523%	9,341	(2,209)	11,550	523%
Profit / (loss) attributable to:								
Equity holders of the Company								
-Continuing operations	9,347	6,887	2,460	36%	9,347	6,887	2,460	36%
-Discontinued operations	-	(9,127)	9,127	100%	-	(9,127)	9,127	100%
	9,347	(2,240)	11,587	517%	9,347	(2,240)	11,587	517%
Non-controlling interests								
-Continuing operations	(1)	45	(46)	-102%	(1)	45	(46)	-102%
-Discontinued operations	-	-	-	-	-	-	-	-
	(1)	45	(46)	-102%	(1)	45	(46)	-102%
Profit for the period	9,346	(2,195)	11,541	526%	9,346	(2,195)	11,541	526%
Total comprehensive income / (loss) attributable to:								
Equity holders of the Company								
-Continuing operations	9,342	6,873	2,469	36%	9,342	6,873	2,469	36%
-Discontinued operations	-	(9,127)	9,127	100%	-	(9,127)	9,127	100%
	9,342	(2,254)	11,596	514%	9,342	(2,254)	11,596	514%
Non-controlling interests								
-Continuing operations	(1)	45	(46)	-102%	(1)	45	(46)	-102%
-Discontinued operations	-	-	-	-	-	-	-	-
	(1)	45	(46)	-102%	(1)	45	(46)	-102%
Total comprehensive income for the period	9,341	(2,209)	11,550	523%	9,341	(2,209)	11,550	523%
Earnings / (loss) per share attributable to equity holders of the Company:								
Basic and Diluted (sen)*								
-Continuing operations	1.60	1.17	0.42	36%	1.60	1.17	0.42	36%
-Discontinued operations	-	(1.55)	1.55	100%	-	(1.55)	1.55	100%
	1.60	(0.38)	1.98	519%	1.60	(0.38)	1.98	519%

* The Group's basic and diluted earnings per share are the same as the Group does not have any convertible securities as at the end of the reporting period.

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the Year Ended 31 December 2021.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2022

	As at end of current quarter 31.03.2022 RM'000	As at preceding financial year end 31.12.2021 RM'000
ASSETS		
Non-current Assets		
Property, plant and equipment	421,789	428,227
Right-of-use assets	19,331	21,657
Deferred tax asset	1,905	2,140
Intangible assets	23,859	23,878
	<u>466,884</u>	<u>475,902</u>
Current Assets		
Inventories	25,538	25,802
Receivables	240,039	222,528
Deposits, cash and bank balances	38,098	54,610
	<u>303,675</u>	<u>302,940</u>
TOTAL ASSETS	<u>770,559</u>	<u>778,842</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	300,043	300,043
Treasury shares	(5,228)	(4,197)
Reserves	135,089	125,747
	<u>429,904</u>	<u>421,593</u>
Non-controlling Interests	<u>682</u>	<u>683</u>
Total Equity	<u>430,586</u>	<u>422,276</u>
Non-current Liabilities		
Borrowings	122,384	126,911
Lease liabilities	5,931	6,536
Deferred taxation	7,911	7,930
	<u>136,226</u>	<u>141,377</u>
Current Liabilities		
Borrowings	48,510	36,090
Payables	140,218	163,221
Lease liabilities	15,019	15,878
	<u>203,747</u>	<u>215,189</u>
Total Liabilities	<u>339,973</u>	<u>356,566</u>
TOTAL EQUITY AND LIABILITIES	<u>770,559</u>	<u>778,842</u>
Net assets per share attributable to ordinary equity holders of the Company (RM)	0.74	0.72

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the Year Ended 31 December 2021.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 MARCH 2022

	Current year to date 31.03.2022 RM'000	Preceding year corresponding period 31.03.2021 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (loss) for the period		
Continuing Operations	9,346	6,932
Discontinued Operations	-	(9,127)
	<u>9,346</u>	<u>(2,195)</u>
Adjustments:		
Non-Cash Items		
-Continuing Operations	14,868	11,542
-Discontinued Operations	-	1,249
Non-Operating Items		
-Continuing Operations	(425)	(21)
	<u>23,789</u>	<u>10,575</u>
Operating profit before working capital changes		
Movement in working capital:		
Net change in current assets	(19,028)	16,663
Net change in current liabilities	(7,945)	(15,220)
	<u>(26,973)</u>	<u>1,443</u>
Cash generated from operations	(3,183)	12,018
Tax paid	(815)	(1,306)
	<u>(3,999)</u>	<u>10,712</u>
Net cash (used in) / from operating activities		
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	56	157
Disposal of property, plant and equipment	3,073	180
(Increase) / decrease in investment in money market funds	(5,003)	6,997
Purchase of property, plant and equipment	(82)	(3,338)
	<u>(1,956)</u>	<u>3,996</u>
Net cash (used in) / from investing activities		
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings	11,000	9,000
Repayment of principal portion of lease liabilities	(4,372)	(4,908)
Net repayment of hire purchase payables	(633)	(1,696)
Repayment of borrowings	(8,457)	(4,758)
Repayment of principal portion of advance received from immediate holding company	(15,747)	-
Purchase of treasury shares	(1,031)	(476)
Interest paid	(2,010)	(2,368)
	<u>(21,249)</u>	<u>(5,206)</u>
Net cash used in financing activities		
Net (decrease) / increase in cash and cash equivalents	(27,203)	9,502
Cash and cash equivalents at beginning of the period	43,134	43,716
Cash and cash equivalents at end of the period	<u>15,931</u>	<u>53,218</u>
Cash and cash equivalents at the end of the financial period comprise the following :		
Cash and bank balances	19,065	30,254
Investment in money market funds	16,480	9,493
Deposits with licensed banks	2,553	22,964
	<u>38,098</u>	<u>62,711</u>
Less: Investment in money market funds	(16,480)	(9,493)
Bank overdraft	(5,687)	-
	<u>15,931</u>	<u>53,218</u>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Report for the Year Ended 31 December 2021.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MARCH 2022

	← Attributable to Equity Holders of the Company →				Total RM'000	Non-controlling Interests RM'000	Total Equity RM'000
	Share Capital RM'000	← Non-distributable Treasury Shares RM'000	→ Other Reserves RM'000	Distributable Retained Earnings RM'000			
As at 1 January 2022	300,043	(4,197)	531	125,216	421,593	683	422,276
Purchase of treasury shares	-	(1,031)	-	-	(1,031)	-	(1,031)
Total comprehensive income for the period	-	-	(5)	9,347	9,342	(1)	9,341
As at 31 March 2022	300,043	(5,228)	526	134,563	429,904	682	430,586
As at preceding year corresponding quarter							
As at 1 January 2021	300,043	(3,368)	736	118,494	415,905	1,053	416,958
Purchase of treasury shares	-	(476)	-	-	(476)	-	(476)
Total comprehensive loss for the period	-	-	(14)	(2,240)	(2,254)	45	(2,209)
As at 31 March 2021	300,043	(3,844)	722	116,254	413,175	1,098	414,273

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the Year Ended 31 December 2021.

Notes To The Financial Statements

1. Basis of Preparation

The interim financial statements are unaudited and have been prepared in accordance with the requirements of MFRS 134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad. The interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2021.

These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2021.

2. Significant Accounting Policies

The Group has adopted the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the provisions of the Companies Act, 2016 in Malaysia for accounting period beginning on 1 January 2022. As disclosed in the Group's annual financial statements for the financial year ended 31 December 2021, the following are new/revised accounting standards effective for annual periods beginning on or after 1 January 2022.

Amendments to MFRSs contained in the document entitled "Annual Improvements to MFRS Standards 2018-2020"

Amendments to MFRS 3 Business Combinations (Reference to the Conceptual Framework)

Amendments to MFRS 116 Property, Plant and Equipment (Property, Plant and Equipment - Proceeds before Intended Use)

Amendments to MFRS 137 Provisions, Contingent Liabilities and Contingent Assets (Onerous Contracts - Cost of Fulfilling a Contract)

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

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

MFRS 17	Insurance Contracts
Amendments to MFRS 17	Insurance Contracts
Amendment to MFRS17	Insurance Contracts - Initial Application of MFRS 17 and MFRS 9 - Comparatives Information
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current
Amendments to MFRS 101	Disclosure of Accounting Policies
Amendments to MFRS 108	Disclosure of Accounting Estimates
Amendments to MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to MFRS 10	Consolidated Financial Statements: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
Amendments to MFRS 128	Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

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

3. Auditors' Report on Preceding Annual Financial Statements

The auditors' report of the Group's annual financial statements for the financial year ended 31 December 2021 was not qualified.

4. Seasonal or Cyclical Factors

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

5. Unusual Items

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

6. Changes in Estimates

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

7. Changes in Debt and Equity Securities

There was no issuance or repayment of debt or equity securities, share cancellations and resale of treasury shares during the financial quarter under review, except that the Company bought back 1,799,300 ordinary shares from the open market at an average price of RM0.57 per share. The shares purchased are being held as treasury shares in accordance with Section 127 of the Companies Act, 2016.

8. Dividend Paid

No dividend was paid in the financial quarter under review.

9. Segmental Reporting

Analysis of the Group's revenue and results for the 3 months period ended 31 March 2022 is as follows:

	Total Logistics Services	Procurement Logistics Services	Total from Continuing Operations	Total from Discontinued Operations- Courier Services	Consolidation Adjustment	Group Results
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue						
External sales	197,471	45,318	242,789	-	-	242,789
Inter-segment sales	(3,599)	(3)	(3,602)	-	3,602	-
Total revenue	<u>193,872</u>	<u>45,315</u>	<u>239,187</u>	<u>-</u>	<u>3,602</u>	<u>242,789</u>
Profit						
Segment results	13,356	2,020	15,376	-	(81)	15,295
Net finance costs						<u>(1,954)</u>
Profit from ordinary activities before taxation						13,341
Taxation						<u>(3,995)</u>
Profit from ordinary activities after taxation						9,346
Non-controlling interests						<u>1</u>
Net profit for the period						<u>9,347</u>

Analysis of the Group's revenue and results for the 3 months period ended 31 March 2021 is as follows:

	Total Logistics Services	Procurement Logistics Services	Total from Continuing Operations	Total from Discontinued Operations- Courier Services	Consolidation Adjustment	Group Results
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue						
External sales	162,962	56,946	219,908	14,444	-	234,352
Inter-segment sales	<u>3,930</u>	<u>-</u>	<u>3,930</u>	<u>10</u>	<u>(3,940)</u>	<u>-</u>
Total revenue	<u>166,892</u>	<u>56,946</u>	<u>223,838</u>	<u>14,454</u>	<u>(3,940)</u>	<u>234,352</u>
Profit						
Segment results	7,017	2,751	9,768	(8,993)	(58)	717
Net finance costs						<u>(2,574)</u>
Loss from ordinary activities before taxation						(1,857)
Taxation						<u>(338)</u>
Loss from ordinary activities after taxation						(2,195)
Non-controlling interests						<u>(45)</u>
Net loss for the period						<u>(2,240)</u>

Total revenue of the Group from Continuing Operations was RM242.789 million, representing an increase of 10.4% from RM219.908 million recorded in the corresponding period ended 31 March 2021. The Group recorded an operating profit from Continuing Operations of RM15.295 million, an increase of 57.5% from operating profit of RM9.710 million, for the three months ended 31 March 2022.

Total Logistics Services

Segment revenue and operating profit from Total Logistics Services operations for the period under review increased by RM34.509 million and RM6.339 million respectively as compared to the corresponding period ended 31 March 2021 mainly due to the higher overall volumes handled by the Total Logistics Services segment. In particular, there were high export volumes recorded by the freight forwarding operation as customers' volumes increased following the easing of the pandemic containment measures globally.

Procurement Logistics Services

The Procurement Logistics segment recorded a lower segment revenue and operating profit of RM45.318 million and RM2.020 million respectively for the three months ended 31 March 2022 compared to RM56.946 million and RM2.751 million respectively in the corresponding period ended 31 March 2021. The decrease in revenue and profit were mainly attributable to the lower export volumes handled, whereby the export revenue declined from RM35.972 million to RM24.885 million during the financial period. This was due to the delays in exports brought about by the tight supply of components from China. Fortunately, our export customers were well aware of the situation and agreed with the deferment of the exports to later periods.

Discontinued Operations- Courier Services

The Company had on 1 July 2021 disposed its courier services business through the divestment of its 100% equity interest in CJ Logistics Express Malaysia Sdn Bhd.

9. Segmental Reporting (cont'd)

	Total Logistics Services RM'000	Procurement Logistics Services RM'000	Total from Continuing Operations RM'000	Total from Discontinued Operations- Courier Services RM'000	Consolidation Adjustment RM'000	Group Results RM'000
As at 31 March 2022						
Segment Assets	964,420	102,034	1,066,453	-	(295,895)	<u>770,558</u>
Segment Liabilities	512,111	51,426	563,537	-	(223,564)	<u>339,973</u>
As at 31 March 2021						
Segment Assets	1,025,993	107,288	1,133,281	46,588	(364,773)	<u>815,096</u>
Segment Liabilities	574,656	63,463	638,119	35,654	(272,950)	<u>400,823</u>

The comparative condensed consolidated statement of comprehensive income for Courier Services segment had been re-presented to show as Discontinued Operations.

10. Related Party Disclosures

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

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

	As at 31.03.2022 RM'000	As at 31.12.2021 RM'000
Financial assets		
Fair value through profit or loss		
Investment in money market funds	<u>16,480</u>	<u>11,476</u>
Amortised costs		
Trade receivables	153,482	134,346
Other receivables and refundable deposits	35,749	34,327
Amount owing from immediate holding company	760	1,082
Amount owing from intermediate holding company	219	152
Amount owing from related parties	15,758	20,959
Deposits, cash and bank balances	<u>21,618</u>	<u>43,134</u>
Financial liabilities at amortised costs		
Trade payables	41,275	47,581
Other payables and accrued expenses	59,986	64,497
Amount owing to immediate holding company	15,298	30,649
Amount owing to intermediate holding company	12,431	9,709
Amount owing to related parties	523	394
Total borrowings	156,760	154,217
Hire-purchase payables	8,447	8,784
Lease liabilities	<u>20,950</u>	<u>22,414</u>

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

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

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

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

12. Valuation of Property, Plant and Equipment

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

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

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

14. Changes in Composition of the Group

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

15. Capital Commitments

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

	As at 31.03.2022 RM'000	As at 31.12.2021 RM'000
Approved and contracted for	266	108
Approved but not contracted for	<u>1,428</u>	<u>1,540</u>

16. Changes in Contingent Liabilities

There were no changes in contingent liabilities since the last annual balance sheet as at 31 December 2021.

17. Review of Performance

For the financial quarter ended 31 March 2022, the Group's revenue and pre-tax profit were RM242.789 million and RM13.341 million respectively, compared to revenue and pre-tax loss of RM234.352 million and RM1.857 million respectively for the corresponding period in the previous financial year.

When analyzed based on Continuing Operations, the Group recorded revenue and pre-tax profit of RM242.789 million and RM13.341 million respectively for the current quarter compared to RM219.908 million and RM7.270 million respectively for the corresponding period in the previous financial year mainly due to the higher export volumes handled by Total Logistics Services segment. These represented increases of 10.4% for revenue and 83.5% for pre-tax profit.

18. Comparison with Immediate Preceding Quarter's Results

	Current year quarter 31.03.2022 RM'000	Immediate preceding quarter 31.12.2021 RM'000	-----Changes-----	
			RM'000	%
Continuing Operations				
Revenue	242,789	204,171	38,618	19%
Direct operating expenses	<u>(205,442)</u>	<u>(168,156)</u>	<u>(37,286)</u>	<u>-22%</u>
Gross profit	37,347	36,015	1,332	4%
Net other operating expenses	<u>(22,052)</u>	<u>(24,415)</u>	<u>2,363</u>	<u>10%</u>
Results from operating activities	15,295	11,600	3,695	32%
Net finance costs	<u>(1,954)</u>	<u>(2,045)</u>	<u>91</u>	<u>4%</u>
Profit before taxation from continuing operations	13,341	9,555	3,786	40%
Taxation	<u>(3,995)</u>	<u>(3,470)</u>	<u>(525)</u>	<u>-15%</u>
Profit for the period from continuing operations	<u>9,346</u>	<u>6,085</u>	<u>3,261</u>	<u>54%</u>
Discontinued Operations				
Loss after tax for the period from discontinued operations	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Profit for the period	<u>9,346</u>	<u>6,085</u>	<u>3,261</u>	<u>54%</u>

For the financial quarter ended 31 March 2022, the Group reported revenue and pre-tax profit of RM242.789 million and RM13.341 million respectively, compared to revenue and pre-tax profit of RM204.171 million and RM9.555 million respectively for the preceding quarter.

The increase in revenue and pre-tax profit for Continuing Operations was mainly due to the higher activities in Total Logistics Services segment and Procurement Logistics Services segment.

19. Prospects for the Current Financial Year

Malaysia's gross domestic product (GDP) grew by 5.0 percent during the first quarter of 2022, buoyed by recovering demand and a stronger labour market. This was up from the 3.6% growth recorded in the previous quarter Q4 2021. Looking ahead, Bank Negara Malaysia (BNM) expects the GDP growth forecast to be at 5.3% to 6.3% for 2022, underpinned by stronger domestic demand, continued expansion in external demand, and further improvement in the labour market. (Source: Bank Negara Malaysia Press Release 13 May 2022)

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. The fortunes of the logistics industry is closely aligned with the strength of the economy and volume of economic activity, and this is no different from CJ Century where our prospects are closely tied to the economic environment and in particular, the Malaysian economy. Despite the challenging economic environment over the course of the previous two financial years caused by the pandemic, our resilient business model has allowed us to adapt ourselves to manage the uncertainties and the variable outcomes.

As an indication of where we are heading, CJ Century has managed to achieve a record quarterly revenue during the first quarter of 2022. Our Total Logistics segment has powered ahead with record revenue brought about by the confidence which customers place in us to deliver excellent logistics solutions to effectively manage their supply chain. We will continue to manage and grow CJ Century in a sustainable manner, with the following five point business strategy which we announced in our Annual Report 2021:

- Strengthen balance sheet to enable business expansion
- Build our capital and liquidity strengths, with continued emphasis on cost control measures
- Drive sustainability-led initiatives, prioritizing health and safety
- Accelerate adoption of digitalization initiatives
- Talent development capable of leading a high-performance organization

We remain very positive on the outlook of CJ Century and are confident that we are on-track to achieve our best-ever performance in 2022.

20. Profit Forecast

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

21. Taxation

	-----Individual quarter-----		-----Cumulative quarter-----	
	Current year quarter 31.03.2022 RM'000	Preceding year corresponding quarter 31.03.2021 RM'000	Current year to date 31.03.2022 RM'000	Preceding year corresponding period 31.03.2021 RM'000
Provision for taxation	2,916	1,256	2,916	1,256
Deferred taxation	<u>1,079</u>	<u>(918)</u>	<u>1,079</u>	<u>(918)</u>
	<u>3,995</u>	<u>338</u>	<u>3,995</u>	<u>338</u>

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

The effective tax rate of the Group for the current quarter was higher than the statutory tax rate principally due to certain expenses not deductible for tax purposes. Taxation for the previous corresponding period was computed after taking into consideration the available capital allowance and the adjusted business losses to set off against taxable profit.

22. Note to the Statement of Comprehensive Income

	-----Individual quarter-----		-----Cumulative quarter-----	
	Current year quarter 31.03.2022 RM'000	Preceding year corresponding quarter 31.03.2021 RM'000	Current year to date 31.03.2022 RM'000	Preceding year corresponding period 31.03.2021 RM'000
Interest income	56	157	56	157
Interest expenses - borrowings				
-Continuing Operations	(1,712)	(2,258)	(1,712)	(2,258)
-Discontinued Operations	-	(110)	-	(110)
Interest expenses - right-of-use assets				
-Continuing Operations	(298)	(339)	(298)	(339)
-Discontinued Operations	-	(24)	-	(24)
Depreciation and amortisation				
-Continuing Operations	(8,516)	(8,683)	(8,516)	(8,683)
-Discontinued Operations	-	(1,098)	-	(1,098)
Provision for and write off of receivables				
-Continuing Operations	(420)	(123)	(420)	(123)
-Discontinued Operations	-	(29)	-	(29)
Foreign exchange gain / (loss)				
-Continuing Operations	595	(366)	595	(366)
-Discontinued Operations	-	-	-	-
Gain / (loss) on disposal of quoted or unquoted investments or properties				
-Continuing Operations	368	10	368	10
-Discontinued Operations	-	-	-	-
Other income including investment income (excluding items disclosed above)				
-Continuing Operations	12	88	12	88
-Discontinued Operations	-	-	-	-

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

23. Status of Corporate Proposal

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

24. Trade Receivables

	As at 31.03.2022 RM'000	As at 31.12.2021 RM'000
Trade Receivables	156,524	136,976
Less: Allowance for impairment	<u>(3,041)</u>	<u>(2,630)</u>
	<u>153,483</u>	<u>134,346</u>

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

	As at 31.03.2022 RM'000	As at 31.12.2021 RM'000
1- 30 days	19,809	20,495
31 - 60 days	7,750	7,634
61 - 90 days	3,456	5,238
more than 90 days	<u>5,754</u>	<u>5,844</u>
	<u>36,769</u>	<u>39,211</u>

The credit terms of the Group range from 3 to 120 days. Included in the Group's trade receivables are debtors with a carrying amount of RM36.769 million which are past due for which no impairment had been provided as there has not been a significant change in credit quality and the Group believes that the amounts are still considered fully recoverable.

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

25. Group's Borrowings and Debt Securities

-----As at 31 March 2022-----			
	Short term RM'000	Long term RM'000	Total borrowings RM'000
Short Term - Unsecured			
- Revolving Credit	23,000	-	23,000
- Bank Overdraft	5,687	-	5,687
Secured			
- Term Loans	17,336	116,424	133,760
- Hire Purchase	2,486	5,960	8,446
	<u>48,510</u>	<u>122,384</u>	<u>170,894</u>
-----As at 31 December 2021-----			
	Short term RM'000	Long term RM'000	Total borrowings RM'000
Short Term - Unsecured			
- Revolving credit	16,000	-	16,000
Secured			
- Term Loans	17,637	120,580	138,217
- Hire Purchase	2,453	6,331	8,784
	<u>36,090</u>	<u>126,911</u>	<u>163,001</u>

The weighted average effective interest rates of the term loans is 3.62% (2021 : 3.58%) per annum which are subjected to floating interest rates. The term of the hire-purchase ranges from one to five years and the weighted average effective interest rates implicit in the hire-purchase arrangements range is 4.75% (2021 : 4.77%) per annum. The interest rates are fixed at the inception of the hire-purchase arrangement.

26. Off Balance Sheet Financial Instruments

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

27. Material Litigation

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

28. Dividend

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

29. Earnings Per Share

	-----Individual quarter-----		-----Cumulative quarter-----	
	Current year quarter 31.03.2022 RM'000	Preceding year corresponding quarter 31.03.2021 RM'000	Current year to date 31.03.2022 RM'000	Preceding year corresponding period 31.03.2021 RM'000
Net profit / (loss) attributable to equity holders of the Company				
-Continuing Operations	9,347	6,887	9,347	6,887
-Discontinued Operations	-	(9,127)	-	(9,127)
	<u>9,347</u>	<u>(2,240)</u>	<u>9,347</u>	<u>(2,240)</u>
Weighted average number of ordinary shares in issue	<u>585,214</u>	<u>587,091</u>	<u>585,214</u>	<u>587,091</u>
Basic and diluted earnings / (loss) per share (sen)				
-Continuing Operations	1.60	1.17	1.60	1.17
-Discontinued Operations	-	(1.55)	-	(1.55)
	<u>1.60</u>	<u>(0.38)</u>	<u>1.60</u>	<u>(0.38)</u>

* The Group's basic and diluted earnings per share are the same as the Group does not have any convertible securities as at the end of the reporting period.

By Order of the Board of Directors

Company Secretaries

Kuala Lumpur
26 May 2022