



CENTURY LOGISTICS HOLDINGS BERHAD (424341-A)

Interim report on unaudited consolidated results for the financial period ended 30 September 2011

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE QUARTER ENDED 30 SEPTEMBER 2011

	-----Individual quarter-----		-----Cumulative quarter-----	
	Current year quarter 30.09.2011 RM'000	Preceding year corresponding quarter 30.09.2010 RM'000	Current year to date 30.09.2011 RM'000	Preceding year corresponding period 30.09.2010 RM'000
Revenue	79,439	71,571	220,480	206,706
Direct operating expenses	<u>(56,230)</u>	<u>(49,688)</u>	<u>(154,615)</u>	<u>(143,443)</u>
Gross profit	23,209	21,883	65,865	63,263
Net other operating expenses	<u>(11,301)</u>	<u>(11,394)</u>	<u>(33,402)</u>	<u>(33,506)</u>
Results from operating activities	11,908	10,489	32,463	29,757
Net finance costs	<u>(762)</u>	<u>(630)</u>	<u>(2,346)</u>	<u>(2,763)</u>
Profit before taxation	11,146	9,859	30,117	26,994
Taxation	<u>(2,254)</u>	<u>(1,834)</u>	<u>(6,447)</u>	<u>(4,859)</u>
Profit for the period	<u>8,892</u>	<u>8,025</u>	<u>23,670</u>	<u>22,135</u>
Other comprehensive income				
Foreign currency translation differences for foreign operations	219	(62)	126	(378)
Fair value of available-for sale financial assets	<u>-</u>	<u>(250)</u>	<u>-</u>	<u>(1,000)</u>
Other comprehensive income for the period	<u>219</u>	<u>(312)</u>	<u>126</u>	<u>(1,378)</u>
Total comprehensive income for the period	<u>9,111</u>	<u>7,713</u>	<u>23,796</u>	<u>20,757</u>
Profit attributable to:				
Equity holders of the Company	8,995	8,106	24,119	22,213
Non-controlling interests	<u>(103)</u>	<u>(81)</u>	<u>(449)</u>	<u>(78)</u>
Profit for the period	<u>8,892</u>	<u>8,025</u>	<u>23,670</u>	<u>22,135</u>
Total comprehensive income attributable to:				
Equity holders of the Company	9,214	7,794	24,245	20,835
Non-controlling interests	<u>(103)</u>	<u>(81)</u>	<u>(449)</u>	<u>(78)</u>
Total comprehensive income for the period	<u>9,111</u>	<u>7,713</u>	<u>23,796</u>	<u>20,757</u>
Earnings per share attributable to equity holders of the Company:				
Basic (sen)	<u>11.26</u>	<u>10.27</u>	<u>30.44</u>	<u>28.05</u>
Diluted (sen)	<u>9.92</u>	<u>9.47</u>	<u>26.88</u>	<u>25.51</u>

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the Year Ended 31 December 2010.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2011

	As at end of current quarter 30.09.2011 RM'000	As at preceding financial year end 31.12.2010 RM'000
ASSETS		
Non-current Assets		
Property, plant and equipment	152,006	153,095
Investment property	30,000	30,000
Other investments	2,333	3,886
Goodwill on consolidation	3,730	3,730
	<u>188,069</u>	<u>190,711</u>
Current Assets		
Inventories	273	1,390
Receivables	106,182	85,731
Cash and bank balances	31,017	36,495
	<u>137,472</u>	<u>123,616</u>
TOTAL ASSETS	<u><u>325,541</u></u>	<u><u>314,327</u></u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	83,996	82,005
Treasury shares	(5,910)	(5,623)
Reserves	115,296	98,252
	<u>193,382</u>	<u>174,634</u>
Non-controlling Interests	<u>1,149</u>	<u>1,410</u>
Total Equity	<u>194,531</u>	<u>176,044</u>
Non-current Liabilities		
Borrowings	44,331	46,560
Deferred taxation	9,378	9,357
	<u>53,709</u>	<u>55,917</u>
Current Liabilities		
Borrowings	15,564	31,198
Payables	61,737	51,168
	<u>77,301</u>	<u>82,366</u>
Total Liabilities	<u>131,010</u>	<u>138,283</u>
TOTAL EQUITY AND LIABILITIES	<u><u>325,541</u></u>	<u><u>314,327</u></u>
Net assets per share attributable to ordinary equity holders of the Company (RM)	2.41	2.22

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the Year Ended 31 December 2010.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 SEPTEMBER 2011

	Current year to date 30.09.2011 RM'000	Preceding year corresponding period 30.09.2010 RM'000
Net cash generated from operating activities	25,488	36,219
Net cash used in investing activities	(3,319)	(17,185)
Net cash used in financing activities	<u>(27,647)</u>	<u>(16,747)</u>
Net (decrease)/increase in cash and cash equivalents	(5,478)	2,287
Cash and cash equivalents at beginning of the period	<u>36,495</u>	<u>33,623</u>
Cash and cash equivalents at end of the period	<u><u>31,017</u></u>	<u><u>35,910</u></u>
Cash and cash equivalents at the end of the financial period comprise the following :		
Cash on hand and at banks	12,568	26,428
Deposits with licensed banks	<u>18,449</u>	<u>9,482</u>
	<u><u>31,017</u></u>	<u><u>35,910</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 2010.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 SEPTEMBER 2011

	← Attributable to Equity Holders of the Company →				Total RM'000	Non-controlling Interests 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 2011	82,005	94	(5,567)	98,102	174,634	1,410	176,044
Issuance of shares	1,991	-	-	-	1,991	190	2,181
Purchase of treasury shares	-	-	(287)	-	(287)	-	(287)
Disposal of shares	-	-	-	-	-	(10)	(10)
Adjustment of changes in equity interest	-	-	-	(8)	(8)	8	-
Total comprehensive income for the period	-	-	126	24,119	24,245	(449)	23,796
Dividends paid	-	-	-	(7,193)	(7,193)	-	(7,193)
As at 30 September 2011	83,996	94	(5,728)	115,020	193,382	1,149	194,531
As at preceding year corresponding quarter							
As at 1 January 2010	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	-	-	(4,645)	-	(4,645)	-	(4,645)
Issuance of warrants	-	-	2,037	-	2,037	-	2,037
Expenses incurred for issuance of warrants and ESOS	-	-	(170)	-	(170)	-	(170)
Total comprehensive income for the period	-	-	(378)	21,213	20,835	(78)	20,757
Dividends paid	-	-	-	(5,527)	(5,527)	-	(5,527)
As at 30 September 2010	82,005	94	(3,665)	90,269	168,703	1,541	170,244

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the Year Ended 31 December 2010.

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 2010.

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 2010.

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 2010. At the date of authorisation of these interim financial statements, the following FRSs, IC Int. and amendments to FRSs and IC Int. were issued but not yet effective and have not been applied by the Group:

FRSs and Interpretations

Effective for financial periods beginning on or after

Amendments to FRS 132 - Classification of Rights Issues	1 March 2010
FRS 1 - First-time Adoption of Financial Reporting Standards	1 July 2010
FRS 3 - Business Combinations (revised)	1 July 2010
Amendments to FRS 2 - Share-based Payment	1 July 2010
Amendments to FRS 5 - Non-current Assets Held for Sale and Discontinued Operations	1 July 2010
Amendments to FRS 127 - Consolidated and Separate Financial Statements	1 July 2010
Amendments to FRS 128 - Investments in Associates	1 July 2010
Amendments to FRS 138 - Intangible Assets	1 July 2010
Amendments to FRS 139 - Financial Instruments: Recognition and Measurement	1 July 2010
IC Interpretation 9 - Reassessment of Embedded Derivatives (Amendment to IC Interpretation 9)	1 July 2010
IC Interpretation 12 - Service Concession Arrangements	1 July 2010
IC Interpretation 16 - Hedges of a Net Investment in a Foreign Operation	1 July 2010
IC Interpretation 17 - Distributions of Non-cash Assets to Owners	1 July 2010
Amendments to FRS 1 - Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters	1 January 2011
Amendments to FRS 1 - Additional Exemptions for First-time Adopters	1 January 2011
Amendments to FRS 2 - Group Cash-settled Share-based Payment Transactions	1 January 2011
Amendments to FRS 7 - Improving Disclosures about Financial Instruments	1 January 2011
IC Interpretation 4 - Determining whether an Arrangement contains a Lease	1 January 2011
IC Interpretation 18 - Transfers of Assets from Customers	1 January 2011
IC Interpretation 14 - Prepayments of a Minimum Funding Requirement (Amendment to IC Interpretation 14)	1 July 2011
IC Interpretation 19 - Extinguish Financial Liabilities with Equity Instruments	1 July 2011
IC Interpretation 15 - Agreement for the Construction of Real Estate	1 January 2012
Amendments to FRS 124 - Related Party Disclosures	1 January 2012

The directors expect that the adoption of the above FRSs and Interpretations upon their effective dates will have no material impact on the interim financial statements of the Group.

3. Auditors' Report on Preceding Annual Financial Statements

The auditor's report of the Group's annual financial statements for the financial year ended 31 December 2010 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 1,194,100 new ordinary shares of RM1.00 each at par for cash through the exercise of 1,194,100 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 for each warrant held; and
- b) The Company bought back 89,900 ordinary shares of RM1.00 each from the open market at an average price of RM1.60 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 2011, the Company paid single tier interim dividend of 5.0 sen per share in respect of the financial year ending 31 December 2011 amounting to RM4.02 million.

9. Segmental Reporting

Analysis of the Group's revenue and results for period ended 30 September 2011 is as follows:

	Total Logistics Services RM'000	Procurement Logistics Services RM'000	Consolidation Adjustment RM'000	Group Results RM'000
Revenue				
External sales	188,959	31,521	-	220,480
Inter-segment sales	<u>3,547</u>	<u>-</u>	<u>(3,547)</u>	<u>-</u>
Total revenue	<u>192,506</u>	<u>31,521</u>	<u>(3,547)</u>	<u>220,480</u>
Profit				
Segment results	25,790	6,673	-	32,463
Net finance costs				<u>(2,346)</u>
Profit from ordinary activities before taxation				30,117
Taxation				<u>(6,447)</u>
Profit from ordinary activities after taxation				23,670
Non-controlling interests				<u>449</u>
Net profit for the period				<u>24,119</u>

Analysis of the Group's revenue and results for period ended 30 September 2010 is as follows:

	Total Logistics Services RM'000	Procurement Logistics 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
Non-controlling 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

On 12 October 2011, Century Logistics Sdn. Bhd. ("CLSB"), a wholly-owned subsidiary of the Company, had subscribed 50,998 ordinary shares of RM1.00 each representing 51% of the enlarged issued and paid-up share capital of Century Onsys Sdn. Bhd. ("COSB") while Onsys Energy Sdn. Bhd. had on the same date subscribed 49,000 ordinary shares of RM1.00 each representing 49% of the enlarged issued and paid-up share capital of COSB. Upon completion of the allotment of shares, the paid-up share capital of COSB has increased from RM2.00 to RM100,000.00, comprising 100,000 ordinary shares of RM1.00 each.

On 17 October 2011, COSB acquired M.T. Qaseh, a 7,119 Dead Weight Tonnes oil products tanker for a total consideration of USD4.75 million (approximately RM15.0 million).

12. Changes in Composition of the Group

On 25 August 2011, CLSB had acquired 2 ordinary shares of RM1.00 each, representing 100% of the total issued and paid-up share capital of COSB. Subsequently, CLSB had subscribed 50,998 ordinary shares of RM1.00 each representing 51% of the enlarged issued and paid-up share capital of COSB as mentioned in Note 11 above.

13. Capital Commitments

As at the end of the reporting quarter, the Group has approved and contracted for capital commitments of RM45.1 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 2010.

15. Review of Performance

For the financial quarter ended 30 September 2011, the Group's revenue and pre-tax profit are RM79.439 million and RM11.146 million respectively, compared to revenue and pre-tax profit of RM71.571 million and RM9.859 million respectively for the corresponding period in the previous financial year. The increase in revenue and pre-tax profit by 11.0% and 13.1% respectively were mainly due to increased business activities from Total Logistics Services particularly from new contract logistics customers.

16. Comparison with Immediate Preceding Quarter's Results

For the financial quarter ended 30 September 2011, the Group reported revenue and pre-tax profit of RM79.439 million and RM11.146 million respectively, compared to revenue and pre-tax profit of RM74.249 million and RM10.971 million respectively for the preceding quarter. The increase in revenue and pre-tax profit by 7.0% and 1.6% respectively were mainly due to the reason mentioned in Note 15 above.

17. Prospects for the Current Financial Year

The Group recorded another best ever quarterly performance to-date, having again surpassed the RM10 million pre-tax profit mark during the current financial quarter ended 30 September 2011. Nevertheless, the Group takes cognizance of the current uncertain global economic environment and will ensure that it takes the necessary measures to remain resilient, including focusing on providing value-added logistics solutions as well as maintaining cost efficiencies. Having assessed the current operating environment, the Group remains confident of its business model and is on track to improve further the performance of the current financial year.

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 30.09.2011 RM'000	Preceding corresponding quarter 30.09.2010 RM'000	Current period 30.09.2011 RM'000	Preceding corresponding period 30.09.2010 RM'000
Provision for taxation	2,238	1,859	6,431	4,393
Deferred taxation	16	(25)	16	466
	<u>2,254</u>	<u>1,834</u>	<u>6,447</u>	<u>4,859</u>

20. Sale of Unquoted Investments and/or Properties

There was no sale of unquoted investment and/or property during the financial quarter under review.

21. Quoted Securities

As at
30.09.2011
RM'000

The Group's quoted investments as at 30 September 2011 are as follows:

Held for trading financial assets	<u>2,333</u>
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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 30.09.2011 RM'000	As at 31.12.2010 RM'000
Short Term - Unsecured		
- Term Loan	-	20,000
- Revolving Credit	4,000	-
Short Term - Secured		
- Term Loans	5,899	5,185
- Foreign Term Loan	3,246	3,247
- Hire Purchase and Finance Leases	2,419	2,766
	<u>15,564</u>	<u>31,198</u>
Long Term - Secured		
- Term Loans	23,782	23,835
- Foreign Term Loan	15,908	17,905
- Hire Purchase and Finance Leases	4,641	4,820
	<u>44,331</u>	<u>46,560</u>
	<u>59,895</u>	<u>77,758</u>
Borrowings denominated in foreign currency:		
Term loan - Thai Baht 187,893,235	<u>19,154</u>	<u>21,152</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 30.09.2011 RM'000	As at 31.12.2010 RM'000
Total retained earnings of the Company and its subsidiaries		
- Realised	128,536	110,531
- Unrealised	(8,638)	(7,180)
Less: Consolidation adjustments	<u>(4,878)</u>	<u>(5,249)</u>
Total group retained earnings as per consolidated accounts	<u><u>115,020</u></u>	<u><u>98,102</u></u>

27. Dividend

The Board of Directors does not recommend any dividend in respect of the reporting quarter.

28. Earnings Per Share

	-----Individual quarter-----		-----Cumulative quarter-----	
	Current year quarter 30.09.2011 RM'000	Preceding year corresponding quarter 30.09.2010 RM'000	Current year to date 30.09.2011 RM'000	Preceding year corresponding period 30.09.2010 RM'000
Net profit attributable to equity holders of the Company	8,995	8,106	24,119	22,213
Add : After tax effect of interest on warrants	<u>202</u>	<u>333</u>	<u>648</u>	<u>586</u>
	<u><u>9,197</u></u>	<u><u>8,439</u></u>	<u><u>24,767</u></u>	<u><u>22,799</u></u>
Weighted average number of ordinary shares in issue	79,857	78,948	79,234	79,180
Effect on dilution of warrants	<u>12,898</u>	<u>10,209</u>	<u>12,898</u>	<u>10,209</u>
Weighted average number of ordinary shares (diluted)	<u><u>92,755</u></u>	<u><u>89,157</u></u>	<u><u>92,132</u></u>	<u><u>89,389</u></u>
Basic earnings per share (sen)	11.26	10.27	30.44	28.05
Diluted earnings per share (sen)	9.92	9.47	26.88	25.51

By Order of the Board of Directors

Company Secretary

Kuala Lumpur
10 November 2011