



CENTURY LOGISTICS HOLDINGS BERHAD (424341-A)

Interim report on unaudited consolidated results for the financial period ended 30 September 2010

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE QUARTER ENDED 30 SEPTEMBER 2010

	-----Individual quarter-----		-----Cumulative quarter-----	
	Current year quarter 30.09.2010 RM'000	Preceding year corresponding quarter 30.09.2009 RM'000	Current year to date 30.09.2010 RM'000	Preceding year corresponding period 30.09.2009 RM'000
Revenue	71,571	67,251	206,706	153,828
Direct operating expenses	<u>(49,688)</u>	<u>(45,162)</u>	<u>(143,443)</u>	<u>(106,006)</u>
Gross profit	21,883	22,089	63,263	47,822
Net other operating expenses	<u>(11,394)</u>	<u>(10,423)</u>	<u>(33,506)</u>	<u>(28,276)</u>
Results from operating activities	10,489	11,666	29,757	19,546
Net finance costs	<u>(630)</u>	<u>(1,164)</u>	<u>(2,763)</u>	<u>(2,604)</u>
Profit before taxation	9,859	10,502	26,994	16,942
Taxation	<u>(1,834)</u>	<u>(1,459)</u>	<u>(4,859)</u>	<u>(2,626)</u>
Profit for the period	<u>8,025</u>	<u>9,043</u>	<u>22,135</u>	<u>14,316</u>
Other comprehensive income				
Foreign currency translation differences for foreign operations	(62)	98	(378)	(70)
Fair value of available-for sale financial assets	<u>(250)</u>	<u>(250)</u>	<u>(1,000)</u>	<u>(500)</u>
Other comprehensive income for the period	<u>(312)</u>	<u>(152)</u>	<u>(1,378)</u>	<u>(570)</u>
Total comprehensive income for the period	<u>7,713</u>	<u>8,891</u>	<u>20,757</u>	<u>13,746</u>
Profit attributable to:				
Equity holders of the Company	8,106	9,071	22,213	14,294
Minority interests	<u>(81)</u>	<u>(28)</u>	<u>(78)</u>	<u>22</u>
Profit for the period	<u>8,025</u>	<u>9,043</u>	<u>22,135</u>	<u>14,316</u>
Total comprehensive income attributable to:				
Equity holders of the Company	7,794	8,919	20,835	13,724
Minority interests	<u>(81)</u>	<u>(28)</u>	<u>(78)</u>	<u>22</u>
Total comprehensive income for the period	<u>7,713</u>	<u>8,891</u>	<u>20,757</u>	<u>13,746</u>
Earnings per share attributable to equity holders of the Company:				
Basic (sen)	<u>10.27</u>	<u>12.04</u>	<u>28.05</u>	<u>19.17</u>
Diluted (sen)	<u>9.47</u>	<u>Not applicable</u>	<u>25.51</u>	<u>Not applicable</u>

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the Year Ended 31 December 2009.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2010

	As at end of current quarter 30.09.2010 RM'000	As at preceding financial year end 31.12.2009 (restated) RM'000
ASSETS		
Non-current Assets		
Property, plant and equipment	150,491	147,743
Investment property	30,000	30,000
Other investments	5,001	3,283
Goodwill on consolidation	3,730	3,730
	<u>189,222</u>	<u>184,756</u>
Current Assets		
Inventories	149	-
Receivables	85,396	73,430
Cash and bank balances	35,910	33,623
	<u>121,455</u>	<u>107,053</u>
Non current assets held for sale	9,079	-
	<u>319,756</u>	<u>291,809</u>
TOTAL ASSETS		
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	82,005	81,671
Treasury shares	(4,922)	(277)
Reserves	91,550	74,375
	<u>168,633</u>	<u>155,769</u>
Minority Interest	1,541	1,444
Total Equity	<u>170,174</u>	<u>157,213</u>
Non-current Liabilities		
Borrowings	67,991	72,307
Deferred taxation	9,428	8,961
	<u>77,419</u>	<u>81,268</u>
Current Liabilities		
Borrowings	13,159	9,335
Payables	59,004	43,993
	<u>72,163</u>	<u>53,328</u>
Total Liabilities	<u>149,582</u>	<u>134,596</u>
TOTAL EQUITY AND LIABILITIES	<u>319,756</u>	<u>291,809</u>
Net assets per share attributable to ordinary equity holders of the Company (RM)	2.14	1.91

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the Year Ended 31 December 2009.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 SEPTEMBER 2010

	Current year to date 30.09.2010 RM'000	Preceding year corresponding period 30.09.2009 RM'000
Net cash generated from operating activities	36,219	14,179
Net cash used in investing activities	(17,185)	(29,006)
Net cash (used in) / from financing activities	<u>(16,747)</u>	<u>26,374</u>
Net increase in cash and cash equivalents	2,287	11,547
Cash and cash equivalents at beginning of the period	<u>33,623</u>	<u>17,273</u>
Cash and cash equivalents at end of the period	<u><u>35,910</u></u>	<u><u>28,820</u></u>

Cash and cash equivalents at the end of the financial period comprise the following :

Cash on hand and at banks	26,428	15,766
Deposits with licensed banks	9,482	13,513
Bank overdraft	<u>-</u>	<u>(459)</u>
	<u><u>35,910</u></u>	<u><u>28,820</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 2009.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 SEPTEMBER 2010

	← Attributable to Equity Holders of the Company →				Total RM'000	Minority Interest RM'000	Total Equity RM'000
	Issued Capital RM'000	Share Premium Reserve RM'000	Other Reserves RM'000	Distributable Retained Earnings RM'000			
As at end of current quarter							
As at 1 January 2010, as previously stated	81,671	94	(509)	73,923	155,179	1,444	156,623
- effect of adopting FRS 139	-	-	-	590	590	-	590
As at 1 January 2010, as restated	81,671	94	(509)	74,513	155,769	1,444	157,213
Issuance of shares	334	-	-	-	334	175	509
Purchase of treasury shares	-	-	(4,645)	-	(4,645)	-	(4,645)
Issuance of warrants	-	-	2,037	-	2,037	-	2,037
Share options / Warrants expenses	-	-	(170)	-	(170)	-	(170)
Total comprehensive income for the period	-	-	(378)	21,213	20,835	(78)	20,757
Dividend in cash	-	-	-	(5,527)	(5,527)	-	(5,527)
As at 30 September 2010	82,005	94	(3,665)	90,199	168,633	1,541	170,174
As at preceding year corresponding quarter							
As at 1 January 2009	81,671	11,438	(11,149)	55,768	137,728	1,035	138,763
ESOS issue expenses	-	-	(66)	-	(66)	-	(66)
Deemed disposal of subsidiary company	-	-	-	-	-	(29)	(29)
Purchase of treasury shares	-	-	(289)	-	(289)	-	(289)
Total comprehensive income for the period	-	-	(70)	13,794	13,724	22	13,746
Dividend in shares	-	(11,344)	11,344	-	-	-	-
Dividend in cash	-	-	-	(1,483)	(1,483)	-	(1,483)
As at 30 September 2009	81,671	94	(230)	68,079	149,614	1,028	150,642

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the Year Ended 31 December 2009.

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 2009.

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 2009.

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 2009, except for the adoption of the following:

FRSs and Interpretations

	Effective date
FRS 7 - Financial Instruments: Disclosures	1 January 2010
FRS 8 - Operating Segments	1 July 2009
FRS 101 - Presentation of Financial Statements	1 January 2010
FRS 123 - Borrowing Costs	1 January 2010
FRS 117 - Leases	1 January 2010
FRS 127 - Consolidated and Separate Financial Statements	1 January 2010
FRS 132 - Financial Instruments: Presentation	1 January 2010
FRS 139 - Financial Instruments: Recognition and Measurement	1 January 2010
IC Interpretation 10 - Interim Financial Reporting and Impairment	1 January 2010
IC Interpretation 11, FRS 2 - Group and Treasury Shares Transactions	1 January 2010

Other than the implications as discussed below, the adoption of the above standards amendments and interpretations do not have any material impact on the financial statements of the Group:

- a) FRS 8 - Operating Segments. FRS 8 replaces FRS114₂₀₀₄ Segment Reporting. The new standard requires a 'management approach', under which segment information is presented on the same basis as that used for internal reporting purposes. As the Group's chief operating decision maker, the Group's Board of Directors relies on internal reports which are similar to those currently disclosed externally, no further segmental information disclosures will be necessary.
- b) FRS 139 Financial Instruments: Recognition and Measurement. This standard establishes principles for recognising and measuring financial assets, financial liabilities and some contracts to buy and sell non-financial items and permits hedge accounting only under strict circumstances. As allowed under the transitional provisions of FRS 139, the Group has not applied the standard retrospectively.
- c) FRS 7 Financial Instruments: Disclosures. This standard requires additional disclosures regarding fair value measurements and liquidity risk in the full year financial statements, and has no effect on reported profit or equity. However, FRS 7 disclosures are not required in the interim financial statements, and hence, no further disclosures have been made in these interim financial statements.
- d) FRS 101 Presentation of Financial Statements. The Group applies revised FRS 101 (revised) which became effective as of 1 January 2010. As a result, the Group presents all non-owner changes in equity in the consolidated statement of comprehensive income.

Comparative information has been re-presented so that it is in conformity with the revised standard. Since the change only affects presentation aspects, there is no impact on earnings per ordinary share.

- e) FRS 117 - Leases. The Group has adopted the amendment to FRS 117. The Group had reassessed and determined that all leasehold land of the Group which are in substance finance leases and has reclassified the leasehold land to property, plant and equipment. The change in accounting policy has been made retrospectively in accordance with the transitional provisions of the amendment.

The reclassification does not affect the basic and diluted earnings per ordinary share for the current and prior periods.

The following comparative figures have been restated following the adoption of the amendment to FRS 117:

	31 December 2009	
	As restated	As previously stated
	RM'000	RM'000
Property, plant and equipment	147,743	118,393
Prepaid lease payments	-	29,350

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 2009 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 for the financial quarter under review, except for the following:

- a) Issuance of 95,000 new ordinary shares of RM1.00 each at par for cash through the exercise of 95,000 3-year warrants 2010/2013 that entitled the warrant holders to subscribe for one new ordinary share of RM1.00 each at an exercise price of RM1.00 each per share for each warrant held; and
- b) The Company bought back 45,000 ordinary shares of RM1.00 each from the open market at an average price of RM1.52 per share. The shares purchased are being held as treasury shares in accordance with Section 67A of the Companies Act, 1965.

8. Dividend Paid

On 15 September 2010, the Company paid a single tier interim dividend of 3.0 sen per share in respect of the financial year ending 31 December 2010 amounting to RM2.34 million.

9. Segmental Reporting

Analysis of the Group's revenue and results for the financial period under review by operating segments are as follows:

	Total Logistics Services RM'000	Procurement and Assembling Services RM'000	Consolidation Adjustment RM'000	Group Results RM'000
Revenue				
External sales	174,400	32,306	-	206,706
Inter-segment sales	<u>3,227</u>	<u>-</u>	<u>(3,227)</u>	<u>-</u>
Total revenue	<u>177,627</u>	<u>32,306</u>	<u>(3,227)</u>	<u>206,706</u>
Profit				
Segment results	19,912	9,845	-	29,757
Net finance costs				<u>(2,763)</u>
Profit from ordinary activities before taxation				26,994
Taxation				<u>(4,859)</u>
Profit from ordinary activities after taxation				22,135
Minority interests				<u>78</u>
Net profit for the period				<u>22,213</u>

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.

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

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

12. Changes in Composition of the Group

Century Advance Technology Sdn. Bhd., a wholly-owned subsidiary of the Company, had on 19 August 2010 subscribed 324,998 ordinary shares of RM1.00 each, representing 65% of the enlarged issued and paid-up share capital of Century LED Sdn. Bhd. ("CLEED"). The paid-up share capital of CLEED has increased from RM2 to RM500,000, comprising of 500,000 ordinary shares of RM1.00 each.

On 6 September 2010, Century Logistics Sdn. Bhd., a wholly-owned subsidiary of the Company, had disposed 62,000 ordinary shares of RM1.00 each, representing 62% of the total issued and paid-up share capital of C & L Logistics (M) Sdn. Bhd. for a total consideration of RM62,000. As a result, C & L Logistics (M) Sdn. Bhd. ceased to be a subsidiary of the Company.

13. Capital Commitments

As at the end of the reporting quarter, the Group has approved and contracted for capital commitments of RM30.2 million in respect of property, plant and equipment.

14. Changes in Contingent Liabilities

Save for the update of material litigations disclosed in the interim report for the financial period ended 30 June 2010, there were no changes in contingent liabilities since the last annual balance sheet as at 31 December 2009.

15. Review of Performance

For the quarter ended 30 September 2010, the Group's revenue and pre-tax profit are RM71.571 million and RM9.859 million respectively, compared to revenue and pre-tax profit of RM67.251 million and RM10.502 million respectively for the corresponding period in the previous financial year. The increase in revenue by 6.4% was mainly due to higher freight activities in the current reporting quarter. However, pre-tax profit declined by 6.1% mainly due to the poorer performance of the haulage and trucking activities, resulting from the competitive environment in the transportation industry.

16. Comparison with Immediate Preceding Quarter's Results

For the quarter ended 30 September 2010, the Group reported revenue and pre-tax profit of RM71.571 million and RM9.859 million respectively, compared to revenue and pre-tax profit of RM75.307 million and RM9.520 million respectively for the preceding quarter. The decrease in revenue by 5.0% but pre-tax profit increased by 3.6% mainly due to the higher export sales by the Procurement and Assembly division during the preceding quarter.

17. Prospects for the Current Financial Year

Based on the financial performance for the financial period to 30 September 2010, the Group has already surpassed the highest profits of previous financial years. Nevertheless, 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 on track to close the current financial year with another record performance.

18. Profit Forecast

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

19. Taxation

	-----Individual quarter-----		-----Cumulative quarter-----	
	Current quarter 30.09.2010 RM'000	Preceding corresponding quarter 30.09.2009 RM'000	Current period 30.09.2010 RM'000	Preceding corresponding period 30.09.2009 RM'000
Provision for taxation	1,859	1,459	4,393	2,626
Deferred taxation	(25)	-	466	-
	<u>1,834</u>	<u>1,459</u>	<u>4,859</u>	<u>2,626</u>

20. Sale of Unquoted Investments and/or Properties

Save as disclosed in Note 22 below, there was no sale of unquoted investment and/or property during the financial quarter under review.

21. Quoted Securities

a) Total purchases and disposal of quoted securities for the reporting quarter are as follows:-

	As at 30.09.2010 RM'000
Total purchases	3,590
Total disposal	(1,060)

b) The Group's quoted investments as at 30 September 2010 are as follows:

	RM'000
Held for trading financial assets	<u>4,751</u>

22. Status of Corporate Proposal

All the terms and conditions of the Sale and Purchase Agreement for the disposal of a property for a cash consideration of RM11.5 million have been complied with on 28 October 2010. As such, the disposal is deemed completed.

23. Group's Borrowings and Debt Securities

	As at 30.09.2010 RM'000	As at 31.12.2009 RM'000
Short Term - Unsecured		
- Revolving Credit	2,000	-
- Bank Overdraft	-	1
Short Term - Secured		
- Term Loans	5,185	4,730
- Foreign Term Loan	3,209	2,173
- Hire Purchase and Finance Leases	2,765	2,431
	<u>13,159</u>	<u>9,335</u>
Long Term - Unsecured		
- Term Loan	20,000	20,000
Long Term - Secured		
- Term Loans	25,131	28,814
- Foreign Term Loan	18,372	20,638
- Hire Purchase and Finance Leases	4,488	2,855
	<u>67,991</u>	<u>72,307</u>
	<u>81,150</u>	<u>81,642</u>
Borrowings denominated in foreign currency:		
Term loan - Thai Baht 214,127,506	<u>21,581</u>	<u>22,811</u>

24. 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.

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 costs 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 was mentioned on 3 December 2009 for the parties to appraise the Shah Alam High Court on the status of the appeal. This matter is now adjourned pending the disposal 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. An Order in Terms was granted for the Notice of Motion to include omitted documents filed on 26 October 2009. The parties have been notified vide the Court of Appeal's letter dated 22 March 2010 that the appeal has been fixed for hearing on 20 July 2010. As for 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 as costs for the Defendant's aforementioned appeal to the Judge-in-Chambers. CDSB had filed an application to review the cost awarded by the Court Registrar to the Defendant, and the Court Registrar has reduced the costs to RM15,066. CDSB has decided to withdraw the appeal against the striking out and has since paid the costs. Subsequently, negotiations between the solicitors of BHSB and CDSB with the solicitors of the Defendant, have resulted in all parties agreeing to the cessation of the remaining suit with no order as to costs.

26. Dividend

The Board of Directors is pleased to declare a single tier interim dividend of 2.0 sen per share in respect of the financial year ending 31 December 2010. To-date, the cumulative interim dividend for the financial year ending 31 December 2010 totals 5.0 sen per share.

27. Earnings Per Share

	-----Individual quarter-----		-----Cumulative quarter-----	
	Current year quarter 30.09.2010 RM'000	Preceding year corresponding quarter 30.09.2009 RM'000	Current year to date 30.09.2010 RM'000	Preceding year corresponding period 30.09.2009 RM'000
Net profit attributable to equity holders of the Company	8,106	9,071	22,213	14,294
Add : After tax effect of interest on warrants	333	-	586	-
	<u>8,439</u>	<u>9,071</u>	<u>22,799</u>	<u>14,294</u>
Weighted average number of ordinary shares in issue	78,948	75,354	79,180	74,569
Effect on dilution of warrants	10,209	-	10,209	-
Weighted average number of ordinary shares (diluted)	<u>89,157</u>	<u>75,354</u>	<u>89,389</u>	<u>74,569</u>
Basic earnings per share (sen)	10.27	12.04	28.05	19.17
Diluted earnings per share (sen)	9.47	Not applicable	25.51	Not applicable

By Order of the Board of Directors

Company Secretary

Kuala Lumpur
11 November 2010