



**CENTURY LOGISTICS HOLDINGS BERHAD (424341-A)**

Interim report on unaudited consolidated results for the financial period ended 31 December 2010

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE QUARTER ENDED 31 DECEMBER 2010**

	-----Individual quarter-----		-----Cumulative quarter-----	
	Current year quarter 31.12.2010 RM'000	Preceding year corresponding quarter 31.12.2009 RM'000	Current year to date 31.12.2010 RM'000	Preceding year corresponding period 31.12.2009 RM'000
Revenue	63,738	57,122	270,444	210,950
Direct operating expenses	<u>(45,025)</u>	<u>(37,894)</u>	<u>(188,468)</u>	<u>(143,900)</u>
Gross profit	18,713	19,228	81,976	67,050
Net other operating expenses	<u>(8,664)</u>	<u>(9,651)</u>	<u>(42,170)</u>	<u>(37,927)</u>
Results from operating activities	10,049	9,577	39,806	29,123
Net finance costs	<u>(1,072)</u>	<u>(981)</u>	<u>(3,835)</u>	<u>(3,585)</u>
Profit before taxation	8,977	8,596	35,971	25,538
Taxation	<u>(701)</u>	<u>(1,238)</u>	<u>(5,560)</u>	<u>(3,864)</u>
Profit for the period	<u>8,276</u>	<u>7,358</u>	<u>30,411</u>	<u>21,674</u>
Other comprehensive income				
Foreign currency translation differences for foreign operations	54	(150)	(324)	(220)
Fair value of available-for sale financial assets	<u>(250)</u>	<u>(250)</u>	<u>(1,250)</u>	<u>(750)</u>
Other comprehensive income for the period	<u>(196)</u>	<u>(400)</u>	<u>(1,574)</u>	<u>(970)</u>
Total comprehensive income for the period	<u>8,080</u>	<u>6,958</u>	<u>28,837</u>	<u>20,704</u>
Profit attributable to:				
Equity holders of the Company	8,407	7,392	30,620	21,686
Minority interests	<u>(131)</u>	<u>(34)</u>	<u>(209)</u>	<u>(12)</u>
Profit for the period	<u>8,276</u>	<u>7,358</u>	<u>30,411</u>	<u>21,674</u>
Total comprehensive income attributable to:				
Equity holders of the Company	8,211	6,992	29,046	20,716
Minority interests	<u>(131)</u>	<u>(34)</u>	<u>(209)</u>	<u>(12)</u>
Total comprehensive income for the period	<u>8,080</u>	<u>6,958</u>	<u>28,837</u>	<u>20,704</u>
Earnings per share attributable to equity holders of the Company:				
Basic (sen)	<u>10.67</u>	<u>9.13</u>	<u>38.71</u>	<u>28.47</u>
Diluted (sen)	<u>9.25</u>	<u>Not applicable</u>	<u>33.59</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 31 DECEMBER 2010**

	As at end of current quarter 31.12.2010 RM'000	As at preceding financial year end 31.12.2009 (restated) RM'000
<b>ASSETS</b>		
<b>Non-current Assets</b>		
Property, plant and equipment	153,097	147,743
Investment property	30,000	30,000
Other investments	3,886	3,353
Goodwill on consolidation	3,730	3,730
	<u>190,713</u>	<u>184,826</u>
<b>Current Assets</b>		
Inventories	235	-
Receivables	82,609	73,430
Cash and bank balances	36,495	33,623
	<u>119,339</u>	<u>107,053</u>
<b>TOTAL ASSETS</b>	<u><u>310,052</u></u>	<u><u>291,879</u></u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the Company</b>		
Share capital	82,005	81,671
Treasury shares	(5,524)	(277)
Reserves	98,252	74,445
	<u>174,733</u>	<u>155,839</u>
<b>Minority Interest</b>	1,410	1,444
<b>Total Equity</b>	<u>176,143</u>	<u>157,283</u>
<b>Non-current Liabilities</b>		
Borrowings	46,550	72,307
Deferred taxation	9,357	8,961
	<u>55,907</u>	<u>81,268</u>
<b>Current Liabilities</b>		
Borrowings	31,207	9,335
Payables	46,795	43,993
	<u>78,002</u>	<u>53,328</u>
<b>Total Liabilities</b>	<u>133,909</u>	<u>134,596</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>310,052</u></u>	<u><u>291,879</u></u>
Net assets per share attributable to ordinary equity holders of the Company (RM)	2.22	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 31 DECEMBER 2010**

	Current year to date 31.12.2010 RM'000	Preceding year corresponding period 31.12.2009 RM'000
Net cash generated from operating activities	35,278	26,723
Net cash used in investing activities	(8,355)	(35,330)
Net cash (used in) / from financing activities	<u>(24,051)</u>	<u>24,957</u>
Net increase in cash and cash equivalents	2,872	16,350
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>36,495</u></u>	<u><u>33,623</u></u>

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

Cash on hand and at banks	13,212	15,807
Deposits with licensed banks	23,283	17,815
Bank overdraft	<u>-</u>	<u>1</u>
	<u><u>36,495</u></u>	<u><u>33,623</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 31 DECEMBER 2010

	Attributable to Equity Holders of the Company				Total RM'000	Minority Interest RM'000	Total Equity RM'000
	Issued Capital RM'000	Non-distributable Share Premium Reserve RM'000	Other Reserves RM'000	Distributable Retained Earnings RM'000			
<b>As at end of current quarter</b>							
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	-	-	-	660	660	-	660
As at 1 January 2010, as restated	81,671	94	(509)	74,583	155,839	1,444	157,283
Issuance of shares	334	-	-	-	334	175	509
Purchase of treasury shares	-	-	(5,247)	-	(5,247)	-	(5,247)
Issuance of warrants	-	-	2,038	-	2,038	-	2,038
Expenses incurred for issuance of warrants and ESOS	-	-	(176)	-	(176)	-	(176)
Total comprehensive income for the period	-	-	(324)	29,370	29,046	(209)	28,837
Dividends paid	-	-	-	(7,101)	(7,101)	-	(7,101)
As at 31 December 2010	82,005	94	(4,218)	96,852	174,733	1,410	176,143
<b>As at preceding year corresponding quarter</b>							
As at 1 January 2009	81,671	11,438	(11,149)	55,768	137,728	1,035	138,763
Expenses incurred for issuance of warrants and ESOS	-	-	(280)	-	(280)	-	(280)
Deemed disposal of subsidiary companies	-	-	-	-	-	(29)	(29)
Effect of dilution on equity interest in a subsidiary company	-	-	-	-	-	450	450
Purchase of treasury shares	-	-	(1,780)	-	(1,780)	-	(1,780)
Disposal of treasury shares	-	-	1,576	313	1,889	-	1,889
Total comprehensive income for the period	-	-	(220)	20,936	20,716	(12)	20,704
Distribution of shares dividend	-	(11,344)	11,344	-	-	-	-
Dividends paid	-	-	-	(3,094)	(3,094)	-	(3,094)
As at 31 December 2009	81,671	94	(509)	73,923	155,179	1,444	156,623

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 FRS114<sub>2004</sub> 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 that the Company bought back 397,900 ordinary shares of RM1.00 each from the open market at an average price of RM1.75 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 10 December 2010, the Company paid a single tier interim dividend of 2.0 sen per share in respect of the financial year ended 31 December 2010 amounting to RM1.57 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 Logistics Services RM'000	Consolidation Adjustment RM'000	Group Results RM'000
<b><u>Revenue</u></b>				
External sales	229,253	41,191	-	270,444
Inter-segment sales	4,176	-	(4,176)	-
Total revenue	<u>233,429</u>	<u>41,191</u>	<u>(4,176)</u>	<u>270,444</u>
<b><u>Profit</u></b>				
Segment results	28,288	11,518	-	39,806
Net finance costs				<u>(3,835)</u>
Profit from ordinary activities before taxation				35,971
Taxation				<u>(5,560)</u>
Profit from ordinary activities after taxation				30,411
Minority interests				<u>209</u>
Net profit for the period				<u><u>30,620</u></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**

On 21 January 2011, the Company had fully repaid a term loan facility amounting to RM20.0 million. The term loan facility was granted under a Primary Collateralized Loan Obligation Programme, of which facility agreement was signed by the Company with RHB Investment Bank Berhad and Prima Uno Berhad on 8 January 2007. The original tenor of the facility is for 5 years and is due on 21 January 2012.

**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 RM28.2 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 31 December 2010, the Group's revenue and pre-tax profit are RM63.738 million and RM8.977 million respectively, compared to revenue and pre-tax profit of RM57.122 million and RM8.596 million respectively for the corresponding period in the previous financial year. The increase in revenue and pre-tax profit by 11.6% and 4.4% respectively were mainly due to higher total logistics activities and gain on sale of a property.

**16. Comparison with Immediate Preceding Quarter's Results**

For the quarter ended 31 December 2010, the Group reported revenue and pre-tax profit of RM63.738 million and RM8.977 million respectively, compared to revenue and pre-tax profit of RM71.571 million and RM9.859 million respectively for the preceding quarter. The decrease in revenue and pre-tax profit by 10.9% and 8.9% respectively were mainly due to the lower export sales during the current reporting quarter.

**17. Prospects for the Next Financial Year**

The financial year ended 31 December 2010 represented the best ever performance by the Group. 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 expects to improve further during the financial year ending 31 December 2011.

**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 31.12.2010 RM'000	Preceding corresponding quarter 31.12.2009 RM'000	Current period 31.12.2010 RM'000	Preceding corresponding period 31.12.2009 RM'000
Provision for taxation	775	1,176	5,168	3,802
Deferred taxation	(74)	62	392	62
	<u>701</u>	<u>1,238</u>	<u>5,560</u>	<u>3,864</u>

**20. Sale of Unquoted Investments and/or Properties**

The disposal of a property for a cash consideration of RM11.5 million was completed on 28 October 2010.

**21. Quoted Securities**

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

	As at 31.12.2010 RM'000
Total purchases	-
Total disposal	<u>(1,187)</u>

b) The Group's quoted investments as at 31 December 2010 are as follows:-

	RM'000
Held for trading financial assets	<u>3,886</u>

**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 31.12.2010 RM'000	As at 31.12.2009 RM'000
Short Term - Unsecured		
- Term Loan	20,000	-
- Bank Overdraft	-	1
Short Term - Secured		
- Term Loans	5,185	4,730
- Foreign Term Loan	3,247	2,173
- Hire Purchase and Finance Leases	2,775	2,431
	<u>31,207</u>	<u>9,335</u>
Long Term - Unsecured		
- Term Loan	-	20,000
Long Term - Secured		
- Term Loans	23,835	28,814
- Foreign Term Loan	17,905	20,638
- Hire Purchase and Finance Leases	4,810	2,855
	<u>46,550</u>	<u>72,307</u>
	<u>77,757</u>	<u>81,642</u>
Borrowings denominated in foreign currency:		
Term loan - Thai Baht 207,432,083	<u>21,152</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**

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.

**26. Realised and unrealised earnings or losses disclosure**

	As at 31.12.2010 RM'000	As at 30.09.2010 RM'000
Total retained earnings of the Company and its subsidiaries		
- Realised	109,281	106,226
- Unrealised	(7,180)	(7,442)
Less: Consolidation adjustments	<u>(5,249)</u>	<u>(8,585)</u>
Total group retained earnings as per consolidated accounts	<u><u>96,852</u></u>	<u><u>90,199</u></u>

**27. 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 2010 subject to the approval of the shareholders at the forthcoming Annual General Meeting. The dividend for the financial year ended 31 December 2010 totals 9.0 sen per share.

**28. Earnings Per Share**

	-----Individual quarter-----		-----Cumulative quarter-----	
	Current year quarter 31.12.2010 RM'000	Preceding year corresponding quarter 31.12.2009 RM'000	Current year to date 31.12.2010 RM'000	Preceding year corresponding period 31.12.2009 RM'000
Net profit attributable to equity holders of the Company	8,407	7,392	30,620	21,686
Add : After tax effect of interest on warrants	220	-	806	-
	<u>8,627</u>	<u>7,392</u>	<u>31,426</u>	<u>21,686</u>
Weighted average number of ordinary shares in issue	78,824	80,977	79,091	76,171
Effect on dilution of warrants	14,459	-	14,459	-
Weighted average number of ordinary shares (diluted)	<u>93,283</u>	<u>80,977</u>	<u>93,550</u>	<u>76,171</u>
Basic earnings per share (sen)	10.67	9.13	38.71	28.47
Diluted earnings per share (sen)	9.25	Not applicable	33.59	Not applicable

By Order of the Board of Directors

Company Secretary

Kuala Lumpur  
25 February 2011