

9. FINANCIAL INFORMATION

9.1 Historical Financial Information

9.1.1 CLH Group -Proforma

The following table, which has been extracted from the Accountants' Report in Section 10 of this Prospectus, is a summary of the proforma consolidated financial results of the CLH Group for the past five (5) financial years ended 31 December 1999 and nine (9) months period ended 30 September 2000. The proforma consolidated financial results are prepared for illustrative purposes and should be read in conjunction with the accompanying notes and assumptions included in the Accountants' Report.

	<----- Years Ended 31 December ----->					9 months period ended 30 September
	1995 RM'000	1996 RM'000	1997 RM'000	1998 RM'000	1999 RM'000	2000 RM'000
Revenue	14,306	22,064	38,145	51,346	68,634	76,003
Profit before interest, depreciation and taxation	4,061	4,722	6,612	7,759	11,696	11,210
Net finance costs	(747)	(1,109)	(1,796)	(2,649)	(2,059)	(1,738)
Depreciation	(541)	(825)	(1,292)	(1,604)	(2,031)	(2,372)
Profit before taxation	2,773	2,788	3,524	3,506	7,606	7,100
Taxation	(903)	(1,117)	(1,104)	(1,072)	(27)	(2,353)
Profit after taxation before minority interests	1,870	1,671	2,420	2,434	7,579	4,747
Minority interests	1	1	(23)	(21)	(36)	26
Profit after taxation and minority interest	1,871	1,672	2,397	2,413	7,543	4,773
No. of ordinary shares in issue ('000) ⁽²⁾	21,883	22,783	23,200	23,200	23,200	23,200
No. of weighted ordinary shares in issue ('000)	21,883	22,333	22,992	23,200	23,200	23,200
Gross EPS (RM)	0.13	0.12	0.15	0.15	0.33	0.41 ⁽¹⁾
Gross EPS – fully diluted (RM) ⁽³⁾	0.13	0.12	0.15	0.15	0.33	0.41 ⁽¹⁾
Net EPS (RM)	0.09	0.07	0.11	0.10	0.33	0.27 ⁽¹⁾
Net EPS – fully diluted (RM) ⁽³⁾	0.09	0.07	0.10	0.10	0.33	0.27 ⁽¹⁾
Gross Dividend Rate (%)	-	-	-	-	-	-

Notes:

There were no exceptional or extraordinary items during the above financial years/period.

(1) Annualised

(2) The number of ordinary shares are adjusted to reflect the number of shares fully paid-up for the Proforma Group (except for 1995 and 1996 whereby certain subsidiaries have not been incorporated) and the shares issued for the Acquisition of BP

(3) Based on CLH's weighted ordinary shares in issue

9. FINANCIAL INFORMATION (Cont'd)

The Financial Year Ended 31 December 1995

For the financial year ended 31 December 1995, the proforma Group achieved revenue of RM14.3 million from the provision of forwarding services on steel cargo as well as from warehousing services. The high net profit margin, resulting in profit after taxation of RM1.871 million, was due to the operation of warehousing services with minimal staff.

The Financial Year Ended 31 December 1996

For the financial year ended 31 December 1996, the proforma Group's revenue increased by approximately RM7.8 million or 54.2% mainly due to higher volume of forwarding services on steel cargo as the construction industry continued to grow during the year. However, there is a drop in profit after taxation of approximately RM199,000 or 10.6% due to higher taxation for the year.

The Financial Year Ended 31 December 1997

For the financial year ended 31 December 1997, the proforma Group's revenue increased by approximately RM16.1 million or 72.9% mainly due to the expansion of the Group's lorry fleet and warehouse floor space, and also the introduction of open yards to boost the Group's storage capacity. Consequently the profit after taxation increased by approximately RM725,000 or 43.4%.

The Financial Year Ended 31 December 1998

For the financial year ended 31 December 1998, the proforma Group's revenue increased by approximately RM13.2 million or 34.6% mainly attributed to the expansion of the Group's value added services to other products such as photocopiers, audio visual equipment and handphones. However, there is only a slight increase in profit after taxation of approximately RM16,000 or 0.7% due to lower profit margin incurred for the year pursuant to the economic downturn experienced by Malaysia.

The Financial Year Ended 31 December 1999

For the financial year ended 31 December 1999, the proforma Group's revenue increased by approximately RM17.3 million or 33.7% mainly due to the improvement in the Malaysian economy towards the second half of the year and the increase in new customers and the volume for handphones and photocopiers as demand for these products have increased. The profit after taxation increased by approximately RM5.1 million or 212.6% due to the tax waiver in accordance with the Income Tax (Amendment) Act 1999, as well as higher margin incurred for the year due to the general improvement in the Malaysian economy.

The Financial Period Ended 30 September 2000

For the financial period ended 30 September 2000, the proforma Group recorded a revenue of RM76.0 million. This increase can be attributed to the continuous improvement in the economy which enhanced the revenue attributed from warehousing services and the upward trend for the demand of handphones, photocopiers, fridge and washing machines. However, there is a drop in the profit after taxation, based on an extrapolation, by approximately RM1.18 million or 15.6% mainly due to the incurrance of taxation for the year as compared to 1999.

9. FINANCIAL INFORMATION (Cont'd)

9.1.2 Segmental analysis of the CLH Group's revenue and profits

The contribution to revenue and profits for each main activities of the Group is as follows:

Group	Financial Year Ended 31 December					Period Ended 30
	1995 RM'000	1996 RM'000	1997 RM'000	1998 RM'000	1999 RM'000	September 2000 RM'000
REVENUE						
Forwarding services	7,923	12,407	16,641	19,524	20,747	<u>14,915</u>
Transportation services	2,139	2,924	7,837	4,169	10,620	<u>7,987</u>
Distribution services	-	-	-	709	1,356	<u>9,423</u>
Warehousing services	4,016	6,402	9,357	7,823	7,355	<u>7,062</u>
Open yard services	204	292	1,607	559	1,085	<u>1,780</u>
Value added services	24	39	2,703	18,562	27,471	<u>34,836</u>
	<u>14,306</u>	<u>22,064</u>	<u>38,145</u>	<u>51,346</u>	<u>68,634</u>	<u>76,003</u>
PROFIT/(LOSS) BEFORE TAXATION						
Forwarding services	1,416	2,167	1,386	305	847	850
Transportation services	342	476	1,277	(180)	1,511	1,039
Distribution services	-	-	-	(271)	(199)	235
Warehousing services	980	234	458	2,650	2,550	1,803
Open yard services	45	64	356	(362)	347	245
Value added services	(10)	(153)	47	1,364	2,550	2,928
	<u>2,773</u>	<u>2,788</u>	<u>3,524</u>	<u>3,506</u>	<u>7,606</u>	<u>7,100</u>
PROFIT AFTER TAXATION	1,870	1,671	2,420	2,434	7,579	4,747

9. FINANCIAL INFORMATION (Cont'd)

9.1.3 Directors' Declaration On Financial Performance

As at 17 March 2001, being the latest practicable date prior to the printing of this Prospectus, the financial conditions and operations of the Company and its subsidiaries are not affected by any of the following:

- (i) known trends, demands, commitments, events or uncertainties that have had or that the Group reasonably expects to have a material favourable or unfavourable impact on financial performance, position and operations of the Group;
- (ii) material commitment for capital expenditure;
- (iii) unusual, infrequent events or transactions or any significant economic changes that have materially affected the financial performance, position and operations of the CLH Group;
- (iv) substantial increase in revenue, save and except as disclosed in Section 9.1.1 of the Prospectus; and
- (v) known events, circumstances, trends, uncertainties and commitments that are reasonably likely to make the historical financial statements not indicative of future financial performance and position.

9.1.4 Working Capital, Borrowings, Contingent Liabilities, Capital Commitments and Material Litigation

(i) Working Capital

The Directors of CLH are of the opinion that, barring any unforeseen circumstances and after taking into consideration the cashflow estimate and forecast, the banking facilities available and the net proceeds of the Issues, the CLH Group will have adequate working capital for its foreseeable requirements.

(ii) Borrowings

As at 17 March 2001 (being the latest practicable date of which, such amounts could be calculated prior to the printing of this Prospectus), the Group's total borrowings are as follows:

Type of Borrowings	Amount (RM'000)
Overdraft	10,894
Term Loan	
Short term	1,158
Long term	6,383
Hire Purchase and Leasing Facilities	3,647
Total Borrowings	22,082

The Group does not have any non-interest bearing borrowings.

Save as disclosed above, the CLH Group does not have any other borrowings and indebtedness in the form of borrowings.

9. FINANCIAL INFORMATION (Cont'd)

(iii) Contingent Liabilities

As at 17 March 2001 (being the latest practicable date of which such amounts could be calculated prior to the printing of this Prospectus), neither CLH nor its subsidiaries has any material contingent liabilities.

(iv) Capital Commitments

As at 17 March 2001 (being the latest practicable date of which such amounts could be calculated prior to the printing of this Prospectus), the Group does not have any material capital commitments, save and except for the proposed acquisition of the Property, i.e. the 2 pieces of leasehold land together with a factory/warehouse building located at Mukim of Kapar, District of Klang, Selangor Darul Ehsan for a cash consideration of RM8,968,976, of this sum, an amount of RM896,897.60 has been paid as initial deposit pursuant to the proposed acquisition of the Property. Further, upon the transfer of the Property in the name of BH, the payment of RM436,024 for the acquisition of the entire issued shares in BH which are already registered in the name of CLH would become payable.

(v) Material Litigation

Save as disclosed in Section 12.7 of the Prospectus, the CLH Group is presently not engaged whether as plaintiff or defendant in any legal action, proceeding, arbitration or prosecution for any criminal offence, which has a material effect on the financial position of the CLH Group and the Directors do not know of any proceedings pending or threatened or of any fact likely to give rise to any proceedings which might materially and adversely affect the position or business of the Group.

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9. FINANCIAL INFORMATION (Cont'd)

9.2 Future Financial Information

9.2.1 Reporting Accountants' Letter on the Consolidated Profit Estimate and Forecast

(Prepared for inclusion in this Prospectus)



17 March, 2001

The Board of Directors
Century Logistics Holdings Berhad
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Arthur Andersen & Co
Public Accountants

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603 2559078

Dear Sirs

**PROFIT ESTIMATE AND FORECAST FOR THE FINANCIAL YEARS ENDED/ENDING
31 DECEMBER, 2000 AND 2001**

We have reviewed the accounting policies and calculations for the consolidated profit estimate and forecast of CENTURY LOGISTICS HOLDINGS BERHAD and its subsidiaries ("the Group"), as set out in the accompanying statement, for which the directors are solely responsible, for the financial years ended/ending 31 December, 2000 and 2001, as set out in the Prospectus to be dated 30 March, 2001 in connection with the Special Issue of 8,000,000 new ordinary shares of RM1.00 each at an issue price of RM1.80 per share to the Bumiputera parties nominated by the Ministry of International Trade and Industry, and Public Issue of 6,700,000 new ordinary shares of RM1.00 each at an issue price of RM1.80 per share to the eligible employees and directors of the Group as well as to the Malaysian public and the listing of and quotation for its entire issued and paid-up share capital on the Second Board of the Kuala Lumpur Stock Exchange.

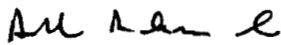
The forecast has been prepared by the directors based on a set of assumptions made by the directors which include significant assumptions about future events and outlook that may not necessarily occur. In particular, the forecast is dependent on the achievability of the specific assumptions as set out in the accompanying statement. Future results will be materially affected should the actual events differ from these specific assumptions as well as changes in the economic and other circumstances, and for these reasons, the actual results may vary considerably from the forecast.


In our opinion, the estimate and forecast, so far as the accounting policies and calculations are concerned, have been properly compiled on the basis of the assumptions made by the directors set out in the accompanying statement and have been presented on a basis consistent with the accounting policies normally adopted by the Group.

9. FINANCIAL INFORMATION *(Cont'd)*

This letter has been prepared solely for inclusion in the Prospectus in connection with the above exercises and should not be used for any other purposes without our prior consent.

Yours faithfully


Arthur Andersen & Co.
No. AF0103
Public Accountants


Adrian Tsen Keng Yam
No. 1314/05/02(J)
Partner of the Firm

9. FINANCIAL INFORMATION (Cont'd)

9.2.2 Consolidated Profit Estimate and Forecast Together With The Notes Relating Thereto

CENTURY LOGISTICS HOLDINGS BERHAD
CONSOLIDATED PROFIT ESTIMATE AND FORECAST TOGETHER WITH THE
NOTES RELATING THERETO

The directors estimate and forecast that, in the absence of unforeseen circumstances, the consolidated profit after taxation and minority interests for the financial years ended/ending 31 December, 2000 and 2001 will be approximately:

	Financial Years Ended/Ending 31 December	
	<u>2000</u> Estimate RM'000	<u>2001</u> Forecast RM'000
Revenue	<u>102,551</u>	<u>117,277</u>
Profit before taxation	10,473	12,985
Taxation	(2,932)	(3,636)
Profit after taxation	<u>7,541</u>	<u>9,349</u>
Minority interests	(51)	(63)
Profit after taxation and minority interests	<u>7,490</u>	<u>9,286</u>
Enlarged issued and paid-up share capital ('000)	29,744	44,444
Weighted average number of shares in issue ('000)	29,744 ⁽¹⁾	40,769 ⁽²⁾
Gross EPS (RM)	0.35 ⁽³⁾	0.32 ⁽³⁾
Net EPS (RM)	0.25 ⁽³⁾	0.23 ⁽³⁾
Fully diluted gross EPS (RM)	0.35 ⁽⁴⁾	0.29 ⁽⁴⁾
Fully diluted net EPS (RM)	0.25 ⁽⁴⁾	0.21 ⁽⁴⁾
Gross PE Multiple based on the issue price of RM1.80 per ordinary share (times)	5.11	5.65
Net PE Multiple based on the issue price of RM1.80 per ordinary share (times)	7.15	7.90

Notes:

- (1) Weighted average number of shares in issue of 29,743,969 ordinary shares of RM1.00 each is the same as the enlarged share capital in issue as at 31 December, 2000.
- (2) Weighted average number of shares in issue of 40,768,969 ordinary shares of RM1.00 each was calculated based on the assumption that the Special and Public Issues would be completed on 31 March, 2001.
- (3) Calculated based on the weighted average number of shares in issue.
- (4) Calculated based on the enlarged share capital in issue.

9. FINANCIAL INFORMATION (Cont'd)

The consolidated profit estimate and forecast have been prepared on a basis consistent with the accounting policies normally adopted by the Group.

The profit for the year ended 31 December, 2000 has been estimated based on the books and records on the assumption that there will be no material adjustments deemed necessary when the final management accounts have been prepared and audited.

The principal assumptions upon which the forecast has been made are as follows:

1. There will be no material changes in the structure or type of principal activities of the Group.
2. There will be no significant changes to the prevailing Malaysian and world economic conditions that may directly or indirectly have an adverse effect on the Group's performance.
3. The Malaysian 2001 Budget which is expecting a 7.5% growth in Gross Domestic Product in 2001 will be achievable and have a favourable effect on the operations of the Group.
4. There will be no significant changes in the present legislation or Government regulations affecting the Group's activities or the market in which it operates.
5. The pricing of the logistics services currently being charged are not expected to change significantly and the growth in logistics services as forecasted will be achieved.
6. The Group's transportation capacities for its logistics services will be expanded as planned to cater for its expected growth.
7. There will be no material increase in wages, overheads and operating expenses and the increase is expected to be in line with inflation and will not fluctuate significantly from present levels.
8. The inflation and interest rates will not fluctuate significantly from their forecasted levels.
9. There will be no major industrial disputes or other abnormal factors, both domestic and overseas, which will adversely affect the planned operations of the Group.
10. There will be no significant fluctuations in foreign currencies from their forecasted levels and the exchange rate will remain pegged at the current rate of RM3.80 to USD1.00.
11. The Group's existing financing facilities will remain available with no significant changes in their interest rates.
12. The rates and basis of taxation will not deviate substantially from current levels.
13. There will be no major changes in the existing key personnel and management of the Group that will adversely affect the marketing and operational capability of the Group.
14. Capital expenditure programs will be implemented and incurred on schedule and there will be no material acquisitions or disposals of fixed assets other than those planned.

9. FINANCIAL INFORMATION (Cont'd)

9.2.3 Directors' Analysis on Revenue and Profit Estimate and Forecast**(i) Consolidated Revenue**

Revenue for the financial year ended 31 December 2000 is estimated to be approximately RM102.6 million (based on the Proforma Group structure), an increase of 49.6% over the proforma consolidated revenue of RM68.6 million for the financial year ended 31 December 1999. The substantial increase estimated is due to the continued improvement of the economy in 2000. In particular, certain major clients, which the CLH Group provides total logistics solutions, were secured during the end of 1999 and early 2000. The revenue of BP is also estimated to increase due to improved demands for the electrical and electronics products in which BP provides value added services.

Total Group revenue is expected to further increase to RM117.3 million in 2001, representing an increase of RM14.7 million or 13.9% over the Group's estimated revenue of RM102.6 million in 2000. With the completion of the acquisition of BP, the Group expects the contribution of BP to remain at about one third of the consolidated Group's revenue whilst the rest of the logistics services shall contribute approximately two thirds of this revenue. The proceeds from the Issues will enable the Group to embark on an expansion programme such as the purchase of prime-movers and trailers, the investment in branches and repayment of bank borrowings. The proceeds will also enable the Group to purchase land and invest further in the supply chain and distribution systems.

The overall direction of the Group is towards improving its freight and distribution services which is in line with the objective of moving into regional and international door to door total logistics.

(ii) Consolidated Profit

The consolidated profit before taxation of the Proforma Group is estimated to increase substantially by 37.7% for the financial year ended 31 December 2000, as compared to the prior financial year. Again, the substantial increase can be attributable to the continued improvement in the economy during 2000 and the securing of new major clients. The profit before taxation is not expected to increase at the same rate as revenue due to preferential rates given to these major clients as well as stiff competition for rates from other logistics companies. The profit after taxation for 2000 declined marginally as opposed to 1999 due to the waiver of taxation in 1999.

On the assumption that the Issues are completed at the end of the first quarter of 2001 and the proceeds to be utilised, the Group forecasts to record a profit before taxation and after taxation of RM12.9 million and RM9.3 million, respectively. The improvements are mainly due to profit arising from the following:

- (a) interest savings as a result of the proposed repayment of bank borrowings of the Group, of approximately RM475,000, financed by the proceeds arising from the Issues.
- (b) better working capital enabling better credit terms from suppliers.

9. FINANCIAL INFORMATION (Cont'd)

- (c) the purchase of prime mover and trailers will assist in the operations of the Group, particularly for CHM.

As a result of the above, the net EPS is expected to be approximately 23 sen in 2001.

9.2.4 Sensitivity Analysis

The following sensitivity analysis is prepared by the management of the Group and has not been independently verified by the Reporting Accountants and Advisers. It is based on the forecast assumptions as set out in Section 9.2.1 above and assuming all other factors remaining unchanged except for the 5%, 10%, 15% downward variations in sales volume and rates.

Scenario A : Sales volume drop by 5%, 10% and 15%

% Change	Revenue RM'000	PBT RM'000	PAT RM'000
As forecasted	117,277	12,985	9,286
-15	102,085	7,926	5,578
-10	107,906	9,646	6,882
-5	110,223	10,908	7,791

Scenario B : Rates drop by 5%, 10% and 15%

% Change	Revenue RM'000	PBT RM'000	PAT RM'000
As forecasted	117,277	12,985	9,286
-15	103,297	8,241	5,871
-10	108,637	9,791	6,987
-5	112,527	11,337	8,100

Scenario C : Sales Volume and Rates drop by 5%, 10% and 15%

% Change	Revenue RM'000	PBT RM'000	PAT RM'000
As forecasted	117,277	12,985	9,286
-15	90,585	3,914	2,574
-10	99,176	6,952	4,913
-5	107,970	9,870	7,044

9. FINANCIAL INFORMATION (Cont'd)

9.3 Dividend Estimate and Forecast

The Company does not expect to declare dividends for the financial year ended 31 December 2000. However barring any unforeseen circumstances, the Directors of CLH expect that the Company would be able to declare a dividend rate of 5% less 28% tax for the financial year ending 31 December 2001 based on the enlarged issued and paid-up share capital of CLH of RM44,443,969.

Financial Year Ending 31 December 2001	RM'000
Profit after tax and minority interest	9,286
Less: Proposed dividend (less 28% tax)	(1,600)
Retained profit for the year	<u>7,686</u>
Gross dividend per ordinary share (sen)	5.00
Net dividend per ordinary share (sen)	3.60
Gross dividend yield based on the issue price of RM1.80 per ordinary share (%)	2.78
Net dividend yield based on the issue price of RM1.80 per ordinary share (%)	2.00
Gross dividend cover (times)	5.84
Net dividend cover (times)	5.80

Future dividends may be waived in the following circumstances:

- (i) Insufficient retained earnings to declare dividends
- (ii) Insufficient cash flows to pay dividends

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9. FINANCIAL INFORMATION (Cont'd)

9.4 Proforma Consolidated Balance Sheets and Reporting Accountants' Letter

9.4.1 Reporting Accountants' Letter on Proforma Consolidated Balance Sheets as at 30 September 2000

(Prepared for inclusion in this Prospectus)



17 March, 2001

The Board of Directors
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Tel 603 2577000
Fax 603 2555332 (Main)
603 2559076 (Div)
603 2559078

Dear Sirs

PROFORMA CONSOLIDATED BALANCE SHEETS AS AT 30 SEPTEMBER, 2000

We have examined the presentation of the Proforma Consolidated Balance Sheets of CENTURY LOGISTICS HOLDINGS BERHAD ("the Company") and its subsidiaries ("the Group") as at 30 September, 2000, together with the notes thereon, for which the directors are solely responsible, as set out in the Prospectus to be dated 30 March, 2001, in connection with the Special Issue of 8,000,000 new ordinary shares of RM1.00 each at an issue price of RM1.80 per share to the Bumiputera parties nominated by the Ministry of International Trade and Industry, and Public Issue of 6,700,000 new ordinary shares of RM1.00 each at an issue price of RM1.80 per share to the eligible employees and directors of the Group as well as to the Malaysian public and the listing of and quotation for its entire issued and paid-up share capital on the Second Board of the Kuala Lumpur Stock Exchange.

In our opinion, the Proforma Consolidated Balance Sheets have been prepared incorporating the effects of the proposals as set out in the accompanying statement.

Yours faithfully

Arthur Andersen & Co.
No. AF0103
Public Accountants

Adrian Tsen Keng Yam
No. 1314/05/02(J)
Partner of the Firm

9. FINANCIAL INFORMATION (Cont'd)

9.4.2 Proforma Consolidated Balance Sheets as at 30 September 2000
(Prepared for inclusion in this Prospectus)CENTURY LOGISTICS HOLDINGS BERHAD
PROFORMA CONSOLIDATED BALANCE SHEETS
AS AT 30 SEPTEMBER, 2000

	Audited as at 30 September, 2000 RM'000	Proforma I RM'000	Proforma II RM'000
CURRENT ASSETS			
Cash and bank balances	267	3,013	10,963
Deposits with licensed banks	1,485	3,967	3,967
Trade debtors	21,742	33,601	33,601
Other debtors and prepayments	2,977	3,179	3,179
Stocks	-	6,936	6,936
	<u>26,471</u>	<u>50,696</u>	<u>58,646</u>
CURRENT LIABILITIES			
Bank overdrafts	12,293	12,293	12,293
Short term borrowings	1,582	1,582	726
Trade creditors	6,621	17,830	17,830
Other creditors and accruals	1,657	10,473	9,842
Hire purchase creditors	1,255	1,344	1,344
Taxation	1,087	1,748	1,748
	<u>24,495</u>	<u>45,270</u>	<u>43,783</u>
NET CURRENT ASSETS	1,976	5,426	14,863
FIXED ASSETS	37,536	40,198	49,678
DEFERRED EXPENDITURE	631	631	-
GOODWILL ON CONSOLIDATION	393	393	393
HIRE PURCHASE CREDITORS	(1,477)	(1,544)	(1,544)
TERM LOANS	(10,574)	(6,474)	-
DEFERRED TAXATION	(610)	(681)	(681)
MINORITY INTERESTS	(164)	(164)	(164)
	<u>27,711</u>	<u>37,785</u>	<u>62,545</u>
SHAREHOLDERS' FUNDS			
Share capital	16,900	29,744	44,444
Share premium	50	423	10,483
Retained profits	10,761	7,618	7,618
	<u>27,711</u>	<u>37,785</u>	<u>62,545</u>
Net tangible assets per share (RM)	<u>1.58</u>	<u>1.24</u>	<u>1.40</u>

9. FINANCIAL INFORMATION (Cont'd)

CENTURY LOGISTICS HOLDINGS BERHAD
NOTES TO THE PROFORMA CONSOLIDATED BALANCE SHEETS

The Proforma Consolidated Balance Sheets of CENTURY LOGISTICS HOLDINGS BERHAD (“CLH” or “the Company”) have been prepared for illustrative purposes only based on accounting principles and bases consistent with those previously adopted in the preparation of the audited financial statements and are based on the audited balance sheets of the following companies:

- Century Logistics Holdings Berhad;
- Century Logistics Sdn Bhd;
- Century Logistics (Johore) Sdn Bhd;
- Century Freight Services Sdn Bhd;
- Century Haulage & Movers Sdn Bhd;
- Century Distribution Sdn Bhd;
- Damaria Freight Sdn Bhd;
- Storewell (M) Sdn Bhd;
- Storewell Realty Sdn Bhd; and
- Brilliant Pattern Sdn Bhd;

and have been prepared after implementation in full the proposals and relevant adjustments.

Best Heritage Sdn Bhd (“BH”) has not been included in the preparation of the Proforma Consolidated Balance Sheets as no financial statements were prepared as it was only incorporated on 28 January, 2000, and has remained dormant since then.

1. PROFORMA I

Proforma I incorporates the following:

- (i) declaration of dividends by a subsidiary of the Group to CLH for the proposed bonus issue of 2,816,671 new ordinary shares of RM1.00 each on the basis of approximately one (1) new ordinary share for every six (6) existing CLH ordinary shares held. The bonus issue shares will rank pari passu in all respect with the existing ordinary shares of CLH;
- (ii) the conversion of advances of RM4,100,000 by Lim Seng Chee & Sons Sdn Bhd and Phua Sin Mo to 3,727,273 new ordinary shares of RM1.00 each at a conversion price of RM1.10 per share; and
- (iii) the acquisition of the entire issued and paid-up share capital of Brilliant Pattern Sdn Bhd (“BP”) comprising 550,000 ordinary shares of RM1.00 each for a purchase consideration of RM6,300,000 to be satisfied by the issue and allotment of 6,300,000 new ordinary shares of RM1.00 each in CLH at an issue price of RM1.00 per share. The acquisition will be accounted for using merger accounting and the merger deficit of RM5,750,000 is charged to the retained profits.

9. FINANCIAL INFORMATION (Cont'd)

2. PROFORMA II

Proforma II includes the transactions in Proforma I and the following transactions:

- (i) the special issue of 8,000,000 new ordinary shares of RM1.00 each at an issue price of RM1.80 per share to the Bumiputera parties;
- (ii) the public issue of 6,700,000 new ordinary shares of RM1.00 each at an issue price of RM1.80 per share to the eligible employees and directors of the Group as well as to the Malaysian public; and
- (iii) the proceeds from the special issue and public issue will be utilised for the following purposes:

	RM'000
(a) Repayment of bank borrowings	7,330
(b) Working capital	7,950
(c) Acquisition of land for warehouse	3,000
(d) Purchase of prime movers and trailers	2,980
(e) Investment in branches	2,000
(f) Estimated listing expenses *	1,700
(g) Upgrading of computer systems	1,500
	26,460

* - The listing expenses will be set off against share premium upon listing.

9. FINANCIAL INFORMATION (Cont'd)

3. SHARE CAPITAL, SHARE PREMIUM AND RETAINED PROFITS

The movements in the share capital, share premium and retained profits are as follows:

	<u>Share capital</u> RM'000	<u>Share premium</u> RM'000	<u>Retained profits</u> RM'000
As at 30 September, 2000	16,900	50	10,761
Proforma I			
- Acquisition of BP			
• Share issue	6,300	-	-
• Retained profits	-	-	5,424
• Merger deficits	-	-	(5,750)
- Bonus issue	2,817	-	(2,817)
- Conversion of advances	3,727	373	-
	<u>29,744</u>	<u>423</u>	<u>7,618</u>
Proforma II			
- Special issue	8,000	6,400	-
- Public issue	6,700	5,360	-
- Listing expenses	-	(1,700)	-
	<u>44,444</u>	<u>10,483</u>	<u>7,618</u>