Harmonious Orchestration

Supply Chain Management

Supply Chain Management

Integrated Logistics Management

Procurement Logistics Services

Oil & Gas Logistics

International Freight Forwarding

Warehouse Management Services

Transport Management & Distribution

Halal Logistics Services

Project Logistics & Tax Exemption Consultancy

Shipping, Chartering & Bunker Services

Century®

Annual Report **2011**

Century Logistics Holdings Berhad (424341-A)

the ***power*** to move forward

FIRST IN MALAYSIA

- Accredited with ISO 9001:2000 for Supply Chain Management & Ship-to-Ship Operation Services from Lloyds

- Recognised as an "Integrated Logistics Services" provider by Ministry of International Trade & Industry and Ministry of Finance, Malaysia

- Certified with MS 1900:2005 Quality Management System - Requirements from Islamic Perspectives (for "Halal" Logistics) for the provision of:-

- International Freight Forwarding
- Warehouse Management Services
- Road Transport Services

Member of International Freight & Logistics Network (IFLN) represented in more than 70 countries

Our Services include:

- Supply Chain Management
- Integrated Logistics Management
- Procurement Logistics Services
- Oil & Gas Logistics
- International Freight Forwarding
- Warehouse Management Services
- Transport Management & Distribution
- Halal Logistics Services
- Project Logistics & Tax Exemption Consultancy
- Shipping, Chartering & Bunker Services

International Freight Logistics Network

Certificate No.: KLR 0404141

QUALITY SYSTEM

SIRIM
CERTIFIED TO MS 1900-2005
REGISTRATION NO.:4635

Century®

Century Logistics Holdings Berhad (424341-A)
Lot 8, Lingkaran Sultan Mohamed 1, Bandar Sultan Suleiman, P.O. Box 93, 42008 Port Klang, Selangor Darul Ehsan, Malaysia.
Tel: (603) 3375 5888 Fax: (603) 3375 5969 Email: info@century.com.my

www.century.com.my

Our Vision

"to transform Century through process evolution and strategic alliances taking cognizance of the global trend where third-party logistics (3PL) providers are able to offer value-added integrated logistics solutions that effectively enhance the customers' supply chain."

The Objectives

The objectives of Century are to perform efficient and responsible business activities to enhance the interest and quality of life of our stakeholders.

Quality Policy

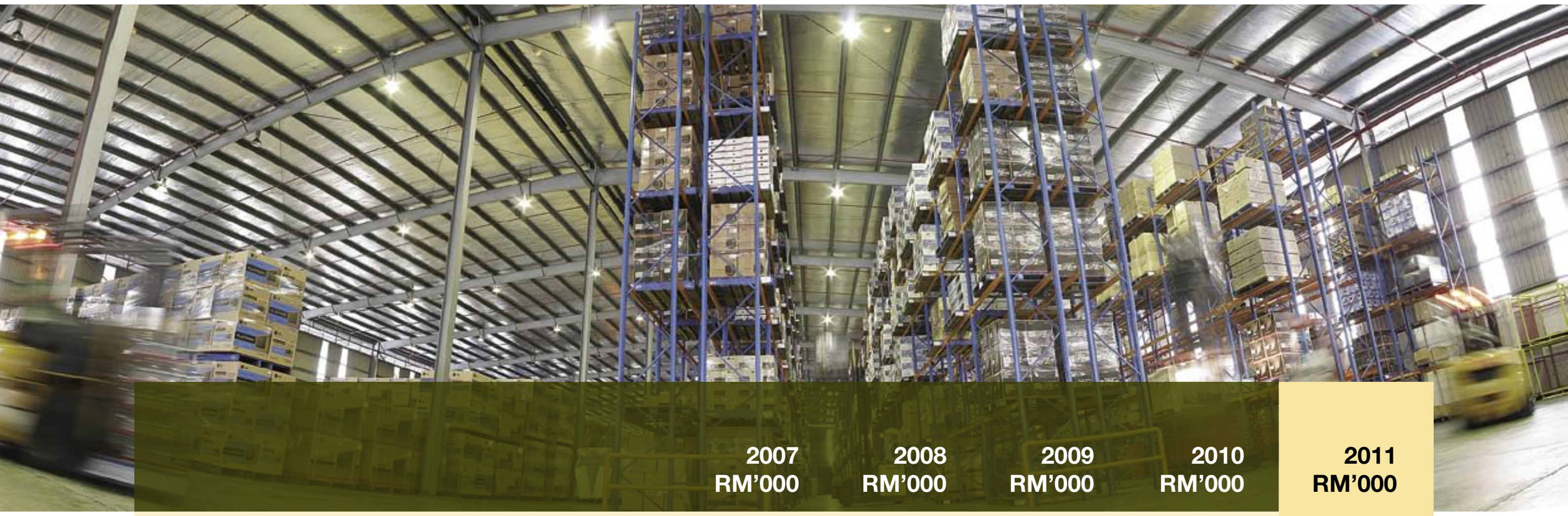
'doing the right things right'

Our Quality Policy is based on the following corporate values:-

- Customer Satisfaction – meeting customer needs and exceed their expectations by providing total logistics solutions to enhance their supply chain.
- Human Resource Management – promoting a conducive and learning organisation to improve growth and work satisfaction of our personnel.
- Service Excellence – extend the quality service performance and responsible care to our customers, contractors and within our organisation. Performances are measured by introducing the necessary Key Performance Indicators which are reviewed for continuous improvement.
- Corporate Citizenship – responsible corporate governance and positive contribution towards safety, sustainable environment and society.
- Shareholders' Reward – develop a sustainable business growth and enhancement of shareholders' value.
- Shariah Compliance – inculcate Shariah requirements in the quality management with emphasis on best practices and promote good universal values.

CONTENTS

FINANCIAL HIGHLIGHTS



	2007 RM'000	2008 RM'000	2009 RM'000	2010 RM'000	2011 RM'000
PROFITABILITY					
Revenue	163,022	163,892	210,950	270,621	281,627
Profit before taxation	23,659	17,089	24,788	35,971	36,237
Profit for the year attributable to equity holders	20,831	14,767	20,936	30,620	30,061
BALANCE SHEET					
Share capital	53,431	81,671	81,671	82,005	84,136
Shareholders' equity	106,296	137,728	155,179	174,634	200,715
FINANCIAL RATIO					
Revenue growth (%)	30.9%	0.5%	28.7%	28.3%	4.1%
Earnings growth (%)	306.1%	-29.1%	41.8%	46.3%	-1.8%
Return on equity	19.6%	10.7%	13.5%	17.5%	15.0%
SHARE INFORMATION					
Gross dividend per share (sen)	10.0	5.0	6.0	9.0	12.0
Earnings per share (sen)	40.95	21.12	27.49	38.71	37.79
Net assets per share (sen)	209	186	190	222	249

CORPORATE INFORMATION

Board Of Directors

Datuk Phua Sin Mo
Executive Chairman

Teow Choo Hing
Managing Director

Dr. Mohamed Amin bin Mohd Kassim
Deputy Managing Director

Datuk Jaafar bin Mohamad
Executive Director

Teow Choo Chuan
Executive Director

Yeap Khoo Soon Edwin
Executive Director

Shamsudin @ Samad bin Kassim
Senior Independent Non-Executive Director

Dato' Yong Seng Yeow
Independent Non-Executive Director

Soong Chee Keong
Independent Non-Executive Director

Audit Committee

Shamsudin @ Samad bin Kassim
Chairman

Dato' Yong Seng Yeow
Member

Soong Chee Keong
Member

Company Secretary

Chua Siew Chuan
(MAICSA 0777689)

Auditors

Deloitte & Touche

Principal Bankers

Public Bank Berhad
RHB Bank Berhad
OCBC Bank (Malaysia) Berhad
HSBC Amanah Malaysia Berhad

Stock Exchange Listing

Main Market Of
Bursa Malaysia Securities Berhad

Registered Office

Level 7, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
Damansara Heights
50490 Kuala Lumpur
Tel: 03 2084 9000
Fax: 03 2094 9940

Corporate Office

Lot 8, Lingkaran Sultan Mohamed 1
Bandar Sultan Suleiman
P.O. Box 93, 42008 Port Klang
Selangor Darul Ehsan
Tel: 03 3375 5888
Fax: 03 3375 5969
Email: info@century.com.my
Website: www.century.com.my

Share Registrar

Securities Services (Holdings) Sdn Bhd
Level 7, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
Damansara Heights
50490 Kuala Lumpur
Tel: 03 2084 9000
Fax: 03 2094 9940

Century®

ABOUT CENTURY

Century is a leading provider of supply chain solutions. From a humble beginning as a forwarding agent back in the 1970s, the Group has since diversified into third party logistics ("3PL"), oil and gas logistics as well as procurement logistics services.

Century's unique model of value-added solutions encompass warehousing and distribution services that can be scaled and customized to the needs of customers based on the demands and delivery service requirements for their products. With the innovative solutions offered, Century has evolved to managing the contract logistics of discerning clienteles, where the value propositions are to improve operational efficiencies that positively enhance the clienteles and their end customers.

In oil and gas logistics, we provide floating storage and transshipment services for international oil trading companies.

Century also provides procurement logistics services to various multi-national electrical and electronics customers.

CHAIRMAN'S MESSAGE

Dear Fellow Stakeholders,

On behalf of the Board of Directors, I am pleased to share with you the Annual Report for 2011, where we achieved yet another great performance, with record revenue.

The consistently strong performance is due to our continuous focus in providing excellent supply chain solutions that effectively enhance our customers' value chain.

DATUK PHUA SIN MO
Executive Chairman

CHAIRMAN'S MESSAGE

ECONOMIC AND INDUSTRY REVIEW

It is encouraging to note that the Malaysian economy performed above expectations, registering a growth of 5.1% for 2011, underpinned by domestic demand. However, despite the expansion in domestic demand, the slower growth in the global economy had led to a weaker growth in external demand. Nevertheless, I am confident that the introduction of the various Government initiatives, including the Economic Transformation Programme, will continue to provide a conducive environment for the logistics industry in Malaysia.

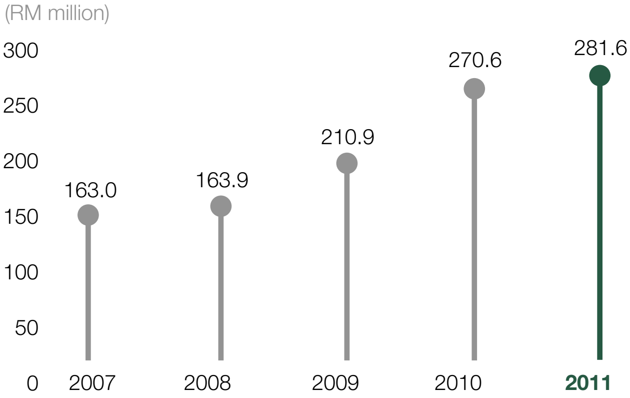
FINANCIAL REVIEW

I am proud to say that Century has continued to make good progress despite the challenging business environment. This is driven by three key factors: our core focus, our strong balance sheet and most significantly, the strength of our management team. As a result, we have been rewarded by an impressive set of financial numbers.

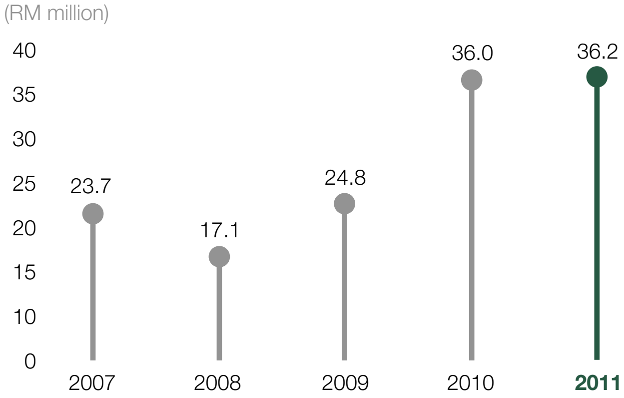
Record Earnings

Our 2011 revenue rose to RM281.6 million from RM270.6 million, an increase of 4% while profit for the year attributable to equity holders was RM30.1 million, marginally lower than RM30.6 million recorded in 2010. Shareholders' returns continued to be strong with earnings per share for 2011 of 37.8 sen.

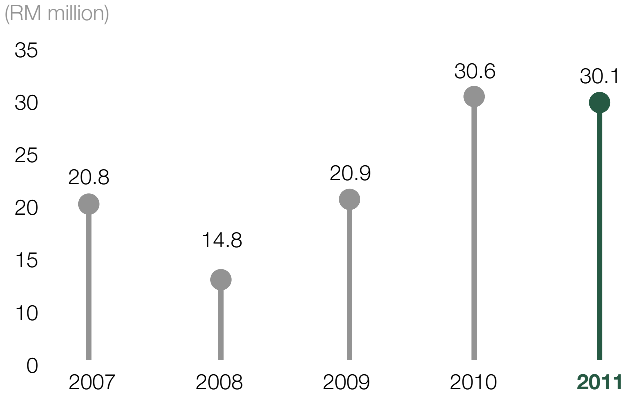
Revenue



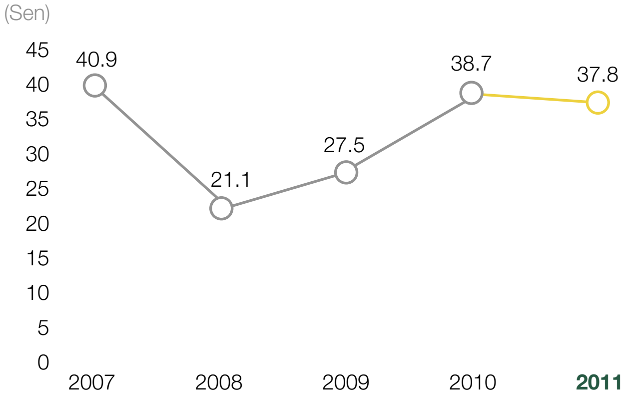
PBT



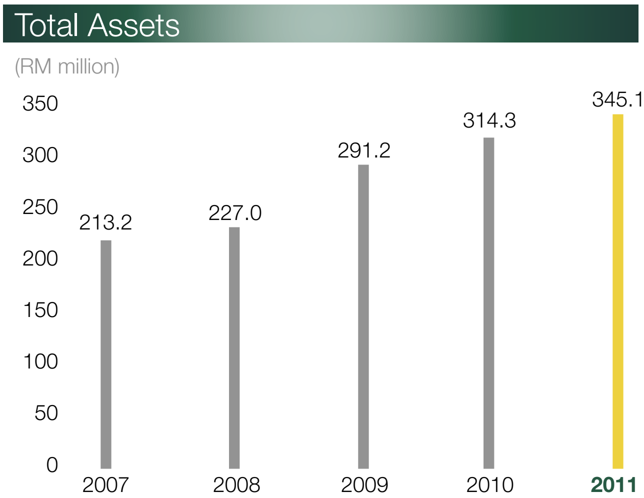
Net Profit



Net EPS



CHAIRMAN'S MESSAGE



Strong Balance Sheet

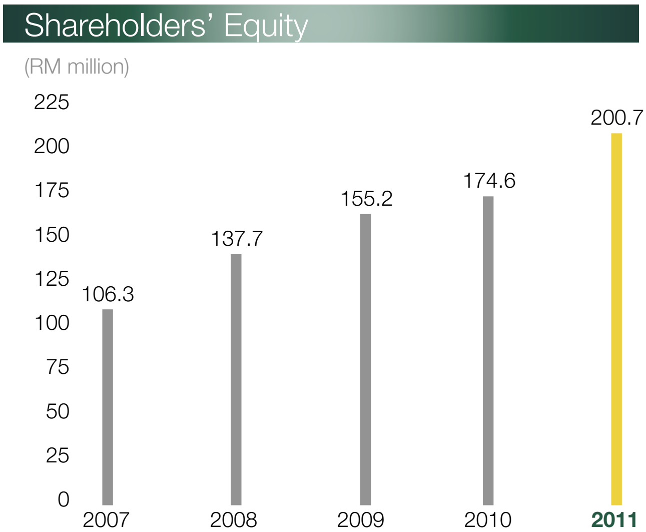
Our financial strength is equally impressive with total assets at RM345.1 million from RM314.3 million, while shareholders funds attributable to equity holders improved to RM200.7 million from RM174.6 million recorded in 2010. Consequently, net assets per share rose to RM2.49.

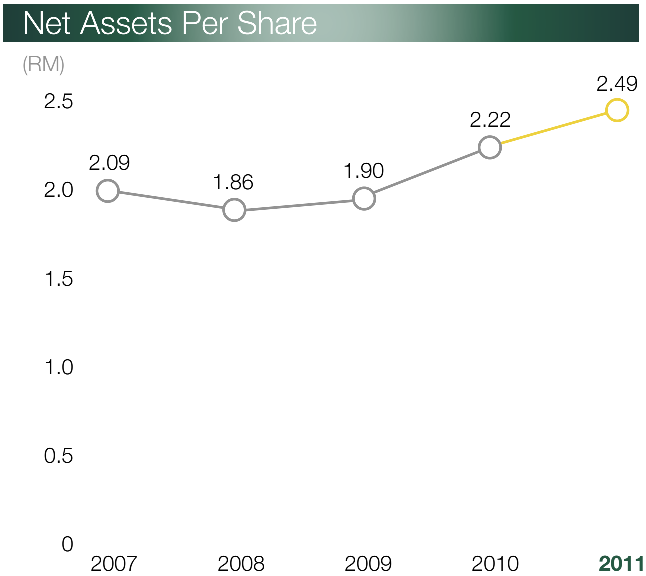
We continue to manage our Group funding on an optimal debt-equity mix with cash and bank balances of RM22.6 million and net debt at a comfortable RM43.5 million, translating to net gearing ratio of less than 0.22 times. This is despite having recently invested in our inaugural vessel, Onsys Century I.

DIVIDEND

In line with the strong performance in 2011, the Board has proposed a final dividend of 7.0 sen per share (single-tier) pending your approval at the forthcoming Annual General Meeting. Including the interim dividend of 5.0 sen per share (single-tier) paid during 2011, the total dividend payable for 2011 will amount to 12.0 sen per share (single-tier), up from 9.0 sen (single-tier) paid in respect of 2010.

This represents the highest quantum of dividend declared since listing in 2001. The high total dividend reflects confidence in our future performance and is in line with the objective to optimise the Group's capital structure and to reward your loyalty, my fellow stakeholders. We will endeavour to improve dividend payout in the coming years, in tandem with the Group's performance. For 2011, the dividend quantum shall translate to 32% of net profit.





CHAIRMAN'S MESSAGE

OPERATIONAL REVIEW

I would now like to report on the performance of each of our 2 core divisions.

Total Logistics Services

We offer integrated total logistics solutions that effectively enhance our customers' supply chain. As a third-party logistics provider, the various components of logistics, encompassing forwarding, transportation, warehousing and other ancillary services are managed with a clear understanding of the requirements of our customers. We have the total logistics offering across our Group with true end to end supply chain capabilities, all supported by our key account management concept, resulting in a single point of contact across all operational activities.

As competition intensifies, our customers are constantly looking for ways to maximise profitability whilst maintaining their competitive edge. With the innovative solutions offered, we have evolved to managing the contract logistics of discerning clientele, where the value propositions are to improve operational efficiencies that positively enhance the clientele's competitive edge and satisfy their end customers. Our successful business model has enabled us to win new contracts from two very coveted customers, Celcom Axiata and the F&N Group, during the year.

Our three distribution centres in Port of Tanjong Pelepas ("PTP"), totaling 460,000 square feet of warehousing capacity, has been perfectly timed to meet the strong demand in PTP. Singaporean companies in particular, recognise the value proposition of comparatively better cost efficiency in PTP. As our existing warehousing capacity has been completely taken up, we had, in December 2011, inked the offer to purchase the sub-lease of a further 15 acres of land in PTP for the expansion of our warehousing capacity there. Plans are currently underway to construct a total of 400,000 square feet warehousing capacity on the land.

We had in February 2011, entered into a sale and purchase agreement to purchase a piece of freehold land measuring approximately 65,340 square feet in area, within a commercial development known as Setia City at Precinct 1 of Setia Alam, for a purchase consideration of RM8,820,900. We intend to develop the property into a commercial office building for our own use and, should there be space in excess to our needs, we plan to rent out the remaining office space. The acquisition is currently pending the transfer of title to us.

The Group, in collaboration with international oil trading companies, is involved in the supply chain management and ship husbandry for fuel oil traders. We currently handle the services for floating storage units ("FSU") within the port limit of PTP in Johor. These FSUs are used for the purpose of blending, storage and offloading of oil. Singapore, the world's busiest bunkering port, has to contend with high operating expenses and shortage of space for safe operations. This is where we have successfully promoted the viable alternative sites with value-added solutions.

In furtherance of our oil & gas logistics activities, we had in October 2011 acquired M.T. Qaseh, a 7,119 Dead Weight Tonnes oil products tanker ("the Vessel") for a bargain consideration of USD4.75 million (approximately RM15 million) from a 100% subsidiary of Export-Import Bank of Malaysia Berhad. The Vessel, which was subsequently reflagged to Malaysia and renamed as Onsys Century I, started carrying out spot charter voyages from January 2012.

CHAIRMAN'S MESSAGE

Procurement Logistics Services

We offer a range of value-added procurement logistics services for various electrical and electronic products. With today's market requirements changing at an incredible pace, customers are outsourcing more of their supply chain to third party logistics providers to include procurement, assembly and repackaging services. The traditional practice of third party logistics providers merely handling the movement of goods has since evolved to providing increasing levels of value added services. We have successfully pursued several strategic initiatives both in terms of production capability and geographical scope, offering original equipment manufacturing ("OEM") solutions to locally-based electrical and electronic products manufacturers and traders.

During the course of 2011, we handled in excess of 350,000 units of electrical and electronics products, of which approximately 12% were exported to various customers in the Middle East and South America.

CHAIRMAN'S MESSAGE

PROSPECTS AND OUTLOOK

Our industry growth thrives on one key aspect - that customers will continue to outsource more and more of their logistics. Customers have begun to appreciate that outsourcing does not mean higher costs or losing control, rather it is about enhancing their supply chain managed by the right people.

Century recognises the fast evolution of the world of logistics and the importance of keeping abreast with the latest technological advances as well as the newest logistics solutions. We have the financial capacity and will continue to further invest in state-of-the-art information technology infrastructure in order to be at the forefront of the logistics industry.

The key contracts we won during 2011 is a testament that customers have entrusted us with their logistics needs, where contracts are entered into on a mutually beneficial basis and this will continue to spearhead our growth for the future.

While we continue to expand our supply chain solutions offering, we are also focusing on increasing our participation in the oil and gas logistics activities, including diversification upstream and downstream of the sector. We have started operating our first oil products vessel and we intend to expand our fleet, at a cost-effective purchase price.

As for procurement logistics, we will continue to explore business opportunities in various regions, including countries in South Asia, South America and Africa due to the growing demand for such services in those regions.

It is certainly very difficult to make a reasonable prediction for the rest of year 2012, given the uncertain economic and geo-political landscape. You can nevertheless be confident that our strong financials and successful business model have placed us in a position to weather the worst of storms. On the upside, our financial strength will result in calculated growth and the ability to take advantage of opportunities as they occur.

ACKNOWLEDGEMENTS

Century will not be where we are today without the contributions from all our customers and suppliers. To our stakeholders, many thanks for your continuous support. I would also like to thank all management and employees throughout the Group for their outstanding efforts and hard work.

And not forgetting my fellow investors; I look forward to welcoming you at the forthcoming Annual General Meeting on Wednesday, 25 April at One World Hotel, Petaling Jaya.

Let's continue on this exciting journey of growth.

DATUK PHUA SIN MO
Executive Chairman

BOARD OF DIRECTORS

Datuk Phua Sin Mo
Executive Chairman

Aged 63, Malaysian
Appointed to the Board of Century on 28 July 1997.

Founder of the Century Group. Involvement in the logistics industry started at the age of 21 when he and a partner set-up Syarikat Wakil Penghantaran & Perkapalan Century in 1970 which over the years, grew into a reputable total logistics group in Malaysia.

Does not have any directorship in other public companies.

Teow Choo Hing
Managing Director

Aged 52, Malaysian
Appointed to the Board of Century on 28 July 1997.

Holds a Bachelor and Masters degree of Science in Civil Engineering from the University of Oklahoma, USA.

Started career in 1986 as a Project Engineer for an interstate highway project in the State of Oklahoma, USA.

Involvement in logistics since 1991, when he set-up a bonded warehouse in Port Klang with several partners. Member of the Remuneration Committee of Century.

Does not have any directorship in other public companies.

Dr. Mohamed Amin bin Mohd Kassim
Deputy Managing Director

Aged 58, Malaysian
Appointed to the Board of Century on 28 July 1997.

Holds a degree of the Chartered Institute of Transport, United Kingdom and graduated at the Imperial College, University of London with a Doctorate in Management. Also awarded with Certified Corporate Strategist Doctorate from Cambridge Association of Managers (2006) and Certified Doctor of Business Administration from Oxford Association of Management (2006).

Career in shipping, international freight forwarding and logistics management since 1975, including servicing the agency for Evergreen Group as the General Manager from 1987 to 1996.

Co-Writer for the Malaysian Industrial Master Plan 3 (2006 – 2020) – Logistics Chapter. Team Leader of the Consulting Team which submitted to the Malaysian Government - “Study on the Roadmap for the development of the Logistics Services Sector in Malaysia incorporating a Study on the impact of the current economic downturn on the Logistics Services Sector” (2009/2010). Leading member of the Malaysian Logistics Council. Appointed as Adjunct Professor by Universiti Teknologi MARA (UITM) in June 2010.

Does not have any directorship in other public companies.

BOARD OF DIRECTORS

Datuk Jaafar bin Mohamad
Executive Director

Aged 54, Malaysian
Appointed to the Board of Century on 9 August 1999.

Chief Operating Officer of the Johor Branch of the Century Group.

Career in shipping and logistics management since 1977, including servicing the shipping agency for the Evergreen Group as the General Manager from 1996 to 1997.

Does not have any directorship in other public companies.

Teow Choo Chuan
Executive Director

Aged 49, Malaysian
Appointed to the Board of Century on 9 August 1999.

Chief Operating Officer of the Procurement Logistics Division of the Century Group.

Holds a Bachelor of Science in Electrical Engineering from the University of Oklahoma, USA.

Career in electrical and electronics since 1984, including serving as Managing Director of Brilliant Pattern Sdn Bhd (currently known as Century Advance Technology Sdn Bhd), until its acquisition by Century in 2000.

Does not have any directorship in other public companies.

Yeap Khoo Soon Edwin
Executive Director

Aged 41, Malaysian
Appointed to the Board of Century on 15 January 2002.

Chief Financial Officer of the Century Group.

Holds a Bachelor of Science (Accounting) from Queen's University, United Kingdom, fellow of the Institute of Chartered Accountants in England & Wales (ICAEW) and member of the Malaysian Institute of Accountants (MIA).

Career in financial management and corporate finance since 1992 with a firm of accountants in London, United Kingdom and the Corporate Finance Department of an investment bank before joining Century in 2000.

Does not have any directorship in other public companies.

BOARD OF DIRECTORS

Shamsudin @ Samad bin Kassim
Senior Independent Non-Executive Director

Aged 65, Malaysian
Appointed to the Board of Century on 1 November 2001.

Holds a Bachelor of Economics from Universiti Malaya and Master in Public and International Affairs from University of Pittsburgh, USA.

Commenced career in 1970 in the public service and in 2000, was Chief Executive Officer of the Small and Medium Industries Development Corporation (SMIDEC), until retirement in 2001.

Chairman of the Audit Committee and member of the Nomination and Remuneration Committees of Century.

Also sits on the Boards of Ingress Corporation Berhad, Supermax Corporation Berhad, Kinsteel Berhad, BHS Industries Berhad, Perwaja Holdings Bhd, Multi-Code Electronics Industries (M) Berhad, Bunseng Holdings Berhad and Master Tec Holdings Berhad.

Dato' Yong Seng Yeow
Independent Non-Executive Director

Aged 59, Malaysian
Appointed to the Board of Century on 16 January 2009.

Joined Mieco Chipboard Berhad as Executive Director in 1994 and redesignated as Managing Director in 2007.

Over 25 years of experience in sales and marketing in building materials and furniture industries.

Chairman of the Remuneration Committee and member of the Audit and Nomination Committees of Century.

Also sits on the Board of Mieco Chipboard Berhad.

Soong Chee Keong
Independent Non-Executive Director

Aged 42, Malaysian
Appointed to the Board of Century on 7 April 2008.

Member of the Association of Chartered Certified Accountants (ACCA) and the Malaysian Institute of Accountants (MIA).

Started career in financial audit in 1993 with BDO Binder and in 1995, joined the Corporate Finance Department of an investment bank before joining Abric Berhad in 1999.

Chairman of the Nomination Committee and member of the Audit Committee of Century.

Also sits on the Boards of Abric Berhad and Wonderful Wire & Cable Berhad.

ADDITIONAL INFORMATION

Family Relationships with any Director and / or Major Shareholder
Teow Choo Hing and Teow Choo Chuan are brothers while Datuk Phua Sin Mo is their uncle. None of the other directors have family relationship with any other directors or major shareholders of the Company.

Conviction for Offences (within the past 10 years, other than traffic offences)
None of the directors have any conviction for offences other than traffic offences, if any.

Conflict of Interest
None of the directors have any conflict of interest with the Company.

Material Contracts
There were no material contracts entered into by the Company and/ or its subsidiary companies which involve directors' and major shareholders' interests for the financial year ended 31 December 2011.

Recurrent Related Party Transactions of a Revenue or Trading Nature
The recurrent related party transactions entered into by the Group during the financial year ended 31 December 2011 were as follows:

Company	Principal Activities	Relationship
Century Forwarding Agency Sdn Bhd ("CFA")	Freight forwarding and shipping agency	Dr. Mohamed Amin bin Mohd Kassim, a Director and shareholder of Century, holds 30% equity in CFA. Dr. Mohamed Amin bin Mohd Kassim, together with Datuk Jaafar bin Mohamad, are Directors of Century and CFA
Century Onsys Sdn Bhd ("COSB")	Vessel chartering	Century Logistics Sdn Bhd holds 51% equity while OESB holds 49% equity in COSB. Dr. Mohamed Amin bin Mohd Kassim, together with Datuk Jaafar bin Mohamad, are Directors of Century, COSB and OESB
Award Maritime Sdn Bhd ("AMSB")	Shipping and commission agents and brokers	Datuk Jaafar bin Mohamad, a Director and substantial shareholder of Century, holds 40% equity in AMSB
Onsys group of companies, as defined in note below ("Onsys Group")	Dealing in oil, bunkering, vessels chartering brokerage and shipping management	Datuk Jaafar bin Mohamad, a Director and substantial shareholder of Century together with Tan Shyue Chang, a Director of COSB and Century Logistics (S'pore) Pte Ltd, are Directors and substantial shareholders of the companies in the Onsys Group
Policy Management Sdn Bhd ("PMSB")	Insurance brokerage	Teow Choo Ann holds 94% equity in PMSB. He is the nephew of Datuk Phua Sin Mo and brother of Teow Choo Hing and Teow Choo Chuan, who are all Directors and major shareholders of Century

Note: The equity interests of the companies in the Onsys Group, which are involved in the recurrent related party transactions with the Century Group include the following:

Company	Shareholder	Equity Interest
Onsys Energy Sdn Bhd ("OESB")	Datuk Jaafar bin Mohamad Tan Shyue Chang	70% 30%
Onsys Energy Pte Ltd	Onsys Energy Sdn Bhd	100%
Onsys Leo Sdn Bhd	Onsys Energy Sdn Bhd	100%
Onsys Shipping Sdn Bhd	Datuk Jaafar bin Mohamad Tan Shyue Chang	50% 50%
Onsys Libra Sdn Bhd	Onsys Shipping Sdn Bhd	100%
Onsys Maritime Services Pte Ltd	Datuk Jaafar bin Mohamad Tan Shyue Chang	70% 30%

ADDITIONAL INFORMATION

Related Party	Nature of Transaction	Amount for Jan to Dec 2011 RM'000
Income		
Onsys Group	Provision of agency services by CTL	432
Onsys Group	Rental of office space and electricity charges from CTL	201
AMSB	Rental of office space and administration charges from CTL	18
	Total	651
Cost		
CFA	Provision of freight forwarding services to CTL	1,152
AMSB	Provision of ship handling and agency services to CTL	2,110
PMSB	Payment of service fees for renewal of road tax for vehicles by CTL (however, total payment to PMSB includes insurance premium and road tax fees)	11
	Total	3,273
Not Mandated Cost		
Onsys Group	Provision of ship handling and agencies services to COSB	42

Share Buy-backs

During the financial year, the Company purchased 166,800 of its issued and paid-up share capital from the open market at an average price of RM1.71 per share. The shares purchased are being held as treasury shares in accordance with Section 67A of the Companies Act 1965.

Month	No. of shares purchased	Purchase price per share Lowest RM	Highest RM	Average cost per share* RM	Total cost* RM'000
January 2011	76,900	1.82	1.86	1.84	141
February 2011	-	-	-	-	-
March 2011	-	-	-	-	-
April 2011	-	-	-	-	-
May 2011	-	-	-	-	-
June 2011	-	-	-	-	-
July 2011	38,000	1.68	1.70	1.69	64
August 2011	5,000	1.53	1.58	1.55	8
September 2011	46,900	1.51	1.58	1.54	72
October 2011	-	-	-	-	-
November 2011	-	-	-	-	-
December 2011	-	-	-	-	-
TOTAL FOR 2011	**166,800**	**1.51**	**1.86**	**1.71**	**285**

* *Excluding transaction costs.*
Subsequent to 31 December 2011, there was a share buy-back of 10,000 ordinary shares from the open market on 6 March 2012 for a net consideration of RM17,800. As a result, a balance of 3,598,920 ordinary shares were retained as treasury shares on 6 March 2012. The Analysis of Shareholdings in this Annual Report is based on 3,588,920 ordinary shares being retained as treasury shares.

ADDITIONAL INFORMATION

Options, Warrants or Convertible Securities
There was no issuance of options, warrants or convertible securities during the financial year.

The Company issued a total of 2,131,500 ordinary shares through the exercise of 2,131,500 three (3) year 2010/2013 warrants at an exercise price of RM1.00 each per share for each warrant held during the financial year. As of the end of the financial year, 38,287,442 ordinary shares of the Company are available for subscription via the exercise of the 3-year 2010/2013 warrants.

Depository Receipt Programme
During the financial year, the Company did not sponsor any depository receipt programme.

Imposition of Sanction and Penalties
There were no sanctions or penalties imposed on the Company and its subsidiaries, directors or management by the relevant regulatory bodies during the financial year.

Non-Audit Fees
The amount of non-audit fees charged for services rendered to the Group and to the Company by the external auditors and its affiliates in Malaysia for the financial year amounted to RM102,100 and RM15,500 respectively.

Variance of actual profit from the forecast profit
There was no forecast profit announced pertaining to the financial year.

Profit Guarantee
During the financial year, there was no profit guarantee given by the Company.

Utilisation of Proceeds
The Company did not undertake any corporate proposal to raise proceeds during the financial year.

However, a total of RM2,131,500 was raised from the exercise of the Company's three (3) year 2010/2013 warrants during the financial year. The proceeds were utilized for general working capital purposes of the Group.

Internal Audit Function
The internal audit function for the Group was outsourced to an external firm of consultants. The amount incurred for the internal audit services for the financial year ended 31 December 2011 was RM72,000.

CORPORATE STRUCTURE

Century®

- 100% Century Total Logistics Sdn Bhd
- 100% Century Advance Technology Sdn Bhd
  - 100% Century LED Sdn Bhd
- 70% Century Forwarding Agency Sdn Bhd
- 100% Century Logistics Sdn Bhd
  - 100% Century Trucking Sdn Bhd
  - 100% Storewell (M) Sdn Bhd
  - 100% Century Logistics (Sarawak) Sdn Bhd
  - 51% Storewell Realty Sdn Bhd
  - 51% Century Onsys Sdn Bhd (Formally known as Dwialam Teknologi Sdn Bhd)
  - 100% Century Logistics (S'pore) Pte Ltd, Singapore
  - 90% Century Resources (Thailand) Limited, Thailand
  - 75% Century - YES Logistics (Yichun) Co. Ltd, China
  - 60% Century Logistics (Thailand) Limited, Thailand (In Members' voluntary winding-up)
  - 51% Expo Century Logistics Private Limited, India
- 100% Century Logistics (Johore) Sdn Bhd

Century DC1 and HQ

Century PTP D12 and Johor Office

Century PTP D16 and D18

CORPORATE RESPONSIBILITY STATEMENT

We are committed to being an exemplary corporate citizen – to practice responsible corporate governance and positively contribute towards safety, sustainable environment and society. Corporate Responsibility ("CR") has always been an integral part of Century's quality "doing the right things right" policy. The CR drive starts from the Management and flows down to the environment, work place and community.

Team building during corporate retreat (December 2011)

BUSINESS ENVIRONMENT

While Century strives to meet customer needs and exceed their expectations through our provision of total logistics solutions to enhance our customers' supply chain, we also ensure that our operations result in minimal environmental impact. Our initiatives to environmental stewardship include our fleet renewal programme, where all our new trucks are fitted with at least Euro 3 Engines which entitles us to Green Engine Certification from SIRIM and JPJ, resulting in 50% road tax rebate.

Our commitment encompasses high safety standards in our oil and gas logistics operation in Johor waters. Our team, together with a team from the port authorities, have to undergo a yearly drill to respond to any oil spillage. We are proud to have a record of zero oil spillage since this operation began in 2001.

We continued to promote the responsible usage of resources and the importance of environment protection amongst our employees. Our conservation initiatives include adjusting the air-conditioning to a comfortable temperature and usage of energy saving LED lightings in our new offices.

Transportation for staff

CORPORATE RESPONSIBILITY STATEMENT

Sponsorship of Kejohanan Hoki Antarabangsa Bawah 21 Piala Sultan Johor 2011 (September 2011)

Duit Raya for under-privileged children from Asrama Darul Falah Perkim ("ASDAF") (August 2011)

Sponsorship of 11 needy students of SRJK (C) Chiao Nan, KL (December 2011)

WORK PLACE

The Century Group currently employs more than 600 employees in our domestic and overseas operations. We try our utmost to create a conducive and learning organisation to improve growth and work satisfaction of our personnel. We provide our employees with continuing training programmes to enhance job performance and career development.

Various social and sporting activities are organized on a regular basis, with Kelab Sukan Century continuing its active role to encourage our employees to participate in these activities. Staff gatherings, including open house for the major festivities, are also organized to encourage more interaction amongst our employees.

We also strive to adhere to stringent occupational health and safety practices, providing a safer working environment for our workforce. Century remains committed to maintaining our high standards in Health, Safety and Environment ("HSE"). Various HSE programmes are organised to instill awareness by our employees.

COMMUNITY

We have continued to support the community, particularly the less fortunate. Our contributions are largely monetary donations to charities and worthy causes. We have during the course of the year, donated to various local schools, sport bodies, community and charitable organizations as well as places of worships. We have fully honoured our sponsorship commitment to the Malaysian Tenpin Bowling Congress, totaling RM300,000 for 3 years (2010-2012).

MOVING FORWARD

We shall continue our efforts to further involve and contribute in order that a meaningful value, in our humble way, is channeled back to the community and society at large. The initiatives which we are currently embarking on include getting certified for the International Occupational Health and Safety Management System, OHSAS 18001. The certification, which we expect to obtain in June 2012, will enable us to better manage occupational health and safety risks.

CORPORATE RESPONSIBILITY STATEMENT

Follow up visit "Bersamamu" – Poor & Destitutes at Pontian, Johor (March 2011)

Sponsorship of Computers to Rumah Aman Orphanage and Welfare Home (July 2011)

Bersamamu – Poor & Destitutes at Kluang, Johor (August 2011)

Contribution to Methodist School Nibong Tebal Alumni (MSNTA) (March 2011)

Berbuka Puasa with SK Pendidikan Khas Johor Bahru (School for Deaf) and the Association of Mentally Retarded Children Johor (August 2011)

CORPORATE RESPONSIBILITY STATEMENT

Majlis Anugerah Penyayang Johor 2011 (December 2011)


Certificate of Appreciation

FPLC HARI RAYA CHARITY DINNER IN SUPPORT OF MYKASIH 2011

on

September 19, 2011

at

Sime Darby Convention Centre, Bukit Kiara Kuala Lumpur

To

Century

CENTURY LOGISTICS HOLDINGS BERHAD

Presented by

Tan Sri Dato' Seri Megat Najmuddin Megat Khas

President

FPLC

Federation of Public Listed Companies Bhd

Federation of Public Listed Companies Hari Raya Charity Dinner in Support of My Kasih (September 2011)


ANUGERAH PENYAYANG JOHOR 2011

ORGANISASI PENYAYANG (SWASTA)

(PERINGKAT DAERAH)

Dengan sukacitanya dianugerahkan kepada

CENTURY TOTAL LOGISTICS SDN BHD

(DAERAH JOHOR BAHRU)

Di atas kecemerlangan dan penglibatan dalam kerja-kerja kemasyarakatan

pada 16 Disember 2011

bersamaan 20 Muharam 1433H

Anugerah Penyayang Johor 2011 (Private Sector) (December 2011)

Century Bowling Tournament 2011 (July 2011)

1st Inter-media Bowling Cup 2011 (November 2011)

Donation and Duit Raya to Orphans and Widows from PERSADA (August 2011)

Chinese New Year Lunch (February 2012)

CORPORATE GOVERNANCE STATEMENT

The Board of Century recognizes the need to maintain high standards of corporate governance and strives to achieve this objective by enhancing shareholders' value with corporate accountability and transparency. Thus the Board is committed to ensure that the corporate governance is in line with the principles set out in Part 1 of the Malaysian Code on Corporate Governance ("the Code").

The Board further acknowledges the best practices as set out in Part 2 of the Code and continue to evaluate the status of the practices and adopted the alternatives.

Set out herewith are the Corporate Governance principles and practices that were applied during the financial year ended 31 December 2011.

THE BOARD OF DIRECTORS

Composition of the Board

The Board comprises nine (9) members of which three (3) are independent non-executive directors. This composition reflects a balance of executive directors and non-executive directors such that no individual or group of individuals dominates the Board's decision making.

The executive directors are responsible for the implementation of the Board's policies and decisions, monitoring the operations as well as managing the development and implementation of business and corporate strategies. The non-executive directors are independent of Management and free from any business relationship, which could materially interfere with their independent judgement. Their role is to provide independent view, advice and judgement to ensure a balanced and unbiased decision-making process as well as to safeguard the interest of public shareholders.

The Board is of the opinion that the directors, with their different background and specializations, collectively bring with them a wide range of experience and expertise required to discharge the Board's duties and responsibilities.

Board Responsibilities

The Board provides stewardship to the Group's strategic direction and operations, and ultimately the enhancement of long-term shareholders' value. The Board is primarily responsible for:

- adopting and monitoring progress of the Company's strategies, budgets, plans and policies;
- overseeing the conduct of the Company's business to evaluate whether the business is being properly managed;
- considering management recommendations on key issues including acquisitions and divestments, restructuring, funding and significant capital expenditure;
- succession planning including appointing and reviewing the compensation of the top management;
- identifying principal risks and ensuring the implementation of appropriate systems to manage these risks; and
- reviewing the adequacy and integrity of the Company's internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines.

The Board has delegated certain responsibilities to several Board Committees such as the Audit Committee, Nomination Committee and Remuneration Committee which operates within clearly defined terms of reference.

The Board has identified Encik Shamsudin @ Samad bin Kassim as the senior independent non-executive director to whom concerns may be conveyed where it could be inappropriate for the concerns to be dealt with by the Executive Chairman or the Managing Director.

CORPORATE GOVERNANCE STATEMENT

Board Meetings

The Board has five (5) regularly scheduled meetings annually, although additional meetings may be called when necessary.

The Company ensures that all the directors have full and timely access to information. Each Board member receives an agenda together with the full set of written reports and supporting information, including operating results, comprehensive review and analysis, at least one (1) week ahead of each Board meeting. This is issued in sufficient time to enable the directors to obtain further explanations, where necessary, in order to be briefed properly before the meeting.

The directors have access to all necessary information within the Company, in furtherance of their duties. Directors also have direct access to the advice and services of the Company Secretary and may seek independent professional advice if deemed reasonable and necessary, at the expense of the Company, subject to the approval of the Board.

At each regularly scheduled meeting, there is a full financial and business review and discussion, including operational performance against annual budget. During the year under review, five (5) Board meetings were held. The details of the Directors' attendance are as follows:-

Director	Number of Meetings attended by Directors
Datuk Phua Sin Mo	5/5
Teow Choo Hing	5/5
Dr. Mohamed Amin bin Mohd Kassim	5/5
Datuk Jaafar bin Mohamad	4/5
Teow Choo Chuan	4/5
Yeap Khoo Soon Edwin	5/5
Dato' Yong Seng Yeow	5/5
Shamsudin @ Samad bin Kassim	5/5
Soong Chee Keong	4/5

Directors' Training and Education

The Board encourages its directors to attend talks, seminars, workshops and conferences to update and enhance their skills and knowledge to enable them to carry out their roles effectively as directors in discharging their responsibilities towards corporate governance, operational and regulatory issues.

CORPORATE GOVERNANCE STATEMENT

The Directors are briefed by the Company Secretary on the letters and circulars issued by Bursa Malaysia Securities Berhad at every Board Meeting. Some of the trainings/courses attended by the Directors during the financial year ended 31 December 2011 are as follows:

TRAINING/COURSE ATTENDED	DATE
Sustainability Programme for Corporate Malaysia – Industrial Products	9 March 2011
Sustainability Session for Directors	23 March 2011
GTP NKRA on Fighting Corruption : Corporate Integrity	31 March 2011
Sustainability Programme for Corporate Malaysia, Directors Training Session, Consumer Products, Finance, Technology	13 April 2011
Enhancing Risk Management Framework at Century Group	19 May 2011
Global Supply Chain Summit 2011	19 July 2011
Disclosure Requirement on Cross Border Transactions	11 August 2011
Management Development Programme : Delivering Effective Business Outcomes – Leadership, Decision Making and People Management Strategies	8 & 9 September 2011
The 6th Asia Pacific Retail Conference : Challenges and Opportunities of Retail Business in 2020	14 September 2011
Strategic Operational Efficiency for Oil & Gas Marine Terminals	19 – 21 September 2011
The Cool Logistics Conference : Halal Logistics	26 – 28 September 2011
Understanding Related Party & Conflict of Interest Transactions Reporting Compliance	13 October 2011
Breakfast Talk of India Desk by PWC	24 October 2011
Blue Ocean Strategy	16 November 2011
New Public Rulings in 2011	18 November 2011
Business Continuity Planning	2 December 2011

Appointments of the Board and Re-election

In accordance with the Company's Articles of Association, at the First Annual General Meeting of the Company, all directors shall retire from office and at each Annual General Meeting in every subsequent year, at least one third (1/3) of the directors for the time being, shall retire from office at least once every three (3) years. The directors retiring from office can offer themselves for re-election.

Board Committees

Apart from the Audit Committee, there are two (2) other committees, the Nomination and Remuneration Committees, established by the Board to assist the Board in executing their responsibilities.

CORPORATE GOVERNANCE STATEMENT

AUDIT COMMITTEE

The report of the Audit Committee is set out in this Annual Report.

NOMINATION COMMITTEE

The Nomination Committee was set up on 27 November 2002 and comprises three (3) independent non-executive directors. The members of the Nomination Committee are:

- Soong Chee Keong - Chairman
- Dato' Yong Seng Yeow - Member
- Shamsudin @ Samad bin Kassim - Member

The terms of reference of the Nomination Committee include:

- annually review the required mix of skills and experience and other qualities, including core competencies which non-executive and executive directors should have.
- assess on an annual basis, the effectiveness of the Board as a whole, the committees of the Board and for assessing the contribution of each individual Director, including Independent Non-Executive Directors. All assessments and evaluations carried out by the Nomination Committee in the discharge of all its functions should be properly documented.
- be entitled to the services of the Company Secretary who must ensure that all appointments are properly made, that all necessary information is obtained from Directors, both for the Company's own records and for the purposes of meeting statutory obligations, as well as obligations arising from the Bursa Malaysia Securities Berhad Main Market Listing Requirements or other regulatory requirements.

The Nomination Committee met once during the financial year under review.

REMUNERATION COMMITTEE

The Remuneration Committee was set up on 27 November 2002 and comprises two (2) independent non-executive directors and one (1) executive director as follows:

- Dato' Yong Seng Yeow - Chairman
- Teow Choo Hing - Member
- Shamsudin @ Samad bin Kassim - Member

The terms of reference of the Remuneration Committee include:

- review, assess and recommend to the Board of Directors the remuneration packages of the executive directors in all forms, with other independent professional advice or outside advice, if necessary.

- be entitled to the services of the Company Secretary who must ensure that all decisions made on the remuneration packages of the executive directors be properly recorded and minuted.

The range of remuneration received by the Directors from the Group and Company for the financial year ended 31 December 2011 are set out in the Notes to the Financial Statements. The Company opts not to disclose the remuneration of individual directors as recommended by the Best Practices of the Code as the Company believes that this information will not add significantly to the understanding and evaluation of the Company's governance.

The Remuneration Committee met once during the year under review.

CORPORATE GOVERNANCE STATEMENT

ACCOUNTABILITY AND AUDIT

Financial Reporting

In presenting the annual audited financial statements and quarterly announcements of results to shareholders, the Directors take responsibility to present a balanced and meaningful assessment of the Group's position and prospect and to ensure that the financial statements are drawn up in accordance with the provisions of Companies Act, 1965 and applicable accounting standards in Malaysia. The Audit Committee assists the Board in scrutinizing information for disclosure to ensure accuracy, adequacy and completeness. The Responsibility Statement by the Directors pursuant to the Bursa Malaysia Securities Berhad Main Market Listing Requirements is set out in this Annual Report.

Internal Control

The Group's Internal Control Statement is set out in this Annual Report.

Relationship with Auditors

The role of the Audit Committee in relation to the external auditors is explained in the Audit Committee Report as set out in this Annual Report.

Relationship with Shareholders and Investors

The Company recognises the importance of transparency and accountability in the disclosure of the Group's business activities to its shareholders. The Board has maintained an effective communication policy that enables the Board to convey information with regard to the Group's performance, corporate strategy and other matters that affect shareholders' interests. Media releases are published in Century's website to explain in detail every quarterly results released by the Company.

The Annual General Meeting also represents the principal forum for dialogue with shareholders. Beside the usual agenda for the Annual General Meeting, the Board encourages shareholders to participate through questions on the business activities of the Group. The directors and the external auditors are available to respond to questions from the shareholders during this meeting.

A full explanatory statement of the effects of the proposed resolutions will accompany each item of special business as mentioned in the Notice of Meeting.

INTERNAL CONTROL STATEMENT

The Board is pleased to provide the following statement on the state of the Group's internal controls in accordance with the Bursa Malaysia Securities Berhad Main Market Listing Requirements.

RESPONSIBILITY

The Board affirms its responsibilities for the Group's system of internal controls and risk management, and for reviewing the adequacy and integrity of the internal control system. However, due to limitations that are inherent in any system of internal control, the system is designed to manage rather than eliminate the risk that may impede the achievement of the Group's business objectives. The system, by its nature, can only provide reasonable and not absolute assurance against material misstatement or loss.

KEY PROCESSES

During the financial year, the Group has in place a process for identifying, evaluating and managing the significant risks faced. The system of internal controls involves every key operating division in the Group and its management is responsible for managing the risks of their division. The internal audit function was outsourced to external consultants to identify and assess the principal risks and to review the adequacy and effectiveness of the internal controls of the Group.

The key processes that the Group has established in reviewing the adequacy and integrity of the system of internal control are as follows:

- The Audit Committee, on behalf of the Board, reviews and holds discussions with management on the action taken on internal control issues identified in reports prepared by the internal auditors as well as the external auditors.

- The management, which comprises the Executive Directors of the Company and the heads of divisions, is entrusted with the responsibilities for the strategic decisions involved in the running of the Group's operations and the constant review of the risks faced by the Group. The management meets monthly to discuss the Group's performance and to monitor results against budget, with significant variances explained and appropriate actions taken, provides key business indicators on operations, consider significant capital expenditure and operational matters affecting the Group.

- A detailed budgeting process requires all key operating divisions in the Group to prepare budgets annually, which are discussed and approved by the Board. The budgets are further reviewed and revised, if necessary, during the middle of the year in order to reflect changes in operating conditions affecting the Group. Mid-year budget revisions are also discussed and approved by the Board.

- A sound financial reporting system which provides regular financial performance results and key business indicators on operations to the management and the Board. This allows management to focus on areas of material changes.

- Policies, Procedures and Standard Operating Procedures which are systematically documented, revised and made available to guide staff in their daily operations.

- An ISO 9001 Quality Management System Committee reviews processes and documentation. Surveillance audits are conducted by assessors of the ISO certification bodies on a yearly basis to ensure that the system is adequately implemented. Areas for improvement are highlighted and the implementation of its recommendations is monitored.

- A structured recruitment process, a performance appraisal system and a wide variety of training and development programs are in place to maintain staff competency.

CONCLUSION

The system of internal control is in place and has not resulted in any material losses, contingencies or uncertainties that require disclosure in the Annual Report.

This Statement is made in accordance with a resolution of the Board of Directors.

AUDIT COMMITTEE REPORT

MEMBERS

Composition of the Audit Committee and details of attendance at the Audit Committee Meeting during the financial year ended 31 December 2011, where a total of five (5) meetings were held, are as follows:-

	Number of meetings attended
Shamsudin @ Samad bin Kassim (Chairman / Senior Independent Non-Executive Director)	5/5
Dato' Yong Seng Yeow (Member / Independent Non-Executive Director)	5/5
Soong Chee Keong (Member / Independent Non-Executive Director)	4/5

TERMS OF REFERENCE

Composition of members

The Audit Committee shall be appointed by the Board of Directors and shall comprise no fewer than three (3) non-executive directors. The majority of the Audit Committee members shall be independent directors. In this respect, the Board adopts the definition of "independent director" as defined under the Bursa Malaysia Securities Berhad ("Bursa Securities") Main Market Listing Requirements.

Soong Chee Keong meets the requirements of paragraph 15.09 (c) (i) where he is a Chartered Accountant and a member of the Malaysian Institute of Accountants.

No alternate director of the Board shall be appointed as a member of the Audit Committee. The term of office and performance of the Audit Committee and each of its members shall be reviewed by the Board at least once every two (2) years to determine whether such Audit Committee and members have carried out their duties in accordance with their terms of reference.

Meetings

The Audit Committee shall meet regularly, with due notice of issues to be discussed, and shall record its conclusions in discharging its duties and responsibilities. In addition, the Chairman may call for additional meetings at any time at the Chairman's discretion. Upon the request of the external auditors, the Chairman of the Audit Committee shall convene a meeting of the Audit Committee to consider any matter the external auditor believes should be brought to the attention of the directors or shareholders. Notice of Audit Committee meetings shall be given to all the Audit Committee members unless the Audit Committee waives such requirement.

The Chairman of the Audit Committee shall engage on a continuous basis with senior management, such as the Executive Chairman, the Managing Director, the Finance Director, the internal auditors and the external auditors in order to be kept informed of matters affecting the Company. The Finance Director and representatives of the internal auditors and the external auditors should normally attend Audit Committee meetings. Other Board members and employees may attend meetings upon the invitation of the Audit Committee. The Audit Committee shall be able to convene meetings with the external auditors, the internal auditors or both, without executive Board members or employees present whenever deemed necessary and at least twice a year with the external auditors.

Objectives

The principal objectives of the Audit Committee are to assist the Board in discharging its statutory duties and responsibilities relating to accounting and reporting practices of the Company and each of its subsidiaries. In addition, the Audit Committee shall:-

(a) evaluate the quality of the audits performed by the internal and external auditors;

(b) provide assurance that the financial information presented by management is relevant, reliable and timely;

AUDIT COMMITTEE REPORT

(c) oversee compliance with laws and regulations and observance of a proper code of conduct; and

(d) determine the quality, adequacy and effectiveness of the Group's control environment.

Authority

The Audit Committee shall, in accordance with a procedure to be determined by the Board and at the expense of the Company,

(a) have explicit authority to investigate any matter within its terms of reference, the resources to do so, and full access to information. All employees shall be directed to co-operate as requested by members of the Audit Committee.

(b) have full and unlimited/unrestricted access to all information and documents/resources which are required to perform its duties as well as to the internal and external auditors and senior management of the Company and Group.

(c) obtain independent professional or other advice and to invite outsiders with relevant experience to attend, if necessary.

(d) have direct communication channels with the external auditors and person(s) carrying out the internal audit function or activity (if any).

(e) where the Audit Committee is of the view that the matter reported by it to the Board has not been satisfactorily resolved resulting in a breach of the Listing Requirements, the Audit Committee shall promptly report such matter to Bursa Securities.

Duties and Responsibilities

The duties and responsibilities of the Audit Committee are as follows:-

(a) To consider the appointment of the external auditors, the audit fee and any question of resignation or dismissal;

(b) To discuss with the external auditors before the audit commences, the nature and scope of the audit, and ensure co-ordination where more than one audit firm is involved;

(c) To review with the external auditors their evaluation of the system of internal controls and the audit report;

(d) To review the quarterly and year-end financial statements of the Board, focusing particularly on:-

- any change in accounting policies and practices;
- significant adjustments arising from the audit;
- the going concern assumption; and
- compliance with accounting standards and other legal requirements;

(e) To discuss problems and reservations arising from the interim and final audits, and any matter the auditors may wish to discuss (in the absence of management, where necessary);

(f) To review the external auditors' management letter and management's response;

(g) To do the following, in relation to the internal audit function:-

- consider the appointment of the internal auditors, the audit fee and any question of resignation or dismissal;
- review the adequacy of the scope, functions, competency and resources of the internal audit function, and that it has the necessary authority to carry out its work;
- review the internal audit programme and results of the internal audit process and, where necessary, ensure that appropriate actions are taken on the recommendations of the internal audit function;

AUDIT COMMITTEE REPORT

(h) To consider any related party transactions and conflict of interest situation that may arise within the Company or Group including any transaction, procedure or course of conduct that raises questions of management integrity;

(i) To report its findings on the financial and management performance, and other material matters to the Board;

(j) To consider the major findings of internal investigations and management's response;

(k) To consider other topics as defined by the Board; and

(l) To consider and examine such other matters as the Audit Committee considers appropriate.

SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE

The activities of the Audit Committee as stipulated in Duties and Responsibilities were undertaken by the Audit Committee during the financial year ended 31 December 2011. The Audit Committee had also undertaken the following activities during the year:

(a) Reviewed the audit plan of the external auditors, in terms of the nature of the audit procedures, significant accounting and auditing issues, impact of new or proposed changes in the accounting standards and regulatory requirements;

(b) Reviewed the year-end external auditors' reports in relation to their audit findings and the accounting issues arising from the audit of the Company's annual financial results; and

(c) Reviewed the recovery of major long outstanding debts.

SUMMARY OF ACTIVITIES OF THE INTERNAL AUDIT FUNCTION

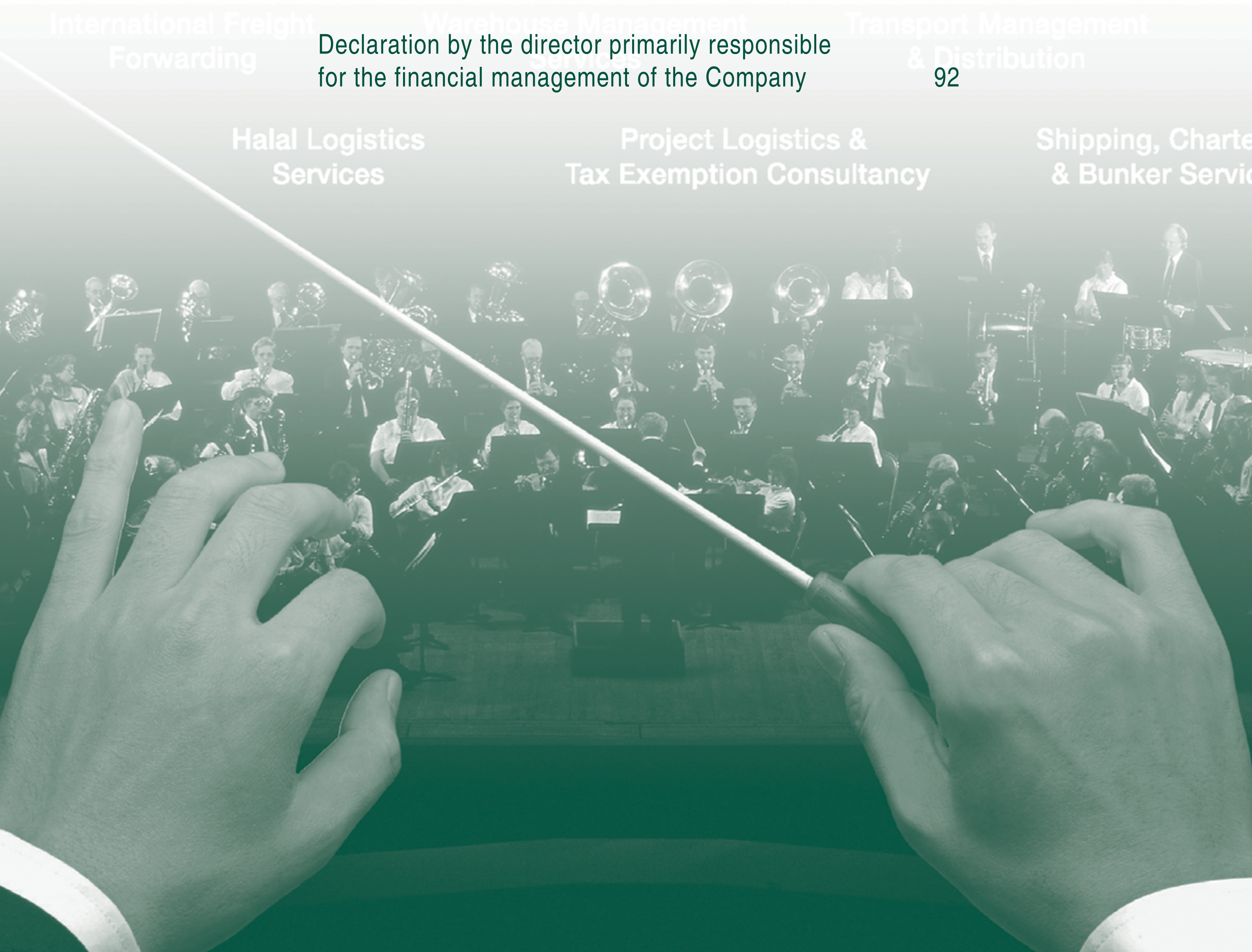
The internal audit function is independent of the operations of the Group and provides reasonable assurance that the Group's system of internal control is satisfactory and operating effectively. The internal auditors adopt a risk-based approach towards the planning and conduct of audits, which are consistent with the Group's framework in designing, implementing and monitoring its internal control system. An Internal Audit Planning Memorandum, setting out the internal audit work expected to be carried out for a period of 2 years, is tabled to the Audit Committee at the beginning of the 2 years term.

The internal audit function was performed by external consultants during the year to identify and assess the principal risks and to review the adequacy and effectiveness of the internal controls of the Group. Areas for improvement were highlighted and the implementation of recommendations were monitored. None of the internal control weaknesses have resulted in any material losses, contingencies or uncertainties that would require disclosure in the Annual Report.

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are required under the provisions of the Companies Act, 1965 to prepare financial statements which gives a true and fair view of the state of affairs of the Group and the Company as at the end of each financial year and their results and cash flows for each financial year. The directors are of the view that they have adopted suitable accounting policies and applied them consistently, made judgements and estimates that are reasonable and prudent, as well as ensured that all applicable accounting standards have been followed. The financial statements are prepared on the going concern basis and the directors have ensured that proper accounting records are kept which disclose with reasonable accuracy the financial position of the Group and the Company and are kept in accordance with the Companies Act, 1965. The directors also have general responsibilities for taking the necessary and reasonable steps to safeguard the assets of the Group, and to detect and prevent fraud as well as other irregularities.

DIRECTORS' REPORT AND FINANCIAL STATEMENTS



DIRECTORS' REPORT

The directors of **CENTURY LOGISTICS HOLDINGS BERHAD** have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended December 31, 2011.

PRINCIPAL ACTIVITIES

The Company is principally an investment holding company.

The principal activities of the Company's subsidiary companies are disclosed in Note 16 to the Financial Statements.

There have been no significant changes in the nature of the activities of the Company and its subsidiary companies during the financial year.

RESULTS OF OPERATIONS

The results of operations of the Group and of the Company for the financial year are as follows:

	The Group RM'000	The Company RM'000
Profit before tax	36,237	10,339
Tax expense	(6,812)	(1,734)
Profit for the year	29,425	8,605
Attributable to:		
Owners of the Company	30,061	
Non-controlling interest	(636)	
	29,425	

Other comprehensive income for the year arising from exchange differences on translation of foreign operations and reversal from investment revaluation reserve to profit or loss attributable to impairment of available-for-sale financial asset amounted to RM1,369,000 during the financial year.

In the opinion of the directors, the results of operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

DIVIDENDS

Since the end of the previous financial year, the following dividends were paid by the Company:

(a) A single tier final dividend of 4 sen per ordinary share amounting to RM3,170,515 in respect of the previous financial year were paid on June 10, 2011; and

(b) A single tier first interim dividend of 5 sen per ordinary share, amounting to RM4,022,569 in respect of the current financial year were paid on September 15, 2011.

The directors propose a single tier final dividend of 7 sen per ordinary share in respect of the current financial year. This dividend is subject to the approval by the shareholders at the forthcoming Annual General Meeting of the Company and has not been included as a liability in the financial statements. Upon approval by the shareholders, the cash dividend payment will be accounted for in equity as an appropriation of retained earnings during the financial year ending December 31, 2012.

DIRECTORS' REPORT

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the financial statements.

ISSUE OF SHARES AND DEBENTURES

During the current financial year, the issued and paid-up share capital of the Company was increased from RM82,004,704 divided into 82,004,704 ordinary shares of RM1.00 each to RM84,136,204 divided into 84,136,204 ordinary shares of RM1.00 each by the issuance of 2,131,500 new ordinary shares of RM1.00 each at par for cash through the exercise of 2,131,500 three (3) year 2010/2013 warrants 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.

The Company did not issue any new debentures during the financial year.

TREASURY SHARES

During the current financial year, the Company bought back 166,800 of its issued ordinary shares from the open market at an average price of RM1.71 per share. The total consideration paid/payable for the purchase was RM285,330.

The Company held as treasury shares a total of 3,588,920 of its 84,136,204 issued ordinary shares. The treasury shares are held in accordance with Section 67A of the Companies Act, 1965 at a carrying amount of RM5,910,447 as disclosed in Note 24 to the Financial Statements.

SHARE OPTIONS AND WARRANTS

No options have been granted by the Company to any parties during the financial year to take up unissued shares of the Company.

As mentioned above, 2,131,500 ordinary shares have been issued during the financial year by virtue of the exercise of warrants to take up unissued shares of the Company. As of the end of the financial year, 38,287,442 ordinary shares of the Company are available for subscription via the exercise of the 3-year 2010/2013 warrants.

OTHER STATUTORY INFORMATION

Before the statements of comprehensive income and the statements of financial position of the Group and of the Company were made out, the directors took reasonable steps:

(a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts, and had satisfied themselves that all known bad debts had been written off and that adequate allowance for doubtful debts had been made; and

(b) to ensure that any current assets which were unlikely to realise their book values in the ordinary course of business had been written down to their estimated realisable values.

As of the date of this report, the directors are not aware of any circumstances:

(a) which would render the amount written off as bad debts or the amount of allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or

(b) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or

(c) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or

DIRECTORS' REPORT

OTHER STATUTORY INFORMATION (cont'd)

(d) not otherwise dealt with in this report or financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading.

As of the date of this report, there does not exist:

(a) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liability of any other person; or

(b) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

No contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

In the opinion of the directors, no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of operations of the Group and of the Company for the succeeding financial year except those as mentioned in Note 39 to the Financial Statements.

DIRECTORS

The following directors served on the Board of the Company since the date of the last report:

Datuk Phua Sin Mo
Teow Choo Hing
Dr. Mohamed Amin bin Mohd Kassim
Datuk Jaafar bin Mohamad
Teow Choo Chuan
Yeap Khoo Soon Edwin
Dato' Yong Seng Yeow
Shamsudin @ Samad bin Kassim
Soong Chee Keong

DIRECTORS' INTERESTS

The interest in shares and warrants in the Company and its related companies of those who were directors at the end of the financial year, as recorded in the Register of Directors' Shareholdings kept by the Company under Section 134 of the Companies Act, 1965, are as follows:

	Number of ordinary shares of RM1 each			
	Balance as of 1.1.2011	Bought	Sold	Balance as of 31.12.2011
Shares in the Company				
Direct interest				
Datuk Phua Sin Mo	19,326,778	776,700	-	20,103,478
Teow Choo Hing	8,501,680	-	-	8,501,680
Dr. Mohamed Amin bin Mohd Kassim	1,628,659	40,000	(31,700)	1,636,959
Datuk Jaafar bin Mohamad	3,727,971	300,000	-	4,027,971
Teow Choo Chuan	4,536,477	50,000	-	4,586,477
Yeap Khoo Soon Edwin	491,700	158,300	-	650,000
Dato' Yong Seng Yeow	66,000	44,000	-	110,000
Shamsudin @ Samad bin Kassim	5,500	-	-	5,500

DIRECTORS' REPORT

DIRECTORS' INTERESTS (cont'd)

	Number of ordinary shares of RM1 each			
	Balance as of 1.1.2011	Bought	Sold	Balance as of 31.12.2011
Indirect interest				
Datuk Phua Sin Mo	869,550	440,700	-	1,310,250
Teow Choo Hing	409,200	-	-	409,200
Dr. Mohamed Amin bin Mohd Kassim	1,184,504	-	-	1,184,504
Datuk Jaafar bin Mohamad	1,184,504	-	-	1,184,504
Teow Choo Chuan	440,000	-	-	440,000
Shares in the subsidiary company - Century Forwarding Agency Sdn. Bhd.				
Direct interest				
Dr. Mohamed Amin bin Mohd Kassim	75,000	-	-	75,000

	Number of warrants to subscribe for ordinary shares of RM1 each			
	Balance as of 1.1.2011	Bought	Exercised/ Sold	Balance as of 31.12.2011
Warrants in the Company				
Direct interest				
Datuk Phua Sin Mo	9,806,251	-	(776,700)	9,029,551
Teow Choo Hing	4,313,800	-	-	4,313,800
Dr. Mohamed Amin bin Mohd Kassim	981,100	-	(40,000)	941,100
Datuk Jaafar bin Mohamad	1,868,506	-	(300,000)	1,568,506
Teow Choo Chuan	2,268,238	-	(50,000)	2,218,238
Yeap Khoo Soon Edwin	249,600	-	(158,300)	91,300
Dato' Yong Seng Yeow	33,000	-	(33,000)	-
Shamsudin @ Samad bin Kassim	2,900	-	-	2,900
Indirect interest				
Datuk Phua Sin Mo	440,700	-	(440,700)	-
Teow Choo Hing	207,600	-	-	207,600
Dr. Mohamed Amin bin Mohd Kassim	601,100	-	-	601,100
Datuk Jaafar bin Mohamad	601,100	-	-	601,100
Teow Choo Chuan	220,000	-	-	220,000

By virtue of the above directors' interests in the shares of the Company, the above directors are also deemed to have an interest in the shares of all the subsidiary companies of the Company to the extent that the Company has an interest.

None of the other directors in office at the end of the financial year held shares or had any beneficial interest in the shares of the Company or its related companies during and at the end of the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the directors of the Company has received or become entitled to receive any benefit (other than the benefit included in the aggregate amount of emoluments received or due and receivable by the directors as disclosed in Note 8 to the Financial Statements or the fixed salary of a full-time employee of the Company) by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member, or with a company in which he has a substantial financial interest other than those as mentioned in Note 16 to the Financial Statements.

DIRECTORS' REPORT

DIRECTORS' BENEFITS (cont'd)

During and at the end of the financial year, no arrangement subsisted to which the Company was a party whereby directors of the Company might acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate except for those warrants acquired by the directors of the Company to subscribe for ordinary shares as disclosed above.

AUDITORS

The auditors, Messrs. Deloitte & Touche, have indicated their willingness to continue in office.

Signed on behalf of the Board
in accordance with a resolution of the Directors,

TEOW CHOO HING

DR. MOHAMED AMIN BIN MOHD KASSIM

Kuala Lumpur,
March 19, 2012

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF CENTURY LOGISTICS HOLDINGS BERHAD (INCORPORATED IN MALAYSIA)

Report on the Financial Statements

We have audited the financial statements of **CENTURY LOGISTICS HOLDINGS BERHAD**, which comprise the statements of financial position of the Group and of the Company as of December 31, 2011 and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 39 to 90.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence that we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of December 31, 2011 and their financial performance and cash flows for the year then ended.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report that:

(a) in our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiary companies of which we have acted as auditors have been properly kept in accordance with the provisions of the Act;

(b) we have considered the accounts and the auditors' reports of the subsidiary companies of which we have not acted as auditors as indicated in Note 16 to the Financial Statements, being accounts that have been included in the financial statements of the Group;

(c) we are satisfied that the accounts of the subsidiary companies that have been consolidated with the financial statements of the Company are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for these purposes; and

(d) the auditors' reports on the accounts of the subsidiary companies were not subject to any qualification or did not include any adverse comment made under Section 174(3) of the Act.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF CENTURY LOGISTICS HOLDINGS BERHAD (INCORPORATED IN MALAYSIA)

Other Reporting Responsibilities

The supplementary information set out in Note 40 to the Financial Statements is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The Directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1 "Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements" as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility towards any other person for the contents of this report.

DELOITTE & TOUCHE
AF 0834
Chartered Accountants

LOO CHEE CHOU
Partner - 2783/09/12 (J)
Chartered Accountant

Petaling Jaya
March 19, 2012

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2011

		The Group		The Company	
	Note(s)	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Revenue	5 & 6	281,627	270,621	17,333	9,813
Cost of sales		(196,897)	(188,645)	-	-
Gross profit		84,730	81,976	17,333	9,813
Other income		1,882	7,316	5,400	5,667
Interest income	9 (a)	422	311	75	655
Administrative expenses		(36,253)	(36,890)	(12,281)	(5,049)
Finance costs	9 (b)	(3,515)	(4,146)	(188)	(1,600)
Other expenses		(11,029)	(12,596)	-	-
Profit before tax	10	36,237	35,971	10,339	9,486
Tax expense	11	(6,812)	(5,560)	(1,734)	(1,459)
Profit for the year		29,425	30,411	8,605	8,027
Other comprehensive income:					
Exchange differences on translating foreign operations		119	(323)	-	-
Reversal of net value loss to profit or loss/(Net value loss) on available-for-sale financial asset		1,250	(1,250)	1,250	(1,250)
Other comprehensive income for the year, net of tax		1,369	(1,573)	1,250	(1,250)
Total comprehensive income for the year		30,794	28,838	9,855	6,777
Profit attributable to:					
Owners of the Company		30,061	30,620	8,605	8,027
Non-controlling interests		(636)	(209)	-	-
		29,425	30,411	8,605	8,027
Total comprehensive income attributable to:					
Owners of the Company		31,430	29,047	9,855	6,777
Non-controlling interests		(636)	(209)	-	-
		30,794	28,838	9,855	6,777
Earnings per ordinary share					
Basic (sen)	12	37.79	38.71		
Diluted (sen)	12	32.14	33.59		

The accompanying Notes form an integral part of the Financial Statements.

STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2011

	Note	The Group 2011 RM'000	The Group 2010 RM'000	The Company 2011 RM'000	The Company 2010 RM'000
ASSETS					
Non-current Assets					
Property, plant and equipment	14	166,781	153,095	-	-
Investment property	15	30,000	30,000	-	-
Investment in subsidiary companies	16	-	-	7,789	14,841
Other financial assets	17	1,801	3,886	-	-
Goodwill on consolidation	18	3,730	3,730	-	-
Total Non-current Assets		202,312	190,711	7,789	14,841
Current Assets					
Inventories	19	495	1,390	-	-
Trade receivables	20	62,416	39,989	-	-
Other receivables, deposits and prepaid expenses	21	56,736	45,328	12	81
Amount owing by subsidiary companies	16	-	-	83,418	74,697
Tax recoverable		519	414	210	315
Deposits, cash and bank balances	22	22,615	36,495	297	16,643
Total Current Assets		142,781	123,616	83,937	91,736
Total Assets		345,093	314,327	91,726	106,577
EQUITY AND LIABILITIES					
Capital and Reserves					
Issued capital	23	84,136	82,005	84,136	82,005
Treasury shares	24	(5,910)	(5,623)	(5,910)	(5,623)
Reserves	25	122,489	98,252	8,528	5,866
Equity attributable to owners of the Company		200,715	174,634	86,754	82,248
Non-controlling interests		1,689	1,410	-	-
Total Equity		202,404	176,044	86,754	82,248
Non-current and Deferred Liabilities					
Hire-purchase payables	26	4,598	4,820	-	-
Long-term borrowings	28	40,904	41,740	-	-
Deferred tax liabilities	29	9,017	9,357	-	-
Total Non-current and Deferred Liabilities		54,519	55,917	-	-

STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2011

		The Group		The Company	
	Note	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Current Liabilities					
Trade payables	30	11,508	12,112	-	-
Other payables and accrued expenses	31	55,839	38,042	1,656	2,252
Amount owing to subsidiary companies	16	-	-	3,316	2,077
Hire-purchase payables	26	2,399	2,699	-	-
Finance lease payables	27	-	67	-	-
Short-term borrowings	32	18,172	28,432	-	20,000
Tax liabilities		252	1,014	-	-
Total Current Liabilities		88,170	82,366	4,972	24,329
Total Liabilities		142,689	138,283	4,972	24,329
Total Equity and Liabilities		345,093	314,327	91,726	106,577

The accompanying Notes form an integral part of the Financial Statements.

STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2011

				← Non-distributable reserves			→	Distributable	Attributable		
The Group	**Note**	**Issued capital RM'000**	**Treasury shares RM'000**	**Investment revaluation reserve RM'000**	**Share premium RM'000**	**Translation reserve RM'000**	**Capital reserve RM'000**	**reserve - Retained earnings RM'000**	**to equity holders of the Company RM'000**	**Non-controlling interests RM'000**	**Total RM'000**
Balance as of January 1, 2010		81,671	(277)	-	94	48	(280)	74,583	155,839	1,444	157,283
Issue of shares	23	334	-	-	-	-	-	-	334	-	334
Issue of warrants	25	-	-	-	-	-	2,037	-	2,037	-	2,037
Subscription of shares in existing subsidiary company non-controlling interests		-	-	-	-	-	-	-	-	175	175
Purchase of treasury shares	24	-	(5,346)	-	-	-	-	-	(5,346)	-	(5,346)
Expenses incurred for issuance of warrants and ESOS		-	-	-	-	-	(176)	-	(176)	-	(176)
Profit for the year		-	-	-	-	-	-	30,620	30,620	(209)	30,411
Other comprehensive income for the year		-	-	(1,250)	-	(323)	-	-	(1,573)	-	(1,573)
Total comprehensive income for the year		-	-	(1,250)	-	(323)	-	30,620	29,047	(209)	28,838
Dividends paid	13	-	-	-	-	-	-	(7,101)	(7,101)	-	(7,101)
Balance as of December 31, 2010		82,005	(5,623)	(1,250)	94	(275)	1,581	98,102	174,634	1,410	176,044
Balance as of January 1, 2011		82,005	(5,623)	(1,250)	94	(275)	1,581	98,102	174,634	1,410	176,044
Issue of shares	23	2,131	-	-	-	-	-	-	2,131	-	2,131
Subscription of shares in existing subsidiary company by non-controlling interests		-	-	-	-	-	-	-	-	925	925
Purchase of treasury shares	24	-	(287)	-	-	-	-	-	(287)	-	(287)
Exercise of warrants	25	-	-	-	123	-	(123)	-	-	-	-
Acquisition of non-controlling interests in a subsidiary company		-	-	-	-	-	-	-	-	(10)	(10)
Profit for the year		-	-	-	-	-	-	30,061	30,061	(636)	29,425
Other comprehensive income for the year		-	-	1,250	-	119	-	-	1,369	-	1,369
Total comprehensive income for the year		-	-	1,250	-	119	-	30,061	31,430	(636)	30,794
Dividends paid	13	-	-	-	-	-	-	(7,193)	(7,193)	-	(7,193)
Balance as of December 31, 2011		84,136	(5,910)	-	217	(156)	1,458	120,970	200,715	1,689	202,404

STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2011

The Company	Note	Issued capital RM'000	← Non-distributable reserves: Treasury shares RM'000	Investment revaluation reserve RM'000	Share premium RM'000	Capital reserve RM'000 →	Distributable reserve - Retained earnings RM'000	Total RM'000
Balance as of January 1, 2010		81,671	(277)	-	94	(280)	4,515	85,723
Issue of shares	23	334	-	-	-	-	-	334
Issue of warrants	25	-	-	-	-	2,037	-	2,037
Purchase of treasury shares	24	-	(5,346)	-	-	-	-	(5,346)
Expenses incurred for issuance of warrants and ESOS		-	-	-	-	(176)	-	(176)
Profit for the year		-	-	-	-	-	8,027	8,027
Other comprehensive income for the year		-	-	(1,250)	-	-	-	(1,250)
Total comprehensive income for the year		-	-	(1,250)	-	-	8,027	6,777
Dividends paid	13	-	-	-	-	-	(7,101)	(7,101)
Balance as of December 31, 2010		82,005	(5,623)	(1,250)	94	1,581	5,441	82,248
Balance as of January 1, 2011		82,005	(5,623)	(1,250)	94	1,581	5,441	82,248
Issue of shares	23	2,131	-	-	-	-	-	2,131
Purchase of treasury shares	24	-	(287)	-	-	-	-	(287)
Exercise of warrants	25	-	-	-	123	(123)	-	-
Profit for the year		-	-	-	-	-	8,605	8,605
Other comprehensive income for the year		-	-	1,250	-	-	-	1,250
Total comprehensive income for the year		-	-	1,250	-	-	8,605	9,855
Dividends paid	13	-	-	-	-	-	(7,193)	(7,193)
Balance as of December 31, 2011		84,136	(5,910)	-	217	1,458	6,853	86,754

The accompanying Notes form an integral part of the Financial Statements.

STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2011

	The Group		The Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Cash Flows From/(Used In) Operating Activities				
Profit for the year	29,425	30,411	8,605	8,027
Adjustments for:				
Depreciation of property,plant and equipment	11,029	12,596	-	-
Tax expense recognised in profit or loss	6,812	5,560	1,734	1,459
Finance costs	3,515	4,146	188	1,600
Impairment loss on:				
Other financial assets	1,250	-	1,250	-
Inventories	143	-	-	-
Investment in subsidiary companies	-	-	7,052	1,043
Allowance for doubtful debts	842	797	-	-
Unrealised loss on foreign exchange	587	596	-	-
Net value loss/(gain) on financial asset carried at fair value through profit or loss	324	(1,730)	-	-
Bad debts written off	74	1,197	-	-
Property, plant and equipment written off	7	36	-	-
(Gain)/Loss (net) on deemed disposal/ disposal of:				
Property, plant and equipment	(485)	(3,577)	-	-
Other financial assets	(152)	227	-	-
Subsidiary companies	-	(582)	-	1,306
Interest income	(422)	(311)	(75)	(655)
Dividend income	-	(50)	(17,333)	(9,813)
Reversal of impairment loss on Investment in subsidiary companies	-	-	-	(3,710)
Operating Profit/(Loss) Before Working Capital Changes	52,949	49,316	1,421	(743)
Movement in working capital:				
(Increase)/Decrease in:				
Inventories	752	(1,390)	-	-
Trade receivables	(23,343)	2,866	-	-
Other receivables and prepaid expenses	(11,408)	(16,283)	69	1,971
Amount owing by subsidiary companies	-	-	(8,721)	16,636
Increase/(Decrease) in:				
Trade payables	(604)	(2,079)	-	-
Other payables and accrued expenses	17,802	7,828	(596)	148
Amount owing to subsidiary companies	-	-	1,239	(383)
Cash Generated From/(Used In) Operations	36,148	40,258	(6,588)	17,629
Tax paid	(8,013)	(4,560)	(296)	(69)
Net Cash From/(Used In) Operating Activities	28,135	35,698	(6,884)	17,560

STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2011

	The Group		The Company	
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
Cash Flows From/ (Used In) Investing Activities				
Proceeds from disposal of:				
Property, plant and equipment	2,401	13,929	-	-
Other financial assets	2,365	3,026	-	-
Investment in subsidiary companies	-	-	-	45
Subscription of shares in existing subsidiary company by non-controlling interests	925	175	-	-
Interest received	422	311	75	655
Dividend received	-	50	16,000	8,230
Additions of property, plant and equipment (Note 1 below)	(24,478)	(23,408)	-	-
Acquisition of other financial assets	(452)	(3,306)	-	-
Acquisition of non-controlling interests in a subsidiary company	(10)	-	-	-
Cash outflow from deemed disposal of subsidiary companies (Note 16)	-	(26)	-	-
Net Cash (Used In)/From Investing Activities	(18,827)	(9,249)	16,075	8,930
Cash Flows Used In Financing Activities				
Proceeds from bank borrowings	18,000	4,003	-	-
Proceeds from issuance of shares (net of incidental cost of RM179,000)	2,131	334	2,131	334
Issuance of warrants	-	2,037	-	2,037
Repayment of bank borrowings	(29,095)	(10,187)	(20,000)	-
Dividends paid	(7,193)	(7,101)	(7,193)	(7,101)
Finance costs paid	(3,515)	(4,146)	(188)	(1,600)
Repayment of hire-purchase and finance lease payables	(3,229)	(3,095)	-	-
Purchase of own shares	(287)	(5,247)	(287)	(5,247)
Expenses for issuance of warrants	-	(176)	-	(176)
Net Cash Used In Financing Activities	(23,188)	(23,578)	(25,537)	(11,753)
Net (Decrease)/Increase In Cash and Cash Equivalents	(13,880)	2,871	(16,346)	14,737
Cash And Cash Equivalents At Beginning Of Year	36,495	33,624	16,643	1,906
Cash And Cash Equivalents At End Of Year (Note 33)	22,615	36,495	297	16,643

Note 1: During the financial year, the Group acquired property, plant and equipment with an aggregate cost of RM27,118,000 (2010: RM28,801,000), of which RM2,640,000 (2010: RM5,393,000) was acquired under hire-purchase arrangements.

The accompanying Notes form an integral part of the Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and listed on the Main Market of Bursa Malaysia Securities Berhad.

The Company is principally an investment holding company. The principal activities of the Company's subsidiary companies are disclosed in Note 16.

There have been no significant changes in the nature of the activities of the Company and its subsidiary companies during the financial year.

The registered office of the Company is located at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur.

The principal place of business of the Company is located at Lot 8, Lingkaran Sultan Mohamed 1, Bandar Sultan Suleiman, 42000 Port Klang, Selangor Darul Ehsan.

The financial statements of the Group and of the Company have been authorised by the Board of Directors for issuance on March 19, 2012.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements of the Company have been prepared in accordance with the provisions of the Companies Act, 1965 and Financial Reporting Standards in Malaysia.

Adoption of New and Revised Financial Reporting Standards

In the current financial year, the Group and the Company have adopted all the new and revised Standards and IC Interpretations ("IC Int.") issued by the Malaysian Accounting Standards Board ("MASB") that are effective for annual periods beginning on or after January 1, 2011 as follows:

FRS 1	First-time adoption of Financial Reporting Standards (revised)
FRS 1	First-time adoption of Financial Reporting Standards (Amendments relating to limited exemption from Comparative FRS 7 Disclosures for First-time Adopters)
FRS 1	First-time adoption of Financial Reporting Standards (Amendments relating to additional exemptions for first-time adopters)
FRS 2	Share-based Payment (Amendments relating to group-cash settled share-based payment transactions)
FRS 2	Share-based Payment (Amendments relating to scope of FRS 2 and revised FRS 3)
FRS 3	Business Combinations (revised)
FRS 5	Non-current Assets held for Sale and Discontinued Operations (Amendments relating to plan to sell controlling interest in a subsidiary)
FRS 7	Financial Instruments: Disclosures (Amendments relating to improving disclosures about financial instruments)
FRS 127	Consolidated and Separate Financial Statements (revised)
FRS 132	Financial Instruments: Disclosures (Amendments relating to classification of rights issue)
FRS 138	Intangible Assets (Amendments relating to additional consequential amendments arising from revised FRS 3)
Improvements to FRSs 2010	
IC Int. 4	Determining whether an Arrangement contains a Lease
IC Int. 9	Reassessment of Embedded Derivatives (Amendments relating to additional consequential amendments arising from revised FRS 3)
IC Int. 12	Service Concession Arrangements
IC Int. 16	Hedges of a Net Investment in a Foreign Operation
IC Int. 17	Distributions of Non-cash Assets to Owners
IC Int. 18	Transfers of Assets from Customers

NOTES TO THE FINANCIAL STATEMENTS

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (cont'd)

The adoption of these new and revised Standards and IC Interpretations have not affected the amounts reported on the financial statements of the Group and the Company except for the following:

FRS 127 Consolidated and Separate Financial Statements (revised)

The application of FRS 127 (revised in 2010) has resulted in changes in the Group's accounting policies for changes in ownership interests in subsidiaries.

Specifically, the revised Standard has affected the Group's accounting policies regarding changes in ownership interests in its subsidiaries that do not result in loss of control. In prior years, in the absence of specific requirements in FRSs, increases in interests in existing subsidiaries were treated in the same manner as the acquisition of subsidiaries, with goodwill or a bargain purchase gain being recognised when appropriate; for decreases in interests in existing subsidiaries that did not involve a loss of control, the difference between the consideration received and the adjustment to the non-controlling interests was recognised in profit or loss. Under FRS 127 (revised in 2010), all such increases or decreases are dealt with in equity, with no impact on goodwill or profit or loss.

When control of a subsidiary is lost as a result of a transaction, event or other circumstance, the revised Standard requires that the Group derecognise all assets, liabilities and non-controlling interests at their carrying amount and to recognise the fair value of the consideration received. Any retained interest in the former subsidiary is recognised at its fair value at the date control is lost. The resulting difference is recognised as a gain or loss in profit or loss.

Malaysian Financial Reporting Standards Framework (MFRS Framework)

In addition, on November 19, 2011, the 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 on January 1, 2012.

The MFRS Framework is a fully IFRS-compliant framework, equivalent to IFRSs which is mandatory for adoption by all Entities Other than Private Entities for annual periods beginning on or after January 1, 2012, with the exception for Transitioning Entities. Transitioning Entities, being entities which are subject to the application of MFRS 141 *Agriculture* and/or IC Interpretation 15 *Agreements for the Construction of Real Estate* are given an option to defer adoption of the MFRS Framework for an additional one year. Transitioning Entities also includes those entities that consolidates, equity accounts or proportionately consolidates an entity that has chosen to continue to apply the FRS Framework for annual periods beginning on or after January 1, 2012.

Accordingly, the Group and the Company which are not Transitioning Entities will be required to apply MFRS 1 *First-time Adoption of Malaysian Financial Reporting Standards* (MFRS 1) in their financial statements for the financial year ending December 31, 2012, being the first set of financial statements prepared in accordance with the new MFRS Framework. Further, an explicit and unreserved statement of compliance with IFRSs will be made in these financial statements.

The Group and the Company are currently assessing the impact of adoption of 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. As at the date of authorisation of issue of the financial statements, accounting policy decisions or elections have not been finalised. Thus, the impact of adopting the new MFRS Framework on the Group's and Company's first set of financial statements prepared in accordance with the MFRS Framework cannot be determined and estimated reliably until the process is complete.

NOTES TO THE FINANCIAL STATEMENTS

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (cont'd)

FRSs and IC Int. Issued but Not Effective

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 Group and the Company are as listed below:

FRS 7	Financial Instruments: Disclosures (Amendments relating to Disclosures – Transfers of Financial Assets)[1]
FRS 7	Financial Instruments: Disclosures (Amendment relating to Mandatory Effective Date of FRS 9 and Transition Disclosures)[5]
FRS 7	Financial Instruments: Disclosures (Amendments relating to Disclosures – Offsetting Financial Assets and Financial Liabilities)[2]
FRS 9	Financial Instruments (IFRS 9 issued by IASB in November 2009)[6]
FRS 9	Financial Instruments (IFRS 9 issued by IASB in October 2010)[6]
FRS 10	Consolidated Financial Statements[2]
FRS 11	Joint Arrangements[2]
FRS 12	Disclosures of Interests in Other Entities[2]
FRS 13	Fair Value Measurement[2]
FRS 101	Presentation of Financial Statements (Amendments relating to Presentation of Items of Other Comprehensive Income)[3]
FRS 112	Income Taxes (Amendments relating to Deferred Tax – Recovery of Underlying Assets)[1]
FRS 119	Employee Benefits (2011)[2]
FRS 124	Related Party Disclosures (revised)[1]
FRS 127	Separate Financial Statements (2011)[2]
FRS 128	Investments in Associates and Joint Ventures (2011)[2]
FRS 132	Financial Instruments: Presentation (Amendments relating to Offsetting Financial Assets and Financial Liabilities)[7]
IC Int. 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)[4]
IC Int. 19	Extinguishing Financial Liabilities with Equity Instruments[4]
IC Int. 20	Stripping Costs in the Production Phase of a Surface Mine[2]

[1] Effective for annual periods beginning on or after January 1, 2012
[2] Effective for annual periods beginning on or after January 1, 2013
[3] Effective for annual periods beginning on or after July 1, 2012
[4] Effective for annual periods beginning on or after July 1, 2011
[5] Effective on March 1, 2012
[6] Original effective date of January 1, 2013 deferred to January 1, 2015 via amendment issued on March 1, 2012
[7] Effective for annual periods beginning on or after January 1, 2014

The directors anticipate that the abovementioned Standards and IC Interpretations will be adopted in the annual financial statements of the Group and the Company when they become effective and that the adoption of these Standards and IC Interpretations will have no material impact on the amounts reported in the financial statements of the Group and the Company in the period of initial application, except as discussed below:

FRS 7 Financial Instruments: Disclosures (Amendments relating to Disclosures – Transfers of Financial Assets)

The amendments to FRS 7 increase the disclosure requirements for transactions involving transfers of financial assets. These amendments are intended to provide greater transparency around risk exposures when a financial asset is transferred but the transferor retains some level of continuing exposure in the asset. The amendments also require disclosures where transfers of financial assets are not evenly distributed throughout the period.

NOTES TO THE FINANCIAL STATEMENTS

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (cont'd)

FRS 7 Financial Instruments: Disclosures (Amendments relating to Disclosures – Offsetting Financial Assets and Financial Liabilities)

The disclosure requirements are intended to help investors and other financial statement users to better assess the effect or potential effect of offsetting arrangements on a company's financial position. It also aims to improve transparency in the reporting of how companies mitigate credit risk, including disclosure of related collateral pledged or received.

FRS 9 Financial Instruments

FRS 9 (IFRS 9 issued by IASB in November 2009) introduces new requirements for the classification and measurement of financial assets. FRS 9 (IFRS 9 issued by IASB in October 2010) includes the requirements for the classification and measurement of financial liabilities and for derecognition.

Key requirements of FRS 9 are described as follows:

- FRS 9 requires all recognised financial assets that are within the scope of FRS 139 *Financial Instruments: Recognition and Measurement* to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair values at the end of subsequent accounting periods.
- The most significant effect of FRS 9 regarding the classification and measurement of financial liabilities relates to the accounting for changes in the fair value of a financial liability (designated as at fair value through profit or loss) attributable to changes in the credit risk of that liability. Specifically, under FRS 9, for financial liabilities that are designated as at fair value through profit or loss, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Previously, under FRS 139, the entire amount of the change in the fair value of the financial liability designated as at fair value through profit or loss was presented in profit or loss.

The directors anticipate that FRS 9 will be adopted in the Group's and the Company's financial statements for the annual period beginning January 1, 2013 and that the application of FRS 9 may have impact on amounts reported in respect of the Group's and the Company's financial assets and financial liabilities.

FRS 10 Consolidated Financial Statements

FRS 10 replaces the parts of FRS 127 *Consolidated and Separate Financial Statements (revised in 2010)* that deal with consolidated financial statements. IC Int.112 *Consolidation – Special Purpose Entities* has been withdrawn upon the issuance of FRS 10. Under FRS 10, there is only one basis for consolidation, that is control. In addition, FRS 10 includes a new definition of control that contains three elements: (a) power over an investee, (b) exposure, or rights, to variable returns from its involvement with the investee, and (c) the ability to use its power over the investee to affect the amount of the investor's returns.

FRS 12 Disclosures of Interests in Other Entities

FRS 12 is a disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. In general, the disclosure requirements in FRS 12 are more extensive than those in the current standard.

The directors anticipate that FRS 12 will be adopted in the Group's and Company's financial statements for the annual period beginning January 1, 2013.

NOTES TO THE FINANCIAL STATEMENTS

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (cont'd)

FRS 13 Fair Value Measurement

FRS 13 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. The Standard defines fair value, establishes a framework for measuring fair value, and requires disclosures about fair value measurements. The scope of FRS 13 is broad; it applies to both financial instrument items and non-financial instrument items for which other IFRSs require or permit fair value measurements and disclosures about fair value measurements, except in specified circumstances.

In general, the disclosure requirements in FRS 13 are more extensive than those required in the current standards. For example, quantitative and qualitative disclosures based on the three-level fair value hierarchy currently required for financial instruments only under FRS 7 Financial Instruments: Disclosures will be extended by FRS 13 to cover all assets and liabilities within its scope.

The directors anticipate that FRS 13 will be adopted in the Group's and the Company's financial statements for the annual period beginning January 1, 2013 and that the application of the new Standard may affect the amounts reported in the financial statements and result in more extensive disclosures in the financial statements.

FRS 101 Presentation of Financial Statements (Amendments relating to Presentation of Items of Other Comprehensive Income)

The amendments to FRS 101 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. However, the amendments to FRS 101 require additional disclosures to be made in the other comprehensive income section such that items of other comprehensive income are grouped into two categories: (a) items that will not be reclassified subsequently to profit or loss; and (b) items that will be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis.

The amendments to FRS 101 are effective for annual periods beginning on or after July 1, 2012. The presentation of items of other comprehensive income will be modified accordingly when the amendments are applied in the future accounting periods.

FRS 112 Income Taxes (Amendments relating to Deferred Tax – Recovery of Underlying Assets)

The amendments to FRS 112 provide an exception to the general principles in FRS 112 that the measurement of deferred tax assets and deferred tax liabilities should reflect the tax consequences that would follow from the manner in which the entity expects to recover the carrying amount of an asset.

Specifically, under the amendments, investment properties that are measured using the fair value model in accordance with FRS 140 Investment Property are presumed to be recovered through sale for the purposes of measuring deferred taxes, unless the presumption is rebutted in certain circumstances.

The amendments to FRS 112 are effective for annual periods beginning on or after January 1, 2012.

FRS 132 Financial Instruments: Presentation (Amendments relating to Offsetting Financial Assets and Financial Liabilities)

The amendments to FRS 132 clarify the following requirements for offsetting financial instruments:
(i) the meaning of 'currently has a legally enforceable right of set-off'; and
(ii) that some gross settlement systems may be considered equivalent to net settlement.

NOTES TO THE FINANCIAL STATEMENTS

3. SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Group and of the Company have been prepared under the historical cost convention unless otherwise indicated in the accounting policies below.

Subsidiary Companies

Subsidiary companies are those entities in which the Group has power to exercise control over the financial and operating policies so as to obtain benefits therefrom. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group has such power over another entity.

In the Company's separate financial statements, investment in subsidiary companies is carried at cost less impairment losses. Upon disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in the profit or loss.

Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Group (its subsidiary companies) as mentioned in Note 16 made up to the end of the reporting period. The financial statements of the subsidiary companies are prepared for the same reporting date as the Company.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Non-controlling interests in subsidiaries are identified separately from the Group's equity therein. The interests of non-controlling shareholders may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for (i.e. reclassified to profit or loss or transferred directly to retained earnings) in the same manner as would be required if the relevant assets or liabilities were disposed of. The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under FRS 139 *Financial Instruments: Recognition and Measurement* or, when applicable, the cost on initial recognition of an investment in an associate or jointly controlled entity.

NOTES TO THE FINANCIAL STATEMENTS

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Revenue

Revenue of the Group comprises income earned from provision of services comprising total logistics services, procurement logistics services and dividend income from investments. Revenue of the Company represents gross dividend income from subsidiary companies.

Revenue is recognised to the extent that it is probable that the economic benefits associated with the transaction will flow to the Group and the Company and the amount of the revenue can be measured reliably. Revenue is recognised on the following basis:

(i) Revenue from services

Revenue from services rendered is recognised net of discounts when rendering of services has been completed.

(ii) Revenue from sales of goods

Revenue from sales of goods is recognised upon delivery of products and customers' acceptance, net of discounts and returns and when the risks and rewards of ownerships have passed to the buyer.

(iii) Dividend income

Dividend income is recognised when the shareholders' right to receive payment is established.

Employee Benefits

(i) Short-term Benefits

Salaries, wages, bonuses and non-monetary benefits are accrued for in the period in which the associated services are rendered by the employees of the Group and of the Company.

(ii) Defined Contribution Plan

The Group and its eligible employees are required by law to make monthly contributions to Employees Provident Fund ("EPF"), a statutory defined contribution plan, at certain prescribed rates based on the employees' salaries. The Group's and the Company's contributions to EPF are charged to profit or loss. Once the contributions have been paid, there are no further payment obligations.

Other than as disclosed above, the Group and the Company do not make contribution to other employee retirement plans.

Foreign Currency

The individual financial statements of each entity in the Group are presented in Ringgit Malaysia, Thai Baht, Singapore Dollar, Chinese Renminbi or Indian Rupee, the currency of the primary economic environment in which the entities operate (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each entity are expressed in Ringgit Malaysia, which is the functional currency of the Company and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the Group and of the Company, transactions in currencies other than the Company's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the reporting date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

NOTES TO THE FINANCIAL STATEMENTS

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Foreign Currency (cont'd)

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in profit or loss for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in equity.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations (including comparatives) are expressed in Ringgit Malaysia using the exchange rate prevailing at the end of the reporting period. Income and expense items (including comparatives) are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are classified as equity and transferred to the Group's translation reserve. Such translation differences are recognised in profit or loss in the period in which the foreign operation is disposed of.

Taxation

Income tax on the profit or loss for the year comprises current and deferred tax.

Current Tax

Current tax is the expected amount of income taxes payable in respect of the taxable profit for the year and is measured using the tax rates that have been enacted or substantively enacted at the end of the reporting date.

Deferred Tax

Deferred tax is accounted for, using the "balance sheet liability" method, on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts in the financial statements. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. Deferred tax is not recognised if the temporary difference arises from goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither the accounting profit nor taxable profit.

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the end of the reporting date. Deferred tax is charged or credited to profit or loss, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also charged or credited directly to equity, or when it arises from a business combination that is an acquisition, in which case the deferred tax is included in the resulting goodwill.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set-off current tax assets against current tax liabilities and when they relate to income taxes by same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

The tax effects of the unutilised investment tax allowances are recognised upon actual realisation.

NOTES TO THE FINANCIAL STATEMENTS

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Goodwill on Consolidation

Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a subsidiary company, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Impairment of Assets Excluding Goodwill

At the end of each reporting period, the Group and the Company review the carrying amounts of their non-current assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group and the Company estimate the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss for the period.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss for the period.

Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Gain or loss arising from the disposal of an asset is determined as the difference between the estimated net disposal proceeds and the carrying amount of the asset, and is recognised in profit or loss.

Freehold land has unlimited life and therefore is not depreciated. Building-in-progress and other capital assets in-progress are not depreciated as these assets are not available for use. All other property, plant and equipment are depreciated on a straight-line method at the following annual rates/period based on the estimated useful lives of the various assets:

Leasehold land	46 to 99 years
Buildings	2% - 10%
Improvements and renovations	10%
Vessel	4%
Motor vehicles	10% - 20%
Warehouse, office and other equipment	10% - 33%
Furniture, fixtures and fittings	10% - 15%

The estimated useful life and depreciation method are reviewed at each year end, with the effect of any changes in estimates accounted for prospectively.

NOTES TO THE FINANCIAL STATEMENTS

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases, other than leasehold properties classified as investment property, are classified as operating leases. Property interest held under an operating lease to earn rentals or for capital appreciation or both is classified as investment property.

Assets held under finance leases are initially recognised as property, plant and equipment at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to the profit and loss unless they are directly attributable to a qualifying asset, in which case they are capitalised in accordance with the Group's and Company's general policy on borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

Assets Acquired Under Hire-Purchase Arrangements

Property, plant and equipment acquired under hire-purchase arrangements are capitalised in the financial statements and the corresponding obligations are recorded as liabilities. Finance charges are allocated to the income statements to give a constant periodic rate of interest on the remaining hire-purchase liabilities.

Asset held under hire-purchase are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant hire-purchase.

Investment Property

Investment property, comprising leasehold land and buildings, is property held for long-term rental yields or for capital appreciation or both and is not occupied by the Group and the Company.

Investment property is stated at fair value. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. Gains or losses arising from changes in the fair value of investment property are recognised in profit or loss in the year in which they arise.

An investment property is derecognised on its disposal, or when it is permanently withdrawn from use and no future economic benefits are expected from its disposal. The difference between the net disposal proceeds and the carrying amount is recognised in profit or loss in the period of the retirement or disposal.

Inventories

Inventories are valued at the lower of cost (determined principally on the "first in, first out" basis) and net realisable value. The cost of raw materials comprises the original cost of purchase plus the cost of bringing the inventories to their present location. The cost of finished goods includes the cost of raw materials, direct labour and a proportion of production overheads. Net realisable value represents the estimated selling price in the ordinary course of business less selling and distribution costs.

NOTES TO THE FINANCIAL STATEMENTS

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Operating Leases and Rental Income Recognition

Assets leased out under operating leases are presented on the statements of financial position according to the nature of the assets. Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

Investments

Investments in non-current equity securities, other than investments in subsidiary companies, are categorised and measured as fair value through profit or loss.

Investments in non-current debts instruments are categorised and measured as available for sale financial asset.

Provisions

Provisions are made when the Group and the Company have a present legal or constructive obligation as a result of past events, when it is probable that an outflow of resources will be required to settle the obligation, and when a reliable estimate of the amount can be made.

Provisions are reviewed by the directors at each reporting date and adjusted to reflect the current best estimate.

Financial Instruments

Financial instruments are recognised in the statement of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instruments.

Where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, such financial assets are recognised and derecognised on trade date.

Financial instruments are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

Financial assets are classified into the following specified categories: financial assets "at fair value through profit or loss" (FVTPL), "held-to-maturity investments", "available-for-sale" (AFS) financial assets and "loans and receivables". The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

(a) Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL.

(b) Financial assets at FVTPL

Financial assets are classified as at FVTPL when the financial asset is either held for trading or it is designated as at FVTPL.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group and the Company manage together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

NOTES TO THE FINANCIAL STATEMENTS

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(b) Financial assets at FVTPL (cont'd)

A financial asset other than a financial asset held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's and the Company's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and FRS 139 *Financial Instruments: Recognition and Measurement* permits the entire combined contract (asset or liability) to be designated as at FVTPL.

Financial assets at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the "other income" or "other expenses" line item in the statement of comprehensive income. Fair value is determined in the manner described in Note 34.

(c) AFS financial assets

AFS financial assets are non-derivatives that are either designated as available-for-sale or are not classified as loans and receivables, held-to-maturity investments or financial assets at FVTPL. All AFS assets are measured at fair value at the end of the reporting period. Fair value is determined in the manner described in Note 34. Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in the investments revaluation reserve, with the exception of impairment losses, interest calculated using the effective interest method, and foreign exchange gains and losses on monetary assets, which are recognised in profit or loss. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss.

AFS equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such unquoted equity investments are measured at cost less any identified impairment losses at the end of the reporting period.

Dividends on AFS equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established.

The fair value of AFS monetary assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. The foreign exchange gains and losses that are recognised in profit or loss are determined based on the amortised cost of the monetary asset. Other foreign exchange gains and losses are recognised in other comprehensive income.

(d) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

NOTES TO THE FINANCIAL STATEMENTS

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(e) Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For equity investments classified as AFS, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment.

For all other financial assets, including redeemable bonds classified as AFS and finance lease receivables, objective evidence of impairment could include:
- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's and the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 90 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

When an AFS financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the period.

With the exception of AFS equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of AFS equity securities, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income.

(f) Derecognition of financial assets

The Group and the Company derecognise a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group and the Company neither transfer nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group and the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group and the Company retain substantially all the risks and rewards of ownership of a transferred financial asset, the Group and the Company continue to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

NOTES TO THE FINANCIAL STATEMENTS

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Financial liabilities and equity instruments issued by the Group and the Company

(a) Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

(b) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group and the Company are recognised at the proceeds received, net of direct issue costs.

(c) Financial guarantee contract liabilities

Financial guarantee contract liabilities are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of the obligation under the contract, as determined in accordance with FRS 137 *Provisions, Contingent Liabilities and Contingent Assets*; and
- the amount initially recognised less, where appropriate, cumulative amortisation recognised in accordance with the revenue recognition policies set out above.

(d) Financial liabilities

Financial liabilities are classified as either financial liabilities "at FVTPL" or "other financial liabilities".

(e) Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

(f) Derecognition of financial liabilities

The Group and the Company derecognise financial liabilities when, and only when, the Group's and the Company's obligations are discharged, cancelled or they expire.

Derivative financial instruments

The Group enters into foreign exchange forward contracts to manage its exposure to foreign exchange rate risk. Further details of foreign exchange forward contracts are disclosed in Note 34.

Derivatives are initially recognised at fair value at the date the derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately.

A derivative with a positive fair value is recognised as a financial asset; a derivative with a negative fair value is realised as a financial liability. A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

NOTES TO THE FINANCIAL STATEMENTS

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Cash and Cash Equivalents

The Group and the Company adopt the indirect method in the preparation of the statements of cash flows.

Cash equivalents are short-term, highly liquid investments with maturities of three months or less from the date of acquisition and are readily convertible to cash with insignificant risk of changes in value.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

(i) Critical judgements in applying the Group's and the Company's accounting policies

In the process of applying the Group's and the Company's accounting policies, which are described in Note 3 above, the directors are of the opinion that there are no instances of application of judgement which are expected to have a significant effect on the amounts recognised in the financial statements except for allowance for doubtful debts.

Allowance for doubtful debts is made based on the evaluation of collectability and aging analysis of accounts and on management's estimate. A considerable amount of judgement is required in assessing the ultimate realisation of these receivables, including the creditworthiness and the past collection history of each customer. If the financial conditions of the customers with which the Group deals were to deteriorate, resulting in an impairment of their ability to make payments, additional allowance may be required.

(ii) Key sources of estimation uncertainty

The directors believe that there are no key assumptions made concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year except for the impairment of goodwill and fair values of investment property.

a. Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the management to estimate the future cash flows expected to arise from the cash-generating unit and also to choose a suitable discount rate in order to calculate present value of those cash flows. The carrying amount of goodwill at the reporting date was RM3,730,000 (2010: RM3,730,000) and there was no impairment loss (2010: nil impairment loss) recognised in profit or loss during the financial year.

b. Fair value of investment property

The best evidence of fair value is current prices in an active market for similar lease and other contracts or valuations carried out by independent firms of valuers annually.

NOTES TO THE FINANCIAL STATEMENTS

5. REVENUE

	The Group		The Company	
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
Total logistics services	243,324	229,380	-	-
Procurement logistics services	38,303	41,191	-	-
Dividend income from subsidiary companies	-	-	17,333	9,813
Dividend income from quoted investments	-	50	-	-
	281,627	270,621	17,333	9,813

6. OPERATING COSTS APPLICABLE TO REVENUE

The operating costs, classified by nature, applicable to revenue are as follows:

		The Group		The Company	
	Note	2011	2010	2011	2010
		RM'000	RM'000	RM'000	RM'000
Direct operating costs		183,084	174,091	-	-
Raw materials and consumables used		5,514	4,616	-	-
Staff costs	7	36,641	35,063	3,619	3,361
Depreciation of property, plant and equipment	14	11,029	12,596	-	-
Finance costs	9 (b)	3,515	4,146	188	1,600
Other expenses		7,911	11,765	8,662	1,688
		247,694	242,277	12,469	6,649

7. STAFF COSTS

	The Group		The Company	
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
Wages and salaries	31,731	29,682	3,191	2,928
Contributions to defined contribution plan	3,439	3,216	413	402
Short-term accumulating compensated absences	221	204	-	-
Other staff related expenses	1,250	1,961	15	31
	36,641	35,063	3,619	3,361

Included in staff costs of the Group and of the Company is directors' remuneration as disclosed in Note 8.

NOTES TO THE FINANCIAL STATEMENTS

8. DIRECTORS' REMUNERATION

	The Group		The Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Directors of the Company				
Executive directors:				
Salaries and other emoluments	4,335	3,999	2,947	2,743
Contributions to defined contribution plan	607	590	413	402
Fees	159	312	144	132
	5,101	4,901	3,504	3,277
Non-executive directors:				
Fees	100	53	100	53
	5,201	4,954	3,604	3,330
Directors of subsidiary companies				
Executive directors:				
Salaries and other emoluments	746	605	-	-
Contributions to defined contribution plan	97	81	-	-
	843	686	-	-
Total	6,044	5,640	3,604	3,330

The estimated monetary value of benefits-in-kind received and receivable by the directors otherwise than in cash from the Group and the Company amounted to RM182,846 (2010: RM176,074) and RM110,000 (2010: RM112,000) respectively.

A breakdown of directors' remuneration for the financial year by category and in bands of RM50,000 are as follows:

	Number of directors	
	2011	2010
Executive directors:		
RM350,001 - RM400,000	-	1
RM450,001 - RM500,000	1	-
RM500,001- RM550,000	-	1
RM550,001- RM600,000	1	-
RM600,001 - RM650,000	1	1
RM1,001,001 – RM1,050,000	-	1
RM1,050,001 – RM1,100,000	2	1
RM1,400,001 – RM1,450,000	-	1
RM1,450,001 – RM1,500,000	1	-
	6	6
Non-executive directors:		
RM50,000 and below	3	3
	9	9

There is no other key management personnel other than the directors of which their remuneration has been disclosed above.

NOTES TO THE FINANCIAL STATEMENTS

9. INTEREST INCOME AND FINANCE COSTS

(a) Interest income

	The Group		The Company	
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
Interest income on:				
Short-term deposits	422	311	75	122
Advances to subsidiary company (Note 16)	-	-	-	533
	422	311	75	655

(b) Finance costs

	The Group		The Company	
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
Interest expense on:				
Term loans	2,873	3,723	188	1,600
Hire-purchase payables	426	347	-	-
Revolving credit	186	62	-	-
Bank overdrafts	30	-	-	-
Finance lease payables	-	14	-	-
	3,515	4,146	188	1,600

10. PROFIT BEFORE TAX

In addition to the transactions detailed elsewhere in the financial statements, profit before tax is arrived at:

	The Group		The Company	
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
After charging:				
Rental of:				
Premises	7,651	6,271	-	-
Motor vehicles and equipment	3,318	2,441	-	-
Impairment loss on:				
Other financial assets	1,250	-	1,250	-
Inventories	143	-	-	-
Investment in subsidiary companies	-	-	7,052	1,043
Allowance for doubtful debts (net)	842	797	-	-
Unrealised loss (net) on foreign exchange	587	596	-	-
Net value loss on financial assets carried at fair value through profit or loss	324	-	-	-
Audit fees:				
Statutory audit	256	227	49	50
Other services	45	33	7	7
Bad debts written off	74	1,197	-	-
Property, plant and equipment written off	7	36	-	-
Loss on deemed disposal/partial disposal/disposal of:				
Other financial assets	-	227	-	-
Subsidiary companies	-	-	-	1,306

NOTES TO THE FINANCIAL STATEMENTS

10. PROFIT BEFORE TAX (cont'd)

	The Group		The Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
And crediting:				
Gain on deemed disposal/ disposal of:				
Property, plant and equipment	485	3,577	-	-
Other financial assets	152	-	-	-
Subsidiary companies	-	582	-	-
Realised gain (net) on foreign exchange	322	193	-	-
Net value gain on financial assets carried at fair value through profit or loss	-	1,730	-	-
Reversal of impairment loss on investment in subsidiary companies	-	-	-	3,710

11. TAX EXPENSE

	The Group		The Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Current year:				
Estimated current tax payable	(7,246)	(5,362)	(1,652)	(1,456)
Deferred tax (Note 29)	289	(2)	-	-
	(6,957)	(5,364)	(1,652)	(1,456)
Over/(Under)provision in prior years:				
Income tax	94	198	(82)	(3)
Deferred tax (Note 29)	51	(394)	-	-
	145	(196)	(82)	(3)
	(6,812)	(5,560)	(1,734)	(1,459)

A numerical reconciliation of tax expense applicable to profit before tax at the applicable statutory income tax rate to the tax expense at the effective income tax rate is as follows:

	The Group		The Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Profit before tax	36,237	35,971	10,339	9,486
Tax at the applicable tax rate of 25%	9,059	8,993	2,585	2,372
Effect on tax rate differential	(97)	(116)	-	-
Tax effects of:				
Income not subject to tax	(119)	(2,201)	(3,000)	(1,388)
Expenses not deductible for tax purposes	2,210	3,887	2,202	496
Utilisation of investment tax allowance	(4,215)	(5,220)	-	-
Double deduction of certain allowable expenses	(34)	-	-	-
Deferred tax assets not recognised	288	45	-	-
Utilisation of deferred tax assets not recognised previously	(135)	(24)	(135)	(24)
(Over)/Underprovision in prior years:				
Income tax	(94)	(198)	82	3
Deferred tax	(51)	394	-	-
	6,812	5,560	1,734	1,459

NOTES TO THE FINANCIAL STATEMENTS

11. TAX EXPENSE (cont'd)

As of December 31, 2011, Century Total Logistics Sdn. Bhd., a wholly-owned subsidiary company, has tax exempt income account arising from investment tax allowances claimed and utilised amounting to approximately RM62,291,000 (2010: RM55,431,000).

As of December 31, 2011, the Company has tax exempt income accounts arising from tax exempt dividend received and chargeable income, the income tax of which was waived in 1999 in accordance with the Income Tax (Amendment) Act, 1999 of approximately RM22,435,000 (2010: RM10,435,000) and RM190,000 (2010: RM190,000) respectively.

The above tax exempt accounts, which are subject to approval by the tax authorities and the availability of distributable reserves, are available for the distribution of tax exempt dividends to the shareholders of the Company.

12. EARNINGS PER ORDINARY SHARE

Basic

The basic earnings per share is calculated by dividing profit for the year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue during the financial year, excluding treasury shares held by the Company.

	2011	2010
Profit attributable to ordinary equity holders of the Company (RM'000)	30,061	30,620
Weighted average number of ordinary shares in issue ('000)	79,555	79,091
Basic earnings per share (sen)	37.79	38.71

Diluted

Fully diluted earnings per share is calculated by dividing the profit for the year attributable to ordinary equity holders of the Company (adjusted for the interest on warrants) by the weighted average number of ordinary shares in issue during the financial year adjusted for the dilutive effects of warrants.

	2011	2010
Profit attributable to ordinary equity holders of the company (RM'000)	30,061	30,620
Interest on warrants (after tax at 25%) (RM'000)	861	806
Profit attributable to ordinary equity holders of the company for the purpose of diluted earnings per share	30,922	31,426
Weighted average number of ordinary shares in issue ('000)	79,555	79,091
Shares deemed to be issued for no consideration in respect of warrants	16,656	14,459
Weighted average number of ordinary shares for the purpose of diluted earnings per share	96,211	93,550
Diluted earnings of share (sen)	32.14	33.59

13. DIVIDENDS

	The Company	
	2011 RM	2010 RM
Single tier final dividend of 4 sen per ordinary share, in respect of 2010 (2010: 4 sen in respect of 2009)	3,170,515	3,157,547
Single tier interim dividend of 5 sen per ordinary share, in respect of 2011 (2010: 5 sen in respect of 2010)	4,022,569	3,943,915
	7,193,084	7,101,462

The directors propose a single tier final dividend of 7 sen per ordinary share, in respect of the current financial year. This dividend is subject to the approval by the shareholders at the forthcoming Annual General Meeting of the Company and has not been included as a liability in the financial statements. Upon approval by the shareholders, the cash dividend payment will be accounted for in equity as an appropriation of retained earnings during the financial year ending December 31, 2012.

NOTES TO THE FINANCIAL STATEMENTS

14. PROPERTY, PLANT AND EQUIPMENT

The Group	Freehold land RM'000	Leasehold land RM'000	Buildings RM'000	Improvements and renovations RM'000	Vessel RM'000	Motor vehicles RM'000	Warehouse, office and other equipment RM'000	Furniture, fixtures and fittings RM'000	Building-in-progress RM'000	Other capital assets in-progress RM'000	Total RM'000
Cost											
Balance at January 1, 2010	6,943	31,714	62,359	15,136	-	58,206	16,443	3,297	24,230	385	218,713
Additions	-	-	2,202	981	-	6,591	4,630	274	13,789	334	28,801
Exchange differences	(25)	(131)	(139)	-	-	-	-	-	-	-	(295)
Disposals and write-offs	-	(3,544)	(5,950)	(2,047)	-	(6,479)	(219)	(13)	-	-	(18,252)
Reclassifications	-	-	36,747	-	-	-	485	-	(36,747)	(485)	-
Balance at December 31, 2010	6,918	28,039	95,219	14,070	-	58,318	21,339	3,558	1,272	234	228,967
Additions	-	-	1,114	1,323	16,187	3,740	3,442	334	394	584	27,118
Exchange differences	(126)	134	(451)	-	-	(16)	(26)	(31)	-	-	(516)
Disposals and write-offs	-	-	-	-	-	(5,941)	(999)	(339)	-	-	(7,279)
Reclassifications	-	-	1,272	-	-	-	234	-	(1,272)	(234)	-
Balance at December 31, 2011	6,792	28,173	97,154	15,393	16,187	56,101	23,990	3,522	394	584	248,290
Accumulated Depreciation											
Balance at January 1, 2010	-	2,364	7,930	12,170	-	35,534	11,065	1,907	-	-	70,970
Charge for the year	-	478	2,472	1,157	-	6,098	2,150	241	-	-	12,596
Exchange differences	-	(10)	(5)	-	-	-	-	(2)	-	-	(17)
Disposals and write-offs	-	(242)	(773)	(1,258)	-	(5,234)	(164)	(6)	-	-	(7,677)
Balance at December 31, 2010	-	2,590	9,624	12,069	-	36,398	13,051	2,140	-	-	75,872
Charge for the year	-	450	1,611	608	30	5,367	2,706	257	-	-	11,029
Exchange differences	-	8	(21)	-	-	(10)	(5)	(8)	-	-	(36)
Disposals and write-offs	-	-	-	-	-	(4,562)	(577)	(217)	-	-	(5,356)
Balance at December 31, 2011	-	3,048	11,214	12,677	30	37,193	15,175	2,172	-	-	81,509
Net Carrying Amount											
As of December 31, 2010	6,918	25,449	85,595	2,001	-	21,920	8,288	1,418	1,272	234	153,095
As of December 31, 2011	6,792	25,125	85,940	2,716	16,157	18,908	8,815	1,350	394	584	166,781

NOTES TO THE FINANCIAL STATEMENTS

14. PROPERTY, PLANT AND EQUIPMENT (cont'd)

(a) Carrying amount of freehold land, freehold buildings, leasehold land and leasehold buildings in 2011 amounting to RM6,792,000, RM22,985,000, RM10,449,000 and RM31,574,000 (2010: RM6,918,000, RM23,516,000, RM7,338,000 and RM18,477,000) respectively were charged to financial institutions as securities for credit facilities granted to the Group (Note 28);

(b) Carrying amount of motor vehicles acquired under hire-purchase and finance lease arrangements in 2011 amounted to RM10,071,000 (2010: RM11,723,000).

(c) Leasehold land relate to:

(i) Lease of land for the Group's warehouse with office building erected thereon located in Perusahaan Selat Klang Utara, Port Klang, Selangor with lease term expiring in the year of 2086;

(ii) Lease of land for the Group's warehouses with office buildings erected thereon located in Bandar Sultan Suleiman, Port Klang, Selangor with lease terms expiring in the year of 2087;

(iii) Sub-leases of land from a third party for the Group's warehouses with office buildings erected thereon located in Johor with lease term expiring in the year of 2055; and

(iv) Lease of land located in Jiangxi Yichun, China with lease term expiring in year of 2057.

(d) The Group does not have an option to purchase the land under lease upon the expiry of the lease period.

15. INVESTMENT PROPERTY

	The Group	
	2011 RM'000	2010 RM'000
At beginning and end of year	30,000	30,000

The investment property of the Group were revalued at RM30,000,000 as of November 20, 2011 (2010: RM30,000,000 as of March 16, 2011) by the directors based on a valuation carried out by CH Williams Talhar & Wong Sdn. Bhd., an independent firm of professional valuers, using the "cost method of valuation" as the primary methodology, which is regarded by the directors as a fair indication of the value of the same investment property as of December 31, 2011.

The said investment property, comprising a leasehold land and building constructed thereon, is located in Johor, and is held under a sublease from a third party with lease terms expiring in year of 2055.

The property rental income earned by the Group from the investment property of which is leased to a third party under operating lease, amounted to RM3,540,000 (2010: RM3,540,000) and is included as revenue for the Group. The direct operating expenses pertaining to the investment property of the Group that generated rental income during the year amounted to RM186,649 (2010: RM117,650).

As of December 31, 2011 and 2010, the investment property is charged to a financial institution as security for credit facilities granted to the Group (Note 28).

NOTES TO THE FINANCIAL STATEMENTS

16. INVESTMENT IN SUBSIDIARY COMPANIES

	The Company 2011 RM'000	The Company 2010 RM'000
Unquoted shares - at cost	17,732	17,732
Accumulated impairment losses	(9,943)	(2,891)
Net	7,789	14,841

The subsidiary companies, which are all incorporated in Malaysia, except as otherwise indicated, are as follows:

	Effective Equity Interest 2011 %	Effective Equity Interest 2010 %	Principal Activities
Direct Subsidiary Companies			
Century Total Logistics Sdn. Bhd.	100	100	Total logistics provider
Century Advance Technology Sdn. Bhd.	100	100	Procurement logistics services
Century Logistics Sdn. Bhd.	100	100	Freight forwarding and investment holding
Century Logistics (Johore) Sdn. Bhd.	100	100	Dormant
Century Forwarding Agency Sdn. Bhd.	70	70	Freight forwarding and shipping agency
Indirect Subsidiary Companies			
Storewell (M) Sdn. Bhd.	100	100	Bonded warehousing
Century Trucking Sdn. Bhd.	100	100	Dormant
Century Logistics (Sarawak) Sdn. Bhd.	100	100	Dormant
Century LED Sdn. Bhd.	74	65	Procurement logistics services
Storewell Realty Sdn. Bhd.	51	51	Property holding
Century Onsys Sdn. Bhd. (formerly known as Dwialam Teknologi Sdn. Bhd.)	51	-	Vessel chartering
Century Logistics (S'pore) Pte Ltd* (Incorporated in Singapore)	100	100	Dormant
Century Resources (Thailand) Limited* (Incorporated in Thailand)	90	90	Property holding
Century-YES Logistics (Yichun) Co. Ltd.* (Incorporated in People's Republic of China)	75	75	Total logistics provider

NOTES TO THE FINANCIAL STATEMENTS

16. INVESTMENT IN SUBSIDIARY COMPANIES (cont'd)

	Effective Equity Interest 2011 %	Effective Equity Interest 2010 %	Principal Activities
Indirect Subsidiary Companies (cont'd)			
Expo Century Logistics Private Ltd* (Incorporated in India)	51	51	Total logistics provider
Century Logistics (Thailand) Limited^ (Incorporated in Thailand) (In members' voluntary winding up)	-	-	Dormant

* The financial statements of these companies were examined by auditors other than the auditors of the Company.

^ Deemed disposed of by the Group as of December 31, 2010.

In 2011, the following transactions were undertaken by the Group:

(a) Century Logistics Sdn. Bhd. ("CLSB") acquired 2 ordinary shares of RM1.00 each, representing 100% equity interest in Century Onsys Sdn. Bhd. ("COSB") (formerly known as Dwialam Teknologi Sdn. Bhd.), a company incorporated in Malaysia, at a cash consideration of RM2,800. Subsequent thereto, CLSB subscribed for additional 764,998 ordinary shares of RM1.00 each, out of a total of 1,499,998 new ordinary shares issued by COSB, at a cash consideration of RM764,998. This exercise reduced the Group's equity interest in COSB from 100% to 51%.

(b) Century Advance Technology Sdn. Bhd. ("CAT") subscribed to 325,000 out of 450,000 new ordinary shares issued by Century LED Sdn. Bhd. ("Century LED") at a cash consideration of RM325,000. As a result of this exercise, the Company's equity interest in Century LED has been increased from 65% to 68%. Subsequent thereto, CAT acquired 50,000 ordinary shares in Century LED from one of the minority shareholders at a cash consideration of RM6,000. As a result of this exercise, the Group's equity interest in Century LED has been increased from 68% to 74%.

In 2010, the following transactions were undertaken by the Group:

(a) CAT, on June 23, 2010, acquired Century LED for a cash consideration of RM2. CAT owned 65% equity interest in the said corporation.

(b) The Company disposed its 100% equity interest in Century Global Logistics Sdn. Bhd. ("CGL") to a third party for a cash consideration of RM45,000. The disposal gave rise to a loss on disposal of RM1,266.

(c) The Company transferred its entire equity interest in Century Logistics (Sarawak) Sdn. Bhd. and Storewell (M) Sdn. Bhd. to CLSB, a wholly-owned subsidiary company.

(d) CLSB had on March 22, 2010 subscribed for 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., a dormant company. Subsequently on September 6, 2010, CLSB disposed this 62% equity interest in C & L Logistics (M) Sdn. Bhd. to a third party for a cash consideration of RM62,000. C & L Logistics (M) Sdn. Bhd. ceased to be a subsidiary of the Company.

(e) Century Logistics (Thailand) Limited ("CLT"), which was intended to be voluntary wound up, was deemed disposed of by the Group as of December 31, 2010 at no cash consideration. This deemed disposal gave rise to a gain of RM583,676.

NOTES TO THE FINANCIAL STATEMENTS

16. INVESTMENT IN SUBSIDIARY COMPANIES (cont'd)

Post-acquisition results of the subsidiary companies acquired/established as mentioned above in 2011 and 2010 are as follows:

	2011 RM'000	2010 RM'000
Revenue	-	-
Loss for the year	(218)	(249)

If the acquisition of COSB during 2011 occurred on January 1, 2011, the Group's revenue and profit for the financial year 2011 would remain unchanged at RM281,627,000 and RM29,425,000 respectively.

If the acquisition Century LED during 2010 occurred on January 1, 2010, the Group's revenue and profit for the financial year 2010 would remain unchanged at RM270,621,000 and RM30,411,000 respectively.

The effects of the abovementioned disposal of CGL and deemed disposal of CLT in 2010 are as follows:

	(Up to the date of disposal/deemed disposal)	
	2011 RM'000	2010 RM'000
Revenue	-	-
Profit for the year	-	13

The effects of the abovementioned disposal of CGL and deemed disposal of CLT in 2010 on the financial position of the Group were as follows:

	(At the dates of disposal/deemed disposal)	
	2011 RM'000	2010 RM'000
Property, plant and equipment	-	98
Trade receivables	-	30
Other receivables and prepaid expenses	-	797
Amount owing to other related companies	-	(1,110)
Cash and bank balances	-	71
Trade payables	-	(258)
Other payables and accrued expenses	-	(165)
Carrying value of net liabilities	-	(537)
Gain on disposal recognised in the statement of comprehensive income (Note 10)	-	582
Total consideration, satisfied by cash	-	45
Less: Cash and cash equivalents disposed of	-	(71)
Cash outflow on disposal/deemed disposals	-	(26)

NOTES TO THE FINANCIAL STATEMENTS

16. INVESTMENT IN SUBSIDIARY COMPANIES (cont'd)

The amount owing by/(to) subsidiary companies, which are non-trade in nature, are unsecured, interest free and repayable on demand.

During the financial year, significant transactions with subsidiary companies which are determined on a basis negotiated between the said parties are as follows:

	The Company	
	2011 RM'000	2010 RM'000
Century Total Logistics Sdn. Bhd.		
Reimbursement of costs charged	4,800	2,400
Interest income charged (Note 9 (a))	-	533
Century Advance Technology Sdn. Bhd.		
Reimbursement of costs charged	600	600

Related parties with recurrent related party transactions with the Group are as follows:

Name of related party	Relationship
Award Maritime Sdn. Bhd.	A company in which Datuk Jaafar bin Mohamad has 40% equity interest
Century Forwarding Agency Sdn. Bhd.	A company in which Dr. Mohamed Amin bin Mohd Kassim has 30% equity interest
Onsys Energy Sdn. Bhd. ("OESB) #	A company in which Datuk Jaafar bin Mohamad has 70% equity interest
Onsys Energy Pte. Ltd. #	A company in which OESB has 100% equity interest
Onsys Leo Sdn. Bhd. #	A company in which OESB has 100% equity interest
Onsys Shipping Sdn. Bhd.("OSSB") #	A company in which Datuk Jaafar bin Mohamad has 50% equity interest
Onsys Libra Sdn. Bhd. #	A company in which OSSB has 100% equity interest
Onsys Maritime Services Pte. Ltd. #	A company in which Datuk Jaafar bin Mohamad has 70% equity interest
Policy Management Sdn. Bhd.	A company in which Teow Choo Ann, who is the nephew of Datuk Phua Sin Mo and brother of Teow Choo Hing and Teow Choo Chuan has 94% equity interest

Collectively referred to as "Onsys Group".

During the financial year, significant transactions with related parties, which are determined on a basis as negotiated between the said parties are as follows:

	The Group	
	2011 RM'000	2010 RM'000
Award Maritime Sdn. Bhd.		
- Provision of ship handling and agency services to Century Total Logistics Sdn. Bhd. ("CTL")	2,110	1,862
- Rental of office space and administration charges from CTL	18	15
Century Forwarding Agency Sdn. Bhd.		
- Provision of freight forwarding services to CTL	1,152	1,693
Onsys Group		
- Provision of agency services by CTL	432	379
- Rental of office space and electricity charges from CTL	201	209
- Provision of ship handling to Century Onsys Sdn. Bhd.	42	-
Policy Management Sdn. Bhd		
- Payment of service fees for renewal of road tax for vehicles by CTL	11	13

The shareholders approved the shareholders' mandate for recurrent related party transactions of revenue or trading nature pursuant to Paragraph 10.09 of the Listing Requirements of Bursa Malaysia Securities Berhad at the Annual General Meeting held on May 12, 2011. The approval shall, unless revoked or varied by the Company in general meeting, continue to be in force until the next Annual General Meeting of the Company.

NOTES TO THE FINANCIAL STATEMENTS

17. OTHER FINANCIAL ASSETS

	The Group		The Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Financial assets carried at fair value through profit or loss:				
Shares quoted in Malaysia	1,454	2,798	-	-
Shares quoted outside Malaysia	347	1,088	-	-
	1,801	3,886	-	-
Available-for-sale investment carried at fair value:				
Unquoted bond	-	-	-	-
Total	1,801	3,886	-	-

The subscription of the unquoted bond is a condition for the granting of a long-term loan to the Company as disclosed in Note 28. This investment was fully impaired as of December 31, 2011.

18. GOODWILL ON CONSOLIDATION

	The Group	
	2011 RM'000	2010 RM'000
At beginning and end of year	3,730	3,730

Goodwill acquired in business combinations is allocated, at acquisition, to the cash generating units ("CGUs") that are expected to benefit from that business combination. Goodwill on consolidation has been allocated to the Group's single CGU, namely, the total logistics operations of Century Total Logistics Sdn. Bhd.

The Group tests goodwill annually for impairment or more frequently if there are indications that goodwill might be impaired.

Key assumptions used in value in use calculations

The recoverable amount of the CGU is determined from a value in use calculation. The key assumptions for the value in use calculation are those regarding the discount rates, growth rates and expected changes to pricing and direct costs during the period. Management estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risk specific to the CGU. The growth rates are based on industry growth forecasts. Changes in selling prices and direct costs are based on past practices and expectations of future changes in the market. These calculations use pre-tax cash flow projections based on financial budgets approved by management and extrapolated cash flows for a three year period based on growth rates consistent with the long-term average growth rate for the industry. The rate used to discount the forecasted cash flows reflect specific risks and expected returns relating to the industry. Management determined budgeted gross margin based on past performance and its expectations of market development.

19. INVENTORIES

	The Group	
	2011 RM'000	2010 RM'000
At cost:		
Finished goods	120	440
Raw materials	375	950
	495	1,390

NOTES TO THE FINANCIAL STATEMENTS

20. TRADE RECEIVABLES

	The Group	
	2011	2010
	RM'000	RM'000
Trade receivables	65,046	41,777
Less: Allowance for doubtful debts	(2,630)	(1,788)
Net	62,416	39,989

The credit terms of the Group ranged from 7 days to 60 days.

Included in the Group's trade receivables are debtors with a carrying amount of RM28,437,000 (2010: RM16,185,000) which are past due at the reporting date for which the Group has not provided as there has not been a significant change in credit quality and the Group believes that the amounts are still considered fully recoverable.

Ageing of past due but not impaired receivables is as follows:

	2011	2010
	RM'000	RM'000
1-30 days	12,411	8,571
31-60 days	3,950	3,703
61-90 days	9,627	2,221
91-120 days	1,161	588
More than 120 days	1,288	1,102
Total	28,437	16,185

Movement in the allowance for doubtful debts is as follows:

	The Group	
	2011	2010
	RM'000	RM'000
Balance at the beginning of the year	1,788	995
Impairment losses recognised on receivables	1,275	938
Impairment losses reversed	(433)	(120)
Amounts written off during the year	-	(25)
Balance at end of the year	2,630	1,788

In determining the recoverability of the trade receivables, the Company considers any change in the credit quality of the trade receivables from the date credit was initially granted up to the reporting date. The concentration of credit risk is limited due to the customer base being large and unrelated. Accordingly, the directors believe that there is no further credit provision required in excess of the allowance for doubtful debts.

NOTES TO THE FINANCIAL STATEMENTS

20. TRADE RECEIVABLES (cont'd)

The currency profile of trade receivables is as follows:

	The Group	
	2011	2010
	RM'000	RM'000
Ringgit Malaysia	62,999	38,871
Indian Rupee	1,144	1,005
Chinese Renminbi	785	1,781
Thai Baht	118	95
United States Dollar	-	25
	65,046	41,777

21. OTHER RECEIVABLES, DEPOSITS AND PREPAID EXPENSES

	The Group		The Company	
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
Other receivables	34,544	24,781	11	1
Deposits paid for capital expenditure	12,546	12,546	-	-
Refundable deposits	6,638	5,174	1	1
Prepaid expenses	3,238	3,057	-	79
	56,966	45,558	12	81
Less: Allowance for doubtful debts	(230)	(230)	-	-
	56,736	45,328	12	81

Included in other receivables of the Group are amounts recoverable from customers of a subsidiary company engaged in procurement logistics services for purchases of raw materials and consumables inventories made on their behalf totalling RM30,634,937 (2010: RM18,786,398).

The currency profile of other receivables, deposits and prepaid expenses is as follows:

	The Group		The Company	
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
Ringgit Malaysia	55,393	43,152	12	81
Indian Rupee	1,274	1,675	-	-
Thai Baht	265	629	-	-
Singapore Dollar	32	9	-	-
Chinese Renminbi	2	93	-	-
	56,966	45,558	12	81

NOTES TO THE FINANCIAL STATEMENTS

22. DEPOSITS, CASH AND BANK BALANCES

	The Group		The Company	
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
Cash and bank balances	5,529	13,212	297	243
Short-term deposits with licensed banks	17,086	23,283	-	16,400
	22,615	36,495	297	16,643

The weighted average interest rate of short-term deposits at the balance sheet date was 2.9% (2010: 2.56%) per annum. The maturity periods of these deposits as of the end of the financial year ranged from 6 days to 365 days (2010: 4 days to 365 days).

The currency profile of deposits, cash and bank balances is as follows:

	The Group		The Company	
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
Ringgit Malaysia	21,199	34,360	297	16,643
Chinese Renminbi	1,024	1,588	-	-
Indian Rupee	171	316	-	-
Singapore Dollar	136	156	-	-
Thai Baht	85	75	-	-
	22,615	36,495	297	16,643

23. SHARE CAPITAL

	The Company	
	2011	2010
	RM'000	RM'000
Authorised:		
Ordinary shares of RM1.00 each		
At beginning and end of year	500,000	500,000
Issued and fully paid:		
Ordinary shares of RM1.00 each:		
At beginning of year	82,005	81,671
Exercise of warrants	2,131	334
At end of year	84,136	82,005

During the current financial year, the issued and paid-up share capital of the Company was increased from RM82,004,704 divided into 82,004,704 ordinary shares of RM1.00 each to RM84,136,204 divided into 84,136,204 ordinary shares of RM1.00 each by the issuance of 2,131,500 new ordinary shares of RM1.00 each at par for cash through the exercise of 2,131,500 three (3) year 2010/2013 warrants 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.

NOTES TO THE FINANCIAL STATEMENTS

23. SHARE CAPITAL (cont'd)

During the previous financial year, the issued and paid-up share capital of the Company was increased from RM81,670,604 divided into 81,670,604 ordinary shares of RM1.00 each to RM82,004,704 divided into 82,004,704 ordinary shares of RM1.00 each by the issuance of 334,100 new ordinary shares of RM1.00 each at par for cash through the exercise of 334,100 three (3)-year 2010/2013 warrants 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.

All new ordinary shares that were issued rank parri passu in all respects with the then existing ordinary shares of the Company.

24. TREASURY SHARES

On May 12, 2011 and May 20, 2010, the Company obtained the approval from the shareholders at an Annual General Meeting for share buy-back up to 10% of its own shares through Bursa Malaysia Securities Berhad for financial year 2011 and 2010 respectively.

During the current financial year, the Company bought back 166,800 (2010: 3,257,000) of its issued ordinary shares from the open market at an average price of RM1.71 (2010: RM1.62) per share. The total consideration paid/payable for the purchase was RM285,330 excluding incidental cost of RM2,088 (2010: RM5,317,422 excluding incidental cost of RM28,224).

None of the treasury shares held was resold or cancelled during the financial year.

The Company held as treasury shares a total of 3,588,920 (2010: 3,442,120) of its 84,136,204 (2010: 82,004,704) issued ordinary shares. The treasury shares are held in accordance with Section 67A of the Companies Act, 1965 at a carrying amount of RM5,910,447 (2010: RM5,623,029).

The treasury shares have no rights to voting, dividend and participation in other distribution.

25. RESERVES

	The Group		The Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Share premium	217	94	217	94
Investment revaluation reserve	-	(1,250)	-	(1,250)
Translation reserve	(156)	(275)	-	-
Capital reserve	1,458	1,581	1,458	1,581
Retained earnings	120,970	98,102	6,853	5,441
	122,489	98,252	8,528	5,866

Share premium

Share premium arose from issuance of ordinary shares at premium in previous year and also share based payment transactions for options already exercised by employees being reclassified from share option reserve.

Investment revaluation reserve

The investment revaluation reserve represents accumulated gains and losses arising on the revaluation of available-for-sale financial assets that have been recognised in other comprehensive income, net of amounts reclassified to profit or loss when those assets have been disposed of or are determined to be impaired.

NOTES TO THE FINANCIAL STATEMENTS

25. RESERVES (cont'd)

Translation reserve

Translation reserve represents the exchange differences arising from the translation of financial statements of the foreign operations where functional currencies are different from that of the presentation currency of the consolidated financial statements.

Capital reserve

On January 28, 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 February 3, 2010 and will expire on January 27, 2013. The issue expenses incurred for this exercise and proposed ESOS in 2010 of RM176,000 was debited to capital reserve.

Retained earnings

In accordance with the Finance Act 2007, the single tier income tax system became effective from the year of assessment 2008. Under this system, tax on company's profit is a final tax, and dividends paid are exempted from tax in the hands of the shareholders. Unlike the previous imputation system, the recipient of the dividend would no longer be able to claim any tax credit.

Companies without Section 108 tax credit balance will automatically move to the single tier tax system on January 1, 2008. However companies with such tax credits are given an irrevocable option to elect for the single tier tax system and disregard the tax credit or to continue to use the tax credits under Section 108 account to frank the payment of cash dividends on ordinary shares for a period of 6 years ending December 31, 2013 or until the tax credits are fully utilised, whichever comes first. During the transitional period, any tax paid will not be added to the Section 108 account and any tax credits utilised will reduce the tax credit balance. All companies will be in the new system on January 1, 2014.

The Company had elected for the irrevocable option to disregard the Section 108 tax credits in 2008.

26. HIRE-PURCHASE PAYABLES

	The Group	
	2011 RM'000	2010 RM'000
Total outstanding	7,511	8,222
Less: Interest-in-suspense	(514)	(703)
Principal outstanding	6,997	7,519
Less: Portion due within the next 12 months (shown under current liabilities)	(2,399)	(2,699)
Non-current portion	4,598	4,820

The non-current portion is repayable as follows:

	The Group	
	2011 RM'000	2010 RM'000
Within 1 to 2 years	2,253	1,936
Within 2 to 5 years	2,345	2,884
	4,598	4,820

NOTES TO THE FINANCIAL STATEMENTS

26. HIRE-PURCHASE PAYABLES (cont'd)

The term of the hire-purchase is one to five years and the weighted average effective interest rates implicit in the hire-purchase arrangements ranged from 5.64% to 7.20% (2010: 5.52% to 5.88%) per annum. The interest rates are fixed at the inception of the hire-purchase arrangement.

The hire-purchase payables of the Group are secured by the financial institutions' charge over the assets under hire-purchase.

Hire-purchase payables are predominantly denominated in Ringgit Malaysia.

27. FINANCE LEASE PAYABLES

	The Group			
	Minimum lease payments		Present value of minimum lease payments	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Amounts payable under finance lease:				
Within one year	-	67	-	67
In the second to fifth year inclusive	-	-	-	-
	-	67	-	67
Less: Future finance charges	-	-	-	N/A
Present value of lease payables	-	67	-	67
Less: Portion due within the next 12 months (shown under current liabilities)			-	(67)
Non-current portion			-	-

For the financial year ended December 31, 2010, the weighted average effective interest rate was 5.52% per annum and these interest rates were fixed at the inception of the lease. All finance leases were on a fixed repayment basis and no arrangement had been entered into for contingent rental payment.

Finance lease payables were denominated in Ringgit Malaysia.

28. LONG-TERM BORROWINGS

	The Group		The Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Secured:				
Principal outstanding	51,076	70,172	-	20,000
Portion due within the next 12 months (Note 32)	(10,172)	(28,432)	-	(20,000)
	40,904	41,740	-	-

NOTES TO THE FINANCIAL STATEMENTS

28. LONG-TERM BORROWINGS (cont'd)

The non-current portion of the long-term loans is repayable as follows:

	The Group		The Company	
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
Within 1 to 2 years	10,172	8,432	-	-
Within 2 to 5 years	27,765	25,257	-	-
5 years and thereafter	2,967	8,051	-	-
	40,904	41,740	-	-

The weighted average effective interest rate of the above long-term loans is 5.5% (2010: 6.1%) per annum.

The long-term loan pertaining to the Company required the investment in unquoted bond (Note 17) with a bullet repayment in 2012. The said long-term borrowing was subsequently advanced to a subsidiary company and accordingly the interest expense arising from the borrowings was also charged to the said subsidiary company. This term loan was early settled in full during the financial year.

As of December 31, 2011 and 2010, the long-term loans pertaining to subsidiary companies are secured by:

(i) a freehold land and building located at Rojana Industrial Park, Thailand (Note 14);
(ii) a deed of assignment by a subsidiary company in favour of the bank over all areas of the investment property and certain leasehold lands (Notes 15 and 14);
(iii) a specific debenture over the investment property together with fixture and fittings now or from time to time on the investment property (Note 15);
(iv) a specific debenture over certain leasehold lands (Note 14);
(v) a deed of assignment of rental proceeds by a subsidiary company in favour of the bank assigning all the monthly rental proceeds derived and receivable from the investment property (Note 15); and
(vi) corporate guarantee by the Company amounting to RM76,333,000 (2010: RM66,891,000).

As of December 31, 2011, a subsidiary company has also secured a term loan facility of USD4,725,000 (equivalent to approximately RM14,986,100) to part-finance the purchase and refurbishment cost of a vessel (Note 14). This facility, which attracts interest at 1.75% over 3-month United States Dollar ("USD") cost of funds and repayable in 20 equal quarterly repayments of USD236,250 each with first repayment commencing 3 months after the first disbursement, is secured against the following:

(i) The Revenue and Operation Account and the Debt Service Reserve Account to be opened with the lender;
(ii) Corporate guarantee from the Company and another corporate shareholder of the said subsidiary company; and
(iii) Letter of undertaking from the said subsidiary company, the Company and another corporate shareholder of the said subsidiary company.

This term loan was unutilised as of December 31, 2011 and was drawndown subsequent to the end of the financial year, on January 5, 2012.

The currency profile of borrowings is as follows:

	The Group		The Company	
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
Ringgit Malaysia	32,935	49,020	-	20,000
Thai Baht	18,141	21,152	-	-
	51,076	70,172	-	20,000

NOTES TO THE FINANCIAL STATEMENTS

29. DEFERRED TAX LIABILITIES

	The Group 2011 RM'000	The Group 2010 RM'000
At beginning of year	9,357	8,961
Transfer (to)/from income statements (Note 11)		
Property, plant and equipment	1,488	288
Other payables and accrued expenses	(178)	108
Unutilised capital allowances	(1,612)	-
Others	(38)	-
	(340)	396
At end of year	9,017	9,357

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set-off current tax assets and current liabilities and when the deferred taxes relate to the same tax authority.

Certain deferred tax liabilities and deferred tax assets have been offset in accordance with the Group's accounting policy. The following is the analysis of the deferred tax balances (after offset) in the statement of financial position:

	The Group		The Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Deferred tax liabilities (before offsetting)				
Tax effect on temporary taxable difference arising from:				
Property, plant and equipment	(10,938)	(9,450)	-	-
Others	(15)	-	-	-
	(10,953)	(9,450)	-	-
Offsetting	1,936	93	-	-
Deferred tax liabilities (after offsetting)	(9,017)	(9,357)	-	-
Deferred tax assets (before offsetting)				
Tax effect on temporary deductible difference arising from:				
Other payables and accrued expenses	271	93	-	-
Others	53	-	-	-
Tax effect of unutilised capital allowances	1,612	-	-	-
	1,936	93	-	-
Offsetting	(1,936)	(93)	-	-
Deferred tax assets (after offsetting)	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

29. DEFERRED TAX LIABILITIES (cont'd)

Details of temporary deductible difference, unused tax losses and unused tax credits pertaining to the Company and certain subsidiary companies which have not been recognised in the financial statements due to uncertainty of realisation are as follows:

	The Group		The Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Temporary deductible difference arising from other payables and accrued expenses	73	59	-	-
Unused tax losses	1,375	804	-	541
Unabsorbed capital allowances	51	24	-	-
	1,499	887	-	541

The availability of the unused tax losses and absorbed capital allowances for offsetting against future taxable profits of the respective subsidiary companies are subject to agreement with the tax authorities.

30. TRADE PAYABLES

Trade payables comprise amounts outstanding for trade purchases and ongoing costs. The credit terms of the Group for trade payables are granted on a case-by-case basis.

The currency profile of trade payables is as follows:

	The Group	
	2011 RM'000	2010 RM'000
Ringgit Malaysia	10,579	9,633
Thai Baht	650	335
Chinese Renminbi	279	1,727
Indian Rupee	-	362
United States Dollar	-	49
Others	-	6
	11,508	12,112

31. OTHER PAYABLES AND ACCRUED EXPENSES

Other payables and accrued expenses consist of the following:

	The Group		The Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Other payables	24,614	9,692	12	759
Amount owing to corporate shareholders of certain subsidiary companies	13,755	7,144	-	-
Accrued expenses	14,165	12,905	1,644	1,493
Sub-lease rental payable	-	5,661	-	-
Deposits refundable	3,305	2,640	-	-
	55,839	38,042	1,656	2,252

Included in other payables of the Group is amount payable to designated suppliers of raw materials and consumables of customers, which engaged a subsidiary company to provide procurement logistics services, amounting to RM16,870,520 (2010: RM6,676,369).

NOTES TO THE FINANCIAL STATEMENTS

31. OTHER PAYABLES AND ACCRUED EXPENSES (cont'd)

Included in amount owing to corporate shareholders of certain subsidiaries are:

(i) An amount of RM5,706,187 (2010: RM5,706,187) representing deposits paid as its portion to a third party for the proposed acquisition of 3 adjoining parcels of vacant lands being part of a bigger piece of land located at Negeri Selangor for a total cash consideration of RM31,363,200. This amount is unsecured, interest-free and with no fixed terms of repayment.

(ii) An amount of RM6,581,571 (2010: RM Nil) representing purchasing cost and refurbishment cost of a vessel (Note 14) paid on behalf of a subsidiary company. This amount is unsecured, interest-free and repayable upon drawdown of the USD4,725,000 term loan by the said subsidiary company as mentioned in Note 28.

The currency profile of other payables and accrued expenses is as follows:

	The Group		The Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Ringgit Malaysia	53,124	36,105	1,656	2,252
Indian Rupee	1,858	1,663	-	-
Thai Baht	807	193	-	-
Chinese Renminbi	46	78	-	-
Singapore Dollar	4	3	-	-
	55,839	38,042	1,656	2,252

32. SHORT-TERM BORROWINGS

	The Group		The Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Secured:				
Portion of long-term loans due within the next 12 months (Note 28)	10,172	28,432	-	20,000
Unsecured:				
Revolving credit	8,000	-	-	-
	18,172	28,432	-	20,000

The Group has term loans, bank overdrafts and other credit facilities amounting to RM153.9 million (2010: RM113.6 million) obtained from various financial institutions.

The weighted average effective interest rate of the bank overdrafts was 6.85% (2010: 6.55%) per annum.

The security for the long-term loans due within the next 12 months of the Group is as disclosed in Note 28.

NOTES TO THE FINANCIAL STATEMENTS

32. SHORT-TERM BORROWINGS (cont'd)

The currency profile of short-term borrowings is as follows:

	The Group		The Company	
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
Ringgit Malaysia	14,984	25,185	-	20,000
Thai Baht	3,188	3,247	-	-
	18,172	28,432	-	20,000

33. CASH AND CASH EQUIVALENTS

	The Group		The Company	
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
Cash and bank balances (Note 22)	5,529	13,212	297	243
Short-term deposits with licensed banks (Note 22)	17,086	23,283	-	16,400
	22,615	36,495	297	16,643

34. FINANCIAL INSTRUMENTS

Capital Risk Management

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from 2010.

The capital structure of the Group consists of net debt (borrowings as detailed in Notes 26 to 28 and 32) offset by cash and bank balances and equity of the Group (comprising issued capital, reserves, retained earnings and non-controlling interests as detailed in Notes 23 to 25).

The Group is not subject to any externally imposed capital requirements.

Gearing ratio

The gearing ratio at end of the reporting period was as follows:

	The Group		The Company	
	2011	2010	2011	2010
	RM'000	RM'000	RM'000	RM'000
Debts, comprising:				
Long-term borrowings (Note 28)	51,076	70,172	-	20,000
Short-term borrowings (Note 32)	8,000	-	-	-
Hire-purchase payables (Note 26)	6,997	7,519	-	-
Finance lease payables (Note 27)	-	67	-	-
	66,073	77,758	-	20,000
Cash and bank balances	(22,615)	(36,495)	(297)	(16,643)
Net debts	43,458	41,263	(297)	3,357

NOTES TO THE FINANCIAL STATEMENTS

34. FINANCIAL INSTRUMENTS (cont'd)

	The Group		The Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Shareholders' equity	200,715	174,634	86,754	82,248
Net debt to equity ratio	21.7%	23.6%	NA	4.1%

Significant accounting policies

Details of the significant accounting policies and methods adopted (including the criteria for recognition, the bases of measurement, and the bases for recognition of income and expenses) for each class of financial asset, financial liability and equity instrument are disclosed in Note 3.

Categories of financial instruments

	The Group		The Company	
	2011 RM'000	2010 RM'000	2011 RM'000	2010 RM'000
Financial assets				
Financial asset at fair value through profit and loss:				
- Quoted shares (Note 17)	1,801	3,886	-	-
Available for sale financial asset:				
Unquoted bond (Note 17)	-	-	-	-
Loans and receivables:				
Trade receivables	62,416	39,989	-	-
Other receivables (Note 21)	34,544	24,781	11	1
Amount owing by subsidiary companies	-	-	83,418	74,697
Deposits, cash and bank balances	22,615	36,495	297	16,643
	119,575	101,265	83,726	91,341
Financial liabilities at amortised costs				
Trade payables	11,508	12,112	-	-
Other payables and accrued expenses	55,839	38,042	1,656	2,252
Amount owing to subsidiary companies	-	-	3,316	2,077
Long-term borrowings (Note 28)	51,076	70,172	-	20,000
Short-term borrowings (Note 32)	8,000	-	-	-
Hire-purchase payables (Note 26)	6,997	7,519	-	-
Finance lease payables (Note 27)	-	67	-	-
	133,420	127,912	4,972	24,329

Fair values of financial assets and financial liabilities are determined as follows:

- The fair values of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices.
- The fair values of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes for similar instruments.

NOTES TO THE FINANCIAL STATEMENTS

34. FINANCIAL INSTRUMENTS (cont'd)

The fair value of the Group's financial asset at FVTPL (quoted shares) is measured based on Level 1 fair value measurement derived from quoted prices in active market.

The fair value of the Group's and the Company's AFS financial asset (unquoted bonds) is measured based on Level 2 fair value measurement based on amount recovered upon the maturity of the bonds subsequent to the end of the financial year.

At the end of the reporting period, there are no significant concentrations of credit risk for loans and receivables. The carrying amount reflected above represents the Group's maximum exposure to credit risk for such loans and receivables.

Financial risk management objectives

The Group's shared services function provides services to the business, coordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyse exposures by degree and magnitude of risks.

Foreign currency risk management

The Group is exposed to foreign currency risk arising from trade sales, trade purchases and borrowings denominated in currencies other than the functional currency of the operating entities. The currencies giving rise to this risk are primarily United States Dollar ("USD"), Euro and Thai Baht.

The Group hedges all Euro denominated sales transactions and majority of USD denominated purchase transactions by foreign currency forward contracts as well as maintaining a USD denominated bank account.

The Group is also exposed to foreign currency risk arising from a Thai Baht denominated borrowing taken out by a Thailand incorporated subsidiary corporation. Other than this, the exposure to foreign currency risk of other Group entities arising from fluctuation in Thai Baht is not material. If Thai Baht were to change 5% against Ringgit Malaysia, profit will increase/decrease by approximately RM61,000 (2010: RM64,000). This sensitivity analysis assumes that all other variables, in particular interest rates, remain constant.

Interest rate risk management

The Group's interest rate risk relates to interest-bearing debts. The Group manages its interest rate risk by actively reviewing its debt portfolio. This strategy will allow the Group to capitalise on more favourable funding in a low interest rate environment and hence, to achieve a certain level of protection against interest rate hikes.

The Group is mainly exposed to interest rate risk through long-term loans, with the underlying weighted average effective interest rate of 5.5% (2010: 6.1%) per annum. The Group's exposure to interest rate risk via hire-purchase and lease payables is minimal as these liabilities are subject to fixed interest rate.

Under the current stable interest rate environment, management anticipates that any changes in interest rate in the near term are not expected to have a significant impact on the Group's profit or loss. Accordingly, no sensitivity analysis is prepared.

Credit risk management

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group only transacts with entities that are rated the equivalent of investment grade and above. This information is supplied by independent search agencies where available and, if not available, the Group uses other publicly available financial information and its own trading records to rate the major customers. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the risk management committee annually.

NOTES TO THE FINANCIAL STATEMENTS

34. FINANCIAL INSTRUMENTS (cont'd)

Credit risk management (cont'd)

Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable.

The Group does not have any significant credit risk exposure to any single counterparty or any Group of counterparties having similar characteristics. The Group defines counterparties as having similar characteristics if they are related entities. The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The carrying amount of financial assets recorded in the financial statements, which is net of impairment losses, represents the Group's maximum exposure to credit risk without taking account of the value of any collateral obtained.

Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. Liquidity profile of non-current liabilities and their weighted average effective interest rates are disclosed in Notes 26 to 28.

Financial guarantees

The Company provides unsecured financial guarantees to banks in respect of banking facilities granted to certain subsidiary companies. The Company monitors on an ongoing basis the results of the subsidiary companies and repayments made by them.

The maximum exposure to credit risk amounted to RM153.9 million (2010: RM113.6 million) representing the outstanding banking facilities of the subsidiary companies as at the end of the reporting period.

The financial guarantees have not been recognised since the fair value on initial recognition was not material as the financial guarantees provided by the Company did not contribute towards credit enhancement of the subsidiary companies' borrowings in view of the securities pledged by the subsidiary companies as disclosed in Note 28.

35. SEGMENTAL INFORMATION

Segment information is presented in respect of the Group's business segments, which reflect the Group's internal reporting structure that are regularly reviewed by the Group's chief operating decision maker for the purposes of allocating resources to the segment and assessing its performance.

For management purposes, the Group is organised into the following operating divisions:

- total logistics services
- procurement logistics services

NOTES TO THE FINANCIAL STATEMENTS

35. SEGMENTAL INFORMATION (cont'd)

Segment Revenue and Results

Group 2011	Total Logistics Services RM'000	Procurement Logistics Services RM'000	Elimination RM'000	Consolidated RM'000
REVENUE				
External sales	243,324	38,303	-	281,627
Inter-segment sales	4,126	-	(4,126)	-
Total revenue	247,450	38,303	(4,126)	281,627
RESULTS				
Segment results	37,845	9,253	(7,768)	39,330
Interest income	376	46	-	422
Profit from operations	38,221	9,299	(7,768)	39,752
Finance costs	(3,475)	(40)	-	(3,515)
Income tax expense	(5,621)	(2,524)	1,333	(6,812)
Profit for the year	29,125	6,735	(6,435)	29,425
2010				
REVENUE				
External sales	229,430	41,191	-	270,621
Inter-segment sales	4,176	-	(4,176)	-
Total revenue	233,606	41,191	(4,176)	270,621
RESULTS				
Segment results	34,459	11,271	(5,924)	39,806
Interest income	843	-	(532)	311
Profit from operations	35,302	11,271	(6,456)	40,117
Finance costs	(4,646)	(32)	532	(4,146)
Income tax expense	(3,996)	(3,147)	1,583	(5,560)
Profit for the year	26,660	8,092	(4,341)	30,411

Segment Assets and Liabilities

For the purposes of monitoring segment performance and allocating resources between segments, all assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

NOTES TO THE FINANCIAL STATEMENTS

35. SEGMENTAL INFORMATION (cont'd)

Segment Assets and Liabilities (cont'd)

Segment capital expenditure is the total costs incurred during the year to acquire segment assets that are expected to be used for more than one period.

Group 2011	Total Logistics Services RM'000	Procurement Logistics Services RM'000	Elimination RM'000	Consolidated RM'000
SEGMENT ASSETS				
Segment assets	430,659	48,947	(134,513)	345,093
Consolidated total assets				345,093
SEGMENT LIABILITIES				
Segment liabilities	243,811	23,001	(124,123)	142,689
Consolidated total liabilities				142,689
2010				
SEGMENT ASSETS				
Segment assets	395,558	37,834	(119,065)	314,327
Consolidated total assets				314,327
SEGMENT LIABILITIES				
Segment liabilities	225,379	13,114	(100,210)	138,283
Consolidated total liabilities				138,283

Other Segment Information

OTHER INFORMATION				
2011				
Capital expenditure	25,900	1,218	-	27,118
Depreciation	10,392	637	-	11,029
2010				
Capital expenditure	27,614	1,187	-	28,801
Depreciation	12,156	440	-	12,596

36. OPERATING LEASE ARRANGEMENTS

At the reporting date, the Group has a non-cancellable operating lease arrangement on its investment property. This lease has a remaining non-cancellable lease term of 1 year (2010: 2 years).

NOTES TO THE FINANCIAL STATEMENTS

36. OPERATING LEASE ARRANGEMENTS (cont'd)

The future minimum lease payments receivable under non-cancellable operating lease contracted for as of the balance sheet date but not recognised as receivables, are as follows:

	The Group	
	2011 RM'000	2010 RM'000
Financial years ending December 31,		
2011	-	3,540
2012	2,360	2,360
	2,360	5,900

37. COMMITMENTS

(a) Capital commitments

As of the end of the financial year, the Group has the following capital commitments in respect of property, plant and equipment:

	The Group	
	2011 RM'000	2010 RM'000
Approved and contracted for	46,751	28,248

(b) Lease commitments

As of the end of the financial year, the Group has the following commitments in respect of rental of premises pertaining to a subsidiary company:

	The Group Future minimum lease payments	
	2011 RM'000	2010 RM'000
Financial years ending December 31:		
2011	-	5,895
2012	5,278	4,694
2013	1,910	1,910
	7,188	12,499

38. CONTINGENT LIABILITIES

(a) The Company issued unsecured corporate guarantees to financial institutions for credit facilities granted to certain subsidiary companies up to a limit of RM153.9 million (2010: RM113.6 million). Amount outstanding under such credit facilities as of the reporting date amounted to RM59.1 million (2010: RM50.2 million).

(b) As of December 31, 2011, material litigation brought against a subsidiary company by a customer for damages arising from alleged breach of contract for timely delivery of goods at a designated place amounted to RM231,000.

The directors are of the opinion that this claim has no merit and, accordingly, no provision for losses has been made in the financial statements. The outcome of this case is not presently determinable.

NOTES TO THE FINANCIAL STATEMENTS

39. SUBSEQUENT EVENTS

Subsequent to the financial year end:

(a) On December 29, 2011, Century Total Logistics Sdn. Bhd. ("CTL") accepted the sub-lease of three (3) plots of land in the Pelepas Free Zone, Port of Tanjung Pelepas, Johor Darul Takzim, at a lease rental amount of RM17,151,750 for the whole lease period of approximately 43 years until March 23, 2055, for the purpose of constructing and operating distribution centres.

The sub-lease period will commence on January 1, 2012 or upon the approval of Lembaga Pelabuhan Johor ("LPJ"), whichever is the later. As of the date of this financial statements, CTL has yet to obtain approval from LPJ.

(b) On February 8, 2012, Century Advance Technology Sdn. Bhd. acquired the remaining 26% equity interest in its subsidiary company, Century LED Sdn. Bhd. ("Century LED"), from the non-controlling interests at cash considerations totalling RM61,650. As a result of this exercise, Century LED became a wholly-owned subsidiary company.

NOTES TO THE FINANCIAL STATEMENTS

40. SUPPLEMENTAL INFORMATION - REALISED AND UNREALISED EARNINGS OR LOSSES DISCLOSURE

On March 25, 2010, Bursa Malaysia Securities Berhad ("Bursa Securities") issued a directive to all listed issuers pursuant to Paragraphs 2.06 and 2.23 of the Bursa Securities Main Market Listing Requirements. The directive requires all listed issuers to disclose the breakdown of the unappropriated profits or accumulated losses as of the end of the reporting period, into realised and unrealised profits or losses.

On December 20, 2010, Bursa Securities further issued guidance on the disclosure and the prescribed format of disclosure.

The breakdown of the retained earnings of the Group and of the Company as of December 31, 2011 and 2010 into realised and unrealised profits or losses, pursuant to the directive, are as follows:

	The Group		The Company	
	2011 RM'000	**2010 RM'000**	**2011 RM'000**	**2010 RM'000**
Total retained earnings of the Company and its subsidiaries				
- Realised	123,618	110,531	6,853	5,441
- Unrealised	(7,601)	(7,180)	-	-
	116,017	103,351	6,853	5,441
Less: Consolidation adjustments	4,953	(5,249)	-	-
Total group retained earnings	120,970	98,102	6,853	5,441

The determination of realised and unrealised profits or losses is based on Guidance on Special Matter No. 1 "Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements" as issued by the Malaysian Institute of Accountants on December 20, 2010. A charge or a credit to the profit or loss of a legal entity is deemed realised when it is resulted from the consumption of resource of all types and form, regardless of whether it is consumed in the ordinary course of business or otherwise. A resource may be consumed through sale or use. Where a credit or a charge to the profit or loss upon initial recognition or subsequent measurement of an asset or a liability is not attributed to consumption of resource, such credit or charge should not be deemed as realised until the consumption of resource could be demonstrated.

This supplementary information have been made solely for complying with the disclosure requirements as stipulated in the directives of Bursa Securities and is not made for any other purposes.

STATEMENT BY DIRECTORS/ DECLARATION BY THE DIRECTOR

STATEMENT BY DIRECTORS

The Directors of **CENTURY LOGISTICS HOLDINGS BERHAD** state that, in their opinion, the financial statements of the Group and of the Company, which comprise the statements of financial position as of December 31, 2011, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 39 to 90, are drawn up in accordance with Financial Reporting Standards and the provisions of the Companies Act, 1965 in Malaysia so as to give a true and fair view of the state of affairs of the Group and of the Company as of December 31, 2011 and of the results of their businesses and the cash flows of the Group and of the Company for the year ended on that date.

The supplementary information set out in Note 40, which is not part of the financial statements, is prepared in all material respects, in accordance with Guidance on Special Matter No. 1 "Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements" as issued by the Malaysian Institute of Accountants and the directive of Bursa Malaysia Securities Berhad.

Signed on behalf on the Board in accordance
with a resolution of the Directors,

TEOW CHOO HING

DR. MOHAMED AMIN BIN MOHD KASSIM

Kuala Lumpur,
March 19, 2012

DECLARATION BY THE DIRECTOR PRIMARILY RESPONSIBLE FOR THE FINANCIAL MANAGEMENT OF THE COMPANY

I, **YEAP KHOO SOON EDWIN**, the Director primarily responsible for the financial management of **CENTURY LOGISTICS HOLDINGS BERHAD**, do solemnly and sincerely declare that the financial statements of the Group and of the Company, which comprise the statements of financial position as of December 31, 2011, and the statements of comprehensive income, statements of changes in equity and statements of cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 39 to 90 are, in my opinion, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

YEAP KHOO SOON EDWIN

Subscribed and solemnly declared by the
above named **YEAP KHOO SOON EDWIN**
at **KUALA LUMPUR** this 19th
day of March, 2012.

Before me,

COMMISSIONER FOR OATHS

LIST OF PROPERTIES
AS AT 31 DECEMBER 2011

Location	Description	Year of Acquisition or Revaluation*	Age of Building	Area (sq. feet)	Tenure	NBV as at 31/12/2011 (RM)
Lot 4, Solok Sultan Hishamuddin 8 Kawasan 20 Perusahaan Selat Klang Utara 42000 Port Klang Selangor Darul Ehsan	Single storey warehouse with office building	1996*	20 years	174,240	Leasehold Expiry: 30 July 2086	8,417,355
Lot 8, Lingkaran Sultan Mohamed 1 Bandar Sultan Suleiman 42000 Port Klang Selangor Darul Ehsan	3 single storey warehouses with office building	2001	10 years	558,647	Leasehold Expiry: 29 March 2087	35,875,227
Plot D16 & D18, Jalan Tanjung A/3 Kawasan Zon Bebas Pelabuhan Tanjung Perlepas 81560 Gelang Patah Johor Darul Takzim	Single storey warehouse with office building	2008*	5 years	335,412	Sub Lease Expiry: 23 March 2055	30,000,000
Plot D12, Jalan Tanjung A/2 Kawasan Zon Bebas Pelabuhan Tanjung Perlepas 81560 Gelang Patah Johor Darul Takzim	Single storey warehouse with office building	2007	4 years	321,037	Sub Lease Expiry: 23 March 2055	25,249,085
Plot D14, Jalan Tanjung A/2 Kawasan Zon Bebas Pelabuhan Tanjung Perlepas 81560 Gelang Patah Johor Darul Takzim	Single storey warehouse with office building	2009	2 years	156,511	Sub Lease Expiry: 23 March 2055	16,758,235
Lot 118, Yichun Enigma Singapore Industrial Park Jiangxi-Yichun Economic & Technical Development Zone The People's Republic of China	Land	2008	-	986,696	Leasehold Expiry: 31 December 2057	1,918,872
670, Moo 4 Tumbon U-Thai Rojana Industrial Park Zone 2 Amphur U-Thai Ayutthaya Province Thailand	Single storey warehouse with office building	2009	2 years	417,299	Freehold	29,776,921
						147,995,695

ANALYSIS OF SHAREHOLDINGS AS AT 6 MARCH 2012

Authorised Share Capital	:	RM500,000,000
Issued and Fully Paid-Up Capital	:	RM84,352,204 (including the treasury shares of 3,588,920)
Class of Shares	:	Ordinary Shares of RM1.00 each
Voting Rights	:	One vote per ordinary share

1. DISTRIBUTION OF SHAREHOLDERS

Size of Holdings	No. of Holders	%	No. of Shares	%
1 - 99	74	4.21	1,685	0.00
100 - 1,000	162	9.20	99,749	0.12
1,001 - 10,000	1,029	58.47	4,443,201	5.50
10,001 - 100,000	408	23.18	12,465,206	15.44
100,001 - 4,038,163 (less than 5% of Issued Shares)	85	4.83	49,893,488	61.78
4,038,164 and above (5% and above of Issued Shares)	2	0.11	13,859,955	17.16
	1,760	100.00	80,763,284	100.00

2. DIRECTORS' SHAREHOLDINGS

The Directors' Shareholdings of Century Logistics Holdings Berhad based on the Register of Directors' Shareholdings are as follows:-

		No. of Ordinary Shares Held			
No.		Direct	%	Indirect	%
1.	Datuk Phua Sin Mo	20,103,478	24.89	1,710,250 (1)	2.12
2.	Teow Choo Hing	8,501,680	10.53	409,200 (2)	0.51
3.	Dr. Mohamed Amin bin Mohd Kassim	1,636,959	2.03	1,184,504 (3)	1.47
4.	Teow Choo Chuan	4,586,477	5.68	440,000 (2)	0.54
5.	Datuk Jaafar bin Mohamad	4,027,971	4.99	1,184,504 (3)	1.47
6.	Yeap Khoo Soon Edwin	650,000	0.80	–	–
7.	Shamsudin @ Samad bin Kassim	5,500	0.01	–	–
8.	Dato' Yong Seng Yeow	110,000	0.14	–	–

ANALYSIS OF SHAREHOLDINGS AS AT 6 MARCH 2012

3. LIST OF SUBSTANTIAL SHAREHOLDERS

The List of Substantial Shareholders of Century Logistics Holdings Berhad based on the Register of Substantial Shareholders of the Company and their respective shareholdings are as follows:-

		No. of Ordinary Shares Held			
No.		**Direct**	**%**	**Indirect**	**%**
1.	Datuk Phua Sin Mo	20,103,478	24.89	1,710,250 (1)	2.12
2.	Teow Choo Hing	8,501,680	10.53	409,200 (2)	0.51
3.	Teow Choo Chuan	4,586,477	5.68	440,000 (2)	0.54
4.	Datuk Jaafar bin Mohamad	4,027,971	4.99	1,184,504 (3)	1.47

Notes:

(1) Deemed interested through his wife and daughter.
(2) Deemed interested through his wife.
(3) Deemed interested through Kuasa Viana Sdn. Bhd.

4. LIST OF THIRTY LARGEST SECURITIES ACCOUNTS HOLDERS

No.	Names	Shareholdings	%
1.	Datuk Phua Sin Mo	9,273,478	11.48
2.	Teow Choo Chuan	4,586,477	5.68
3.	AIBB Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Datuk Phua Sin Mo	3,850,000	4.77
4.	Datuk Jaafar Bin Mohamad	3,027,971	3.75
5.	Datuk Syed Ahmad Khalid Bin Syed Mohammed	2,921,107	3.62
6.	EB Nominees (Tempatan) Sendirian Berhad - Pledged Securities Account for Teow Choo Hing	2,750,000	3.41
7.	EB Nominees (Tempatan) Sendirian Berhad - Pledged Securities Account for Datuk Phua Sin Mo	2,750,000	3.41
8.	AmBank (M) Berhad - Pledged Securities Account for Teow Choo Hing	2,622,070	3.25
9.	HLB Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Datuk Phua Sin Mo	2,580,000	3.19
10.	CIMSEC Nominees (Tempatan) Sdn. Bhd. - CIMB Bank for Teow Choo Hing	1,650,000	2.04

ANALYSIS OF SHAREHOLDINGS AS AT 6 MARCH 2012

4. LIST OF THIRTY LARGEST SECURITIES ACCOUNTS HOLDERS (cont'd)

No.	Names	Shareholdings	%
11.	Datuk Phua Sin Mo	1,650,000	2.04
12.	Dr. Mohamed Amin Bin Mohd Kassim	1,636,959	2.03
13.	CIMSEC Nominees (Tempatan) Sdn. Bhd. - CIMB Bank for Gan Boon Sin	1,547,950	1.92
14.	Affin Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Teow Choo Hing	1,424,610	1.76
15.	Lee Lay Hun	1,374,500	1.70
16.	Optimum Shine Sdn. Bhd.	1,277,141	1.58
17.	Kuasa Viana Sdn. Bhd.	1,184,504	1.47
18.	Lim Nyuk Sang @ Freddy Lim	1,067,200	1.32
19.	Kenanga Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Datuk Jaafar Bin Mohamad	1,000,000	1.24
20.	RHB Capital Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Lim Chai Beng	889,700	1.10
21.	AllianceGroup Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Gan Boon Sin	656,000	0.81
22.	Yeap Khoo Soon Edwin	572,000	0.71
23.	Foo Loke Weng	500,000	0.62
24.	Tischler Rainer	483,000	0.60
25.	Mayban Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Tang Sing Ling	458,000	0.57
26.	Chai Mee Young	440,000	0.54
27.	Affin Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Cheah Bee Tin	409,200	0.51
28.	CIMSEC Nominees (Tempatan) Sdn. Bhd. - CIMB Bank for Koh Kin Lip	385,000	0.48
29.	Tan Siew Ping	337,398	0.42
30.	Pamela Phua Jo Lyn	335,750	0.42
	TOTAL	**53,640,015**	**66.44**

Note:

* The Analysis of Shareholdings is based on the issued and paid-up share capital of the Company after deducting 3,588,920 ordinary shares bought back by the Company and held as treasury shares as at 6 March 2012.

ANALYSIS OF WARRANTHOLDINGS AS AT 6 MARCH 2012

Type of Securities	:	3 Years Warrants 2010/2013
Total Warrants Issued and Not Exercised	:	38,071,442
Voting Rights	:	One vote per warrantholder on show of hands or one vote per warrant on a poll in respect of a meeting of warrantholders

1. DISTRIBUTION OF WARRANTHOLDERS

Size of Holdings	No. of Holders	%	No. of Warrants	%
1 - 99	16	2.23	485	0.00
100 - 1,000	100	13.97	51,525	0.14
1,001 - 10,000	360	50.28	1,789,619	4.70
10,001 - 100,000	193	26.96	6,269,900	16.47
100,001 - 1,903,571 (less than 5% of Issued Warrants)	45	6.28	18,712,124	49.15
1,903,572 and above (5% and above of Issued Warrants)	2	0.28	11,247,789	29.54
	716	100.00	38,071,442	100.00

2. DIRECTORS' WARRANTHOLDINGS

The Directors' Warrantholdings of Century Logistics Holdings Berhad based on the Register of Directors' Warrantholdings are as follows:-

		No. of Warrants Held			
No.		Direct	%	Indirect	%
1.	Datuk Phua Sin Mo	9,029,551	23.72	-	-
2.	Teow Choo Hing	4,313,800	11.33	207,600 (1)	0.55
3.	Dr. Mohamed Amin bin Mohd Kassim	941,100	2.47	601,100 (2)	1.58
4.	Teow Choo Chuan	2,218,238	5.83	220,000 (1)	0.58
5.	Datuk Jaafar bin Mohamad	1,568,506	4.12	601,100 (2)	1.58
6.	Yeap Khoo Soon Edwin	91,300	0.24	-	-
7.	Shamsudin @ Samad bin Kassim	2,900	0.01	-	-

Notes:

(1) Deemed interested through his wife.
(2) Deemed interested through Kuasa Viana Sdn. Bhd.

ANALYSIS OF WARRANTHOLDINGS AS AT 6 MARCH 2012

3. LIST OF THIRTY LARGEST WARRANTS ACCOUNTS HOLDERS

No.	Names	Warrantholdings	%
1.	Datuk Phua Sin Mo	9,029,551	23.72
2.	Teow Choo Chuan	2,218,238	5.83
3.	Datuk Jaafar Bin Mohamad	1,568,506	4.12
4.	Teow Choo Hing	1,423,200	3.74
5.	Datuk Syed Ahmad Khalid Bin Syed Mohammed	1,350,053	3.55
6.	AmBank (M) Berhad - Pledged Securities Account for Teow Choo Hing	1,330,500	3.49
7.	CIMSEC Nominees (Tempatan) Sdn. Bhd. - CIMB Bank for Gan Boon Sin	1,135,500	2.98
8.	Dr. Mohamed Amin Bin Mohd Kassim	941,100	2.47
9.	Optimum Shine Sdn. Bhd.	855,300	2.25
10.	CIMSEC Nominees (Tempatan) Sdn. Bhd. - CIMB Bank for Teow Choo Hing	837,200	2.20
11.	Mayban Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Tang Sing Ling	769,600	2.02
12.	Yap Swee Hang	723,300	1.90
13.	Affin Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Teow Choo Hing	722,900	1.90
14.	HLG Nominee (Tempatan) Sdn. Bhd. - Pledged Securities Account for Yap Swee Hang	607,200	1.59
15.	Kuasa Viana Sdn. Bhd.	601,100	1.58
16.	Lim Nyuk Sang @ Freddy Lim	430,800	1.13
17.	Ong Beng Kee	380,000	1.00
18.	Tan Aik Choon	338,500	0.89
19.	AllianceGroup Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Gan Boon Sin	330,000	0.87
20.	Kelvin Yu Toh Yao	265,000	0.70
21.	Chai Mee Young	220,000	0.58

ANALYSIS OF WARRANTHOLDINGS AS AT 6 MARCH 2012

3. LIST OF THIRTY LARGEST WARRANTS ACCOUNTS HOLDERS (cont'd)

No.	Names	Warrantholdings	%
22.	Affin Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Cheah Bee Tin	207,600	0.55
23.	Chan Ah Luan	205,400	0.54
24.	Ooi Beng Liew & Sons Sdn. Bhd.	200,000	0.53
25.	Soon Hoe Chuan	196,600	0.52
26.	CIMSEC Nominees (Tempatan) Sdn. Bhd. - CIMB Bank for Koh Kin Lip	192,500	0.51
27.	RHB Nominees (Tempatan) Sdn. Bhd. - RHB Investment Management Sdn. Bhd. for Ling Sing Tiong	190,495	0.50
28.	RHB Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Yap Swee Hang	185,400	0.49
29.	Mayban Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Beh Hang Kong	182,500	0.48
30.	AMSEC Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Parmjit Singh A/L Meva Singh	178,000	0.47
	TOTAL	**27,816,043**	**73.10**

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Fifteenth Annual General Meeting of the Company will be held at Jasmine Room, Level C, One World Hotel, First Avenue, Bandar Utama City Centre, 47800 Petaling Jaya, Selangor Darul Ehsan on Wednesday, 25 April 2012 at 10:00 a.m. for the following purposes:

AGENDA

1. To receive the Audited Financial Statements for the financial year ended 31 December 2011 together with the Reports of the Directors and the Auditors thereon. (Resolution 1)

2. To approve the declaration of a Single Tier Final Dividend of 7.0 sen per share for the financial year ended 31 December 2011. (Resolution 2)

3. To approve the payment of Directors' Fees for the financial year ended 31 December 2011. (Resolution 3)

4. To re-elect the following Directors who retire pursuant to Article 82 of the Company's Articles of Association and being eligible, have offered themselves for re-election:

   (a) Teow Choo Hing (Resolution 4)
   (b) Dr. Mohamed Amin Bin Mohd Kassim (Resolution 5)
   (c) Datuk Jaafar Bin Mohamad (Resolution 6)

5. To re-appoint Messrs. Deloitte & Touche as Auditors of the Company until the conclusion of the next Annual General Meeting and to authorise the Directors to fix their remuneration. (Resolution 7)

6. **As Special Business**

   To consider and, if thought fit, to pass the following resolutions as Ordinary Resolutions:-

   Authority to issue shares pursuant to Section 132D of the Companies Act, 1965 (Resolution 8)

   "THAT subject to Section 132D of the Companies Act, 1965 and approvals of the relevant governmental/regulatory authorities, the Directors be and are hereby empowered to issue and allot shares in the Company, at any time to such persons and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares issued pursuant to this Resolution does not exceed ten per centum (10%) of the issued and paid-up share capital of the Company for the time being and the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad; and that such authority shall commence immediately upon the passing of this resolution and continue to be in force until the conclusion of the next Annual General Meeting of the Company."

   Proposed Renewal of Existing Shareholders' Mandate and New Shareholders' Mandate in respect of Recurrent Related Party Transactions of a Revenue or Trading Nature ("Proposed RPT Mandate") involving Dr. Mohamed Amin bin Mohd Kassim and Datuk Jaafar Bin Mohamad (Resolution 9)

   "THAT approval be and is hereby given to the Company's subsidiary companies, Century Total Logistics Sdn. Bhd. and Century Onsys Sdn. Bhd. (formerly known as Dwialam Teknologi Sdn. Bhd.), to enter into any of the category of recurrent related party transactions of a revenue or trading nature, as set out in Part A of the Circular to Shareholders dated 30 March 2012 with the related parties mentioned therein, namely Dr. Mohamed Amin bin Mohd Kassim and Datuk Jaafar bin Mohamad, subject to the following:

   i) The transactions are in the ordinary course of business and are on terms not more favourable to the related parties than those generally available to the public;

NOTICE OF ANNUAL GENERAL MEETING

ii) The shareholders' mandate is subject to annual renewal and disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year; and

iii) In a meeting to obtain shareholders' mandate, the interested directors, interested major shareholders or interested persons connected with a director or major shareholder; and where it involves the interest of an interested person connected with a director or major shareholder, such director or major shareholder must not vote on the resolution approving the transactions. An interested director or interested major shareholder must ensure that persons connected with him abstain from voting on the resolution approving the transactions.

AND THAT, such approval shall continue to be in force until:

i) The conclusion of the next Annual General Meeting ("AGM") of the Company following the forthcoming AGM at which such Proposed RPT Mandate was passed, at which time it will lapse, unless by resolution passed at an AGM whereby the authority is renewed; or

ii) The expiration of the period within which the next AGM of the Company subsequent to the date it is required to be held pursuant to Section 143(1) of the Companies Act, 1965 (the "Act") (but must not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or

iii) Revoked or varied by resolution passed by the shareholders in a general meeting,

whichever is the earlier."

Proposed Renewal of Shareholders' Mandate in respect of Recurrent Related Party Transactions of a Revenue or Trading Nature involving Datuk Phua Sin Mo, Teow Choo Hing and Teow Choo Chuan (Resolution 10)

"THAT approval be and is hereby given to the Company's subsidiary company, Century Total Logistics Sdn. Bhd. to enter into any of the category of recurrent related party transactions of a revenue or trading nature, as set out in Part A of the Circular to Shareholders dated 30 March 2012 with the related parties mentioned therein, namely Datuk Phua Sin Mo, Teow Choo Hing and Teow Choo Chuan, subject to the following:

i) The transactions are in the ordinary course of business and are on terms not more favourable to the related parties than those generally available to the public;

ii) The shareholders' mandate is subject to annual renewal and disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year; and

iii) In a meeting to obtain shareholders' mandate, the interested directors, interested major shareholders or interested persons connected with a director or major shareholder; and where it involves the interest of an interested person connected with a director or major shareholder, such director or major shareholder must not vote on the resolution approving the transactions. An interested director or interested major shareholder must ensure that persons connected with him abstain from voting on the resolution approving the transactions.

AND THAT, such approval shall continue to be in force until:

i) The conclusion of the next AGM of the Company following the forthcoming AGM at which such Proposed RPT Mandate was passed, at which time it will lapse, unless by resolution passed at an AGM whereby the authority is renewed; or

ii) The expiration of the period within which the next AGM of the Company subsequent to the date it is required to be held pursuant to Section 143(1) of the Act (but must not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or

iii) Revoked or varied by resolution passed by the shareholders in a general meeting,

whichever is the earlier."

NOTICE OF ANNUAL GENERAL MEETING

Proposed Renewal of Share Buy-Back Authority of Up to 10% of the Issued and Paid-Up Share Capital of the Company ("Proposed Share Buy-Back") (Resolution 11)

"THAT subject always to the Act, the provisions of the Memorandum and Articles of Association of the Company, Bursa Malaysia Securities Berhad ("Bursa Securities") Main Market Listing Requirements and the approvals of all relevant governmental and/or regulatory authorities, the Company be authorised, to the extent permitted by the law, to buy-back such amount of ordinary shares of RM1.00 each in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors deem fit and expedient in the interest of the Company provided that:

i) The aggregate number of shares bought-back does not exceed 10% of the total issued and paid-up share capital of the Company at any point in time;
ii) The maximum amount of funds to be allocated for the share buy-back shall not exceed the aggregate of the retained profits and/or share premium of the Company; and
iii) The shares purchased are to be treated in either of the following manner:
   (a) cancel the purchased ordinary shares; or
   (b) retain the purchased ordinary shares as treasury shares held by the Company; or
   (c) retain part of the purchased ordinary shares as treasury shares and cancel the remainder.

The treasury shares may be distributed as dividends to the shareholders and/or resold on Bursa Securities and/or subsequently cancelled;

AND THAT the authority conferred by this resolution shall commence upon the passing of this resolution until:

i) the conclusion of the next AGM of the Company, unless by ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions; or
ii) the expiration of the period within which the next AGM is required by law to be held; or
iii) revoked or varied by ordinary resolution passed by shareholders of the Company at a general meeting of the Company,

whichever occurs first;

AND THAT authority be and is hereby given to the Directors of the Company to take all such steps as are necessary or expedient (including without limitation, the opening and maintaining of central depository account(s) under the Securities Industry (Central Depositories) Act, 1991 and the entering into of all agreements, arrangements and guarantees with any party or parties) to implement, finalise and give full effect to the Proposed Share Buy-Back with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments (if any) as may be imposed by the relevant authorities and with full power to do all such acts and things thereafter (including without limitation, the cancellation or retention as treasury shares of all or any part of the shares bought-back) in accordance with the Act, the provisions of the Memorandum and Articles of Association of the Company, Bursa Securities Main Market Listing Requirements, and all other relevant governmental and/or regulatory authorities."

7. To transact any other ordinary business of which due notice has been given.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE OF DIVIDEND ENTITLEMENT

NOTICE IS ALSO HEREBY GIVEN that a Single Tier Final Dividend of 7.0 sen per share in respect of financial year ended 31 December 2011 will be payable on 25 May 2012 to depositors who are registered in the Record of Depositors at the close of business on 8 May 2012, if approved by shareholders at the forthcoming Fifteenth Annual General Meeting on Wednesday, 25 April 2012.

A Depositor shall qualify for entitlement only in respect of: -

(a) Shares transferred into the Depositor's Securities Account before 4.00 p.m. on 8 May 2012 in respect of ordinary transfers; and

(b) Shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of the Bursa Malaysia Securities Berhad.

By Order of the Board

CHUA SIEW CHUAN
(MAICSA 0777689)
Company Secretary

Kuala Lumpur
30 March 2012

Explanatory Notes To Special Business:

1. The above Resolution 8, is primarily to give a renewal mandate to the Directors of the Company to issue and allot shares at any time to such persons in their absolute discretion without convening a general meeting provided that the aggregate number of shares issued does not exceed 10% of the issued share capital of the Company during the preceding twelve (12) months for the time being.

   The General Mandate will provide flexibility to the Company for allotment of shares for any possible fund raising activities, including but not limited to further placing of shares, for the purpose of funding future investment project(s), working capital and/or acquisition(s).

   As at the date of this Notice, no new shares in the Company were issued pursuant to the mandate granted to the Directors at the Fourteenth Annual General Meeting held on 12 May 2011 and which will lapse at the conclusion of the Fifteenth Annual General Meeting.

2. The proposed adoption of the Resolutions 9 and 10 are to enable the Company's subsidiaries to enter into any of the recurrent related party transactions of a revenue or trading nature which are necessary for the Group's day to day operations, subject to the transactions being in the ordinary course of business and on normal commercial terms which are not more favourable to the related parties than those generally available to the public and are not to the detriment of the minority shareholders of the Company.

3. The proposed adoption of the Resolution 11 is to enable your Directors to exercise the power of the Company to purchase not more than 10% of the issued and paid-up share capital of the Company any time within the time period stipulated in the Bursa Malaysia Securities Berhad Main Market Listing Requirements.

NOTICE OF ANNUAL GENERAL MEETING

Notes:

1. *In respect of deposited securities, only members whose names appear in the Record of Depositors on 18 April 2012 ("General Meeting Record of Depositors") shall be eligible to attend the Meeting.*

2. *A member of the Company entitled to attend and vote at the Meeting is entitled to appoint one or more proxies to attend and vote in his stead. A proxy may but need not be a member of the Company and the provision of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company. A member entitled to attend and vote at the Meeting is entitled to appoint any person as his proxy to attend and vote instead of the member at the Meeting. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at the Meeting shall have the same rights as the member to speak at the Meeting.*

3. *Where a holder appoints two or more proxies, the appointment shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy.*

4. *The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing, or if the appointor is a corporation, either under the common seal or under the hand of an officer or attorney so authorised.*

5. *Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.*

6. *The instrument appointing a proxy must be deposited at the Registered Office of the Company at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur not less than 48 hours before the time for holding the Meeting or at any adjournment thereof.*

Statement Accompanying Notice of Annual General Meeting Pursuant to Paragraph 8.27(2) of Bursa Malaysia Securities Berhad Main Market Listing Requirements

1. The following are the Directors standing for re-election at the Fifteenth Annual General Meeting:-

   (a) Teow Choo Hing
   (b) Dr. Mohamed Amin Bin Mohd Kassim
   (c) Datuk Jaafar Bin Mohamad

2. Attendance of Directors at Board Meetings held during the financial year ended 31 December 2011 is set out in the Corporate Governance Report of the Annual Report.

3. The Fifteenth Annual General Meeting of the Company will be held at Jasmine Room, Level C, One World Hotel, First Avenue, Bandar Utama City Centre, 47800 Petaling Jaya, Selangor Darul Ehsan on Wednesday, 25 April 2012 at 10:00 a.m.

4. Further details of Directors seeking re-election at the Fifteenth Annual General Meeting can be found in the section on Profile of Directors in the Annual Report. Their shareholdings in the Company are stated in the section on Analysis of Shareholdings in the Annual Report.

CENTURY LOGISTICS HOLDINGS BERHAD

(Company No. 424341-A)
(Incorporated in Malaysia)

PROXY FORM

*I/We...(NRIC/Company No..)
of...
being a *Member/Members of CENTURY LOGISTICS HOLDINGS BERHAD ("Company"), do hereby appoint...
....(NRIC No...) of ....
....or failing *him/her, ...(NRIC No..) of
....or failing*him/her, the CHAIRMAN OF THE MEETING, as *my/our proxy to vote and act for *me/us, and on *my/our behalf at the Fifteenth Annual General Meeting of the Company to be held at Jasmine Room, Level C, One World Hotel, First Avenue, Bandar Utama City Centre, 47800 Petaling Jaya, Selangor Darul Ehsan on Wednesday, 25 April 2012 at 10:00 a.m. and at any adjournment thereof.

Please indicate with an "X" in the space provided below how you wish your votes to be casted. If no specific direction as to voting is given, the proxy will vote or abstain at his/her discretion.

No.	Resolutions	For	Against
1	To receive the Audited Financial Statements for the financial year ended 31 December 2011 together with the Reports of the Directors and the Auditors thereon.		
2	To approve the declaration of a Single Tier Final Dividend of 7.0 sen per share for the financial year ended 31 December 2011.		
3	To approve the payment of Directors' Fees for the financial year ended 31 December 2011.		
4	To re-elect the Director, Teow Choo Hing who retires pursuant to Article 82 of the Company's Articles of Association.		
5	To re-elect the Director, Dr. Mohamed Amin Bin Mohd Kassim who retires pursuant to Article 82 of the Company's Articles of Association.		
6	To re-elect the Director, Datuk Jaafar Bin Mohamad who retires pursuant to Article 82 of the Company's Articles of Association.		
7	To re-appoint Messrs. Deloitte & Touche as Auditors of the Company until the conclusion of the next Annual General Meeting and to authorise the Directors to fix their remuneration.		
	<u>As Special Business</u>		
8	Authority to issue shares pursuant to Section 132D of the Companies Act, 1965		
9	Proposed Renewal of Existing Shareholders' Mandate and New Shareholders' Mandate in respect of Recurrent Related Party Transactions of a Revenue or Trading Nature involving Dr. Mohamed Amin Bin Mohd Kassim and Datuk Jaafar Bin Mohamad		
10	Proposed Renewal of Shareholders' Mandate in respect of Recurrent Related Party Transactions of a Revenue or Trading Nature involving Datuk Phua Sin Mo, Teow Choo Hing and Teow Choo Chuan		
11	Proposed Renewal of Share Buy-Back Authority of Up to 10% of the Issued and Paid-Up Share Capital of the Company		

* Strike out whichever not applicable.

As witness my/our hand this .... day of .... 2012.

NUMBER OF SHARES HELD	
CDS ACCOUNT NO.	

....
Signature of Member/Common Seal

Notes:

1. *In respect of deposited securities, only members whose names appear in the Record of Depositors on 18 April 2012 ("General Meeting Record of Depositors") shall be eligible to attend the Meeting.*
2. *A member of the Company entitled to attend and vote at the Meeting is entitled to appoint one or more proxies to attend and vote in his stead. A proxy may but need not be a member of the Company and the provision of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company. A member entitled to attend and vote at the Meeting is entitled to appoint any person as his proxy to attend and vote instead of the member at the Meeting. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at the Meeting shall have the same rights as the member to speak at the Meeting.*
3. *Where a holder appoints two or more proxies, the appointment shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy.*
4. *The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing, or if the appointor is a corporation, either under the common seal or under the hand of an officer or attorney so authorised.*
5. *Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.*
6. *The instrument appointing a proxy must be deposited at the Registered Office of the Company at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur not less than 48 hours before the time for holding the Meeting or at any adjournment thereof.*

FOLD THIS FLAP FOR SEALING

FOLD HERE

Affix
stamp

COMPANY SECRETARY
CENTURY LOGISTICS HOLDINGS BERHAD (424341-A)
Level 7, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
Damansara Heights
50490 Kuala Lumpur
Malaysia

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