



CJ CENTURY LOGISTICS HOLDINGS BERHAD
199701008845 (424341-A)

INTERIM FINANCIAL REPORT

30 JUNE 2023

17 AUGUST 2023



CJ CENTURY LOGISTICS HOLDINGS BERHAD (Registration No. 199701008845 (424341-A))
Interim report on unaudited consolidated results for the financial period ended 30 June 2023

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE QUARTER ENDED 30 JUNE 2023

	-----Individual quarter-----				-----Cumulative quarter-----			
	Current year quarter 30.06.2023 RM'000	Preceding year corresponding quarter 30.06.2022 RM'000	-----Changes-----		Current year to date 30.06.2023 RM'000	Preceding year corresponding period 30.06.2022 RM'000	-----Changes-----	
			RM'000	%			RM'000	%
Revenue	210,958	252,939	(41,981)	-17%	430,535	495,728	(65,193)	-13%
Direct operating expenses	(180,613)	(217,733)	37,120	17%	(369,385)	(423,175)	53,790	13%
Gross profit	30,345	35,206	(4,861)	-14%	61,150	72,553	(11,403)	-16%
Net other operating expenses	(22,858)	(22,913)	55	0%	(46,344)	(44,965)	(1,379)	-3%
Results from operating activities	7,487	12,293	(4,806)	-39%	14,806	27,588	(12,782)	-46%
Net finance costs	(2,018)	(1,978)	(40)	-2%	(3,908)	(3,932)	24	1%
Profit before taxation	5,469	10,315	(4,846)	-47%	10,898	23,656	(12,758)	-54%
Taxation	(1,658)	(3,117)	1,459	47%	(3,317)	(7,112)	3,795	53%
Profit for the period	3,811	7,198	(3,387)	-47%	7,581	16,544	(8,963)	-54%
Other comprehensive income / (loss)								
Foreign currency translation differences for foreign operations	(2)	3	(5)	-167%	(8)	(2)	(6)	-300%
Other comprehensive income / (loss) for the period	(2)	3	(5)	-167%	(8)	(2)	(6)	-300%
Total comprehensive income for the period	3,809	7,201	(3,392)	-47%	7,573	16,542	(8,969)	-54%
Profit / (loss) attributable to:								
Equity holders of the Company	3,814	7,190	(3,376)	-47%	7,559	16,537	(8,978)	-54%
Non-controlling interests	(3)	8	(11)	-138%	22	7	15	214%
Profit for the period	3,811	7,198	(3,387)	-47%	7,581	16,544	(8,963)	-54%
Total comprehensive income / (loss) attributable to:								
Equity holders of the Company	3,812	7,193	(3,381)	-47%	7,551	16,535	(8,984)	-54%
Non-controlling interests	(3)	8	(11)	-138%	22	7	15	214%
Total comprehensive income for the period	3,809	7,201	(3,392)	-47%	7,573	16,542	(8,969)	-54%
Earnings per share attributable to equity holders of the Company: Basic and Diluted (sen)*	0.66	1.23	(0.58)	-47%	1.30	2.83	(1.53)	-54%

* The Group's basic and diluted earnings per share are the same as the Company 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 2022.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2023

	As at end of current quarter 30.06.2023	As at preceding financial year end 31.12.2022
	RM'000	RM'000
ASSETS		
Non-current Assets		
Property, plant and equipment	357,309	362,396
Other asset	60	60
Right-of-use assets	70,667	65,396
Deferred tax asset	512	397
Intangible assets	23,762	23,801
	<u>452,310</u>	<u>452,050</u>
Current Assets		
Inventories	13,449	37,527
Receivables	202,712	180,094
Deposits, cash and bank balances	68,165	98,586
	<u>284,326</u>	<u>316,207</u>
TOTAL ASSETS	<u><u>736,636</u></u>	<u><u>768,257</u></u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	300,043	300,043
Treasury shares	(6,747)	(6,747)
Reserves	152,735	151,003
	<u>446,031</u>	<u>444,299</u>
Non-controlling Interests	717	695
Total Equity	<u>446,748</u>	<u>444,994</u>
Non-current Liabilities		
Borrowings	98,627	108,222
Lease liabilities	7,225	3,920
Deferred taxation	8,219	8,150
	<u>114,071</u>	<u>120,292</u>
Current Liabilities		
Borrowings	33,199	53,190
Payables	128,927	138,550
Lease liabilities	13,692	11,231
	<u>175,818</u>	<u>202,971</u>
Total Liabilities	<u>289,888</u>	<u>323,263</u>
TOTAL EQUITY AND LIABILITIES	<u><u>736,636</u></u>	<u><u>768,257</u></u>
Net assets per share attributable to ordinary equity holders of the Company (RM)	0.77	0.76

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the Year Ended 31 December 2022.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 JUNE 2023

	Current year to date 30.06.2023 RM'000	Preceding year corresponding period 30.06.2022 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the period	7,581	16,544
Adjustments:		
Non-Cash Items	26,036	28,445
Non-Operating Items	<u>(359)</u>	<u>(160)</u>
Operating profit before working capital changes	33,258	44,830
Movement in working capital:		
Net change in current assets	2,431	(31,408)
Net change in current liabilities	<u>(10,863)</u>	<u>(15,319)</u>
Cash generated from / (used in) operations	24,826	(1,898)
Tax paid	<u>(3,489)</u>	<u>(2,274)</u>
Net cash from / (used in) operating activities	<u>21,337</u>	<u>(4,172)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	242	84
Disposal of property, plant and equipment	362	3,220
Decrease / (increase) in investment in money market funds	12,672	(1,002)
Purchase of property, plant and equipment	<u>(2,593)</u>	<u>(603)</u>
Net cash from investing activities	<u>10,683</u>	<u>1,699</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(5,819)	-
Proceeds from borrowings	-	22,000
Repayment of principal portion of lease liabilities	(10,213)	(8,867)
Net repayment of hire purchase payables	(1,274)	(1,304)
Repayment of borrowings	(28,313)	(12,920)
Repayment of principal portion of advance received from immediate holding company	-	(26,993)
Purchase of treasury shares	-	(2,341)
Interest paid	<u>(4,151)</u>	<u>(4,017)</u>
Net cash used in financing activities	<u>(49,770)</u>	<u>(34,441)</u>
Net decrease in cash and cash equivalents	(17,750)	(36,914)
Cash and cash equivalents at beginning of the period	<u>69,595</u>	<u>43,134</u>
Cash and cash equivalents at end of the period	<u><u>51,845</u></u>	<u><u>6,220</u></u>
Cash and cash equivalents at the end of the financial period comprise the following :		
Cash and bank balances	26,094	15,076
Investment in money market funds	16,320	12,478
Deposits with licensed banks	<u>25,751</u>	<u>1,257</u>
	68,165	28,811
Less: Investment in money market funds	(16,320)	(12,478)
Bank overdraft	<u>-</u>	<u>(10,113)</u>
	<u><u>51,845</u></u>	<u><u>6,220</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 2022.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 2023

	Share Capital RM'000	Attributable to Equity Holders of the Company			Total RM'000	Non-controlling Interests RM'000	Total Equity RM'000
		← Non-distributable Treasury Shares RM'000	Other Reserves RM'000	→ Distributable Retained Earnings RM'000			
As at 1 January 2023	300,043	(6,747)	546	150,457	444,299	695	444,994
Total comprehensive income for the period	-	-	(8)	7,559	7,551	22	7,573
Dividends paid	-	-	-	(5,819)	(5,819)	-	(5,819)
As at 30 June 2023	300,043	(6,747)	538	152,197	446,031	717	446,748
As at preceding year corresponding quarter							
As at 1 January 2022	300,043	(4,197)	531	125,216	421,593	683	422,276
Purchase of treasury shares	-	(2,341)	-	-	(2,341)	-	(2,341)
Total comprehensive income for the period	-	-	(2)	16,537	16,535	7	16,542
As at 30 June 2022	300,043	(6,538)	529	141,753	435,787	690	436,477

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the Year Ended 31 December 2022.

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 2022.

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 2022.

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 2023. As disclosed in the Group's annual financial statements for the financial year ended 31 December 2022, the following are new/revised accounting standards effective for annual periods beginning on or after 1 January 2023.

Amendments to MFRS 17	Insurance Contracts
Amendments to MFRS 17	Initial Application of MFRS 17 and MFRS 9 - Comparative Information
Amendments to MFRS 101	Disclosure of Accounting Policies
Amendments to MFRS 108	Definition of Accounting Estimates
Amendments to MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction

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 :-

Amendments to MFRS 16	Leases - Lease Liability in a Sale and Leaseback
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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 2022 was not qualified.

4. Seasonal or Cyclical Factors

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

5. Unusual Items

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

6. Changes in Estimates

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

7. Changes in Debt and Equity Securities

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

8. Dividend Paid

No dividend was paid in the financial quarter under review.

9. Segmental Reporting

Analysis of the Group's revenue and results for the 6 months period ended 30 June 2023 is as follows:

	Total Logistics Services	Procurement Logistics Services	Consolidation Adjustment	Group Results
	RM'000	RM'000	RM'000	RM'000
Revenue				
External sales	270,938	159,596	-	430,535
Inter-segment sales	<u>3,795</u>	<u>17</u>	<u>(3,812)</u>	<u>-</u>
Total revenue	<u>274,733</u>	<u>159,613</u>	<u>(3,812)</u>	<u>430,535</u>
Profit				
Segment results	6,127	8,926	(247)	14,806
Net finance costs				<u>(3,908)</u>
Profit from ordinary activities before taxation				10,898
Taxation				<u>(3,317)</u>
Profit from ordinary activities after taxation				7,581
Non-controlling interests				<u>(22)</u>
Net profit for the period				<u>7,559</u>

Analysis of the Group's revenue and results for the 6 months period ended 30 June 2022 is as follows:

	Total Logistics Services	Procurement Logistics Services	Consolidation Adjustment	Group Results
	RM'000	RM'000	RM'000	RM'000
Revenue				
External sales	380,427	115,301	-	495,728
Inter-segment sales	<u>7,929</u>	<u>6</u>	<u>(7,934)</u>	<u>-</u>
Total revenue	<u>388,356</u>	<u>115,306</u>	<u>(7,934)</u>	<u>495,728</u>
Profit				
Segment results	22,859	5,485	(756)	27,588
Net finance costs				<u>(3,932)</u>
Profit from ordinary activities before taxation				23,656
Taxation				<u>(7,112)</u>
Profit from ordinary activities after taxation				16,544
Non-controlling interests				<u>(7)</u>
Net profit for the period				<u>16,537</u>

Total revenue of the Group was RM430.535 million, representing a decrease of 13.2% from RM495.728 million recorded in the corresponding period ended 30 June 2022. The Group recorded an operating profit of RM14.806 million, a decrease of 46.3% from operating profit of RM27.588 million, for the six months ended 30 June 2023.

9. Segmental Reporting (cont'd)

Total Logistics Services

Segment revenue and operating profit from Total Logistics Services operations for the period under review decreased by RM109.489 million and RM16.732 million respectively as compared to the corresponding period ended 30 June 2022 mainly due to the freight rates normalisation and lower business volume contribution from our customers. An analysis of revenue of the various operation in Total Logistics Services segment is as follows:

Revenue	6 months ended 30.06.2023 RM'000	6 months ended 30.06.2022 RM'000	Variance RM'000	Variance %
Freight Forwarding	107,512	207,364	(99,852)	(48.2)
Contract Logistics	74,164	92,588	(18,424)	(19.9)
Transportation	46,839	31,882	14,957	46.9
Oil Logistics	19,662	21,157	(1,494)	(7.1)
Others*	22,761	27,436	(4,675)	(17.0)
Total	270,938	380,427	(109,489)	(28.8)

*Trading of Resin and Data Management Services

Procurement Logistics Services

The Procurement Logistics segment recorded a higher segment revenue and operating profit of RM159.596 million and RM8.926 million respectively for the six months ended 30 June 2023 compared to RM115.301 million and RM5.485 million respectively in the corresponding period ended 30 June 2022. The increase in revenue and profit were mainly attributable to the higher export volumes arising from improved demands from our customers during the financial period.

Segment Assets and Segment Liabilities

	Total Logistics Services RM'000	Procurement Logistics Services RM'000	Consolidation Adjustment RM'000	Group Results RM'000
As at 30 June 2023				
Segment Assets	939,354	113,679	(316,397)	<u>736,636</u>
Segment Liabilities	302,257	59,002	(71,371)	<u>289,889</u>
As at 30 June 2022				
Segment Assets	942,462	115,871	(287,572)	<u>770,761</u>
Segment Liabilities	486,245	62,626	(214,585)	<u>334,286</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 30.06.2023 RM'000	As at 31.12.2022 RM'000
Financial assets		
Fair value through profit or loss		
Investment in money market funds	16,320	28,991
Amortised costs		
Trade receivables	140,496	125,380
Other receivables and refundable deposits	34,133	18,592
Amount owing from immediate holding company	590	576
Amount owing from intermediate holding company	676	484
Amount owing from related parties	4,320	7,802
Deposits, cash and bank balances	51,845	69,595
Financial liabilities at amortised costs		
Trade payables	52,027	62,590
Other payables and accrued expenses	50,753	52,372
Amount owing to immediate holding company	596	1,404
Amount owing to intermediate holding company	14,688	14,341
Amount owing to related parties	84	84
Total borrowings	126,267	154,580
Hire-purchase payables	5,559	6,832
Lease liabilities	20,916	15,151

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 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, is categorised under Level 2 fair value hierarchy.

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.

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 30.06.2023 RM'000	As at 31.12.2022 RM'000
Approved and contracted for	167	1,567
Approved but not contracted for	1,362	494

16. Changes in Contingent Liabilities

There were no changes in contingent liabilities since the last annual balance sheet as at 31 December 2022.

17. Review of Performance

For the financial quarter ended 30 June 2023, the Group's revenue and pre-tax profit were RM210.958 million and RM5.469 million respectively, compared to revenue and pre-tax profit of RM252.939 million and RM10.315 million respectively for the corresponding period in the previous financial year. The decrease in revenue and pre-tax profit was mainly due to freight rates normalisation and reduced business volume contribution from our Total Logistics Services segment customers in the current financial quarter.

Revenue recorded from the various operations in the Total Logistics Services segment are as follows:

Revenue	Quarter ended 30.06.2023 RM'000	Quarter ended 30.06.2022 RM'000	Variance RM'000	Variance %
Freight Forwarding	50,848	98,552	(47,704)	(48.4)
Contract Logistics	36,538	48,730	(12,192)	(25.0)
Transportation	24,709	15,883	8,826	55.6
Oil Logistics	9,207	8,898	309	3.5
Others*	9,602	10,892	(1,289)	(11.8)
Total	130,903	182,956	(52,053)	(28.5)

*Trading of Resin and Data Management Services

The Procurement Logistics Services segment recorded revenue of RM80.055 million during the financial quarter ended 30 June 2023, up from RM69.983 million, an improvement of 14.4% due to the higher export volumes handled. Export revenue improved to RM63.046 million during the current financial quarter, from RM48.196 million recorded during the corresponding period in the previous financial year.

18. Comparison with Immediate Preceding Quarter's Results

	Current year quarter 30.06.2023 RM'000	Immediate preceding quarter 31.03.2023 RM'000	-----Changes-----	
			RM'000	%
Revenue	210,958	219,577	(8,619)	-4%
Direct operating expenses	<u>(180,613)</u>	<u>(188,772)</u>	<u>8,159</u>	<u>4%</u>
Gross profit	30,345	30,805	(460)	-1%
Net other operating expenses	<u>(22,858)</u>	<u>(23,486)</u>	<u>628</u>	<u>3%</u>
Results from operating activities	7,487	7,319	168	2%
Net finance costs	<u>(2,018)</u>	<u>(1,890)</u>	<u>(128)</u>	<u>-7%</u>
Profit before taxation	5,469	5,429	40	1%
Taxation	<u>(1,658)</u>	<u>(1,659)</u>	<u>1</u>	<u>0%</u>
Profit for the period	<u>3,811</u>	<u>3,770</u>	<u>41</u>	<u>1%</u>

18. Comparison with Immediate Preceding Quarter's Results (cont'd)

For the financial quarter ended 30 June 2023, the Group reported revenue and pre-tax profit of RM210.958 million and RM5.469 million respectively, compared to revenue and pre-tax profit of RM219.577 million and RM5.429 million respectively for the preceding quarter.

For the Total Logistics Services segment, revenue was lower mainly due to reduced volume recorded by the Freight Forwarding operation. Revenue recorded from the various operations in the Total Logistics Services segment are as follows:

Revenue	Quarter ended 30.06.2023 RM'000	Quarter ended 31.03.2023 RM'000	Variance RM'000	Variance %
Freight Forwarding	50,848	56,665	(5,817)	(10.3)
Contract Logistics	36,538	37,626	(1,088)	(2.9)
Transportation	24,709	22,130	2,579	11.7
Oil Logistics	9,207	10,455	(1,248)	(11.9)
Others*	9,602	13,159	(3,557)	(27.0)
Total	130,903	140,035	(9,132)	(6.5)

*Trading of Resin and Data Management Services

For the Procurement Logistics Services segment, revenue was higher mainly due to the increase in export revenue from RM61.328 million to RM63.046 million. Overall revenue from the Procurement Logistics Services segment increased from RM79.542 million to RM80.055 million.

19. Prospects for the Current Financial Year

Our primary focus will continue to be sustainable growth across all our business operations, while advocating and implementing the best standards of corporate governance, proper risk management and internal control measures as well as prioritise responsible management and minimise environmental impact across the Company and its operations.

Nevertheless, given the current uncertain economic condition, it is prudent for the Company to adopt a cautious approach in the pursuit of business growth, as well as stringent cost control, in order to weather any storm which we may face.

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 30.06.2023 RM'000	Preceding year corresponding quarter 30.06.2022 RM'000	Current year to date 30.06.2023 RM'000	Preceding year corresponding period 30.06.2022 RM'000
Provision for taxation	1,564	2,189	3,363	5,105
Deferred taxation	94	928	(46)	2,007
	<u>1,658</u>	<u>3,117</u>	<u>3,317</u>	<u>7,112</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 was higher than the statutory tax rate principally due to certain expenses not deductible for tax purposes.

22. Note to the Statement of Comprehensive Income

	-----Individual quarter-----		-----Cumulative quarter-----	
	Current year quarter 30.06.2023 RM'000	Preceding year corresponding quarter 30.06.2022 RM'000	Current year to date 30.06.2023 RM'000	Preceding year corresponding period 30.06.2022 RM'000
Interest income	115	28	242	84
Interest expenses - borrowings	(1,815)	(1,734)	(3,504)	(3,446)
Interest expenses - right-of-use assets	(319)	(273)	(647)	(571)
Depreciation and amortisation	(9,387)	(8,558)	(18,417)	(17,074)
Provision for and write off of receivables	(52)	(407)	(56)	(826)
Foreign exchange gain / (loss)	(110)	(206)	356	389
Gain / (loss) on disposal of quoted or unquoted investments or properties	351	117	353	485
Other income including investment income (excluding items disclosed above)	74	25	141	36

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 30.06.2023 RM'000	As at 31.12.2022 RM'000
Trade Receivables	141,785	126,613
Less: Allowance for impairment	(1,289)	(1,233)
	<u>140,496</u>	<u>125,380</u>

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

	As at 30.06.2023 RM'000	As at 31.12.2022 RM'000
1- 30 days	15,379	18,915
31 - 60 days	7,393	4,822
61 - 90 days	1,075	1,397
more than 90 days	8,567	2,670
	<u>32,414</u>	<u>27,804</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 RM32.414 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 2023-----			
	Short term RM'000	Long term RM'000	Total borrowings RM'000
Short Term - Unsecured			
- Revolving Credit	14,000	-	14,000
Secured			
- Term Loans	16,626	95,641	112,267
- Hire Purchase	<u>2,573</u>	<u>2,986</u>	<u>5,559</u>
	<u>33,199</u>	<u>98,627</u>	<u>131,826</u>
-----As at 31 December 2022-----			
	Short term RM'000	Long term RM'000	Total borrowings RM'000
Short Term - Unsecured			
- Revolving credit	34,000	-	34,000
Secured			
- Term Loans	16,626	103,954	120,580
- Hire Purchase	<u>2,564</u>	<u>4,268</u>	<u>6,832</u>
	<u>53,190</u>	<u>108,222</u>	<u>161,412</u>

The weighted average effective interest rate of the term loans is 4.81% (2022 : 4.24%) 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 rate implicit in the hire-purchase arrangements is 4.79% (2022 : 4.79%) per annum. The interest rates are fixed at the inception of each 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 30.06.2023 RM'000	Preceding year corresponding quarter 30.06.2022 RM'000	Current year to date 30.06.2023 RM'000	Preceding year corresponding period 30.06.2022 RM'000
Net profit attributable to equity holders of the Company	<u>3,814</u>	<u>7,190</u>	<u>7,559</u>	<u>16,537</u>
Weighted average number of ordinary shares in issue	<u>581,886</u>	<u>583,523</u>	<u>581,886</u>	<u>584,369</u>
Basic and diluted earnings per share (sen)*	<u>0.66</u>	<u>1.23</u>	<u>1.30</u>	<u>2.83</u>

* The Group's basic and diluted earnings per share are the same as the Company 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
17 August 2023