



CJ CENTURY LOGISTICS HOLDINGS BERHAD
199701008845 (424341-A)

INTERIM FINANCIAL REPORT

30 SEPTEMBER 2022

24 NOVEMBER 2022



CJ CENTURY LOGISTICS HOLDINGS BERHAD (Registration No. 199701008845 (424341-A))
Interim report on unaudited consolidated results for the financial period ended 30 September 2022

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE QUARTER ENDED 30 SEPTEMBER 2022

	-----Individual quarter-----				-----Cumulative quarter-----			
	Current year quarter 30.09.2022 RM'000	Preceding year corresponding quarter 30.09.2021 RM'000	-----Changes-----		Current year to date 30.09.2022 RM'000	Preceding year corresponding period 30.09.2021 RM'000	-----Changes-----	
			RM'000	%			RM'000	%
Continuing Operations								
Revenue	230,157	187,824	42,333	23%	725,885	638,851	87,034	14%
Direct operating expenses	(198,780)	(160,517)	(38,263)	-24%	(621,955)	(549,054)	(72,901)	-13%
Gross profit	31,377	27,307	4,070	15%	103,930	89,797	14,133	16%
Net other operating expenses	(20,872)	(19,550)	(1,322)	-7%	(65,837)	(63,252)	(2,585)	-4%
Results from operating activities	10,505	7,757	2,748	35%	38,093	26,545	11,548	44%
Net finance costs	(2,064)	(2,399)	335	14%	(5,996)	(7,251)	1,255	17%
Profit before taxation from continuing operations	8,441	5,358	3,083	58%	32,097	19,294	12,803	66%
Taxation	(2,069)	(2,547)	478	19%	(9,181)	(6,441)	(2,740)	-43%
Profit for the period from continuing operations	6,372	2,811	3,561	127%	22,916	12,853	10,063	78%
Discontinued Operation								
Gain from disposal of subsidiary	-	8,175	(8,175)	-100%	-	8,175	(8,175)	-100%
Loss after tax from discontinued operation	-	-	-	-	-	(20,406)	20,406	100%
Profit / (loss) for the period from discontinued operation	-	8,175	(8,175)	-100%	-	(12,231)	12,231	100%
Profit for the period	6,372	10,986	(4,614)	-42%	22,916	622	22,294	3584%
Other comprehensive income / (loss)								
Foreign currency translation differences for foreign operations	3	(2)	5	250%	1	(23)	24	104%
Other comprehensive income / (loss) for the period from continuing operations	3	(2)	5	250%	1	(23)	24	104%
Total comprehensive income for the period	6,375	10,984	(4,609)	-42%	22,917	600	22,317	3720%
Profit / (loss) attributable to:								
Equity holders of the Company								
-Continuing operations	6,360	2,887	3,473	120%	22,897	12,864	10,033	78%
-Discontinued operations	-	8,175	(8,175)	-100%	-	(12,231)	12,231	100%
	6,360	11,062	(4,702)	-43%	22,897	633	22,264	3517%
Non-controlling interests								
-Continuing operations	12	(76)	88	116%	19	(11)	30	273%
-Discontinued operations	-	-	-	-	-	-	-	-
	12	(76)	88	116%	19	(11)	30	273%
Profit for the period	6,372	10,986	(4,614)	-42%	22,916	622	22,294	3584%
Total comprehensive income / (loss) attributable to:								
Equity holders of the Company								
-Continuing operations	6,363	2,885	3,478	121%	22,898	12,841	10,057	78%
-Discontinued operations	-	8,175	(8,175)	-100%	-	(12,231)	12,231	100%
	6,363	11,060	(4,697)	-42%	22,898	610	22,288	3654%
Non-controlling interests								
-Continuing operations	12	(76)	88	116%	19	(11)	30	273%
-Discontinued operations	-	-	-	-	-	-	-	-
	12	(76)	88	116%	19	(11)	30	273%
Total comprehensive income for the period	6,375	10,984	(4,609)	-42%	22,917	600	22,317	3720%
Earnings / (loss) per share attributable to equity holders of the Company:								
Basic and Diluted (sen)*								
-Continuing operations	1.09	0.49	0.60	122%	3.92	2.19	1.73	79%
-Discontinued operations	-	1.39	(1.39)	-100%	-	(2.08)	2.08	100%
	1.09	1.88	(0.79)	-42%	3.92	0.11	3.82	3538%

* 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 30 SEPTEMBER 2022

	As at end of current quarter 30.09.2022 RM'000	As at preceding financial year end 31.12.2021 RM'000
ASSETS		
Non-current Assets		
Property, plant and equipment	415,389	428,227
Right-of-use assets	19,056	21,657
Deferred tax asset	544	2,140
Intangible assets	23,820	23,878
	<u>458,809</u>	<u>475,902</u>
Current Assets		
Inventories	28,964	25,802
Receivables	228,283	222,528
Deposits, cash and bank balances	35,017	54,610
	<u>292,264</u>	<u>302,940</u>
TOTAL ASSETS	<u><u>751,073</u></u>	<u><u>778,842</u></u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	300,043	300,043
Treasury shares	(6,735)	(4,197)
Reserves	145,736	125,747
	<u>439,044</u>	<u>421,593</u>
Non-controlling Interests	<u>702</u>	<u>683</u>
Total Equity	<u>439,746</u>	<u>422,276</u>
Non-current Liabilities		
Borrowings	112,941	126,911
Lease liabilities	5,085	6,536
Deferred taxation	7,473	7,930
	<u>125,499</u>	<u>141,377</u>
Current Liabilities		
Borrowings	52,785	36,090
Payables	118,442	163,221
Lease liabilities	14,601	15,878
	<u>185,828</u>	<u>215,189</u>
Total Liabilities	<u>311,327</u>	<u>356,566</u>
TOTAL EQUITY AND LIABILITIES	<u><u>751,073</u></u>	<u><u>778,842</u></u>
Net assets per share attributable to ordinary equity holders of the Company (RM)	0.75	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 30 SEPTEMBER 2022

	Current year to date 30.09.2022 RM'000	Preceding year corresponding period 30.09.2021 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (loss) for the year		
Continuing Operations	22,916	12,853
Discontinued Operations	-	(12,231)
	<u>22,916</u>	<u>622</u>
Adjustments:		
Non-Cash Items		
-Continuing Operations	41,538	38,392
-Discontinued Operations	-	3,778
Non-Operating Items		
-Continuing Operations	(206)	(8,413)
-Discontinued Operations	-	-
	<u>64,247</u>	<u>34,379</u>
Operating profit before working capital changes		
Movement in working capital:		
Net change in current assets	(9,847)	27,300
Net change in current liabilities	(18,831)	(18,799)
	<u>35,569</u>	<u>42,879</u>
Cash generated from operations		
Tax paid	(6,480)	(3,555)
Net cash from operating activities	<u>29,089</u>	<u>39,324</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of investment	-	(356)
Interest received	124	479
Disposal of property, plant and equipment	3,266	461
(Increase) / decrease in investment in money market funds	(8,006)	6,486
Proceeds from disposal of subsidiary company	-	1,239
Purchase of property, plant and equipment	(1,977)	(9,396)
Net cash used in investing activities	<u>(6,593)</u>	<u>(1,087)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(2,910)	-
Proceeds from borrowings	32,000	29,000
Repayment of principal portion of lease liabilities	(13,613)	(13,908)
Net repayment of hire purchase payables	(1,955)	(5,756)
Repayment of borrowings	(43,386)	(39,631)
Repayment of principal portion of advance received from immediate holding company	(26,993)	-
Purchase of treasury shares	(2,537)	(476)
Interest paid	(6,120)	(7,120)
Net cash used in financing activities	<u>(65,514)</u>	<u>(37,892)</u>
Net (decrease) / increase in cash and cash equivalents	(43,018)	347
Cash and cash equivalents at beginning of the period	<u>43,134</u>	<u>43,716</u>
Cash and cash equivalents at end of the period	<u>116</u>	<u>44,063</u>
Cash and cash equivalents at the end of the financial period comprise the following :		
Cash and bank balances	13,874	32,632
Investment in money market funds	19,482	10,004
Deposits with licensed banks	1,661	11,431
	<u>35,017</u>	<u>54,067</u>
Less: Investment in money market funds	(19,482)	(10,004)
Bank overdraft	(15,419)	-
	<u>116</u>	<u>44,063</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 30 SEPTEMBER 2022

	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 2022	300,043	(4,197)	531	125,216	421,593	683	422,276
Purchase of treasury shares	-	(2,537)	-	-	(2,537)	-	(2,537)
Total comprehensive income for the period	-	-	1	22,897	22,898	19	22,917
Dividends paid	-	-	-	(2,910)	(2,910)	-	(2,910)
As at 30 September 2022	300,043	(6,734)	532	145,203	439,044	702	439,746
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)
Acquisition of non-controlling interests in a subsidiary company	-	-	-	-	-	(356)	(356)
Total comprehensive income for the period	-	-	(23)	633	610	(11)	600
As at 30 September 2021	300,043	(3,844)	713	119,127	416,040	686	416,726

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 MFRS 17	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 432,600 ordinary shares from the open market at an average price of RM0.45 per share. The shares purchased are being held as treasury shares in accordance with Section 127 of the Companies Act, 2016.

8. Dividend Paid

On 27 September 2022, the Company paid a single tier dividend of 0.5 sen per share in respect of the financial year ending 31 December 2022, amounting to RM2.91 million.

9. Segmental Reporting

Analysis of the Group's revenue and results for the 9 months period ended 30 September 2022 is as follows:

	Continuing Operations			Discontinued Operation				
	Total Logistics Services RM'000	Procurement Logistics Services RM'000	Adjustment and Elimination RM'000	Subtotal RM'000	Courier Services RM'000	Adjustment and Elimination RM'000	Subtotal RM'000	Group Results RM'000
Revenue								
External sales	554,313	171,572	-	725,885	-	-	-	725,885
Inter-segment sales	9,632	9	(9,641)	-	-	-	-	-
Total revenue	563,945	171,581	(9,641)	725,885	-	-	-	725,885
Profit								
Segment results	29,951	8,546	(405)	38,093	-	-	-	38,093
Net finance costs								(5,996)
Profit from ordinary activities before taxation								32,097
Taxation								(9,181)
Profit from ordinary activities after taxation								22,916
Non-controlling interests								(19)
Net profit for the period								<u>22,897</u>

Analysis of the Group's revenue and results for the 9 months period ended 30 September 2021 is as follows:

	Continuing Operations			Discontinued Operation				
	Total Logistics Services RM'000	Procurement Logistics Services RM'000	Adjustment and Elimination RM'000	Subtotal RM'000	Courier Services RM'000	Adjustment and Elimination RM'000	Subtotal RM'000	Group Results RM'000
Revenue								
External sales	487,296	151,555	-	638,851	26,502	-	26,502	665,353
Inter-segment sales	10,109	-	(10,109)	-	52	(52)	-	-
Total revenue	497,405	151,555	(10,109)	638,851	26,553	(52)	26,502	665,353
Profit								
Segment results	19,024	7,813	(291)	26,546	(19,943)	8,175	(11,768)	14,777
Net finance costs								(7,714)
Profit from ordinary activities before taxation								7,063
Taxation								(6,441)
Profit from ordinary activities after taxation								622
Non-controlling interests								11
Net profit for the period								<u>633</u>

Total revenue of the Group from Continuing Operations was RM725.885 million, representing an increase of 13.6% from RM638.851 million recorded in the corresponding period ended 30 September 2021. The Group recorded an operating profit from Continuing Operations of RM38.093 million, an increase of 43.5% from operating profit of RM26.546 million, for the nine months ended 30 September 2022.

Total Logistics Services

Segment revenue and operating profit from Total Logistics Services operations for the period under review increased by RM67.017 million and RM10.927 million respectively as compared to the corresponding period ended 30 September 2021 mainly due to the higher overall volumes handled by the Total Logistics Services segment. As economies continued to open up, the various operations of Total Logistics Services improved year on year, as follows:

Revenue	9 months ended 30.09.2022 RM'000	9 months ended 30.09.2021 RM'000	Variance RM'000	Variance %
Freight Forwarding	302,866	266,043	36,823	13.8
Warehousing	133,382	111,488	21,894	19.6
Transportation	46,823	43,359	3,464	8.0
Oil Logistics	31,141	28,988	2,153	7.4
Trading of Resin	39,559	36,294	3,265	9.0
Data Management Services	249	151	98	64.9
Others	293	973	(680)	(69.9)
Total	554,313	487,296	67,017	13.8

Procurement Logistics Services

The Procurement Logistics segment recorded a higher segment revenue and operating profit of RM171.572 million and RM8.546 million respectively for the nine months ended 30 September 2022 compared to RM151.555 million and RM7.813 million respectively in the corresponding period ended 30 September 2021. The increase in revenue and profit were mainly attributable to the higher export volumes handled, whereby the export revenue increased from RM92.505 million to RM106.501 million during the financial period. The division faced a disruption of components from its suppliers in China, predominantly due to the zero Covid policy enforced by the China Government during the first quarter of 2022, which eased towards the later part of the second quarter of 2022. The export volumes continued to remain strong during the third quarter of 2022, bucking the seasonal trend experienced in previous years, in tandem with the demand experienced by our export customers.

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)

	← Continuing Operations →				← Discontinued Operation →			Group Results RM'000
	Total Logistics Services RM'000	Procurement Logistics Services RM'000	Adjustment and Elimination RM'000	Subtotal RM'000	Courier Services RM'000	Adjustment and Elimination RM'000	Subtotal	
As at 30 September 2022								
Segment Assets	962,842	91,681	(303,451)	751,072	-	-	-	<u>751,072</u>
Segment Liabilities	505,995	36,167	(230,835)	311,326	-	-	-	<u>311,326</u>
As at 30 September 2021								
Segment Assets	966,335	99,004	(310,855)	754,483	-	-	-	<u>754,483</u>
Segment Liabilities	524,698	51,302	(238,243)	337,757	-	-	-	<u>337,757</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 30.09.2022 RM'000	As at 31.12.2021 RM'000
Financial assets		
Fair value through profit or loss		
Investment in money market funds	<u>19,482</u>	<u>11,476</u>
Amortised costs		
Trade receivables	154,601	134,346
Other receivables and refundable deposits	24,335	34,327
Amount owing from immediate holding company	1,112	1,082
Amount owing from intermediate holding company	502	152
Amount owing from related parties	6,042	20,959
Deposits, cash and bank balances	<u>15,535</u>	<u>43,134</u>
Financial liabilities at amortised costs		
Trade payables	35,748	47,581
Other payables and accrued expenses	63,222	64,497
Amount owing to immediate holding company	325	30,649
Amount owing to intermediate holding company	13,213	9,709
Amount owing to related parties	155	394
Total borrowings	158,250	154,217
Hire-purchase payables	7,476	8,784
Lease liabilities	<u>19,686</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 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 30.09.2022 RM'000	As at 31.12.2021 RM'000
Approved and contracted for	2,351	108
Approved but not contracted for	<u>262</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 30 September 2022, the Group's revenue and pre-tax profit were RM230.157 million and RM8.441 million respectively, compared to revenue and pre-tax loss of RM187.824 million and RM13.533 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 RM230.157 million and RM8.441 million respectively for the current quarter compared to RM187.824 million and RM5.358 million respectively for the corresponding period in the previous financial year, representing increases of 22.5% for revenue and 57.5% for pre-tax profit. This improvement is mainly due to the higher volumes handled by both Total Logistics Services and Procurement Logistics Services segments.

For the Total Logistics Services segment, the operations recorded higher volumes following the full movement control order during part of the corresponding period in the previous financial year. Revenue recorded from the various operations in the Total Logistics Services segment are as follows:

Revenue	Quarter ended 30.09.2022 RM'000	Quarter ended 30.09.2021 RM'000	Variance RM'000	Variance %
Freight Forwarding	92,705	84,936	7,769	9.1
Warehousing	43,954	36,428	7,526	20.7
Transportation	14,941	13,181	1,760	13.4
Oil Logistics	9,984	6,216	3,768	60.6
Trading of Resin	12,223	13,592	(1,369)	(10.1)
Data Management Services	78	54	24	44.4
Others	-	1,027	(1,027)	(100.0)
Total	173,885	155,434	18,451	11.9

The Procurement Logistics Services segment recorded revenue of RM56.275 million during the financial quarter ended 30 September 2022, up from RM32.389 million, an improvement of 73.7% due to the higher export volumes handled. Export revenue improved to RM33.420 million during the current financial quarter, from RM15.810 million recorded during the corresponding period in the previous financial year.

18. Comparison with Immediate Preceding Quarter's Results

	Current year quarter 30.09.2022 RM'000	Immediate preceding quarter 30.06.2022 RM'000	-----Changes-----	
			RM'000	%
Continuing Operations				
Revenue	230,157	252,939	(22,782)	-9%
Direct operating expenses	<u>(198,780)</u>	<u>(217,733)</u>	<u>18,953</u>	<u>9%</u>
Gross profit	31,377	35,206	(3,829)	-11%
Net other operating expenses	<u>(20,872)</u>	<u>(22,913)</u>	<u>2,041</u>	<u>9%</u>
Results from operating activities	10,505	12,293	(1,788)	-15%
Net finance costs	<u>(2,064)</u>	<u>(1,978)</u>	<u>(86)</u>	<u>-4%</u>
Profit before taxation from continuing operations	8,441	10,315	(1,874)	-18%
Taxation	<u>(2,069)</u>	<u>(3,117)</u>	<u>1,048</u>	<u>34%</u>
Profit for the period from continuing operations	<u>6,372</u>	<u>7,198</u>	<u>(826)</u>	<u>-11%</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>6,372</u>	<u>7,198</u>	<u>(826)</u>	<u>-11%</u>

For the financial quarter ended 30 September 2022, the Group reported revenue and pre-tax profit of RM230.157 million and RM8.441 million respectively, compared to revenue and pre-tax profit of RM252.939 million and RM10.315 million respectively for the preceding quarter.

For the Total Logistics Services segment, revenue was lower mainly due to the decline in market freight rates recorded by the Freight Forwarding operation, as well as a temporary plant shutdown by one of our key customers during the latter part of the quarter. Revenue recorded from the various operations in the Total Logistics Services segment are as follows:

Revenue	Quarter ended 30.09.2022 RM'000	Quarter ended 30.06.2022 RM'000	Variance RM'000	Variance %
Freight Forwarding	92,705	101,349	(8,644)	(8.5)
Warehousing	43,954	45,854	(1,900)	(4.1)
Transportation	14,941	15,883	(942)	(5.9)
Oil Logistics	9,984	8,898	1,086	12.2
Trading of Resin	12,223	10,889	1,334	12.3
Data Management Services	78	73	5	6.8
Others	-	10	(10)	(100.0)
Total	173,885	182,956	(9,071)	(5.0)

For the Procurement Logistics segment, revenue was lower mainly due to the reduction in export revenue from RM48.196 million to RM33.420 million. This is mainly due to the seasonal trend where export of air-conds to Vietnam are generally lower during the second half of the year as the country enters the winter season.

19. Prospects for the Current Financial Year

The Malaysian economy registered a stronger growth of 14.2% in the third quarter of 2022. This was up from the 8.9% growth recorded in the second quarter of 2022. While there were base effects from the negative growth in the third quarter of 2021, growth was also driven by strong domestic demand, underpinned by improvements in labour market and income conditions, as well as ongoing policy support. Exports remained supported by strong demand for E&E products. The recovery of inbound tourism lent further support to economic activity. By sector, the services and manufacturing sectors continued to drive growth. Overall, the Malaysian economy expanded by 9.3% in the first three quarters of 2022. (Source: Bank Negara Malaysia Economic and Financial Development 11 November 2022)

Going forward, despite the challenging global environment, domestic demand will remain the key driver of growth. Household spending will continue to be underpinned by improvements in labour market conditions and income prospects. Tourist arrivals have increased following the reopening of international borders and will further lift tourism-related sectors. Investment activity and prospects will be supported by the realisation of multi-year projects. Nevertheless, external demand is expected to moderate following softening global growth. Despite bouts of heightened volatility in the global financial and foreign exchange markets, these developments are not expected to derail Malaysia's growth. Domestic liquidity remains sufficient, with continued orderly functioning of the financial and foreign exchange markets. Financial institutions also continue to operate with strong capital and liquidity buffers. These will ensure financial intermediation remains supportive of the economy. Downside risks to the domestic economy continue to stem from a weaker-than-expected global growth, higher risk aversion in global financial markets amid more aggressive monetary policy tightening in major economies, further escalation of geopolitical conflicts, and worsening supply chain disruptions. (Source: Bank Negara Malaysia Monetary Policy Statement 3 November 2022)

For CJ Century, our main segments have continued to grow strongly 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 sustainability strategy which we announced in our Annual Report 2021:

- Strengthen balance sheet to enable business expansion
- Build 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 are confident that our strong balance sheet and our diversified customer base will enable us to weather any economic uncertainties due to inflationary pressures, and the tightening monetary policies which may result in slower growth.

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 30.09.2022 RM'000	Preceding year corresponding quarter 30.09.2021 RM'000	Current year to date 30.09.2022 RM'000	Preceding year corresponding period 30.09.2021 RM'000
Provision for taxation	2,936	2,181	8,041	6,051
Deferred taxation	<u>(867)</u>	<u>366</u>	<u>1,140</u>	<u>390</u>
	<u>2,069</u>	<u>2,547</u>	<u>9,181</u>	<u>6,441</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 30.09.2022 RM'000	Preceding year corresponding quarter 30.09.2021 RM'000	Current year to date 30.09.2022 RM'000	Preceding year corresponding period 30.09.2021 RM'000
Interest income	40	125	124	479
Interest expenses - borrowings				
-Continuing Operations	(1,826)	(2,210)	(5,271)	(6,714)
-Discontinued Operations	-	-	-	(406)
Interest expenses - right-of-use assets				
-Continuing Operations	(277)	(316)	(849)	(1,018)
-Discontinued Operations	-	-	-	(57)
Depreciation and amortisation				
-Continuing Operations	(8,816)	(7,858)	(25,890)	(25,281)
-Discontinued Operations	-	-	-	(2,730)
Provision for and write off of receivables				
-Continuing Operations	113	622	(713)	589
-Discontinued Operations	-	-	-	(585)
Foreign exchange gain / (loss)				
-Continuing Operations	(81)	676	308	713
-Discontinued Operations	-	-	-	(96)
Gain / (loss) on disposal of quoted or unquoted investments or properties				
-Continuing Operations	46	24	531	213
-Discontinued Operations	-	8,175	-	8,175
Other income including investment income (excluding items disclosed above)				
-Continuing Operations	11	186	47	291
-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 30.09.2022 RM'000	As at 31.12.2021 RM'000
Trade Receivables	157,944	136,976
Less: Allowance for impairment	(3,343)	(2,630)
	<u>154,601</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 30.09.2022 RM'000	As at 31.12.2021 RM'000
1- 30 days	20,515	20,495
31 - 60 days	8,140	7,634
61 - 90 days	3,726	5,238
more than 90 days	2,472	5,844
	<u>34,853</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 RM34.853 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 2022-----		
	Short term RM'000	Long term RM'000	Total borrowings RM'000
Short Term - Unsecured			
- Revolving Credit	18,000	-	18,000
- Bank Overdraft	15,419	-	15,419
Secured			
- Term Loans	16,721	108,110	124,831
- Hire Purchase	2,645	4,831	7,476
	<u>52,785</u>	<u>112,941</u>	<u>165,725</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 3.97% (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 is 4.79% (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.

29. Earnings Per Share

	-----Individual quarter-----		-----Cumulative quarter-----	
	Current year quarter 30.09.2022 RM'000	Preceding year corresponding quarter 30.09.2021 RM'000	Current year to date 30.09.2022 RM'000	Preceding year corresponding period 30.09.2021 RM'000
Net profit / (loss) attributable to equity holders of the Company				
-Continuing Operations	6,360	2,887	22,897	12,864
-Discontinued Operations	-	8,175	-	(12,231)
	<u>6,360</u>	<u>11,062</u>	<u>22,897</u>	<u>633</u>
Weighted average number of ordinary shares in issue	<u>581,984</u>	<u>586,904</u>	<u>583,574</u>	<u>586,966</u>
Basic and diluted earnings / (loss) per share (sen)*				
-Continuing Operations	1.09	0.49	3.92	2.19
-Discontinued Operations	-	1.39	-	(2.08)
	<u>1.09</u>	<u>1.88</u>	<u>3.92</u>	<u>0.11</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
24 November 2022