



CJ CENTURY LOGISTICS HOLDINGS BERHAD
199701008845 (424341-A)

INTERIM FINANCIAL REPORT

31 DECEMBER 2022

24 FEBRUARY 2023



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

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

	Individual quarter				Cumulative quarter			
	Current year quarter 31.12.2022 RM'000	Preceding year corresponding quarter 31.12.2021 RM'000	Changes		Current year to date 31.12.2022 RM'000	Preceding year corresponding period 31.12.2021 RM'000	Changes	
			RM'000	%			RM'000	%
Continuing Operations								
Revenue	204,511	204,171	340	0%	930,396	843,022	87,374	10%
Direct operating expenses	(174,617)	(168,156)	(6,461)	-4%	(796,572)	(717,210)	(79,362)	-11%
Gross profit	29,894	36,015	(6,121)	-17%	133,824	125,812	8,012	6%
Net other operating expenses	(22,402)	(24,415)	2,013	8%	(88,239)	(87,667)	(572)	-1%
Results from operating activities	7,492	11,600	(4,108)	-35%	45,585	38,145	7,440	20%
Net finance costs	(2,049)	(2,045)	(4)	0%	(8,045)	(9,296)	1,251	13%
Profit before taxation from continuing operations	5,443	9,555	(4,112)	-43%	37,540	28,849	8,691	30%
Taxation	(196)	(3,470)	3,274	94%	(9,377)	(9,911)	534	5%
Profit for the period from continuing operations	5,247	6,085	(838)	-14%	28,163	18,938	9,225	49%
Discontinued Operation								
Gain from disposal of subsidiary	-	-	-	-	-	8,175	(8,175)	-100%
Loss after tax from discontinued operation	-	-	-	-	-	(20,406)	20,406	100%
Profit / (loss) for the period from discontinued operation	-	-	-	-	-	(12,231)	12,231	100%
Profit for the period	5,247	6,085	(838)	-14%	28,163	6,707	21,456	320%
Other comprehensive income / (loss)								
Foreign currency translation differences for foreign operations	14	(182)	196	108%	15	(205)	220	107%
Other comprehensive income / (loss) for the period from continuing operations	14	(182)	196	108%	15	(205)	220	107%
Total comprehensive income for the period	5,261	5,903	(642)	-11%	28,178	6,502	21,676	333%
Profit / (loss) attributable to:								
Equity holders of the Company								
-Continuing operations	5,254	6,089	(835)	-14%	28,151	18,953	9,198	49%
-Discontinued operations	-	-	-	-	-	(12,231)	12,231	100%
	5,254	6,089	(835)	-14%	28,151	6,722	21,429	319%
Non-controlling interests								
-Continuing operations	(7)	(4)	(3)	-75%	12	(15)	27	180%
-Discontinued operations	-	-	-	-	-	-	-	-
	(7)	(4)	(3)	-75%	12	(15)	27	180%
Profit for the period	5,247	6,085	(838)	-14%	28,163	6,707	21,456	320%
Total comprehensive income / (loss) attributable to:								
Equity holders of the Company								
-Continuing operations	5,268	5,907	(639)	-11%	28,166	18,748	9,418	50%
-Discontinued operations	-	-	-	-	-	(12,231)	12,231	100%
	5,268	5,907	(639)	-11%	28,166	6,517	21,649	332%
Non-controlling interests								
-Continuing operations	(7)	(4)	(3)	-75%	12	(15)	27	180%
-Discontinued operations	-	-	-	-	-	-	-	-
	(7)	(4)	(3)	-75%	12	(15)	27	180%
Total comprehensive income for the period	5,261	5,903	(642)	-11%	28,178	6,502	21,676	333%
Earnings / (loss) per share attributable to equity holders of the Company:								
Basic and Diluted (sen)*								
-Continuing operations	0.90	1.04	(0.13)	-13%	4.83	3.23	1.60	49%
-Discontinued operations	-	-	-	-	-	(2.08)	2.08	100%
	0.90	1.04	(0.13)	-13%	4.83	1.15	3.68	321%

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

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2022

	As at end of current quarter 31.12.2022 RM'000	As at preceding financial year end 31.12.2021 RM'000
ASSETS		
Non-current Assets		
Property, plant and equipment	362,396	376,184
Other asset	60	-
Right-of-use assets	65,396	73,700
Deferred tax asset	397	2,140
Intangible assets	23,801	23,878
	<u>452,050</u>	<u>475,902</u>
Current Assets		
Inventories	37,527	25,802
Receivables	180,094	222,528
Deposits, cash and bank balances	98,586	54,610
	<u>316,207</u>	<u>302,940</u>
TOTAL ASSETS	<u><u>768,257</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	(6,747)	(4,197)
Reserves	151,003	125,747
	<u>444,299</u>	<u>421,593</u>
Non-controlling Interests	695	683
Total Equity	<u>444,994</u>	<u>422,276</u>
Non-current Liabilities		
Borrowings	108,222	126,911
Lease liabilities	3,920	6,536
Deferred taxation	8,150	7,930
	<u>120,292</u>	<u>141,377</u>
Current Liabilities		
Borrowings	53,190	36,090
Payables	138,550	163,221
Lease liabilities	11,231	15,878
	<u>202,971</u>	<u>215,189</u>
Total Liabilities	<u>323,263</u>	<u>356,566</u>
TOTAL EQUITY AND LIABILITIES	<u><u>768,257</u></u>	<u><u>778,842</u></u>
Net assets per share attributable to ordinary equity holders of the Company (RM)	0.76	0.72

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

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

	Current year to date 31.12.2022 RM'000	Preceding year corresponding period 31.12.2021 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (loss) for the year		
Continuing Operations	28,163	18,938
Discontinued Operations	-	(12,231)
	<u>28,163</u>	<u>6,707</u>
Adjustments:		
Non-Cash Items		
-Continuing Operations	50,411	53,231
-Discontinued Operations	-	3,287
Non-Operating Items		
-Continuing Operations	(1,477)	813
-Discontinued Operations	-	(8,175)
	<u>77,097</u>	<u>55,863</u>
Operating profit before working capital changes		
Movement in working capital:		
Net change in current assets	34,265	2,006
Net change in current liabilities	3,577	2,754
	<u>114,939</u>	<u>60,624</u>
Cash generated from operations		
Tax paid	(9,112)	(6,299)
	<u>105,827</u>	<u>54,325</u>
Net cash from operating activities		
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of investment	-	(355)
Interest received	171	626
Disposal of property, plant and equipment	3,508	613
(Increase) / decrease in investment in money market funds	(17,515)	5,013
Movement in deposits pledged as securities	-	175
Proceeds from disposal of subsidiary company	-	1,241
Proceeds from reversal of deposits pledged as securities	1,135	-
Purchase of property, plant and equipment	(3,949)	(10,040)
	<u>(16,650)</u>	<u>(2,727)</u>
Net cash used in investing activities		
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(2,910)	-
Proceeds from borrowings	61,000	33,000
Advance received from immediate holding company	-	19,760
Repayment of principal portion of lease liabilities	(18,720)	(16,985)
Net repayment of hire purchase payables	(2,599)	(7,303)
Repayment of borrowings	(60,637)	(49,676)
Repayment of principal and interest portion of advance received from immediate holding company	(28,084)	(14,978)
Purchase of treasury shares	(2,550)	(829)
Interest paid	(8,216)	(10,384)
	<u>(62,716)</u>	<u>(47,395)</u>
Net cash used in financing activities		
Net increase in cash and cash equivalents	26,461	4,203
Cash and cash equivalents at beginning of the period	43,134	38,931
Cash and cash equivalents at end of the period	<u>69,595</u>	<u>43,134</u>
Cash and cash equivalents at the end of the financial period comprise the following :		
Cash and bank balances	24,345	32,993
Investment in money market funds	28,991	11,476
Deposits with licensed banks	45,250	10,141
	<u>98,586</u>	<u>54,610</u>
Less: Investment in money market funds	(28,991)	(11,476)
	<u>69,595</u>	<u>43,134</u>

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

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 DECEMBER 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	-	(2,550)	-	-	(2,550)	-	(2,550)
Total comprehensive income for the period	-	-	15	28,151	28,166	12	28,178
Dividends paid	-	-	-	(2,910)	(2,910)	-	(2,910)
As at 31 December 2022	300,043	(6,747)	546	150,457	444,299	695	444,994
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	-	(829)	-	-	(829)	-	(829)
Acquisition of non-controlling interests in a subsidiary company	-	-	-	-	-	(355)	(355)
Total comprehensive income for the period	-	-	(205)	6,722	6,517	(15)	6,502
As at 31 December 2021	300,043	(4,197)	531	125,216	421,593	683	422,276

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 :-

Amendments to MFRS 17	Insurance Contracts
Amendments to MFRS 17	Insurance Contracts - Initial Application of MFRS 17 and MFRS 9 - Comparatives 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
Amendments to MFRS 16	Leases - Lease Liability in a Sale and Leaseback
Amendments to MFRS 101	Non-current Liabilities with Covenants
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 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 26,400 ordinary shares from the open market at an average price of RM0.48 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 12 months period ended 31 December 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	701,079	229,317	-	930,396	-	-	-	930,396
Inter-segment sales	10,966	16	(10,982)	-	-	-	-	-
Total revenue	712,045	229,333	(10,982)	930,396	-	-	-	930,396
Profit								
Segment results	33,322	11,890	373	45,585	-	-	-	45,585
Net finance costs								(8,045)
Profit from ordinary activities before taxation								37,540
Taxation								(9,377)
Profit from ordinary activities after taxation								28,163
Non-controlling interests								(12)
Net profit for the period								<u>28,151</u>

Analysis of the Group's revenue and results for the 12 months period ended 31 December 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	669,639	173,383	-	843,022	26,501	-	26,501	869,523
Inter-segment sales	11,415	-	(11,415)	-	52	(52)	-	-
Total revenue	681,054	173,383	(11,415)	843,022	26,553	(52)	26,501	869,523
Profit								
Segment results	30,520	9,701	(2,076)	38,145	(19,944)	8,175	(11,769)	26,376
Net finance costs								(9,758)
Profit from ordinary activities before taxation								16,618
Taxation								(9,911)
Profit from ordinary activities after taxation								6,707
Non-controlling interests								15
Net profit for the period								<u>6,722</u>

Total revenue of the Group from Continuing Operations was RM930.396 million, representing an increase of 10.4% from RM843.022 million recorded in the corresponding period ended 31 December 2021. The Group recorded an operating profit from Continuing Operations of RM45.585 million, an increase of 19.5% from operating profit of RM38.145 million, for the twelve months ended 31 December 2022.

Total Logistics Services

Segment revenue and operating profit from Total Logistics Services operations for the period under review increased by RM31.440 million and RM2.802 million respectively as compared to the corresponding period ended 31 December 2021 mainly due to the higher volumes handled by the Total Logistics Services segment. An analysis of revenue of the various operation in Total Logistics Services segment is as follows:

Revenue	12 months ended 31.12.2022 RM'000	12 months ended 31.12.2021 RM'000	Variance RM'000	Variance %
Freight Forwarding	372,531	360,401	12,130	3.4
Contract Logistics	176,476	156,989	19,487	12.4
Transportation	60,648	59,254	1,394	2.4
Oil Logistics	41,400	38,774	2,626	6.8
Others*	50,024	54,221	(4,197)	(7.7)
Total	701,079	669,639	31,440	4.7

*Trading of Resin, Data Management Services and Rental of Equipment

Procurement Logistics Services

The Procurement Logistics segment recorded a higher segment revenue and operating profit of RM229.317 million and RM11.890 million respectively for the twelve months ended 31 December 2022 compared to RM173.383 million and RM9.701 million respectively in the corresponding period ended 31 December 2021. The increase in revenue and profit were mainly attributable to the higher export volumes arising from improved demands from our customers.

Discontinued Operation- 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 31 December 2022								
Segment Assets	941,308	93,709	(266,760)	768,257	-	-	-	<u>768,257</u>
Segment Liabilities	482,450	35,754	(194,941)	323,263	-	-	-	<u>323,263</u>
As at 31 December 2021								
Segment Assets	964,612	97,414	(283,184)	778,842	-	-	-	<u>778,842</u>
Segment Liabilities	519,128	48,353	(210,915)	356,566	-	-	-	<u>356,566</u>

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

10. Related Party Disclosures

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

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

	As at 31.12.2022 RM'000	As at 31.12.2021 RM'000
Financial assets		
Fair value through profit or loss		
Investment in money market funds	<u>28,991</u>	<u>11,476</u>
Amortised costs		
Trade receivables	125,380	134,346
Other receivables and refundable deposits	18,592	34,327
Amount owing from immediate holding company	576	1,082
Amount owing from intermediate holding company	484	152
Amount owing from related parties	7,802	20,959
Deposits, cash and bank balances	<u>69,595</u>	<u>43,134</u>
Financial liabilities at amortised costs		
Trade payables	62,590	47,581
Other payables and accrued expenses	52,372	64,497
Amount owing to immediate holding company	1,404	30,649
Amount owing to intermediate holding company	14,341	9,709
Amount owing to related parties	84	394
Total borrowings	154,580	154,217
Hire-purchase payables	6,832	8,784
Lease liabilities	<u>15,151</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 31.12.2022 RM'000	As at 31.12.2021 RM'000
Approved and contracted for	1,567	108
Approved but not contracted for	<u>425</u>	<u>1,540</u>

16. Changes in Contingent Liabilities

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

17. Review of Performance

For the financial quarter ended 31 December 2022, the Group's revenue and pre-tax profit were RM204.511 million and RM5.443 million respectively, compared to revenue and pre-tax profit of RM204.171 million and RM9.555 million respectively for the corresponding period in the previous financial year. The decrease in pre-tax profit was attributable to the higher cost provision in the current financial quarter.

For the Total Logistics Services segment, the operations recorded lower volumes in the current financial quarter. Revenue recorded from the various operations in the Total Logistics Services segment are as follows:

Revenue	Quarter ended 31.12.2022 RM'000	Quarter ended 31.12.2021 RM'000	Variance RM'000	Variance %
Freight Forwarding	69,666	94,489	(24,823)	(26.3)
Contract Logistics	42,799	44,763	(1,964)	(4.4)
Transportation	13,825	15,892	(2,067)	(13.0)
Oil Logistics	10,259	9,784	475	4.9
Others*	10,217	17,414	(7,197)	(41.3)
Total	146,766	182,342	(35,576)	(19.5)

*Trading of Resin, Data Management Services and Rental of Equipment

The Procurement Logistics Services segment recorded revenue of RM57.745 million during the financial quarter ended 31 December 2022, up from RM21.829 million, an improvement of 164.5% due to the higher export volumes handled. Export revenue improved to RM36.522 million during the current financial quarter, from RM2.660 million recorded during the corresponding period in the previous financial year.

18. Comparison with Immediate Preceding Quarter's Results

	Current year quarter 31.12.2022 RM'000	Immediate preceding quarter 30.09.2022 RM'000	-----Changes-----	
			RM'000	%
Continuing Operations				
Revenue	204,511	230,157	(25,646)	-11%
Direct operating expenses	<u>(174,617)</u>	<u>(198,780)</u>	<u>24,163</u>	<u>12%</u>
Gross profit	29,894	31,377	(1,483)	-5%
Net other operating expenses	<u>(22,402)</u>	<u>(20,872)</u>	<u>(1,530)</u>	<u>-7%</u>
Results from operating activities	7,492	10,505	(3,013)	-29%
Net finance costs	<u>(2,049)</u>	<u>(2,064)</u>	<u>15</u>	<u>1%</u>
Profit before taxation from continuing operations	5,443	8,441	(2,998)	-36%
Taxation	<u>(196)</u>	<u>(2,069)</u>	<u>1,873</u>	<u>91%</u>
Profit for the period from continuing operations	<u>5,247</u>	<u>6,372</u>	<u>(1,125)</u>	<u>-18%</u>
Discontinued Operation				
Loss after tax for the period from discontinued operation	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Profit for the period	<u>5,247</u>	<u>6,372</u>	<u>(1,125)</u>	<u>-18%</u>

For the financial quarter ended 31 December 2022, the Group reported revenue and pre-tax profit of RM204.511 million and RM5.443 million respectively, compared to revenue and pre-tax profit of RM230.157 million and RM8.441 million respectively for the preceding quarter.

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

Revenue	Quarter ended 31.12.2022 RM'000	Quarter ended 30.09.2022 RM'000	Variance RM'000	Variance %
Freight Forwarding	69,666	92,705	(23,039)	(24.9)
Contract Logistics	42,799	43,954	(1,155)	(2.6)
Transportation	13,825	14,941	(1,116)	(7.5)
Oil Logistics	10,259	9,984	275	2.8
Others*	10,217	12,301	(2,084)	(16.9)
Total	146,766	173,885	(27,119)	(15.6)

*Trading of Resin and Data Management Services

For the Procurement Logistics Services segment, revenue was higher mainly due to the increased in export revenue from RM33.420 million to RM36.522 million. Overall revenue from the Procurement Logistics Services segment increased from RM56.272 million to RM57.745 million.

19. Prospects for the Next Financial Year

Malaysia's GDP expanded 8.7% in 2022, from a growth of 3.1% in 2021. The growth in 2022 was driven by strong domestic demand, underpinned by improvements in labour market and income conditions. However, overall export growth moderated in line with the weaker external demand. This was partly offset by the resilient performance in exports of electrical and electronic (E&E) products and higher tourism activities. The services and manufacturing sectors continued to drive growth. (Source: *Economic and Financial Developments in Malaysia in the Fourth Quarter of 2022*)

Our primary growth driver will continue to be volume expansion, complemented by improved efficiency and cost-pricing management, which are key to underpinning profit growth.

Technology is a key disruptor in the logistics industry, with the constant emergence of new technologies in the entire supply chain. The Group will continue to expand in automation and digitalisation, and can expect to continue leveraging on the expertise of our parent company, CJ Logistics Corporation as we embrace digital technologies, artificial intelligence and automation. This has strengthened our integrated logistics operations and enabled us to improve customer and supply-chain communications and connectivity. We will continue to invest in technological advancements to remain at the forefront of the logistics industry in Malaysia.

With the above in motion, we are indeed very positive on the outlook of CJ Century and confident we will continue charting record performance in 2023.

20. Profit Forecast

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

21. Taxation

	-----Individual quarter-----		-----Cumulative quarter-----	
	Current year quarter 31.12.2022 RM'000	Preceding year corresponding quarter 31.12.2021 RM'000	Current year to date 31.12.2022 RM'000	Preceding year corresponding period 31.12.2021 RM'000
Provision for taxation	(627)	3,905	7,414	9,956
Deferred taxation	823	(435)	1,963	(45)
	<u>196</u>	<u>3,470</u>	<u>9,377</u>	<u>9,911</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 lower than the statutory tax rate principally due to the over provision of taxation in respect of prior years. Taxation for the year 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 31.12.2022 RM'000	Preceding year corresponding quarter 31.12.2021 RM'000	Current year to date 31.12.2022 RM'000	Preceding year corresponding period 31.12.2021 RM'000
Interest income	47	147	171	626
Interest expenses - borrowings				
-Continuing Operations	(1,845)	(1,866)	(7,117)	(8,580)
-Discontinued Operations	-	-	-	(406)
Interest expenses - right-of-use assets				
-Continuing Operations	(251)	(324)	(1,099)	(1,341)
-Discontinued Operations	-	-	-	(57)
Depreciation and amortisation				
-Continuing Operations	(9,167)	(8,492)	(35,057)	(33,773)
-Discontinued Operations	-	-	-	(2,730)
Provision for and write off of receivables				
-Continuing Operations	2,078	745	1,365	1,334
-Discontinued Operations	-	-	-	(585)
Foreign exchange gain / (loss)				
-Continuing Operations	1,248	(265)	1,556	448
-Discontinued Operations	-	(200)	-	(96)
Gain / (loss) on disposal of quoted or unquoted investments or properties				
-Continuing Operations	177	98	708	311
-Discontinued Operations	-	-	-	8,175
Other income including investment income (excluding items disclosed above)				
-Continuing Operations	46	24	93	315
-Discontinued Operations	-	-	-	-

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

23. Status of Corporate Proposal

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

24. Trade Receivables

	As at 31.12.2022 RM'000	As at 31.12.2021 RM'000
Trade Receivables	126,613	136,976
Less: Allowance for impairment	(1,233)	(2,630)
	<u>125,380</u>	<u>134,346</u>

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

	As at 31.12.2022 RM'000	As at 31.12.2021 RM'000
1- 30 days	19,958	20,495
31 - 60 days	4,822	7,634
61 - 90 days	1,397	5,238
more than 90 days	2,670	5,844
	<u>28,847</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 RM28.847 million which are past due for which no impairment had been provided as there has not been a significant change in credit quality and the Group believes that the amounts are still considered fully recoverable.

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

25. Group's Borrowings and Debt Securities

	-----As at 31 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>
	-----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	<u>2,453</u>	<u>6,331</u>	<u>8,784</u>
	<u>36,090</u>	<u>126,911</u>	<u>163,001</u>

The weighted average effective interest rates of the term loans is 4.24% (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 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 declares a single tier final dividend of 1.0 sen per ordinary share in respect of the financial year ended 31 December 2022. The entitlement and payment dates for the final dividend shall be on 15 March 2023 and 30 March 2023 respectively.

29. Earnings Per Share

	-----Individual quarter-----		-----Cumulative quarter-----	
	Current year quarter 31.12.2022 RM'000	Preceding year corresponding quarter 31.12.2021 RM'000	Current year to date 31.12.2022 RM'000	Preceding year corresponding period 31.12.2021 RM'000
Net profit / (loss) attributable to equity holders of the Company				
-Continuing Operations	5,254	6,089	28,151	18,953
-Discontinued Operation	-	-	-	(12,231)
	<u>5,254</u>	<u>6,089</u>	<u>28,151</u>	<u>6,722</u>
Weighted average number of ordinary shares in issue	<u>581,899</u>	<u>586,775</u>	<u>583,155</u>	<u>586,919</u>
Basic and diluted earnings / (loss) per share (sen)*				
-Continuing Operations	0.90	1.04	4.83	3.23
-Discontinued Operation	-	-	-	(2.08)
	<u>0.90</u>	<u>1.04</u>	<u>4.83</u>	<u>1.15</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 February 2023