



CENTURY LOGISTICS HOLDINGS BERHAD (424341-A)

Interim report on unaudited consolidated results for the financial period ended 31 December 2011

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE QUARTER ENDED 31 DECEMBER 2011

	-----Individual quarter-----		-----Cumulative quarter-----	
	Current year quarter 31.12.2011 RM'000	Preceding year corresponding quarter 31.12.2010 RM'000	Current year to date 31.12.2011 RM'000	Preceding year corresponding period 31.12.2010 RM'000
Revenue	61,174	63,738	281,654	270,444
Direct operating expenses	<u>(42,306)</u>	<u>(45,025)</u>	<u>(196,922)</u>	<u>(188,468)</u>
Gross profit	18,868	18,713	84,732	81,976
Net other operating expenses	<u>(12,015)</u>	<u>(8,664)</u>	<u>(45,417)</u>	<u>(42,170)</u>
Results from operating activities	6,853	10,049	39,315	39,806
Net finance costs	<u>(747)</u>	<u>(1,072)</u>	<u>(3,093)</u>	<u>(3,835)</u>
Profit before taxation	6,106	8,977	36,222	35,971
Taxation	<u>(344)</u>	<u>(701)</u>	<u>(6,791)</u>	<u>(5,560)</u>
Profit for the period	<u>5,762</u>	<u>8,276</u>	<u>29,431</u>	<u>30,411</u>
Other comprehensive income				
Foreign currency translation differences for foreign operations	(18)	54	108	(324)
Fair value of available-for sale financial assets	<u>1,250</u>	<u>(250)</u>	<u>1,250</u>	<u>(1,250)</u>
Other comprehensive income for the period	<u>1,232</u>	<u>(196)</u>	<u>1,358</u>	<u>(1,574)</u>
Total comprehensive income for the period	<u>6,994</u>	<u>8,080</u>	<u>30,789</u>	<u>28,837</u>
Profit attributable to:				
Equity holders of the Company	5,949	8,407	30,067	30,620
Non-controlling interests	<u>(187)</u>	<u>(131)</u>	<u>(636)</u>	<u>(209)</u>
Profit for the period	<u>5,762</u>	<u>8,276</u>	<u>29,431</u>	<u>30,411</u>
Total comprehensive income attributable to:				
Equity holders of the Company	7,181	8,211	31,425	29,046
Non-controlling interests	<u>(187)</u>	<u>(131)</u>	<u>(636)</u>	<u>(209)</u>
Total comprehensive income for the period	<u>6,994</u>	<u>8,080</u>	<u>30,789</u>	<u>28,837</u>
Earnings per share attributable to equity holders of the Company:				
Basic (sen)	<u>7.39</u>	<u>10.67</u>	<u>37.79</u>	<u>38.71</u>
Diluted (sen)	<u>6.34</u>	<u>9.25</u>	<u>32.15</u>	<u>33.59</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 31 DECEMBER 2011

	As at end of current quarter 31.12.2011 RM'000	As at preceding financial year end 31.12.2010 RM'000
ASSETS		
Non-current Assets		
Property, plant and equipment	166,781	153,095
Investment property	30,000	30,000
Other investments	1,801	3,886
Goodwill on consolidation	3,730	3,730
	<u>202,312</u>	<u>190,711</u>
Current Assets		
Inventories	120	1,390
Receivables	117,392	85,731
Cash and bank balances	22,615	36,495
	<u>140,127</u>	<u>123,616</u>
TOTAL ASSETS	<u><u>342,439</u></u>	<u><u>314,327</u></u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	84,136	82,005
Treasury shares	(5,910)	(5,623)
Reserves	122,484	98,252
	<u>200,710</u>	<u>174,634</u>
Non-controlling Interests	<u>1,689</u>	<u>1,410</u>
Total Equity	<u>202,399</u>	<u>176,044</u>
Non-current Liabilities		
Borrowings	45,873	46,560
Deferred taxation	8,955	9,357
	<u>54,828</u>	<u>55,917</u>
Current Liabilities		
Borrowings	20,199	31,198
Payables	65,013	51,168
	<u>85,212</u>	<u>82,366</u>
Total Liabilities	<u>140,040</u>	<u>138,283</u>
TOTAL EQUITY AND LIABILITIES	<u><u>342,439</u></u>	<u><u>314,327</u></u>
Net assets per share attributable to ordinary equity holders of the Company (RM)	2.49	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 31 DECEMBER 2011

	Current year to date 31.12.2011 RM'000	Preceding year corresponding period 31.12.2010 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the year	29,431	30,411
Adjustments:		
Non-Cash Items	21,852	23,985
Non-Operating Items	1,682	(5,080)
Operating profit before working capital changes	52,965	49,316
Movement in working capital:		
Net change in current assets	(31,361)	(14,807)
Net change in current liabilities	14,557	5,749
Cash generated from operations	36,161	40,258
Tax Paid	(8,042)	(4,560)
Net cash generated from operating activities	28,119	35,698
CASH FLOWS USED IN INVESTING ACTIVITIES		
Dividend received	-	50
Acquisition of investment	(452)	(3,306)
Interest received	422	311
Disposal of property, plant and equipment	2,310	13,929
Subscription of shares in existing subsidiary company by non-controlling interests	925	175
Disposal of investment	2,365	3,000
Purchase of property, plant and equipment	(24,381)	(23,408)
Net cash used in investing activities	(18,811)	(9,249)
CASH FLOWS USED IN FINANCING ACTIVITIES		
Net proceeds from issuance of shares and warrants	2,131	2,196
Dividend paid to equity holders	(7,193)	(7,101)
Proceeds from borrowings	18,000	4,003
Repayment of borrowings	(32,324)	(13,283)
Purchase of own shares	(287)	(5,247)
Interest paid	(3,515)	(4,146)
Net cash used in financing activities	(23,188)	(23,578)
Net (decrease)/increase in cash and cash equivalents	(13,880)	2,871
Cash and cash equivalents at beginning of the period	36,495	33,624
Cash and cash equivalents at end of the period	22,615	36,495
Cash and cash equivalents at the end of the financial period comprise the following :		
Cash on hand and at banks	5,529	13,212
Deposits with licensed banks	17,086	23,283
	22,615	36,495

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 31 DECEMBER 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	2,131	-	-	-	2,131	-	2,131
Subscription of shares in existing subsidiary company by non-controlling interests	-	-	-	-	-	925	925
Purchase of treasury shares	-	-	(287)	-	(287)	-	(287)
Adjustment to equity due to increase of stake in subsidiary	-	-	-	-	-	(10)	(10)
Total comprehensive income for the period	-	-	1,358	30,067	31,425	(636)	30,789
Dividends paid	-	-	-	(7,193)	(7,193)	-	(7,193)
As at 31 December 2011	84,136	94	(4,496)	120,976	200,710	1,689	202,399
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	-	334
Subscription of shares in existing subsidiary company by non-controlling interests	-	-	-	-	-	175	175
Purchase of treasury shares	-	-	(5,346)	-	(5,346)	-	(5,346)
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	-	-	(1,574)	30,620	29,046	(209)	28,837
Dividends paid	-	-	-	(7,101)	(7,101)	-	(7,101)
As at 31 December 2010	82,005	94	(5,567)	98,102	174,634	1,410	176,044

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

At the date of authorisation for issue of these financial statements, the new and revised Standards and IC Interpretations which were in issue but not yet effective and not early adopted by the Company are as listed below:

FRSs and Interpretations	Effective for financial periods beginning on or after
FRS 7 - Financial Instruments: Disclosures (Amendments relating to Disclosures – Transfers of Financial Assets)	1 January 2012
FRS 9 - Financial Instruments (IFRS 9 issued by IASB in November 2009)	1 January 2013
FRS 9 - Financial Instruments (IFRS 9 issued by IASB in October 2010)	1 January 2013
FRS 10 - Consolidated Financial Statements	1 January 2013
FRS 11 - Joint Arrangements	1 January 2013
FRS 12 - Disclosures of Interests in Other Entities	1 January 2013
FRS 13 - Fair Value Measurement	1 January 2013
FRS 101 - Presentation of Financial Statements (Amendments relating to Presentation of Items of Other Comprehensive Income)	1 July 2012
FRS 112 - Income Taxes (Amendments relating to Deferred Tax – Recovery of Underlying Assets)	1 January 2012
FRS 119 - Employee Benefits (2011)	1 January 2013
FRS 124 - Related Party Disclosures (revised)	1 January 2012
FRS 127 - Separate Financial Statements (2011)	1 January 2013
FRS 128 - Investments in Associates and Joint Ventures (2011)	1 January 2013
IC Interpretation 14 - FRS 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and Their Interaction (Amendments relating to prepayments of a minimum funding requirement)	1 July 2011
IC Interpretation 19 - Extinguishing Financial Liabilities with Equity Instruments	1 July 2011
IC Interpretation 20 - Stripping Costs in the Production Phase of a Surface Mine	1 January 2013

On 19 November 2011, the Malaysian Accounting Standards Board (MASB) issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards Framework (MFRS Framework) in conjunction with its planned convergence of FRSs with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board. The MFRS Framework is to be applied by all Entities Other than Private Entities for annual periods beginning on or after 1 January 2012, with the exception for entities that are within the scope of MFRS 141 Agriculture and/or IC Interpretation 15 Agreements for the Construction of Real Estate, including its parent, significant investor and venture.

The Group will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the year ending 31 December 2012. In presenting its first MFRS financial statements, the Group will be required to restate the financial position as of 1 January 2012 to amounts reflecting the application of MFRS Framework.

The Group is currently assessing the impact of adoption of MFRS 1 First-time Adoption of Malaysian Financial Reporting Standards (MFRS 1), including identification of the differences in existing accounting policies as compared to the new MFRSs and the use of optional exemptions as provided for in MFRS 1. The Group expects to be in a position to fully comply with the requirements of the MFRS Framework for the financial year ending 31 December 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 issuance of 140,200 new ordinary shares of RM1.00 each at par for cash through the exercise of 140,200 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.

8. Dividend Paid

No dividend was paid in the financial quarter under review.

9. Segmental Reporting

Analysis of the Group's revenue and results for period ended 31 December 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	243,351	38,303	-	281,654
Inter-segment sales	4,126	-	(4,126)	-
Total revenue	<u>247,477</u>	<u>38,303</u>	<u>(4,126)</u>	<u>281,654</u>
Profit				
Segment results	30,062	9,253	-	39,315
Net finance costs				<u>(3,093)</u>
Profit from ordinary activities before taxation				36,222
Taxation				<u>(6,791)</u>
Profit from ordinary activities after taxation				29,431
Non-controlling interests				<u>636</u>
Net profit for the period				<u>30,067</u>

Analysis of the Group's revenue and results for period ended 31 December 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	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>
Profit				
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
Non-controlling interests				<u>209</u>
Net profit for the period				<u>30,620</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 8 February 2012, Century Advance Technology Sdn. Bhd. ("CAT"), a wholly-owned subsidiary of the Company, had acquired 150,000 and 100,000 ordinary shares of RM1.00 each in Century LED Sdn. Bhd. ("CLEL") for considerations of RM36,990 and RM24,660 respectively. Upon completion of the acquisition, CLED became a wholly-owned subsidiary of CAT.

12. Changes in Composition of the Group

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. ("OESB") 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. On 30 November 2011, CLSB had subscribed a further 714,000 ordinary shares of RM1.00 each of COSB while OESB had subscribed a further 686,000 ordinary shares of RM1.00 each. Upon completion of the allotment of shares, the paid-up share capital of COSB has increased from RM2 to RM1,500,000, comprising 1,500,000 ordinary shares of RM1.00 each.

13. Capital Commitments

As at the end of the reporting quarter, the Group has approved and contracted for capital commitments of RM46.8 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 31 December 2011, the Group's revenue and pre-tax profit are RM61.174 million and RM6.106 million respectively, compared to revenue and pre-tax profit of RM63.738 million and RM8.977 million respectively for the corresponding period in the previous financial year. The decrease in revenue and pre-tax profit by 4.0% and 32.0% respectively were mainly due to a weak global economy resulting in reduced activities of the total logistics services segment. In addition, a decline in the fair value of an available-for-sale financial asset of RM1.25 million that was recognised in other comprehensive income in the previous financial year is now reclassified from equity to profit and loss account as a cost in the current financial period.

16. Comparison with Immediate Preceding Quarter's Results

For the financial quarter ended 31 December 2011, the Group reported revenue and pre-tax profit of RM61.174 million and RM6.106 million respectively, compared to revenue and pre-tax profit of RM79.439 million and RM11.146 million respectively for the preceding quarter. The decrease in revenue and pre-tax profit by 23.0% and 45.2% respectively were mainly due to the reasons mentioned in Note 15 above.

17. Prospects for the Next Financial Year

The Group's performance declined during the current financial quarter ended 31 December 2011, in tandem with the weak global economy. 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. Nevertheless, the Group remains confident of its business model and expects to perform satisfactorily in the next 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 31.12.2011 RM'000	Preceding corresponding quarter 31.12.2010 RM'000	Current period 31.12.2011 RM'000	Preceding corresponding period 31.12.2010 RM'000
Provision for taxation	773	775	7,204	5,168
Deferred taxation	(429)	(74)	(413)	392
	<u>344</u>	<u>701</u>	<u>6,791</u>	<u>5,560</u>

20. Note to the Statement of Comprehensive Income

	-----Individual quarter-----		-----Cumulative quarter-----	
	Current quarter 31.12.2011 RM'000	Preceding corresponding quarter 31.12.2010 RM'000	Current period 31.12.2011 RM'000	Preceding corresponding period 31.12.2010 RM'000
Interest income	(90)	(130)	(422)	(311)
Interest expenses	837	1,202	3,515	4,146
Depreciation and amortisation	2,923	3,086	11,033	12,596
Provision for and write off of inventories	143	-	143	-
Provision for and write off of receivables	642	1,316	885	1,994
Foreign exchange loss	737	523	574	403
Gain on disposal of quoted or unquoted investments or properties	(187)	(3,886)	(637)	(3,932)
Impairment of assets	(249)	(141)	324	(1,730)
Other income including investment income (excluding items disclosed above)	77	356	1,141	1,941

There were no exceptional items or derivatives during the period under review.

21. Status of Corporate Proposal

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

22. Group's Borrowings and Debt Securities

	As at 31.12.2011 RM'000	As at 31.12.2010 RM'000
Short Term - Unsecured		
- Term Loan	-	20,000
- Revolving Credit	8,000	-
Short Term - Secured		
- Term Loans	6,613	5,185
- Foreign Term Loan	3,188	3,247
- Hire Purchase and Finance Leases	2,398	2,766
	<u>20,199</u>	<u>31,198</u>
Long Term - Secured		
- Term Loans	26,322	23,835
- Foreign Term Loan	14,953	17,905
- Hire Purchase and Finance Leases	4,598	4,820
	<u>45,873</u>	<u>46,560</u>
	<u>66,072</u>	<u>77,758</u>
Borrowings denominated in foreign currency:		
Term loan - Thai Baht 181,213,822	<u>18,141</u>	<u>21,152</u>

23. 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.

24. 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.

25. Realised and unrealised earnings or losses disclosure

	As at 31.12.2011 RM'000	As at 31.12.2010 RM'000
Total retained earnings of the Company and its subsidiaries		
- Realised	123,624	110,531
- Unrealised	(7,601)	(7,180)
Less: Consolidation adjustments	<u>4,953</u>	<u>(5,249)</u>
Total group retained earnings as per consolidated accounts	<u><u>120,976</u></u>	<u><u>98,102</u></u>

26. Dividend

The Board of Directors recommend a single tier final dividend of 7.0 sen per share in respect of the financial year ended 31 December 2011 (previous corresponding period: 4.0 sen per share), subject to the approval of the shareholders at the forthcoming Annual General Meeting. The dividend for the financial year ended 31 December 2011 totals 12.0 sen per share (previous corresponding period: 9.0 sen per share).

27. Earnings Per Share

	-----Individual quarter-----		-----Cumulative quarter-----	
	Current year quarter 31.12.2011 RM'000	Preceding year corresponding quarter 31.12.2010 RM'000	Current year to date 31.12.2011 RM'000	Preceding year corresponding period 31.12.2010 RM'000
Net profit attributable to equity holders of the Company	5,949	8,407	30,067	30,620
Add : After tax effect of interest on warrants	213	220	861	806
	<u>6,162</u>	<u>8,627</u>	<u>30,928</u>	<u>31,426</u>
Weighted average number of ordinary shares in issue	80,516	78,824	79,555	79,091
Effect on dilution of warrants	16,656	14,459	16,656	14,459
Weighted average number of ordinary shares (diluted)	<u>97,172</u>	<u>93,283</u>	<u>96,211</u>	<u>93,550</u>
Basic earnings per share (sen)	7.39	10.67	37.79	38.71
Diluted earnings per share (sen)	6.34	9.25	32.15	33.59

By Order of the Board of Directors

Company Secretary

Kuala Lumpur
23 February 2012