



CJ CENTURY LOGISTICS HOLDINGS BERHAD
199701008845 (424341-A)

INTERIM FINANCIAL REPORT

30 SEPTEMBER 2020

23 NOVEMBER 2020



CJ CENTURY LOGISTICS HOLDINGS BERHAD (Registration No. 199701008845 (424341-A))
Interim report on unaudited consolidated results for the financial period ended 30 September 2020

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE QUARTER ENDED 30 SEPTEMBER 2020

	-----Individual quarter-----				-----Cumulative quarter-----			
	Current year quarter 30.09.2020 RM'000	Preceding year corresponding quarter 30.09.2019 RM'000	-----Changes-----		Current year to date 30.09.2020 RM'000	Preceding year corresponding period 30.09.2019 RM'000	-----Changes-----	
			RM'000	%			RM'000	%
Revenue	208,946	116,229	92,717	80%	449,336	380,065	69,271	18%
Direct operating expenses	(183,130)	(100,882)	(82,248)	-82%	(387,534)	(335,364)	(52,170)	-16%
Gross profit	25,816	15,347	10,469	68%	61,802	44,701	17,101	38%
Net other operating expenses	(22,804)	(14,616)	(8,188)	-56%	(61,389)	(44,029)	(17,360)	-39%
Results from operating activities	3,012	731	2,281	312%	413	672	(259)	-39%
Net finance costs	(1,639)	(2,262)	623	28%	(4,935)	(5,501)	566	10%
Profit / (loss) before taxation	1,373	(1,531)	2,904	190%	(4,522)	(4,829)	307	6%
Taxation	(1,876)	300	(2,176)	-725%	(190)	(1,190)	1,000	84%
Loss for the period	(503)	(1,231)	728	59%	(4,712)	(6,019)	1,307	22%
Other comprehensive income								
Foreign currency translation differences for foreign operations	(4)	10	(14)	-140%	(16)	11	(27)	-245%
Other comprehensive income for the period	(4)	10	(14)	-140%	(16)	11	(27)	-245%
Total comprehensive loss for the period	(507)	(1,221)	714	58%	(4,728)	(6,008)	1,280	21%
Loss attributable to:								
Equity holders of the Company	(544)	(1,267)	723	57%	(4,804)	(6,107)	1,303	21%
Non-controlling interests	41	36	5	14%	92	88	4	5%
Loss for the period	(503)	(1,231)	728	59%	(4,712)	(6,019)	1,307	22%
Total comprehensive loss attributable to:								
Equity holders of the Company	(548)	(1,257)	709	56%	(4,820)	(6,096)	1,276	21%
Non-controlling interests	41	36	5	14%	92	88	4	5%
Total comprehensive loss for the period	(507)	(1,221)	714	58%	(4,728)	(6,008)	1,280	21%
Loss per share attributable to equity holders of the Company:								
Basic (sen)	(0.09)	(0.32)	0.23	72%	(1.03)	(1.56)	0.54	34%
Diluted (sen)*	NA	(0.32)	-	-	NA	(1.56)	-	-

* The diluted loss per share is equal to the basic loss per share due to the anti-dilutive effect.

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2020

	As at end of current quarter 30.09.2020 RM'000	As at preceding financial year end 31.12.2019 RM'000
ASSETS		
Non-current Assets		
Property, plant and equipment	444,420	385,451
Right-of-use assets	17,837	9,926
Deferred tax asset	5	5
Goodwill on consolidation	28,371	1,443
	<u>490,633</u>	<u>396,825</u>
Current Assets		
Inventories	17,791	9,539
Receivables	200,950	141,559
Deposits, cash and bank balances	78,122	64,999
	<u>296,863</u>	<u>216,097</u>
TOTAL ASSETS	<u><u>787,496</u></u>	<u><u>612,922</u></u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	300,043	200,043
Treasury shares	(2,673)	(2,506)
Reserves	113,507	118,327
	<u>410,877</u>	<u>315,864</u>
Non-controlling Interests	1,021	929
Total Equity	<u>411,898</u>	<u>316,793</u>
Non-current Liabilities		
Borrowings	155,820	159,158
Lease liabilities	6,892	2,855
Deferred taxation	6,674	8,560
	<u>169,386</u>	<u>170,573</u>
Current Liabilities		
Borrowings	55,605	32,428
Payables	139,243	85,899
Lease liabilities	11,364	7,229
	<u>206,212</u>	<u>125,556</u>
Total Liabilities	<u>375,598</u>	<u>296,129</u>
TOTAL EQUITY AND LIABILITIES	<u><u>787,496</u></u>	<u><u>612,922</u></u>
Net assets per share attributable to ordinary equity holders of the Company (RM)	0.70	0.81

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

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 SEPTEMBER 2020

	Current year to date 30.09.2020 RM'000	Preceding year corresponding period 30.09.2019 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the year	(4,712)	(6,019)
Adjustments:		
Non-Cash Items	29,811	21,262
Non-Operating Items	<u>(223)</u>	<u>1,144</u>
Operating profit before working capital changes	24,876	16,387
Movement in working capital:		
Net change in current assets	(18,987)	(1,144)
Net change in current liabilities	<u>(3,071)</u>	<u>(26,812)</u>
Cash from / (used in) operations	2,817	(11,569)
Tax paid	<u>(1,706)</u>	<u>(1,553)</u>
Net cash from / (used in) operating activities	<u>1,112</u>	<u>(13,123)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of subsidiary, net of cash and cash equivalents acquired	33,304	-
Interest received	1,070	1,052
Disposal of property, plant and equipment	1,004	685
Decrease in investment in money market funds	20,887	16,992
Purchase of property, plant and equipment	<u>(16,160)</u>	<u>(44,558)</u>
Net cash from / (used in) investing activities	<u>40,104</u>	<u>(25,829)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid to non-controlling interests	-	(147)
Dividend paid	-	(976)
Proceeds from borrowings	24,000	71,696
Repayment of lease liabilities	(8,505)	(4,872)
Repayment of hire purchase payables	(6,727)	(5,352)
Repayment of borrowings	(10,320)	(10,375)
Purchase of treasury shares	(167)	-
Interest paid	<u>(5,487)</u>	<u>(6,204)</u>
Net cash (used in) / from financing activities	<u>(7,206)</u>	<u>43,770</u>
Net increase in cash and cash equivalents	34,010	4,818
Cash and cash equivalents at beginning of the period	<u>23,046</u>	<u>17,028</u>
Cash and cash equivalents at end of the period	<u><u>57,056</u></u>	<u><u>21,846</u></u>
Cash and cash equivalents at the end of the financial period comprise the following :		
Cash on hand and at banks	41,301	14,746
Investment in money market funds	21,066	45,069
Deposits with licensed banks	<u>15,755</u>	<u>7,100</u>
Less: Investment in money market funds	<u>(21,066)</u>	<u>(45,069)</u>
	<u><u>57,056</u></u>	<u><u>21,846</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 2019.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 SEPTEMBER 2020

	Attributable to Equity Holders of the Company				Total RM'000	Non-controlling Interests RM'000	Total Equity RM'000
	Share Capital RM'000	Non-distributable Treasury Shares RM'000	Other Reserves RM'000	Distributable Retained Earnings RM'000			
As at 1 January 2020	200,043	(2,506)	3,586	114,741	315,864	929	316,793
Issue of shares	100,000	-	-	-	100,000	-	100,000
Purchase of treasury shares	-	(167)	-	-	(167)	-	(167)
Transfer to retained earnings upon lapse of Employees' Share Option Scheme ("ESOS")	-	-	(2,831)	2,831	-	-	-
Total comprehensive loss for the period	-	-	(16)	(4,804)	(4,820)	92	(4,728)
As at 30 September 2020	300,043	(2,673)	739	112,768	410,877	1,021	411,898
As at preceding year corresponding quarter							
As at 1 January 2019	200,043	(2,506)	2,168	123,248	322,953	955	323,908
Share-based payment under ESOS	-	-	1,176	-	1,176	-	1,176
Total comprehensive loss for the period	-	-	11	(6,107)	(6,096)	88	(6,008)
Dividends paid	-	-	-	(976)	(976)	(147)	(1,123)
As at 30 September 2019	200,043	(2,506)	3,355	116,165	317,058	896	317,954

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

Notes To The Financial Statements

1. Basis of Preparation

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

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

2. Significant Accounting Policies

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

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

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

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

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

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

3. Auditors' Report on Preceding Annual Financial Statements

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

4. Seasonal or Cyclical Factors

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

5. Unusual Items

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

6. Changes in Estimates

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

7. Changes in Debt and Equity Securities

There was no issuance or repayment of debt or equity securities, share cancellations and resale of treasury shares during the financial quarter under review, except that the Company bought back 481,500 ordinary shares from the open market at an average price of RM0.35 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 9 months period ended 30 September 2020 is as follows:

	Total Logistics Services RM'000	Procurement Logistics Services RM'000	Courier Services RM'000	Consolidation Adjustment RM'000	Group Results RM'000
Revenue					
External sales	277,357	140,446	31,533	-	449,336
Inter-segment sales	4,107	-	-	(4,107)	-
Total revenue	<u>281,464</u>	<u>140,446</u>	<u>31,533</u>	<u>(4,107)</u>	<u>449,336</u>
Profit					
Segment results	17,217	4,766	(21,525)	(45)	413
Net finance costs					<u>(4,935)</u>
Loss from ordinary activities before taxation					(4,522)
Taxation					<u>(190)</u>
Loss from ordinary activities after taxation					(4,712)
Non-controlling interests					<u>(92)</u>
Net loss for the period					<u>(4,804)</u>

Analysis of the Group's revenue and results for the 9 months period ended 30 September 2019 is as follows:

	Total Logistics Services RM'000	Procurement Logistics Services RM'000	Courier Services RM'000	Consolidation Adjustment RM'000	Group Results RM'000
Revenue					
External sales	188,740	170,550	20,775	-	380,065
Inter-segment sales	3,402	-	-	(3,402)	-
Total revenue	<u>192,142</u>	<u>170,550</u>	<u>20,775</u>	<u>(3,402)</u>	<u>380,065</u>
Profit					
Segment results	4,415	8,975	(12,375)	(343)	672
Net finance costs					<u>(5,501)</u>
Loss from ordinary activities before taxation					(4,829)
Taxation					<u>(1,190)</u>
Loss from ordinary activities after taxation					(6,019)
Non-controlling interests					<u>(88)</u>
Net loss for the period					<u>(6,107)</u>

Total revenue of the Group was RM449.336 million, representing an increase of 18% from RM380.065 million in the corresponding period ended 30 September 2019. The Group recorded an operating profit of RM0.413 million from an operating profit of RM0.672 million in the nine months ended 30 September 2020.

Total Logistics Services

Segment revenue and profit generated from the Total Logistics Services operations for the period under review increased by RM88.617 million and RM12.802 million respectively as compared to the corresponding period ended 30 September 2019 mainly due to the contribution from CJ Korea Express Malaysia Sdn. Bhd. as well as overall higher activities from total logistics segment.

Procurement Logistics Services

The Procurement Logistics Services operations recorded a lower segment revenue of RM140.446 million in the nine months ended 30 September 2020 compared to RM170.550 million in year 2019 due to the restricted operations as a result of the Movement Control Order in response to the spread of Novel Coronavirus (COVID-19). The segment profit for the period under review was RM4.766 million, a decrease of 46.9% from RM8.975 million.

Courier Services

For the financial quarter ended 30 September 2020, the courier services revenue and segment loss were RM31.533 million and RM21.525 million as compared to RM20.775 million and RM12.375 million respectively in the corresponding period ended 30 September 2019. The loss was mainly due to the expansion of trucks, network and people resources.

9. Segmental Reporting (cont'd)

	Total Logistics Services RM'000	Procurement Logistics Services RM'000	Courier Services RM'000	Consolidation Adjustment RM'000	Group Results RM'000
As at 30 September 2020*					
Segment Assets	927,813	117,195	48,059	(305,570)	<u>787,496</u>
Segment Liabilities	508,270	76,737	23,435	(232,844)	<u>375,598</u>
As at 30 September 2019					
Segment Assets	870,654	91,609	35,835	(410,381)	<u>587,718</u>
Segment Liabilities	594,155	53,381	19,720	(397,493)	<u>269,763</u>

* The assets and liabilities of CJ Korea Express Malaysia Sdn. Bhd. has been consolidated with effect from 30 June 2020.

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 30.09.2020 RM'000	As at 31.12.2019 RM'000
Financial assets		
Fair value through profit or loss		
Investment in money market funds	21,066	41,953
Amortised costs		
Trade receivables	130,385	91,673
Other receivables and refundable deposits	51,275	34,265
Amount owing from immediate holding company	636	-
Amount owing from intermediate holding company	267	-
Amount owing from affiliated companies	10,319	7,455
Deposits, cash and bank balances	57,056	23,046
	<u>271,003</u>	<u>198,392</u>
Financial liabilities at amortised costs		
Trade payables	24,040	29,332
Other payables and accrued expenses	76,374	49,382
Amount owing to immediate holding company	24,925	-
Amount owing to intermediate holding company	5,910	-
Amount owing to affiliated company	439	703
Total borrowings	189,708	171,313
Hire-purchase payables	21,717	20,273
Lease liabilities	18,256	10,084
	<u>361,369</u>	<u>281,087</u>

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

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

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

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

12. Valuation of Property, Plant and Equipment

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

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

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

14. Changes in Composition of the Group

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

15. Capital Commitments

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

	As at 30.09.2020 RM'000	As at 31.12.2019 RM'000
Approved and contracted for	14,579	26,960
Approved but not contracted for	<u>1,442</u>	<u>6,131</u>

16. Changes in Contingent Liabilities

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

17. Review of Performance

For the financial quarter ended 30 September 2020, the Group's revenue and pre-tax profit were RM208.946 million and RM1.373 million respectively, compared to revenue and pre-tax loss of RM116.229 million and RM1.531 million respectively for the corresponding period in the previous financial year. The increase in revenue and pre-tax profit by 80% and 190% respectively was mainly attributable to the contribution from CJ Korea Express Malaysia Sdn. Bhd. as well as overall improved performance in the Group's operation during the financial quarter.

18. Comparison with Immediate Preceding Quarter's Results

	Current year quarter 30.09.2020 RM'000	Immediate preceding quarter 30.06.2020 RM'000	-----Changes-----	
			RM'000	%
Revenue	208,946	130,966	77,980	60%
Direct operating expenses	<u>(183,130)</u>	<u>(112,374)</u>	<u>(70,756)</u>	<u>-63%</u>
Gross profit	25,816	18,592	7,224	39%
Net other operating expenses	<u>(22,804)</u>	<u>(19,751)</u>	<u>(3,053)</u>	<u>-15%</u>
Results from operating activities	3,012	(1,159)	4,171	360%
Net finance costs	<u>(1,639)</u>	<u>(1,273)</u>	<u>(366)</u>	<u>-29%</u>
Profit / (loss) before taxation	1,373	(2,432)	3,805	156%
Taxation	<u>(1,876)</u>	<u>1,747</u>	<u>(3,623)</u>	<u>-207%</u>
Loss for the period	<u>(503)</u>	<u>(685)</u>	<u>182</u>	<u>27%</u>

For the financial quarter ended 30 September 2020, the Group reported revenue and pre-tax profit of RM208.946 million and RM1.373 million respectively, compared to revenue and pre-tax loss of RM130.966 million and RM2.432 million respectively for the preceding quarter. The increase in revenue and pre-tax profit were mainly due to the reasons mentioned in Note 17 above.

19. Prospects for the Current Financial Year

The Group expects that the COVID-19 pandemic and the resultant quarantine measures will continue to impact the domestic as well as global economic activities. Logistics demands have largely been spared due to consumers' adaptation to the "new normal". The Group has similarly adapted to meeting the challenges of the "new normal" by combining and leveraging on its extensive experience in providing value-added logistics solutions while maintaining cost efficiencies. However, in view of the uncertainties posed by the pandemic, and as the COVID-19 cases in the country remaining high, it is a challenge to forecast on the year ahead.

Nevertheless, as the world looks forward to the recovery from the pandemic, the Group has similarly looked ahead for potential opportunities that may arise as a result of meeting the logistics needs during the recovery phase of the pandemic.

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 30.09.2020 RM'000	Preceding year corresponding quarter 30.09.2019 RM'000	Current year to date 30.09.2020 RM'000	Preceding year corresponding period 30.09.2019 RM'000
Provision for taxation	3,046	(341)	3,736	1,354
Deferred taxation	<u>(1,170)</u>	<u>41</u>	<u>(3,546)</u>	<u>(164)</u>
	<u>1,876</u>	<u>(300)</u>	<u>190</u>	<u>1,190</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 the under provision of taxation in respect of prior years. Deferred taxation for the current quarter is 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 30.09.2020 RM'000	Preceding year corresponding quarter 30.09.2019 RM'000	Current year to date 30.09.2020 RM'000	Preceding year corresponding period 30.09.2019 RM'000
Interest income	249	378	1,070	1,052
Interest expenses - borrowings	(1,623)	(2,496)	(5,487)	(6,204)
Interest expenses - right-of-use assets	(266)	(144)	(519)	(349)
Depreciation and amortisation	(8,596)	(5,316)	(22,002)	(14,404)
Provision for and write off of receivables	(178)	59	(2,643)	(200)
Foreign exchange gain	1,503	193	2,079	1,461
Gain on disposal of quoted or unquoted investments or properties	121	24	265	67
Share-based payment under ESOS	-	(392)	-	(1,176)
Other income including investment income (excluding items disclosed above)	47	25	499	28

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 30.09.2020 RM'000	As at 31.12.2019 RM'000
Trade Receivables	134,178	92,862
Less: Allowance for impairment	<u>(3,793)</u>	<u>(1,189)</u>
	<u><u>130,385</u></u>	<u><u>91,673</u></u>

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

	As at 30.09.2020 RM'000	As at 31.12.2019 RM'000
1- 30 days	18,830	16,986
31 - 60 days	10,225	7,919
61 - 90 days	2,435	3,171
more than 90 days	<u>2,428</u>	<u>1,665</u>
	<u><u>33,918</u></u>	<u><u>29,741</u></u>

The credit terms of the Group range from 3 to 120 days. Included in the Group's trade receivables are debtors with a carrying amount of RM33.918 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 September 2020-----		
	Short term RM'000	Long term RM'000	Total borrowings RM'000
Secured			
- Term Loans	46,472	143,236	189,709
- Hire Purchase	<u>9,133</u>	<u>12,584</u>	<u>21,717</u>
	<u><u>55,605</u></u>	<u><u>155,820</u></u>	<u><u>211,425</u></u>
	-----As at 31 December 2019-----		
	Short term RM'000	Long term RM'000	Total borrowings RM'000
Secured			
- Term Loans	26,760	144,553	171,313
- Hire Purchase	<u>5,668</u>	<u>14,605</u>	<u>20,273</u>
	<u><u>32,428</u></u>	<u><u>159,158</u></u>	<u><u>191,586</u></u>

The weighted average effective interest rates of the term loans is 3.36% (2019 : 4.92%) per annum which are subjected to floating interest rates. The term of the hire-purchase ranges from one to five years and the weighted average effective interest rates implicit in the hire-purchase arrangements range from 4.08% to 5.04% (2019 : 5.16% to 5.64%) per annum. The interest rates are fixed at the inception of the hire-purchase arrangement.

26. Off Balance Sheet Financial Instruments

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

27. Material Litigation

Save as disclosed below, 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:

CJ Century Technology Sdn Bhd ("CJCT"), a wholly owned subsidiary of the Company, has filed a Writ & Statement of Claim against Axisjaya Sdn. Bhd. and Seri Mutiara Development Sdn. Bhd. for RM2,621,823.91 and interest of RM62,043.28 for the supply and delivery of Air Conditioning units.

The action was filed and registered as Kuala Lumpur High Court Writ of Summons No.: WA-22NCC-271-07/2020. The Court had granted CJCT's Summary Judgement application against Axisjaya Sdn. Bhd. and/or Seri Mutiara Development Sdn. Bhd. for the outstanding sum of RM2,621,823.91 and interest of RM62,043.28 with cost of RM15,000.00.

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 30.09.2020 RM'000	Preceding year corresponding quarter 30.09.2019 RM'000	Current year to date 30.09.2020 RM'000	Preceding year corresponding period 30.09.2019 RM'000
Net loss attributable to equity holders of the Company	<u>(544)</u>	<u>(1,267)</u>	<u>(4,804)</u>	<u>(6,107)</u>
Weighted average number of ordinary shares in issue	<u>590,181</u>	<u>390,261</u>	<u>468,012</u>	<u>390,261</u>
Basic loss per share (sen)	(0.09)	(0.32)	(1.03)	(1.56)
Diluted loss per share (sen)*	NA	(0.32)	NA	(1.56)

* The diluted loss per share is equal to the basic loss per share due to the anti-dilutive effect.

By Order of the Board of Directors

Company Secretaries

Kuala Lumpur
23 November 2020