



CENTURY LOGISTICS HOLDINGS BERHAD (424341-A)

Quarterly report on unaudited consolidated results for the financial period ended 31 December 2009

CONDENSED CONSOLIDATED INCOME STATEMENTS FOR THE QUARTER ENDED 31 DECEMBER 2009

	-----Individual quarter-----		-----Cumulative quarter-----	
	Current year quarter 31.12.2009 RM'000	Preceding year corresponding quarter 31.12.2008 RM'000	Current year to date 31.12.2009 RM'000	Preceding year corresponding period 31.12.2008 RM'000
Revenue	57,090	47,752	210,918	163,892
Direct operating expenses	<u>(38,276)</u>	<u>(31,313)</u>	<u>(144,282)</u>	<u>(106,336)</u>
Gross profit	18,814	16,439	66,636	57,556
Net other operating expenses	(9,405)	(15,680)	(38,181)	(37,162)
Net interest expense	<u>(1,096)</u>	<u>(958)</u>	<u>(3,700)</u>	<u>(3,305)</u>
Profit before taxation	8,313	(199)	24,755	17,089
Taxation	<u>(1,237)</u>	<u>(1,016)</u>	<u>(3,863)</u>	<u>(3,334)</u>
Profit for the period	<u>7,076</u>	<u>(1,215)</u>	<u>20,892</u>	<u>13,755</u>
Attributable to:				
Equity holders of the parent	7,110	(638)	20,904	14,767
Minority interest	<u>(34)</u>	<u>(577)</u>	<u>(12)</u>	<u>(1,012)</u>
Net profit for the period	<u>7,076</u>	<u>(1,215)</u>	<u>20,892</u>	<u>13,755</u>
Earnings per share attributable to equity holders of the parent:				
Basic (sen)	<u>8.78</u>	<u>(0.85)</u>	<u>27.44</u>	<u>21.12</u>
Diluted (sen)	<u>Not applicable</u>	<u>Not applicable</u>	<u>Not applicable</u>	<u>Not applicable</u>

The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the Year Ended 31 December 2008.

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CONDENSED CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2009

	As at end of current quarter 31.12.2009 RM'000	As at preceding financial year end 31.12.2008 (audited) RM'000
ASSETS		
Non-current Assets		
Property, plant and equipment	118,393	94,901
Investment property	30,000	30,000
Prepaid lease payments	29,350	26,382
Other investments	2,692	2,685
Goodwill on consolidation	3,730	3,730
	<u>184,165</u>	<u>157,698</u>
Current Assets		
Receivables	73,192	51,288
Cash and bank balances	33,511	17,776
	<u>106,703</u>	<u>69,064</u>
TOTAL ASSETS	<u><u>290,868</u></u>	<u><u>226,762</u></u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	81,671	81,671
Treasury shares	(277)	(11,417)
Reserves	73,468	67,474
	<u>154,862</u>	<u>137,728</u>
Minority Interest	1,444	1,035
Total Equity	<u>156,306</u>	<u>138,763</u>
Non-current Liabilities		
Borrowings	72,438	40,871
Deferred taxation	8,889	8,899
	<u>81,327</u>	<u>49,770</u>
Current Liabilities		
Borrowings	9,230	6,329
Payables	44,005	31,900
	<u>53,235</u>	<u>38,229</u>
Total Liabilities	<u>134,562</u>	<u>87,999</u>
TOTAL EQUITY AND LIABILITIES	<u><u>290,868</u></u>	<u><u>226,762</u></u>
Net assets per share attributable to ordinary equity holders of the parent (RM)	1.90	1.85

The Condensed Consolidated Balance Sheet should be read in conjunction with the Annual Financial Report for the Year Ended 31 December 2008.

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CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED 31 DECEMBER 2009

	Current year to date 31.12.2009 RM'000	Preceding year corresponding period 31.12.2008 RM'000
Net cash generated from operating activities	23,273	26,185
Net cash (used in) / from investing activities	(32,190)	3,192
Net cash from / (used in) financing activities	<u>25,155</u>	<u>(18,704)</u>
Net increase in cash and cash equivalents	16,238	10,673
Cash and cash equivalents at beginning of the period	<u>17,273</u>	<u>6,600</u>
Cash and cash equivalents at end of the period	<u><u>33,511</u></u>	<u><u>17,273</u></u>
Cash and cash equivalents at the end of the financial period comprise the following :		
Cash on hand and at banks	15,696	7,272
Deposits with licensed banks	17,816	10,504
Bank overdraft	<u>(1)</u>	<u>-</u>
	33,511	17,776
Less: Short term deposits pledged	<u>-</u>	<u>(503)</u>
	<u><u>33,511</u></u>	<u><u>17,273</u></u>

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Report for the Year Ended 31 December 2008.

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 DECEMBER 2009

	← Attributable to Equity Holders of the Parent →				Total Shareholders' Equity RM'000	Minority Interest RM'000	Total Equity RM'000
	Share Capital RM'000	← Non-distributable Share Premium Reserve RM'000	→ Other Reserves RM'000	Distributable Retained Earnings RM'000			
Period ended 31 December 2009							
As at 1 January 2009	81,671	11,438	(11,149)	55,768	137,728	1,035	138,763
Disposal of subsidiary company	-	-	-	-	-	(29)	(29)
Effect of dilution on equity interest in subsidiary company	-	-	-	-	-	450	450
Foreign exchange translation	-	-	(192)	-	(192)	-	(192)
ESOS issue/ warrants expenses	-	-	(280)	-	(280)	-	(280)
Purchase of treasury shares	-	-	(1,780)	-	(1,780)	-	(1,780)
Disposal of treasury shares	-	-	1,576	-	1,576	-	1,576
Profit after tax for the financial period	-	-	-	20,904	20,904	(12)	20,892
Dividend in shares	-	(11,344)	11,344	-	-	-	-
Dividend in cash	-	-	-	(3,094)	(3,094)	-	(3,094)
As at 31 December 2009	81,671	94	(481)	73,578	154,862	1,444	156,306
Period ended 31 December 2008							
As at 1 January 2008	53,431	11,197	(1,745)	43,413	106,296	460	106,756
Issue of shares (net off of incidental cost of RM179,000)	28,240	110	(179)	-	28,171	-	28,171
Acquisition of subsidiary company	-	-	-	-	-	802	802
Acquisition of additional equity interest in subsidiary company	-	-	-	-	-	785	785
Purchase of treasury shares	-	-	(7,275)	-	(7,275)	-	(7,275)
Transfer to share premium upon exercise of share options	-	131	(131)	-	-	-	-
Transfer to retained earnings upon lapse of share option	-	-	(42)	42	-	-	-
Transfer to retained earnings upon exercise of warrants	-	-	(1,980)	1,980	-	-	-
Transfer to retained earnings upon lapse of warrants	-	-	(15)	15	-	-	-
Exchange differences arising on translation of foreign operations	-	-	218	-	218	-	218
Profit after tax for the financial period	-	-	-	14,767	14,767	(1,012)	13,755
Dividend paid	-	-	-	(4,449)	(4,449)	-	(4,449)
As at 31 December 2008	81,671	11,438	(11,149)	55,768	137,728	1,035	138,763

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the Year Ended 31 December 2008.

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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 FRS 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 2008.

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 year ended 31 December 2008.

2. Significant Accounting Policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the financial year ended 31 December 2008.

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 2008 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 are no unusual items affecting assets, liabilities, equity, net income or cash flows in the financial year to date.

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 and share cancellations for the financial quarter under review, except the following:

- a) The Company bought back 832,200 ordinary shares of RM1.00 each from the open market at an average price of RM1.70 per share. The shares purchased are being held as treasury shares in accordance with Section 67A of the Companies Act, 1965.
- b) The Company sold 927,270 ordinary shares of RM1.00 each held as treasury shares in the open market at an average price of RM2.04 per share.

8. Dividend Paid

On 28 December 2009, the Company paid a Single Tier interim dividend of 2.0 sen per share in respect of the financial year ended 31 December 2009 amounting to RM1.61 million.

9. Segmental Reporting

No segmental reporting is presented as the Group provides integrated logistics activities, which are substantially carried out in Malaysia.

10. 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.

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

On 28 January 2010, the Company issued 40,753,042 three (3) year 2010/2013 warrants pursuant to a renounceable rights issue of warrants on the basis of one (1) warrant for every two (2) existing ordinary shares of RM1.00 each in the Company at an issue price of RM0.05 per warrant. The warrants were listed on the Main Market of Bursa Malaysia Securities Berhad on 3 February 2010 and expires on 27 January 2013.

12. Changes in Composition of the Group

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

13. Capital Commitments

As at the end of the reporting quarter, the Group has approved and contracted for capital commitments of RM36.2 million in respect of property, plant and equipment.

14. Changes in Contingent Liabilities

There were no changes in contingent liabilities since the last annual balance sheet as at 31 December 2008.

15. Review of Performance

In the current reporting quarter, the Group reported revenue and pre-tax profit of RM57.090 million and RM8.313 million respectively, compared to revenue and pre-tax loss of RM47.752 million and RM0.199 million respectively for the corresponding period in the previous financial year. The increase in revenue and pre-tax profit by 19.6% and 4277.4% respectively was due to increased business activities from new and existing customers.

16. Comparison with Immediate Preceding Quarter's Results

In the current reporting quarter, the Group reported revenue and pre-tax profit of RM57.090 million and RM8.313 million respectively, compared to revenue and pre-tax profit of RM67.251 million and RM10.252 million respectively for the preceding quarter. The decrease in revenue and pre-tax profit by 15.1% and 18.9% respectively was mainly due to the comparatively weaker market sentiments during the reporting quarter.

17. Prospects for the Next Financial Year

In recognizing the competitive pressures within the logistics industry, the Group continues to take the necessary measures to remain resilient, including focusing on providing value-added logistics solutions as well as maintaining cost efficiencies. The continued expansion of the customer base is a testament of Century's supply chain solutions offering. Consequently, the Group is confident of its business model and is optimistic to achieve another record performance for the next financial year.

18. Profit Forecast

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

19. Taxation

	-----Individual quarter-----		-----Cumulative quarter-----	
	Current year quarter 31.12.2009 RM'000	Preceding year corresponding quarter 31.12.2008 RM'000	Current year to date 31.12.2009 RM'000	Preceding year corresponding period 31.12.2008 RM'000
Provision for taxation	1,197	(308)	3,823	1,710
Deferred taxation	40	1,324	40	1,624
	<u>1,237</u>	<u>1,016</u>	<u>3,863</u>	<u>3,334</u>

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20. Sale of Unquoted Investments and/or Properties

There was no sale of unquoted investment and/or property during the current financial period.

21. Quoted Securities

a) There was no purchase or disposal of quoted securities during the reporting quarter.

	As at 31.12.2009	As at 31.12.2008
	RM'000	RM'000

b) Total investments in quoted securities as at 31 December 2009 are as follows:

At carrying value/book value (after impairment loss)	1,442	685
At market value	2,103	685

22. Status of Corporate Proposal

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

23. Group's Borrowings and Debt Securities

	As at 31.12.2009	As at 31.12.2008
	RM'000	RM'000
Short Term - Unsecured		
- Bank Overdraft	1	-
Short Term - Secured		
- Term Loans	4,689	2,714
- Foreign Term Loan	2,173	-
- Hire Purchase and Finance Leases	2,367	3,615
	<u>9,230</u>	<u>6,329</u>
Long Term - Unsecured		
- Term Loan	20,000	20,000
Long Term - Secured		
- Term Loans	28,855	16,286
- Foreign Term Loan	20,639	-
- Hire Purchase and Finance Leases	2,944	4,585
	<u>72,438</u>	<u>40,871</u>
	<u>81,668</u>	<u>47,200</u>
Borrowings denominated in foreign currency:		
Term loan - Thai Baht 222,901,708	<u>22,812</u>	<u>-</u>

24. Off Balance Sheet Financial Instruments

The Group does not have any financial instruments with off balance sheet risk.

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25. Material Litigation

Save as disclosed below, 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:

Shah Alam High Court Writ of Summons No.: MT1-22-154-2003 dated 4 March 2003 by (1) Best Heritage Sdn Bhd (now known as Century Logistics (Sarawak) Sdn Bhd) ("BHSB") and (2) Century Distribution Sdn Bhd (now known as Century Total Logistics Sdn Bhd) ("CDSB") against Chemfert Sdn Bhd ("Defendant") for the recovery of a total of RM1,314,195.02 for damages arising from the unlawful entry of a caveat by the Defendant on BHSB's land held under HS(D) 20946 PT No. 8540 and HS(D) 20947 PT No. 8539 both in Mukim Kapar, Daerah Klang, Negeri Selangor. The Defendant applied to the Shah Alam High Court to strike out CDSB's claim. The Shah Alam High Court had on 12 February 2004 dismissed the Defendant's application to strike out CDSB's claim. The Defendant then filed an appeal against that decision to the Judge-in-Chambers and the hearing of the appeal and case management was fixed on 22 May 2007. On 26 September 2007, the Judge allowed the Defendant's appeal with cost and ordered that CDSB be struck out from the suit. CDSB had on 25 October 2007 filed a Notice of Appeal on the decision. This matter is now fixed for mention on 3 December 2009 for the parties to appraise the Shah Alam High Court on the status of the appeal. On the other hand, the hearing of the appeal under Court of Appeal Civil Appeal No.: B-03-211-2007 against the striking out was scheduled on 29 June 2009 but was adjourned and the Court of Appeal had directed the appellant to file a motion to include documents not previously included in the Record of Appeal. At the decision of the taxation of the Defendant's bill of costs for striking out CDSB's claim which came up on 1 July 2009, the Court Registrar granted RM29,607.00 as costs for the Defendant's aforementioned appeal to the Judge-in-Chambers. CDSB had filed an application to review the costs awarded by the Court Registrar to the Defendant.

26. Dividend

The Board of Directors recommend a Single Tier final dividend of 4.0 sen per share in respect of the financial year ended 31 December 2009 subject to the approval of the shareholders at the forthcoming Annual General Meeting.

The Company had on 28 December 2009, paid a Single Tier interim dividend of 2.0 sen per share, bringing the total dividend for the financial year ended 31 December 2009 to 6.0 sen per share (Single Tier). This is in addition to the interim share dividend of one (1) treasury share for every ten (10) existing shares held in the Company, which was distributed on 18 September 2009.

27. Earnings Per Share

	-----Individual quarter-----		-----Cumulative quarter-----	
	Current year quarter 31.12.2009 RM'000	Preceding year corresponding quarter 31.12.2008 RM'000	Current year to date 31.12.2009 RM'000	Preceding year corresponding period 31.12.2008 RM'000
Net profit attributable to equity holders of the parent	<u>7,110</u>	<u>(638)</u>	<u>20,904</u>	<u>14,767</u>
Weighted average number of ordinary shares in issue	<u>80,977</u>	<u>74,726</u>	<u>76,171</u>	<u>69,933</u>
Basic earnings per share (sen)	8.78	(0.85)	27.44	21.12
Diluted earnings per share (sen)	Not applicable	Not applicable	Not applicable	Not applicable

By Order of the Board of Directors

Company Secretary

Kuala Lumpur
25 February 2010