



CJ CENTURY LOGISTICS HOLDINGS BERHAD
199701008845 (424341-A)

INTERIM FINANCIAL REPORT

31 DECEMBER 2023

23 FEBRUARY 2024



CJ CENTURY LOGISTICS HOLDINGS BERHAD (Registration No. 199701008845 (424341-A))
Interim report on unaudited consolidated results for the financial period ended 31 December 2023

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE QUARTER ENDED 31 DECEMBER 2023

	-----Individual quarter-----				-----Cumulative quarter-----			
	Current year quarter 31.12.2023 RM'000	Preceding year corresponding quarter 31.12.2022 RM'000	-----Changes-----		Current year to date 31.12.2023 RM'000	Preceding year corresponding period 31.12.2022 RM'000	-----Changes-----	
			RM'000	%			RM'000	%
Revenue	146,519	204,511	(57,992)	-28%	736,514	930,396	(193,882)	-21%
Direct operating expenses	(121,455)	(174,617)	53,162	30%	(621,547)	(796,572)	175,025	22%
Gross profit	25,065	29,894	(4,829)	-16%	114,967	133,824	(18,857)	-14%
Net other operating expenses	(23,006)	(22,402)	(604)	-3%	(91,452)	(88,239)	(3,213)	-4%
Results from operating activities	2,058	7,492	(5,434)	-73%	23,515	45,585	(22,070)	-48%
Net finance costs	(1,468)	(2,049)	581	28%	(7,236)	(8,045)	809	10%
Profit before taxation	590	5,443	(4,853)	-89%	16,279	37,540	(21,261)	-57%
Taxation	67	(196)	263	134%	(4,476)	(9,377)	4,901	52%
Profit for the period	658	5,247	(4,589)	-87%	11,803	28,163	(16,360)	-58%
Other comprehensive income / (loss)								
Foreign currency translation differences for foreign operations	(3)	14	(17)	-124%	(10)	15	(25)	-164%
Other comprehensive income / (loss) for the period	(3)	14	(17)	-124%	(10)	15	(25)	-164%
Total comprehensive income for the period	654	5,261	(4,607)	-88%	11,793	28,178	(16,385)	-58%
Profit / (loss) attributable to:								
Equity holders of the Company	634	5,254	(4,620)	-88%	11,742	28,151	(16,409)	-58%
Non-controlling interests	23	(7)	30	425%	61	12	49	408%
Profit for the period	658	5,247	(4,589)	-87%	11,803	28,163	(16,360)	-58%
Total comprehensive income / (loss) attributable to:								
Equity holders of the Company	632	5,268	(4,636)	-88%	11,732	28,166	(16,434)	-58%
Non-controlling interests	23	(7)	30	425%	61	12	49	408%
Total comprehensive income for the period	654	5,261	(4,607)	-88%	11,793	28,178	(16,385)	-58%
Earnings per share attributable to equity holders of the Company:								
Basic and Diluted (sen)*	0.11	0.90	(0.79)	-88%	2.02	4.83	(2.81)	-58%

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

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023

	As at end of current quarter 31.12.2023	As at preceding financial year end 31.12.2022
	RM'000	RM'000
ASSETS		
Non-current Assets		
Property, plant and equipment	351,636	362,396
Other asset	-	60
Right-of-use assets	82,892	65,396
Deferred tax asset	684	397
Intangible assets	23,723	23,801
	<u>458,935</u>	<u>452,050</u>
Current Assets		
Inventories	23,938	37,527
Receivables	176,331	180,094
Deposits, cash and bank balances	94,047	98,586
	<u>294,316</u>	<u>316,207</u>
Total Current Assets	<u>294,316</u>	<u>316,207</u>
TOTAL ASSETS	<u><u>753,251</u></u>	<u><u>768,257</u></u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	300,043	300,043
Treasury shares	(6,747)	(6,747)
Reserves	156,916	151,003
	<u>450,212</u>	<u>444,299</u>
Non-controlling Interests	756	695
	<u>450,968</u>	<u>444,994</u>
Total Equity	<u>450,968</u>	<u>444,994</u>
Non-current Liabilities		
Borrowings	89,513	108,222
Lease liabilities	12,447	3,920
Deferred taxation	6,514	8,150
	<u>108,474</u>	<u>120,292</u>
Current Liabilities		
Borrowings	44,109	53,190
Payables	128,058	138,550
Lease liabilities	21,642	11,231
	<u>193,809</u>	<u>202,971</u>
Total Liabilities	<u>302,283</u>	<u>323,263</u>
TOTAL EQUITY AND LIABILITIES	<u><u>753,251</u></u>	<u><u>768,257</u></u>
Net assets per share attributable to ordinary equity holders of the Company (RM)	0.77	0.76

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

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 DECEMBER 2023

	Current year to date 31.12.2023 RM'000	Preceding year corresponding period 31.12.2022 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax for the period	16,279	37,540
Adjustments:		
Non-Cash Items	45,004	41,034
Non-Operating Items	<u>(1,077)</u>	<u>(1,477)</u>
Operating profit before working capital changes	60,206	77,097
Movement in working capital:		
Net change in current assets	18,521	34,265
Net change in current liabilities	<u>(10,784)</u>	<u>3,577</u>
Cash generated from operations	67,942	114,939
Tax paid	<u>(7,430)</u>	<u>(9,112)</u>
Net cash from operating activities	<u>60,512</u>	<u>105,827</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	1,114	171
Disposal of property, plant and equipment	1,507	3,508
Disposal of other assets	130	-
Decrease / (increase) in investment in money market funds	17,050	(17,515)
Proceeds from reversal of deposits pledged as securities	-	1,135
Purchase of property, plant and equipment	<u>(4,566)</u>	<u>(3,949)</u>
Net cash from / (used in) investing activities	<u>15,235</u>	<u>(16,650)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(5,819)	(2,910)
Proceeds from borrowings	25,000	61,000
Repayment of principal portion of lease liabilities	(20,877)	(18,720)
Net repayment of hire purchase payables	(2,564)	(2,599)
Repayment of borrowings	(50,626)	(60,637)
Repayment of principal and interest portion of advance received from immediate holding company	-	(28,084)
Purchase of treasury shares	-	(2,550)
Interest paid	<u>(8,350)</u>	<u>(8,216)</u>
Net cash used in financing activities	<u>(63,236)</u>	<u>(62,716)</u>
Net increase in cash and cash equivalents	12,511	26,461
Cash and cash equivalents at beginning of the period	<u>69,595</u>	<u>43,134</u>
Cash and cash equivalents at end of the period	<u>82,106</u>	<u>69,595</u>
Cash and cash equivalents at the end of the financial period comprise the following :		
Cash and bank balances	26,545	24,345
Investment in money market funds	11,941	28,991
Deposits with licensed banks	<u>55,561</u>	<u>45,250</u>
	94,047	98,586
Less: Investment in money market funds	<u>(11,941)</u>	<u>(28,991)</u>
	<u>82,106</u>	<u>69,595</u>

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

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 DECEMBER 2023

	Share Capital RM'000	Attributable to Equity Holders of the Company			Total RM'000	Non-controlling Interests RM'000	Total Equity RM'000
		← Non-distributable → Treasury Shares RM'000	→ Other Reserves RM'000	Distributable Retained Earnings RM'000			
As at 1 January 2023	300,043	(6,747)	546	150,457	444,299	695	444,994
Total comprehensive income for the year	-	-	(10)	11,742	11,732	61	11,793
Dividends paid	-	-	-	(5,819)	(5,819)	-	(5,819)
As at 31 December 2023	300,043	(6,747)	536	156,380	450,212	756	450,968
As at preceding year corresponding quarter							
As at 1 January 2022	300,043	(4,197)	531	125,216	421,593	683	422,276
Purchase of treasury shares	-	(2,550)	-	-	(2,550)	-	(2,550)
Total comprehensive income for the year	-	-	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

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

Notes To The Financial Statements

1. Basis of Preparation

The interim financial statements are unaudited and have been prepared in accordance with the requirements of MFRS 134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad. The interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2022.

These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2022.

2. Significant Accounting Policies

The Group has adopted the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the provisions of the Companies Act, 2016 in Malaysia for accounting period beginning on 1 January 2023. As disclosed in the Group's annual financial statements for the financial year ended 31 December 2022, the following are new/revised accounting standards effective for annual periods beginning on or after 1 January 2023.

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

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

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

Amendments to MFRS 16	Leases - Lease Liability in a Sale and Leaseback
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The above pronouncements do not have any material impact on the financial statements of the Group.

3. Auditors' Report on Preceding Annual Financial Statements

The auditors' report of the Group's annual financial statements for the financial year ended 31 December 2022 was not qualified.

4. Seasonal or Cyclical Factors

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

5. Unusual Items

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

6. Changes in Estimates

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

7. Changes in Debt and Equity Securities

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

8. Dividend Paid

No dividend was paid in the financial quarter under review.

9. Segmental Reporting

Analysis of the Group's revenue and results for the 12 months period ended 31 December 2023 is as follows:

	Total Logistics Services	Procurement Logistics Services	Consolidation Adjustment	Group Results
	RM'000	RM'000	RM'000	RM'000
Revenue				
External sales	504,009	232,505	-	736,514
Inter-segment sales	<u>6,510</u>	<u>17</u>	<u>(6,527)</u>	<u>-</u>
Total revenue	<u>510,519</u>	<u>232,522</u>	<u>(6,527)</u>	<u>736,514</u>
Profit				
Segment results	9,189	14,852	(527)	23,515
Net finance costs				<u>(7,236)</u>
Profit from ordinary activities before taxation				16,279
Taxation				<u>(4,476)</u>
Profit from ordinary activities after taxation				11,803
Non-controlling interests				<u>(61)</u>
Net profit for the period				<u>11,742</u>

Analysis of the Group's revenue and results for the 12 months period ended 31 December 2022 is as follows:

	Total Logistics Services	Procurement Logistics Services	Consolidation Adjustment	Group Results
	RM'000	RM'000	RM'000	RM'000
Revenue				
External sales	701,079	229,317	-	930,396
Inter-segment sales	<u>10,966</u>	<u>16</u>	<u>(10,982)</u>	<u>-</u>
Total revenue	<u>712,045</u>	<u>229,333</u>	<u>(10,982)</u>	<u>930,396</u>
Profit				
Segment results	43,322	11,890	(9,627)	45,585
Net finance costs				<u>(8,045)</u>
Profit from ordinary activities before taxation				37,540
Taxation				<u>(9,377)</u>
Profit from ordinary activities after taxation				28,163
Non-controlling interests				<u>(12)</u>
Net profit for the period				<u>28,151</u>

Total revenue of the Group was RM736.514 million, representing a decrease of 20.8% from RM930.396 million recorded in the corresponding period ended 31 December 2022. The Group recorded an operating profit of RM23.515 million, a decrease of 48.4% from operating profit of RM45.585 million, for the twelve months ended 31 December 2023.

9. Segmental Reporting (cont'd)Total Logistics Services

Segment revenue and operating profit from Total Logistics Services operations for the period under review decreased by RM197.070 million and RM34.133 million respectively as compared to the corresponding period ended 31 December 2022 mainly due to the freight rates normalisation and lower business volume contribution from our customers. An analysis of revenue of the various operation in Total Logistics Services segment is as follows:

Revenue	12 months ended 31.12.2023 RM'000	12 months ended 31.12.2022 RM'000	Variance RM'000	Variance %
Freight Forwarding	193,528	372,531	(179,003)	(48.1)
Contract Logistics	137,754	176,476	(38,722)	(21.9)
Transportation	92,775	60,648	32,127	53.0
Oil Logistics	37,668	41,400	(3,732)	(9.0)
Others*	42,283	50,024	(7,741)	(15.5)
Total	504,009	701,079	(197,070)	(28.1)

*Trading of Resin and Data Management Services

Procurement Logistics Services

The Procurement Logistics segment recorded a higher segment revenue and operating profit of RM232.505 million and RM14.852 million respectively for the twelve months ended 31 December 2023 compared to RM229.317 million and RM11.890 million respectively in the corresponding period ended 31 December 2022. The increase in revenue and profit were mainly attributable to the higher export volumes arising from improved demands from our export customers during the financial period.

Segment Assets and Segment Liabilities

	Total Logistics Services RM'000	Procurement Logistics Services RM'000	Consolidation Adjustment RM'000	Group Results RM'000
As at 31 December 2023				
Segment Assets	940,946	116,024	(303,719)	<u>753,251</u>
Segment Liabilities	304,483	56,253	(58,453)	<u>302,283</u>
As at 31 December 2022				
Segment Assets	946,202	93,709	(271,654)	<u>768,257</u>
Segment Liabilities	477,344	45,754	(199,835)	<u>323,263</u>

10. Related Party Disclosures

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

11. Financial Instruments

Categories of financial instruments	As at 31.12.2023 RM'000	As at 31.12.2022 RM'000
Financial assets		
Fair value through profit or loss		
Investment in money market funds	11,941	28,991
Amortised costs		
Trade receivables	102,536	125,380
Other receivables and refundable deposits	34,924	18,592
Amount owing from immediate holding company	256	576
Amount owing from intermediate holding company	956	484
Amount owing from related parties	10,600	7,802
Deposits, cash and bank balances	82,106	69,595
Financial liabilities at amortised costs		
Trade payables	45,386	62,590
Other payables and accrued expenses	54,840	52,372
Amount owing to immediate holding company	2,707	1,404
Amount owing to intermediate holding company	16,224	14,341
Amount owing to related parties	46	84
Total borrowings	128,954	154,580
Hire-purchase payables	4,668	6,832
Lease liabilities	34,089	15,151

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

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

Fair value of the Group's investment in money market funds, which is measured based on price quotes for similar instruments or valuation techniques based on market observable inputs as quoted prices of identical instruments from an active market are not available. It is determined based on the quoted prices from investment fund and adjusted to incorporate credit risk, is categorised under Level 2 fair value hierarchy.

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the reporting date.

12. Valuation of Property, Plant and Equipment

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

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

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

14. Changes in Composition of the Group

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

15. Capital Commitments

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

	As at 31.12.2023 RM'000	As at 31.12.2022 RM'000
Approved and contracted for	7,695	1,567
Approved but not contracted for	340	494

16. Changes in Contingent Liabilities

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

17. Review of Performance

For the financial quarter ended 31 December 2023, the Group's revenue and pre-tax profit were RM146.519 million and RM0.590 million respectively, compared to revenue and pre-tax profit of RM204.511 million and RM5.443 million respectively for the corresponding period in the previous financial year. The decrease in revenue and pre-tax profit was mainly due to freight rates normalisation, reduced business volume contribution from our Total Logistics Services segment customers and an adjustment for customer claims received on lost and damaged stocks in the current financial quarter.

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

Revenue	Quarter ended 31.12.2023 RM'000	Quarter ended 31.12.2022 RM'000	Variance RM'000	Variance %
Freight Forwarding	43,133	69,666	(26,533)	(38.1)
Contract Logistics	27,626	42,799	(15,173)	(35.5)
Transportation	23,280	13,825	9,455	68.4
Oil Logistics	9,538	10,259	(721)	(7.0)
Others*	8,334	10,217	(1,882)	(18.4)
Total	111,911	146,766	(34,855)	(23.7)

*Trading of Resin and Data Management Services

The Procurement Logistics Services segment recorded revenue of RM34.608 million during the financial quarter ended 31 December 2023, from RM57.745 million, a decrease of 40.1% due to the lower activities in Procurement Logistics Services segment. Export revenue dropped to RM23.968 million during the current financial quarter, from RM36.522 million recorded during the corresponding period in the previous financial year.

18. Comparison with Immediate Preceding Quarter's Results

	Current year quarter 31.12.2023 RM'000	Immediate preceding quarter 30.09.2023 RM'000	-----Changes-----	
			RM'000	%
Revenue	146,519	159,460	(12,941)	-8%
Direct operating expenses	(121,455)	(130,707)	9,252	7%
Gross profit	25,065	28,753	(3,688)	-13%
Net other operating expenses	(23,006)	(22,102)	(905)	-4%
Results from operating activities	2,058	6,651	(4,593)	-69%
Net finance costs	(1,468)	(1,860)	392	21%
Profit before taxation	590	4,792	(4,201)	-88%
Taxation	67	(1,227)	1,294	105%
Profit for the period	658	3,565	(2,907)	-82%

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

For the financial quarter ended 31 December 2023, the Group reported revenue and pre-tax profit of RM146.519 million and RM0.590 million respectively, compared to revenue and pre-tax profit of RM159.460 million and RM4.792 million respectively for the preceding quarter.

For the Total Logistics Services segment, revenue was lower mainly due to an adjustment for customer claims received on lost and damaged stocks. Revenue recorded from the various operations in the Total Logistics Services segment are as follows:

Revenue	Quarter ended 31.12.2023 RM'000	Quarter ended 30.09.2023 RM'000	Variance RM'000	Variance %
Freight Forwarding	43,133	42,883	251	0.6
Contract Logistics	27,626	35,963	(8,337)	(23.2)
Transportation	23,280	22,657	623	2.7
Oil Logistics	9,538	8,468	1,070	12.6
Others*	8,334	11,188	(2,854)	(25.5)
Total	111,911	121,159	(9,248)	(7.6)

*Trading of Resin and Data Management Services

For the Procurement Logistics Services segment, revenue was lower mainly due to the decrease in export revenue from RM26.335 million to RM23.968 million. Overall revenue from the Procurement Logistics Services segment decreased from RM38.301 million to RM34.608 million.

19. Prospects for the Next Financial Year

As we move forward into a new financial year, the Company remains optimistic about our outlook amidst the ongoing economic uncertainties. The Company's business model allows for the ability to adapt and navigate through changes in the market. Fueled by a passion for excellence, we will continue to intensify our efforts on various fronts by identifying growth opportunities in emerging markets, improving operational efficiency, investing in sustainable logistics solutions and technologies as well as implementing talent programmes to drive agile workforce.

On the sustainability front, we stand together with the world towards achieving net-zero emissions by 2050. Recognising the urgent need for action on climate change, we acknowledge our responsibility to set a precedent through proactive action. In line with this commitment, we are embarking on climate change management to further strengthen our strategies and implement mitigation plans across our operations.

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 31.12.2023 RM'000	Preceding year corresponding quarter 31.12.2022 RM'000	Current year to date 31.12.2023 RM'000	Preceding year corresponding period 31.12.2022 RM'000
Provision for taxation	2,228	(627)	6,398	7,414
Deferred taxation	<u>(2,295)</u>	<u>823</u>	<u>(1,922)</u>	<u>1,963</u>
	<u>(67)</u>	<u>196</u>	<u>4,476</u>	<u>9,377</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 31.12.2023 RM'000	Preceding year corresponding quarter 31.12.2022 RM'000	Current year to date 31.12.2023 RM'000	Preceding year corresponding period 31.12.2022 RM'000
Interest income	656	47	1,114	171
Interest expenses - borrowings	(1,642)	(1,845)	(6,828)	(7,117)
Interest expenses - right-of-use assets	(483)	(251)	(1,522)	(1,099)
Depreciation and amortisation	(9,836)	(9,167)	(37,622)	(35,057)
Provision for and write off of receivables	779	2,078	616	1,365
Foreign exchange gain	850	1,248	1,767	1,556
Gain / (loss) on disposal of quoted or unquoted investments or properties	(10)	177	1,030	708
Other income including investment income (excluding items disclosed above)	130	46	404	93

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 31.12.2023 RM'000	As at 31.12.2022 RM'000
Trade Receivables	104,652	126,613
Less: Allowance for impairment	(2,116)	(1,233)
	<u>102,536</u>	<u>125,380</u>

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

	As at 31.12.2023 RM'000	As at 31.12.2022 RM'000
1- 30 days	17,883	18,915
31 - 60 days	5,469	4,822
61 - 90 days	1,252	1,397
more than 90 days	2,538	2,670
	<u>27,142</u>	<u>27,804</u>

The credit terms of the Group range from 3 to 120 days. Included in the Group's trade receivables are debtors with a carrying amount of RM27.142 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 2023-----		
	Short term	Long term	Total
	RM'000	RM'000	borrowings
			RM'000
Short Term - Unsecured			
- Revolving Credit	25,000	-	25,000
Secured			
- Term Loans	16,626	87,328	103,954
- Hire Purchase	<u>2,483</u>	<u>2,185</u>	<u>4,668</u>
	<u>44,109</u>	<u>89,513</u>	<u>133,622</u>
	-----As at 31 December 2022-----		
	Short term	Long term	Total
	RM'000	RM'000	borrowings
			RM'000
Short Term - Unsecured			
- Revolving credit	34,000	-	34,000
Secured			
- Term Loans	16,626	103,954	120,580
- Hire Purchase	<u>2,564</u>	<u>4,268</u>	<u>6,832</u>
	<u>53,190</u>	<u>108,222</u>	<u>161,412</u>

The weighted average effective interest rate of the term loans is 5.21% (2022 : 4.24%) per annum which are subjected to floating interest rates. The term of the hire-purchase ranges from one to five years and the weighted average effective interest rate implicit in the hire-purchase arrangements is 4.77% (2022 : 4.79%) per annum. The interest rates are fixed at the inception of each hire-purchase arrangement.

26. Off Balance Sheet Financial Instruments

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

27. Material Litigation

The Group is not presently engaged in any material litigation, claim or arbitration, either as plaintiff or defendant and the Directors do not have any knowledge of any proceedings pending or threatened against the Group or any fact likely to give rise to any proceedings which may materially affect the financial position or business of the Group.

28. Dividend

The Board of Directors does not recommend any dividend in respect of the reporting quarter and financial year-to-date.

29. Earnings Per Share

	-----Individual quarter-----		-----Cumulative quarter-----	
	Current year quarter 31.12.2023 RM'000	Preceding year corresponding quarter 31.12.2022 RM'000	Current year to date 31.12.2023 RM'000	Preceding year corresponding period 31.12.2022 RM'000
Net profit attributable to equity holders of the Company	<u>634</u>	<u>5,254</u>	<u>11,742</u>	<u>28,151</u>
Weighted average number of ordinary shares in issue	<u>581,886</u>	<u>581,899</u>	<u>581,886</u>	<u>583,155</u>
Basic and diluted earnings per share (sen)*	<u>0.11</u>	<u>0.90</u>	<u>2.02</u>	<u>4.83</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
23 February 2024