



CJ CENTURY LOGISTICS HOLDINGS BERHAD
199701008845 (424341-A)

INTERIM FINANCIAL REPORT

31 MARCH 2024

23 MAY 2024



CJ CENTURY LOGISTICS HOLDINGS BERHAD (Registration No. 199701008845 (424341-A))
Interim report on unaudited consolidated results for the financial period ended 31 March 2024

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE QUARTER ENDED 31 MARCH 2024

| | -----Individual quarter----- | | | | -----Cumulative quarter----- | | | |
|---|--|---|-------------------|-------|--|--|-------------------|-------|
| | Current year quarter 31.03.2024 RM'000 | Preceding year corresponding quarter 31.03.2023 RM'000 | -----Changes----- | | Current year to date 31.03.2024 RM'000 | Preceding year corresponding period 31.03.2023 RM'000 | -----Changes----- | |
| | | | RM'000 | % | | | RM'000 | % |
| Revenue | 215,141 | 219,577 | (4,436) | -2% | 215,141 | 219,577 | (4,436) | -2% |
| Direct operating expenses | (186,008) | (188,772) | 2,764 | 1% | (186,008) | (188,772) | 2,764 | 1% |
| Gross profit | 29,133 | 30,805 | (1,672) | -5% | 29,133 | 30,805 | (1,672) | -5% |
| Net other operating expenses | (24,080) | (23,486) | (594) | -3% | (24,080) | (23,486) | (594) | -3% |
| Results from operating activities | 5,053 | 7,319 | (2,266) | -31% | 5,053 | 7,319 | (2,266) | -31% |
| Net finance costs | (1,754) | (1,890) | 136 | 7% | (1,754) | (1,890) | 136 | 7% |
| Profit before taxation | 3,299 | 5,429 | (2,130) | -39% | 3,299 | 5,429 | (2,130) | -39% |
| Taxation | (1,299) | (1,659) | 360 | 22% | (1,299) | (1,659) | 360 | 22% |
| Profit for the period | 2,000 | 3,770 | (1,770) | -47% | 2,000 | 3,770 | (1,770) | -47% |
| Other comprehensive loss | | | | | | | | |
| Foreign currency translation differences for foreign operations | (4) | (6) | 2 | 39% | (4) | (6) | 2 | 39% |
| Other comprehensive loss for the period | (4) | (6) | 2 | 39% | (4) | (6) | 2 | 39% |
| Total comprehensive income for the period | 1,996 | 3,764 | (1,768) | -47% | 1,996 | 3,764 | (1,768) | -47% |
| Profit / (loss) attributable to: | | | | | | | | |
| Equity holders of the Company | 2,020 | 3,745 | (1,725) | -46% | 2,020 | 3,745 | (1,725) | -46% |
| Non-controlling interests | (20) | 25 | (45) | -179% | (20) | 25 | (45) | -179% |
| Profit for the period | 2,000 | 3,770 | (1,770) | -47% | 2,000 | 3,770 | (1,770) | -47% |
| Total comprehensive income / (loss) attributable to: | | | | | | | | |
| Equity holders of the Company | 2,016 | 3,739 | (1,723) | -46% | 2,016 | 3,739 | (1,723) | -46% |
| Non-controlling interests | (20) | 25 | (45) | -179% | (20) | 25 | (45) | -179% |
| Total comprehensive income for the period | 1,996 | 3,764 | (1,768) | -47% | 1,996 | 3,764 | (1,768) | -47% |
| Earnings per share attributable to equity holders of the Company: | | | | | | | | |
| Basic and Diluted (sen)* | 0.35 | 0.64 | (0.30) | -46% | 0.35 | 0.64 | (0.30) | -46% |

* 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 2023.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2024

| | As at end of current quarter 31.03.2024 | As at preceding financial year end 31.12.2023 |
|--|---|---|
| | RM'000 | RM'000 |
| ASSETS | | |
| Non-current Assets | | |
| Property, plant and equipment | 348,299 | 351,636 |
| Right-of-use assets | 97,239 | 82,892 |
| Deferred tax asset | 683 | 684 |
| Intangible assets | 23,704 | 23,723 |
| | <u>469,924</u> | <u>458,935</u> |
| Current Assets | | |
| Inventories | 16,539 | 23,938 |
| Receivables | 192,877 | 176,331 |
| Deposits, cash and bank balances | 60,990 | 94,047 |
| | <u>270,406</u> | <u>294,316</u> |
| Total Current Assets | <u>270,406</u> | <u>294,316</u> |
| TOTAL ASSETS | <u><u>740,330</u></u> | <u><u>753,251</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 | 158,932 | 156,916 |
| | <u>452,228</u> | <u>450,212</u> |
| Non-controlling Interests | 736 | 756 |
| | <u>452,964</u> | <u>450,968</u> |
| Total Equity | <u>452,964</u> | <u>450,968</u> |
| Non-current Liabilities | | |
| Borrowings | 84,884 | 89,513 |
| Lease liabilities | 21,851 | 12,447 |
| Deferred taxation | 6,541 | 6,514 |
| | <u>113,276</u> | <u>108,474</u> |
| Current Liabilities | | |
| Borrowings | 28,900 | 44,109 |
| Payables | 118,151 | 128,058 |
| Lease liabilities | 27,039 | 21,642 |
| | <u>174,090</u> | <u>193,809</u> |
| Total Liabilities | <u>287,366</u> | <u>302,283</u> |
| TOTAL EQUITY AND LIABILITIES | <u><u>740,330</u></u> | <u><u>753,251</u></u> |
| Net assets per share attributable to ordinary equity holders of the Company (RM) | 0.78 | 0.77 |

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the Year Ended 31 December 2023.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 MARCH 2024

| | Current year to date 31.03.2024 RM'000 | Preceding year corresponding period 31.03.2023 RM'000 |
|---|--|--|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Profit before tax | 3,299 | 5,429 |
| Adjustments: | | |
| Non-Cash Items | 11,929 | 10,800 |
| Non-Operating Items | <u>(248)</u> | <u>(20)</u> |
| Operating profit before working capital changes | 14,981 | 16,208 |
| Movement in working capital: | | |
| Net change in current assets | (6,130) | 1,157 |
| Net change in current liabilities | <u>(8,191)</u> | <u>(20,860)</u> |
| Cash used in operations | 660 | (3,495) |
| Tax paid | <u>(6,099)</u> | <u>(1,919)</u> |
| Net cash used in operating activities | <u>(5,440)</u> | <u>(5,414)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Interest received | 266 | 127 |
| Disposal of property, plant and equipment | 328 | 10 |
| (Increase) / decrease in investment in money market funds | (5,688) | 17,188 |
| Purchase of property, plant and equipment | <u>(151)</u> | <u>(951)</u> |
| Net cash (used in) / from investing activities | <u>(5,245)</u> | <u>16,375</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Dividend paid | - | (5,819) |
| Repayment of principal portion of lease liabilities | (6,201) | (4,885) |
| Net repayment of hire purchase payables | (682) | (640) |
| Repayment of borrowings | (19,157) | (24,157) |
| Interest paid | <u>(2,020)</u> | <u>(2,017)</u> |
| Net cash used in financing activities | <u>(28,060)</u> | <u>(37,517)</u> |
| Net decrease in cash and cash equivalents | (38,744) | (26,557) |
| Cash and cash equivalents at beginning of the period | <u>82,106</u> | <u>69,595</u> |
| Cash and cash equivalents at end of the period | <u><u>43,362</u></u> | <u><u>43,038</u></u> |
| Cash and cash equivalents at the end of the financial period comprise the following : | | |
| Cash and bank balances | 26,162 | 23,937 |
| Investment in money market funds | 17,628 | 11,803 |
| Deposits with licensed banks | <u>17,200</u> | <u>19,101</u> |
| | 60,990 | 54,841 |
| Less: Investment in money market funds | <u>(17,628)</u> | <u>(11,803)</u> |
| | <u><u>43,362</u></u> | <u><u>43,038</u></u> |

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Report for the Year Ended 31 December 2023.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MARCH 2024

| | Attributable to Equity Holders of the Company | | | | Total RM'000 | Non-controlling Interests RM'000 | Total Equity RM'000 |
|---|---|---|-----------------------------|---|-----------------|--|---------------------------|
| | Share Capital RM'000 | Non-distributable Treasury Shares RM'000 | Other Reserves RM'000 | Distributable Retained Earnings RM'000 | | | |
| As at 1 January 2024 | 300,043 | (6,747) | 536 | 156,380 | 450,212 | 756 | 450,968 |
| Total comprehensive income for the year | - | - | (4) | 2,020 | 2,016 | (20) | 1,996 |
| As at 31 March 2024 | 300,043 | (6,747) | 532 | 158,400 | 452,228 | 736 | 452,964 |
| As at preceding year corresponding quarter | | | | | | | |
| As at 1 January 2023 | 300,043 | (6,747) | 546 | 150,457 | 444,299 | 695 | 444,994 |
| Total comprehensive income for the year | - | - | (6) | 3,745 | 3,739 | 25 | 3,764 |
| Dividends paid | - | - | - | (5,819) | (5,819) | - | (5,819) |
| As at 31 March 2023 | 300,043 | (6,747) | 540 | 148,383 | 442,219 | 720 | 442,939 |

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the Year Ended 31 December 2023.

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 2023.

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 2023.

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 2024. As disclosed in the Group's annual financial statements for the financial year ended 31 December 2023, the following are new/revised accounting standards effective for annual periods beginning on or after 1 January 2024.

| | |
|-----------------------------------|---|
| Amendments to MFRS 101 | Non current Liabilities with Covenants |
| Amendments to MFRS 101 | Classification of Liabilities as Current or Non-Current |
| Amendments to MFRS 16 Leases | Lease Liability in a Sale and Leaseback |
| Amendments to MFRS 107 and MFRS 7 | Disclosure of Supplier Finance Arrangements |

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 121 | Lack of exchangeability |
|------------------------|-------------------------|

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 2023 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 3 months period ended 31 March 2024 is as follows:

| | Total Logistics Services | Procurement Logistics Services | Consolidation Adjustment | Group Results |
|---|--------------------------------|--------------------------------------|-----------------------------|-----------------------|
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Revenue | | | | |
| External sales | 118,328 | 96,814 | - | 215,141 |
| Inter-segment sales | <u>2,271</u> | <u>-</u> | <u>(2,271)</u> | <u>-</u> |
| Total revenue | <u><u>120,599</u></u> | <u><u>96,814</u></u> | <u><u>(2,271)</u></u> | <u><u>215,141</u></u> |
| Profit | | | | |
| Segment results | 803 | 4,331 | (81) | 5,053 |
| Net finance costs | | | | <u>(1,754)</u> |
| Profit from ordinary activities before taxation | | | | 3,299 |
| Taxation | | | | <u>(1,299)</u> |
| Profit from ordinary activities after taxation | | | | 2,000 |
| Non-controlling interests | | | | <u>20</u> |
| Net profit for the period | | | | <u><u>2,020</u></u> |

Analysis of the Group's revenue and results for the 3 months period ended 31 March 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 | 140,035 | 79,542 | - | 219,577 |
| Inter-segment sales | <u>1,639</u> | <u>9</u> | <u>(1,648)</u> | <u>-</u> |
| Total revenue | <u><u>141,674</u></u> | <u><u>79,550</u></u> | <u><u>(1,648)</u></u> | <u><u>219,577</u></u> |
| Profit | | | | |
| Segment results | 3,028 | 4,537 | (246) | 7,319 |
| Net finance costs | | | | <u>(1,890)</u> |
| Profit from ordinary activities before taxation | | | | 5,429 |
| Taxation | | | | <u>(1,659)</u> |
| Profit from ordinary activities after taxation | | | | 3,770 |
| Non-controlling interests | | | | <u>(25)</u> |
| Net profit for the period | | | | <u><u>3,745</u></u> |

Total revenue of the Group was RM215.141 million, representing a decrease of 2.0% from RM219.577 million recorded in the corresponding period ended 31 March 2023. The Group recorded an operating profit of RM5.053 million, a decrease of 31.0% from operating profit of RM7.319 million, for the three months ended 31 March 2024.

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 RM21.707 million and RM2.225 million respectively as compared to the corresponding period ended 31 March 2023 mainly due to the lower business volume contributions particularly from two of our major customers. An analysis of revenue of the various operation in Total Logistics Services segment is as follows:

| Revenue | 3 months ended 31.03.2024 RM'000 | 3 months ended 31.03.2023 RM'000 | Variance RM'000 | Variance % |
|--------------------|--|--|--------------------|---------------|
| Freight Forwarding | 41,991 | 56,665 | (14,674) | (25.9) |
| Contract Logistics | 33,843 | 37,626 | (3,783) | (10.1) |
| Transportation | 24,294 | 22,130 | 2,164 | 9.8 |
| Oil Logistics | 9,437 | 10,455 | (1,018) | (9.7) |
| Others* | 8,763 | 13,159 | (4,396) | (33.4) |
| Total | 118,328 | 140,035 | (21,707) | (15.5) |

*Trading of Resin and Data Management Services

Procurement Logistics Services

The Procurement Logistics segment recorded a higher segment revenue of RM96.814 million for the three months ended 31 March 2024 compared to RM79.542 million in the period ended 31 March 2023 mainly due to the higher export volumes arising from improved demands from our customers during the period. The decrease in operating profit from RM4.537 million to RM4.331 million was primarily attributable to higher operating costs, specifically the installation cost of a new production line, of which has been recognized during the period under review.

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 March 2024 | | | | |
| Segment Assets | 947,915 | 124,674 | (332,258) | <u>740,330</u> |
| Segment Liabilities | 312,316 | 61,979 | (86,929) | <u>287,366</u> |
| As at 31 March 2023 | | | | |
| Segment Assets | 973,468 | 95,789 | (337,716) | <u>731,541</u> |
| Segment Liabilities | 509,907 | 44,367 | (265,671) | <u>288,602</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 31.03.2024 RM'000 | As at 31.12.2023 RM'000 |
|---|-------------------------------|-------------------------------|
| Financial assets | | |
| Fair value through profit or loss | | |
| Investment in money market funds | 17,628 | 11,941 |
| Amortised costs | | |
| Trade receivables | 124,062 | 102,536 |
| Other receivables and refundable deposits | 26,918 | 34,924 |
| Amount owing from immediate holding company | 329 | 256 |
| Amount owing from intermediate holding company | 1,054 | 956 |
| Amount owing from related parties | 8,432 | 10,600 |
| Deposits, cash and bank balances | 43,362 | 82,106 |
| Financial liabilities at amortised costs | | |
| Trade payables | 51,649 | 45,386 |
| Other payables and accrued expenses | 42,980 | 54,839 |
| Amount owing to immediate holding company | 2,758 | 2,707 |
| Amount owing to intermediate holding company | 16,924 | 16,224 |
| Amount owing to related parties | 32 | 46 |
| Total borrowings | 109,798 | 128,954 |
| Hire-purchase payables | 3,986 | 4,668 |
| Lease liabilities | 48,890 | 34,089 |

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 31.03.2024 RM'000 | As at 31.12.2023 RM'000 |
|---------------------------------|-------------------------------|-------------------------------|
| Approved and contracted for | 7,837 | 7,695 |
| Approved but not contracted for | 340 | 340 |

16. Changes in Contingent Liabilities

There were no changes in contingent liabilities since the last annual balance sheet as at 31 December 2023.

17. Review of Performance

For the financial quarter ended 31 March 2024, the Group's revenue and pre-tax profit were RM215.141 million and RM3.299 million respectively, compared to revenue and pre-tax profit of RM219.577 million and RM5.429 million respectively for the corresponding period in the previous financial year. The decrease in revenue and pre-tax profit was mainly due to reduced business volume contributions from our Total Logistics Services segment customers in the current financial quarter (please refer to Note 9 for details) .

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

| Revenue | Quarter ended 31.03.2024 RM'000 | Quarter ended 31.03.2023 RM'000 | Variance RM'000 | Variance % |
|--------------------|---------------------------------------|---------------------------------------|--------------------|---------------|
| Freight Forwarding | 41,991 | 56,665 | (14,674) | (25.9) |
| Contract Logistics | 33,843 | 37,626 | (3,783) | (10.1) |
| Transportation | 24,294 | 22,130 | 2,164 | 9.8 |
| Oil Logistics | 9,437 | 10,455 | (1,018) | (9.7) |
| Others* | 8,763 | 13,159 | (4,396) | (33.4) |
| Total | 118,328 | 140,035 | (21,707) | (15.5) |

*Trading of Resin and Data Management Services

The Procurement Logistics Services segment recorded revenue of RM96.814 million during the financial quarter ended 31 March 2024, up from RM79.542 million, an improvement of 21.7% (please refer to Note 9 for details) .

18. Comparison with Immediate Preceding Quarter's Results

| | Current year quarter 31.03.2024 RM'000 | Immediate preceding quarter 31.12.2023 RM'000 | -----Changes----- | |
|-----------------------------------|--|---|-------------------|---------------|
| | | | RM'000 | % |
| Revenue | 215,141 | 146,519 | 68,622 | 47% |
| Direct operating expenses | <u>(186,008)</u> | <u>(121,455)</u> | <u>(64,553)</u> | <u>-53%</u> |
| Gross profit | 29,133 | 25,065 | 4,069 | 16% |
| Net other operating expenses | <u>(24,080)</u> | <u>(23,006)</u> | <u>(1,074)</u> | <u>-5%</u> |
| Results from operating activities | 5,053 | 2,058 | 2,995 | 145% |
| Net finance costs | <u>(1,754)</u> | <u>(1,468)</u> | <u>(286)</u> | <u>-19%</u> |
| Profit before taxation | 3,299 | 590 | 2,709 | 459% |
| Taxation | <u>(1,299)</u> | <u>67</u> | <u>(1,367)</u> | <u>-2028%</u> |
| Profit for the period | <u>2,000</u> | <u>658</u> | <u>1,342</u> | <u>204%</u> |

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

For the financial quarter ended 31 March 2024, the Group reported revenue and pre-tax profit of RM215.141 million and RM3.299 million respectively, compared to revenue and pre-tax profit of RM146.519 million and RM0.590 million respectively for the preceding quarter.

The Total Logistics Services segment achieved revenue growth in the current quarter. This increase was mainly due to settlements related to lost and damaged stocks in the preceding quarter. Revenue recorded from the various operations in the Total Logistics Services segment are as follows:

| Revenue | Quarter ended 31.03.2024 RM'000 | Quarter ended 31.12.2023 RM'000 | Variance RM'000 | Variance % |
|--------------------|---------------------------------------|---------------------------------------|--------------------|---------------|
| Freight Forwarding | 41,991 | 43,133 | (1,142) | (2.6) |
| Contract Logistics | 33,843 | 27,626 | 6,217 | 22.5 |
| Transportation | 24,294 | 23,280 | 1,014 | 4.4 |
| Oil Logistics | 9,437 | 9,538 | (101) | (1.1) |
| Others* | 8,763 | 8,334 | 429 | 5.1 |
| Total | 118,328 | 111,911 | 6,417 | 5.7 |

*Trading of Resin and Data Management Services

For the Procurement Logistics Services segment, revenue was higher mainly due to the increase in export revenue from RM23.968 million to RM87.466 million. Overall revenue from the Procurement Logistics Services segment increased from RM34.608 million to RM96.814 million.

19. Prospects for the Current Financial Year

The Company remains cautious about our outlook amidst the ongoing global economic uncertainties. As a result, the Group implemented and enhanced operational efficiency and synergies. A series of comprehensive assessments were conducted to ensure the cost-effectiveness of our operations whilst removing unnecessary expenses in our processes. Our heads of departments are required to reduce all operating costs, including total wages, of their respective divisions on a yearly basis.

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 31.03.2024 RM'000 | Preceding year corresponding quarter 31.03.2023 RM'000 | Current year to date 31.03.2024 RM'000 | Preceding year corresponding period 31.03.2023 RM'000 |
| Provision for taxation | 1,271 | 1,799 | 1,271 | 1,799 |
| Deferred taxation | 29 | (140) | 29 | (140) |
| | <u>1,299</u> | <u>1,659</u> | <u>1,299</u> | <u>1,659</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 31.03.2024 RM'000 | Preceding year corresponding quarter 31.03.2023 RM'000 | Current year to date 31.03.2024 RM'000 | Preceding year corresponding period 31.03.2023 RM'000 |
| Interest income | 266 | 127 | 266 | 127 |
| Interest expenses - borrowings | (1,519) | (1,689) | (1,519) | (1,689) |
| Interest expenses - right-of-use assets | (501) | (328) | (501) | (328) |
| Depreciation and amortisation | (10,079) | (9,030) | (10,079) | (9,030) |
| Provision for and write off of receivables | (259) | (4) | (259) | (4) |
| Foreign exchange gain | 276 | 465 | 276 | 465 |
| Gain on disposal of quoted or unquoted investments or properties | 224 | 2 | 224 | 2 |
| Other income including investment income (excluding items disclosed above) | 71 | 67 | 71 | 67 |

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 31.03.2024 RM'000 | As at 31.12.2023 RM'000 |
|--|-------------------------------|-------------------------------|
| Trade Receivables | 126,435 | 104,652 |
| Less: Allowance for expected credit loss | (2,373) | (2,116) |
| | <u>124,062</u> | <u>102,536</u> |

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

| | As at 31.03.2024 RM'000 | As at 31.12.2023 RM'000 |
|-------------------|-------------------------------|-------------------------------|
| 1- 30 days | 16,703 | 19,102 |
| 31 - 60 days | 4,449 | 5,518 |
| 61 - 90 days | 650 | 1,252 |
| more than 90 days | 4,042 | 1,038 |
| | <u>25,845</u> | <u>26,910</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 RM25.845 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 March 2024----- | | |
|-------------------------------|----------------------------------|---------------|----------------|
| | Short term | Long term | Total |
| | RM'000 | RM'000 | borrowings |
| | | | RM'000 |
| Short Term - Unsecured | | | |
| - Revolving Credit | 10,000 | - | 10,000 |
| Secured | | | |
| - Term Loans | 16,626 | 83,172 | 99,798 |
| - Hire Purchase | <u>2,274</u> | <u>1,712</u> | <u>3,986</u> |
| | <u>28,900</u> | <u>84,884</u> | <u>113,783</u> |
| | | | |
| | -----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> |

The weighted average effective interest rate of the term loans is 5.11% (2023 : 5.21%) 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 4.73% (2023 : 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 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 31.03.2024 RM'000 | Preceding year corresponding quarter 31.03.2023 RM'000 | Current year to date 31.03.2024 RM'000 | Preceding year corresponding period 31.03.2023 RM'000 |
| Net profit attributable to equity holders of the Company | <u>2,020</u> | <u>3,745</u> | <u>2,020</u> | <u>3,745</u> |
| Weighted average number of ordinary shares in issue | <u>581,886</u> | <u>581,886</u> | <u>581,886</u> | <u>581,886</u> |
| Basic and diluted earnings per share (sen)* | <u>0.35</u> | <u>0.64</u> | <u>0.35</u> | <u>0.64</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 May 2024