



**CJ CENTURY LOGISTICS HOLDINGS BERHAD**  
**(424341-A)**

**INTERIM FINANCIAL REPORT**

**30 JUNE 2019**

22 AUGUST 2019



**CJ CENTURY LOGISTICS HOLDINGS BERHAD (424341-A)**

Interim report on unaudited consolidated results for the financial period ended 30 June 2019

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE QUARTER ENDED 30 JUNE 2019**

	-----Individual quarter-----				-----Cumulative quarter-----			
	Current year quarter 30.06.2019 RM'000	Preceding year corresponding quarter 30.06.2018 RM'000	-----Changes-----		Current year to date 30.06.2019 RM'000	Preceding year corresponding period 30.06.2018 RM'000	-----Changes-----	
			RM'000	%			RM'000	%
Revenue	136,740	104,006	32,734	31%	263,836	196,739	67,097	34%
Direct operating expenses	(121,007)	(88,301)	(32,706)	-37%	(234,482)	(165,318)	(69,164)	-42%
Gross profit	15,733	15,705	28	0%	29,354	31,421	(2,067)	-7%
Net other operating expenses	(16,161)	(11,338)	(4,823)	-43%	(29,413)	(23,241)	(6,172)	-27%
Results from operating activities	(428)	4,367	(4,795)	-110%	(59)	8,180	(8,239)	-101%
Net finance costs	(1,795)	(487)	(1,308)	-269%	(3,239)	(652)	(2,587)	-397%
(Loss) / Profit before taxation	(2,223)	3,880	(6,103)	-157%	(3,298)	7,528	(10,826)	-144%
Taxation	(794)	(1,084)	290	27%	(1,490)	(2,073)	583	28%
(Loss) / profit for the period	(3,017)	2,796	(5,813)	-208%	(4,788)	5,455	(10,243)	-188%
Other comprehensive income								
Foreign currency translation differences for foreign operations	4	2	2	100%	1	16	(15)	-94%
Other comprehensive income for the period	4	2	2	100%	1	16	(15)	-94%
Total comprehensive (loss) / profit for the period	(3,013)	2,798	(5,811)	-208%	(4,787)	5,471	(10,258)	-187%
(Loss) / profit attributable to:								
Equity holders of the Company	(3,043)	2,774	(5,817)	-210%	(4,840)	5,415	(10,255)	-189%
Non-controlling interests	26	22	4	18%	52	40	12	30%
(Loss) / profit for the period	(3,017)	2,796	(5,813)	-208%	(4,788)	5,455	(10,243)	-188%
Total comprehensive (loss) / profit attributable to:								
Equity holders of the Company	(3,039)	2,776	(5,815)	-209%	(4,839)	5,431	(10,270)	-189%
Non-controlling interests	26	22	4	18%	52	40	12	30%
Total comprehensive (loss) / profit for the period	(3,013)	2,798	(5,811)	-208%	(4,787)	5,471	(10,258)	-187%
(Loss) / earnings per share attributable to equity holders of the Company:								
Basic (sen)	(0.78)	0.70	(1.48)	-211%	(1.24)	1.37	(2.61)	-191%
Diluted (sen)	(0.78)	0.70	(1.48)	-211%	(1.24)	1.37	(2.61)	-191%

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the Year Ended 31 December 2018.

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2019

	As at end of current quarter 30.06.2019 RM'000	As at preceding financial year end 31.12.2018 RM'000
<b>ASSETS</b>		
<b>Non-current Assets</b>		
Property, plant and equipment	367,147	335,035
Right-of-use assets	6,926	-
Deferred tax asset	5	5
Goodwill on consolidation	1,443	1,443
	<u>375,521</u>	<u>336,483</u>
<b>Current Assets</b>		
Inventories	8,767	18,854
Receivables	126,083	110,581
Deposits, cash and bank balances	76,351	79,088
	<u>211,201</u>	<u>208,523</u>
<b>TOTAL ASSETS</b>	<u><u>586,722</u></u>	<u><u>545,006</u></u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the Company</b>		
Share capital	200,043	200,043
Treasury shares	(2,506)	(2,506)
Reserves	120,386	125,416
	<u>317,923</u>	<u>322,953</u>
<b>Non-controlling Interests</b>	<u>1,007</u>	<u>955</u>
<b>Total Equity</b>	<u>318,930</u>	<u>323,908</u>
<b>Non-current Liabilities</b>		
Borrowings	159,204	110,496
Lease liabilities	2,001	-
Deferred taxation	8,763	8,967
	<u>169,968</u>	<u>119,463</u>
<b>Current Liabilities</b>		
Borrowings	23,648	21,469
Payables	69,168	80,166
Lease liabilities	5,008	-
	<u>97,824</u>	<u>101,635</u>
<b>Total Liabilities</b>	<u>267,792</u>	<u>221,098</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>586,722</u></u>	<u><u>545,006</u></u>
Net assets per share attributable to ordinary equity holders of the Company (RM)	0.81	0.83

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the Year Ended 31 December 2018.

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 JUNE 2019**

	Current year to date 30.06.2019 RM'000	Preceding year corresponding period 30.06.2018 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
(Loss) / Profit for the year	(4,788)	5,455
Adjustments:		
Non-Cash Items	14,072	8,385
Non-Operating Items	<u>767</u>	<u>836</u>
Operating profit before working capital changes	10,051	14,676
Movement in working capital:		
Net change in current assets	(5,817)	(10,887)
Net change in current liabilities	<u>(11,177)</u>	<u>(4,250)</u>
Cash used in operations	(6,943)	(462)
Tax Paid	<u>(1,370)</u>	<u>(2,593)</u>
Net cash used in operating activities	<u>(8,313)</u>	<u>(3,055)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest received	674	980
Disposal of property, plant and equipment	200	175
Decrease in investment in money market funds	(1,209)	(6,235)
Purchase of property, plant and equipment	<u>(30,399)</u>	<u>(19,807)</u>
Net cash used in investing activities	<u>(30,734)</u>	<u>(24,887)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net proceeds from issuance of shares	-	841
Dividend paid to non-controlling interests	-	(225)
Dividend paid	(976)	(3,942)
Proceeds from borrowings	52,872	43,979
Repayment of lease liabilities	(2,767)	-
Repayment of hire purchase payables	(3,571)	(1,919)
Repayment of borrowings	(6,749)	(5,724)
Interest paid	<u>(3,707)</u>	<u>(1,632)</u>
Net cash from financing activities	<u>35,101</u>	<u>31,377</u>
Net (decrease) / increase in cash and cash equivalents	(3,946)	3,435
Cash and cash equivalents at beginning of the period	<u>17,028</u>	<u>22,318</u>
Cash and cash equivalents at end of the period	<u><u>13,082</u></u>	<u><u>25,753</u></u>
Cash and cash equivalents at the end of the financial period comprise the following :		
Cash on hand and at banks	5,932	12,273
Investment in money market funds	63,269	55,592
Deposits with licensed banks	<u>7,150</u>	<u>13,480</u>
	76,351	81,345
Less: Investment in money market funds	<u>(63,269)</u>	<u>(55,592)</u>
	<u><u>13,082</u></u>	<u><u>25,753</u></u>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Report for the Year Ended 31 December 2018.

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 2019**

	← 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 2019	200,043	(2,506)	2,168	123,248	322,953	955	323,908
Share-based payment under Employees' Share Option Scheme ("ESOS")	-	-	784	-	784	-	784
Total comprehensive income for the period	-	-	1	(4,840)	(4,839)	52	(4,787)
Dividends paid	-	-	-	(976)	(976)	-	(976)
As at 30 June 2019	200,043	(2,506)	2,953	117,432	317,923	1,007	318,930
<b>As at preceding year corresponding quarter</b>							
As at 1 January 2018	199,184	-	827	119,218	319,229	1,082	320,311
Impact arising from adoption of MFRS 9	-	-	-	(142)	(142)	-	(142)
Impact arising from adoption of MFRS 15	-	-	-	29	29	-	29
Restated balance as at 1 January 2018	199,184	-	827	119,105	319,116	1,082	320,198
Issue of shares pursuant to exercise of ESOS	859	-	(18)	-	841	-	841
Share-based payment under ESOS	-	-	784	-	784	-	784
Total comprehensive income for the period	-	-	16	5,415	5,431	40	5,471
Dividends paid	-	-	-	(3,942)	(3,942)	(225)	(4,167)
As at 30 June 2018	200,043	-	1,609	120,578	322,230	897	323,127

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the Year Ended 31 December 2018.

## 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 2018.

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 2018.

### 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 2019. As disclosed in the Group's annual financial statements for the financial year ended 31 December 2018, the following are new/revised accounting standards effective for annual periods beginning on or after 1 January 2019.

MFRS 16	Leases
Amendments to MFRS 9	Prepayment Features with Negative Compensation
IC Interpretation 23	Uncertainty over Income Tax Payments
Amendments to MFRSs contained in the document entitled Annual Improvements to MFRSs 2015 - 2017 Cycle	

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 3	Definition of a Business
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
Amendments to MFRS 101 and MFRS 108	Definition of Material
Amendments to MFRS 128	Long-term Interests in Associates and Joint Ventures

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 2018 was not qualified.

### 4. Seasonal or Cyclical Factors

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

### 5. Unusual Items

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

### 6. Changes in Estimates

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

### 7. Changes in Debt and Equity Securities

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

### 8. Dividend Paid

On 7 June 2019, the Company paid a single tier final dividend of 0.25 sen per share in respect of the financial year ended 31 December 2018, amounting to RM0.976 million.

## 9. Segmental Reporting

Analysis of the Group's revenue and results for the 6 months period ended 30 June 2019 is as follows:

	Total Logistics Services RM'000	Procurement Logistics Services RM'000	Courier Services RM'000	Consolidation Adjustment RM'000	Group Results RM'000
<b>Revenue</b>					
External sales	128,625	122,767	12,444	-	263,836
Inter-segment sales	<u>2,295</u>	<u>-</u>	<u>-</u>	<u>(2,295)</u>	<u>-</u>
Total revenue	<u>130,920</u>	<u>122,767</u>	<u>12,444</u>	<u>(2,295)</u>	<u>263,836</u>
<b>Profit</b>					
Segment results	1,859	6,178	(8,096)	-	(59)
Net finance costs					<u>(3,239)</u>
Loss from ordinary activities before taxation					(3,298)
Taxation					<u>(1,490)</u>
Loss from ordinary activities after taxation					(4,788)
Non-controlling interests					<u>(52)</u>
Net loss for the period					<u>(4,840)</u>

Analysis of the Group's revenue and results for the 6 months period ended 30 June 2018 is as follows:

	Total Logistics Services RM'000	Procurement Logistics Services RM'000	Courier Services RM'000	Consolidation Adjustment RM'000	Group Results RM'000
<b>Revenue</b>					
External sales	123,698	70,216	2,825	-	196,739
Inter-segment sales	<u>1,510</u>	<u>-</u>	<u>-</u>	<u>(1,510)</u>	<u>-</u>
Total revenue	<u>125,208</u>	<u>70,216</u>	<u>2,825</u>	<u>(1,510)</u>	<u>196,739</u>
<b>Profit</b>					
Segment results	6,150	5,122	(3,092)	-	8,180
Net finance costs					<u>(652)</u>
Profit from ordinary activities before taxation					7,528
Taxation					<u>(2,073)</u>
Profit from ordinary activities after taxation					5,455
Non-controlling interests					<u>(40)</u>
Net profit for the period					<u>5,415</u>

Total revenue of the Group was RM263.836 million, representing an increase of 34% from RM196.739 million in the corresponding period ended 30 June 2018. The Group recorded an operating loss of RM0.059 million from an operating profit of RM8.180 million in the six months ended 30 June 2018.

### Total Logistics Services

Segment revenue generated from the Total Logistics Services operations for the period under review has increased by RM4.927 million to RM128.625 million as compared to the corresponding period ended 30 June 2018. The segment profit was lower by RM4.291 million despite the higher revenue mainly due to the lower margins from certain operations particularly the oil logistics segment.

### Procurement Logistics Services

The Procurement Logistics operations recorded a higher segment revenue of RM122.767 million in the six months ended 30 June 2019 compared to RM70.216 million in year 2018 due to higher activities and higher export sales in the segment. The segment profit for the period under review was RM6.178 million, an increase of 21% from RM5.122 million.

### Courier Services

For the financial quarter ended 30 June 2019, the courier services revenue and segment loss were RM12.444 million and RM8.096 million as compared to RM2.825 million and RM3.092 million respectively in the corresponding period ended 30 June 2018. The loss was mainly due to the costs incurred as the Group continues to expand its operations nationwide.

**9. Segmental Reporting (cont'd)**

	Total Logistics Services RM'000	Procurement Logistics Services RM'000	Courier Services RM'000	Consolidation Adjustment RM'000	Group Results RM'000
As at 30 June 2019					
Segment Assets	877,462	96,605	30,181	(417,524)	<u>586,724</u>
Segment Liabilities	588,823	61,762	21,843	(404,636)	<u>267,793</u>
As at 30 June 2018					
Segment Assets	743,326	78,527	9,521	(361,106)	<u>470,268</u>
Segment Liabilities	433,592	53,170	7,163	(346,926)	<u>146,999</u>

**10. Related Party Disclosures**

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

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

	As at 30.06.2019 RM'000	As at 31.12.2018 RM'000
<b>Financial assets</b>		
<b>Fair value through profit or loss</b>		
Investment in money market funds	63,269	62,060
<b>Amortised costs</b>		
Trade receivables	98,919	75,650
Other receivables and refundable deposits	18,602	22,282
Amount owing from affiliated companies	2,450	4,443
Deposits, cash and bank balances	<u>13,082</u>	<u>17,028</u>
	<u>196,322</u>	<u>181,463</u>
<b>Financial liabilities at amortised costs</b>		
Trade payables	32,913	35,987
Other payables and accrued expenses	33,760	39,182
Amount owing to affiliated company	248	2,862
Total borrowings	161,631	115,509
Hire-purchase payables	21,221	16,456
Lease liabilities	<u>7,009</u>	<u>-</u>
	<u>256,781</u>	<u>209,996</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 30.06.2019 RM'000	As at 31.12.2018 RM'000
Approved and contracted for	30,803	71,483
Approved but not contracted for	<u>13,916</u>	<u>15,812</u>

**16. Changes in Contingent Liabilities**

There were no changes in contingent liabilities since the last annual balance sheet as at 31 December 2018.

**17. Review of Performance**

For the financial quarter ended 30 June 2019, the Group's revenue and pre-tax loss were RM136.740 million and RM2.223 million respectively, compared to revenue and pre-tax profit of RM104.006 million and RM3.880 million respectively for the corresponding period in the previous financial year. The increase in revenue by 31% was mainly attributable to the higher activities in the Procurement Logistics Services and Total Logistics Services segment. Nevertheless, the pre-tax loss was mainly due to the ongoing costs as a result of the expansion of the courier operation during the financial quarter as well as lower margins from certain Total Logistics operations.

**18. Comparison with Immediate Preceding Quarter's Results**

	Current year quarter 30.06.2019 RM'000	Immediate preceding quarter 31.03.2019 RM'000	-----Changes-----	
			RM'000	%
Revenue	136,740	127,096	9,644	8%
Direct operating expenses	<u>(121,007)</u>	<u>(113,475)</u>	<u>(7,532)</u>	<u>-7%</u>
Gross profit	15,733	13,621	2,112	16%
Net other operating expenses	<u>(16,161)</u>	<u>(13,252)</u>	<u>(2,909)</u>	<u>-22%</u>
Results from operating activities	(428)	369	(797)	-216%
Net finance costs	<u>(1,795)</u>	<u>(1,444)</u>	<u>(351)</u>	<u>-24%</u>
Loss before taxation	(2,223)	(1,075)	(1,148)	-107%
Taxation	<u>(794)</u>	<u>(696)</u>	<u>(98)</u>	<u>-14%</u>
Loss for the period	<u><u>(3,017)</u></u>	<u><u>(1,771)</u></u>	<u><u>(1,246)</u></u>	<u><u>-70%</u></u>

For the financial quarter ended 30 June 2019, the Group reported revenue and pre-tax loss of RM136.740 million and RM2.223 million respectively, compared to revenue and pre-tax loss of RM127.096 million and RM1.075 million respectively for the preceding quarter. The increase in revenue was mainly due to the higher activities in both Total Logistics Services and Procurement Logistics Services segment. Nevertheless, the pre-tax loss was mainly due to the ongoing costs as a result of the expansion of the courier operation during the financial quarter as well as lower margins from certain Total Logistics operations.

**19. Prospects for the Current Financial Year**

The Group expects the operating environment to remain challenging going forward. Although revenue has been growing, the Group is pressured by cost challenges, resulting in the second consecutive quarter of losses being recorded.

In particular, the Group is concentrating on expanding its last mile solutions where it is investing heavily to improve delivery capacity. In the meantime, the Courier Services segment is expected to continue recording losses until the operation is stabilized and volumes handled improves further. The new auto-sorter, which has recently been installed at the new Bukit Raja Distribution Centre, will have a sorting capacity of 50,000 parcels per day once it is commissioned end of September 2019. New lines will be installed over the course of the next 2 years to increase sorting capacity to 200,000 parcels per day by 2021.

Eventhough the Group is confident about the growth of the last mile solutions and is investing in the necessary infrastructure to support the growth, the Group expects its financial performance to remain under pressure. As mentioned above, this is expected to persist until the operation of the Courier Services segment stabilizes as well as cost control measures are firmly in place.

**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 30.06.2019 RM'000	Preceding year corresponding quarter 30.06.2018 RM'000	Current year to date 30.06.2019 RM'000	Preceding year corresponding period 30.06.2018 RM'000
Provision for taxation	937	991	1,695	1,967
Deferred taxation	<u>(143)</u>	<u>93</u>	<u>(205)</u>	<u>106</u>
	<u><u>794</u></u>	<u><u>1,084</u></u>	<u><u>1,490</u></u>	<u><u>2,073</u></u>

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

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

**22. Note to the Statement of Comprehensive Income**

	-----Individual quarter-----		-----Cumulative quarter-----	
	Current year quarter 30.06.2019 RM'000	Preceding year corresponding quarter 30.06.2018 RM'000	Current year to date 30.06.2019 RM'000	Preceding year corresponding period 30.06.2018 RM'000
Interest income	301	453	674	980
Interest expenses - borrowings	(1,940)	(940)	(3,707)	(1,632)
Interest expenses - right-of-use assets	(156)	-	(206)	-
Depreciation and amortisation	(5,418)	(2,644)	(9,088)	(5,218)
Provision for and write off of receivables	(128)	(94)	(259)	(192)
Foreign exchange gain	479	880	1,268	1,040
Gain on disposal of quoted or unquoted investments or properties	19	(9)	43	(38)
Share-based payment under ESOS	(392)	(392)	(784)	(784)
Other income including investment income (excluding items disclosed above)	(0)	158	3	227

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 30.06.2019 RM'000	As at 31.12.2018 RM'000
Trade Receivables	99,986	76,461
Less: Allowance for impairment	<u>(1,067)</u>	<u>(811)</u>
	<u>98,919</u>	<u>75,650</u>

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

	As at 30.06.2019 RM'000	As at 31.12.2018 RM'000
1- 30 days	17,334	13,220
31 - 60 days	12,219	11,108
61 - 90 days	2,854	4,936
more than 90 days	<u>4,615</u>	<u>1,604</u>
	<u>37,022</u>	<u>30,868</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 RM37.022 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 30 June 2019-----		
	Short term RM'000	Long term RM'000	Total borrowings RM'000
<b>Secured</b>			
- Term Loans	16,674	144,958	161,632
- Hire Purchase	<u>6,974</u>	<u>14,246</u>	<u>21,220</u>
	<u>23,648</u>	<u>159,204</u>	<u>182,852</u>
	-----As at 31 December 2018-----		
	Short term RM'000	Long term RM'000	Total borrowings RM'000
<b>Secured</b>			
- Term Loans	16,318	99,191	115,509
- Hire Purchase	<u>5,151</u>	<u>11,305</u>	<u>16,456</u>
	<u>21,469</u>	<u>110,496</u>	<u>131,965</u>

The weighted average effective interest rates of the term loans is 4.86% (2018 : 5.05%) per annum which are subjected to floating interest rates. The term of the hire-purchase ranges from one to five years and the weighted average effective interest rates implicit in the hire-purchase arrangements range from 4.56% to 6.72% (2018 : 4.56% to 5.16%) 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 30.06.2019 RM'000	Preceding year corresponding quarter 30.06.2018 RM'000	Current year to date 30.06.2019 RM'000	Preceding year corresponding period 30.06.2018 RM'000
Net (loss) / profit attributable to equity holders of the Company	<u>(3,043)</u>	<u>2,774</u>	<u>(4,840)</u>	<u>5,415</u>
Weighted average number of ordinary shares in issue	390,261	394,230	390,261	394,027
Effect on dilution of ESOS	<u>624</u>	<u>1,778</u>	<u>624</u>	<u>1,778</u>
Weighted average number of ordinary shares (diluted)	<u>390,885</u>	<u>396,008</u>	<u>390,885</u>	<u>395,805</u>
Basic (loss) / earnings per share (sen)	(0.78)	0.70	(1.24)	1.37
Diluted (loss) / earnings per share (sen)	(0.78)	0.70	(1.24)	1.37

By Order of the Board of Directors

Company Secretaries

Kuala Lumpur  
22 Aug 2019