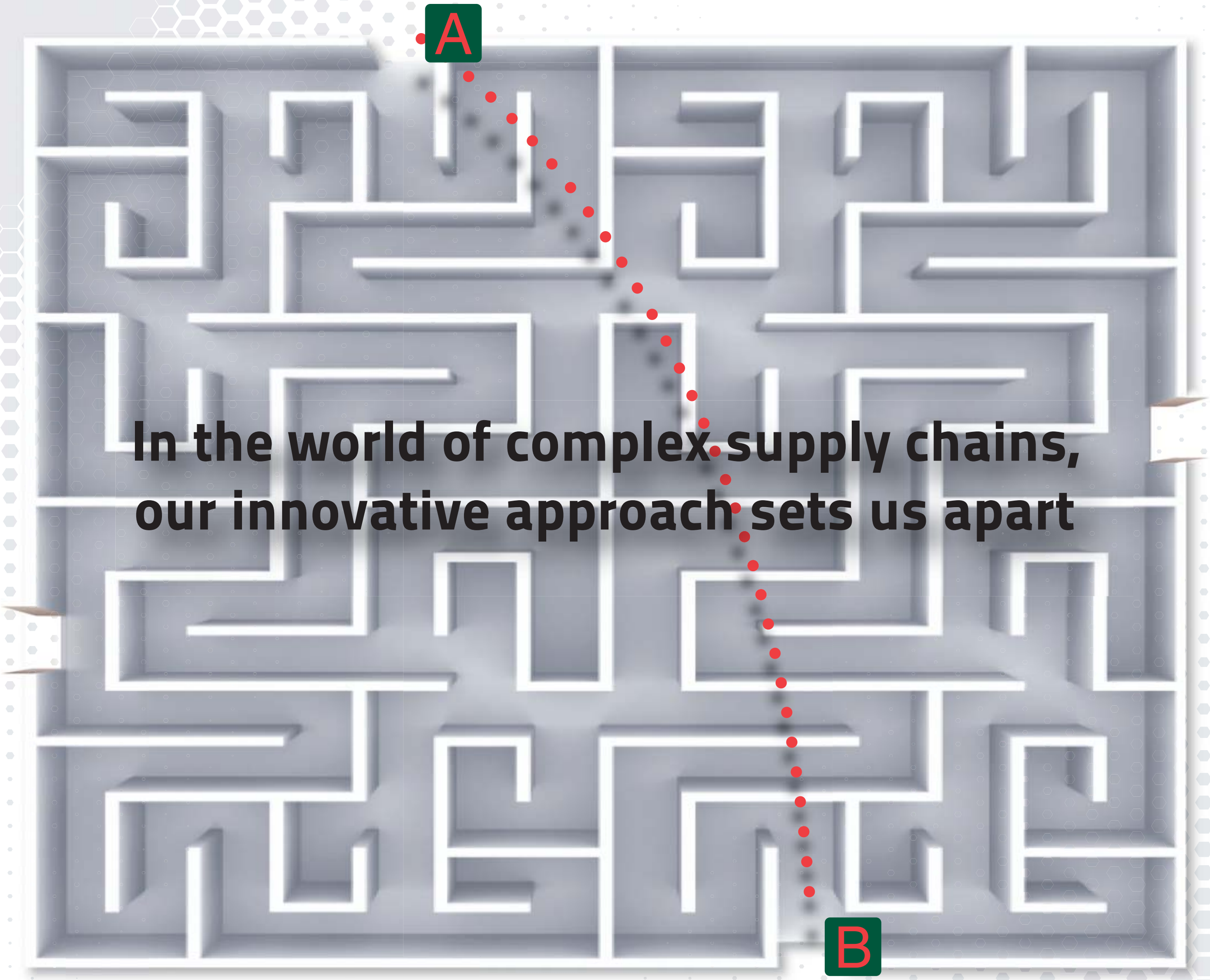
Century®



In the world of complex supply chains, our innovative approach sets us apart

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 MS1900:2005 Quality Management Systems - 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
- International Freight Forwarding
- Transport Management
- Warehouse Management
- "Halal" Logistics
- Project Logistics & Tax Exemption Consultancy
- Oil & Gas Logistics
- Procurement & Assembly Services
- Digital Document Storage Solutions
- Shipping, Chartering & Bunkering

International Freight Logistics Network

QUALITY SYSTEM
SIRIM
CERTIFIED TO MS 1900:2005
REGISTRATION NO.:4635

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.
T : +603 3375 5888 F : +603 3375 5969
E : info@century.com.my
W : www.century.com.my

> the ***power*** to move forward

Century Logistics Holdings Berhad (424341-A)

ANNUAL REPORT 2012

Century®

Century Logistics Holdings Berhad (424341-A)

Century® Care n' recycle

ANNUAL REPORT 2012

> the ***power*** to move forward

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.

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Century®

FINANCIAL HIGHLIGHTS

	2008 RM'000	2009 RM'000	2010 RM'000	2011 RM'000	2012 RM'000
PROFITABILITY					
Revenue	163,892	210,950	270,621	281,627	**256,853**
Profit before taxation	17,089	24,788	35,971	36,237	**24,861**
Profit for the year attributable to equity holders	14,767	20,936	30,620	30,061	**17,614**
BALANCE SHEET					
Share capital	81,671	81,671	82,005	84,136	**95,820**
Shareholders' equity	137,728	155,179	174,634	200,715	**218,785**
FINANCIAL RATIO					
Revenue growth (%)	0.5%	28.7%	28.3%	4.1%	**-8.8%**
Earnings growth (%)	-29.1%	41.8%	46.3%	-1.8%	**-41.4%**
Return on equity	10.7%	13.5%	17.5%	15.0%	**8.1%**
SHARE INFORMATION					
Gross dividend per share (sen)	5.0	6.0	9.0	12.0	**8.0**
Earnings per share (sen)	21.12	27.49	38.71	37.79	**20.39**
Net assets per share (sen)	186	190	222	249	**239**

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

Teow Choo Chuan
Executive Director

Yeap Khoo Soon Edwin
Executive Director

Shamsudin @ Samad bin Kassim
Senior Independent Non-Executive Director

Dato' Sri Yong Seng Yeow
Independent Non-Executive Director

Soong Chee Keong
Independent Non-Executive Director

Audit Committee

Shamsudin @ Samad bin Kassim
Chairman

Dato' Sri Yong Seng Yeow
Member

Soong Chee Keong
Member

Company Secretary

Chua Siew Chuan
(MAICSA 0777689)

Auditors

Deloitte & Touche

Principal Bankers

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

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,

I am pleased to announce that Century has produced commendable underlying results in very challenging market conditions. Our business diversity has enabled us to produce these results despite the substantial decline in our oil and gas logistics operation.

Our balance sheet strength has enabled us to invest and strengthen Century while remaining committed to serving our discerning customers by providing excellent supply chain solutions that effectively enhance their value chain. Century has been delivering trusted and reliable service while adapting and evolving to the changing times.

DATUK PHUA SIN MO (RICHARD)
Executive Chairman

CHAIRMAN'S MESSAGE (CONTINUED)

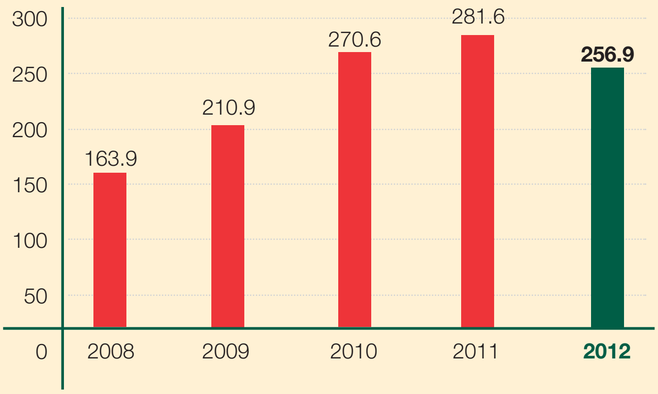
ECONOMIC AND INDUSTRY REVIEW

It is encouraging to note that the Malaysian economy performed above expectations for 2012, supported by continued strength in domestic demand. However, despite the expansion in domestic demand, the slower growth in the global economy has resulted in a contraction in external demand. Nevertheless, I am confident that the various Government initiatives to promote private sector expansion will result in sustained development in domestic activity, translating to continued growth for the nation.

Oil & gas logistics operation

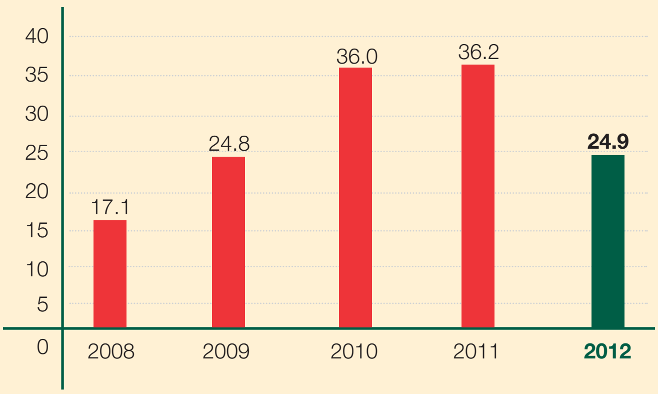
Revenue

(RM million)



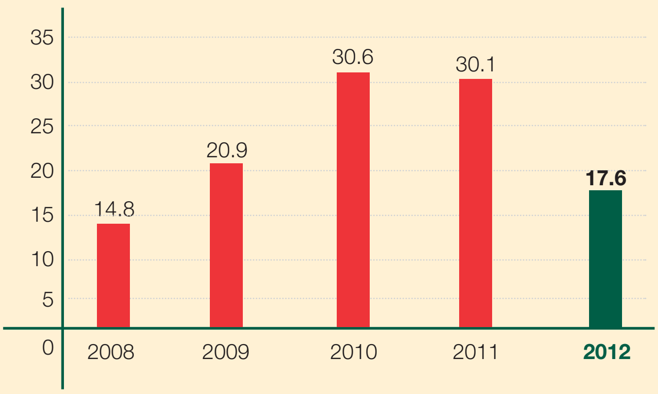
PBT

(RM million)



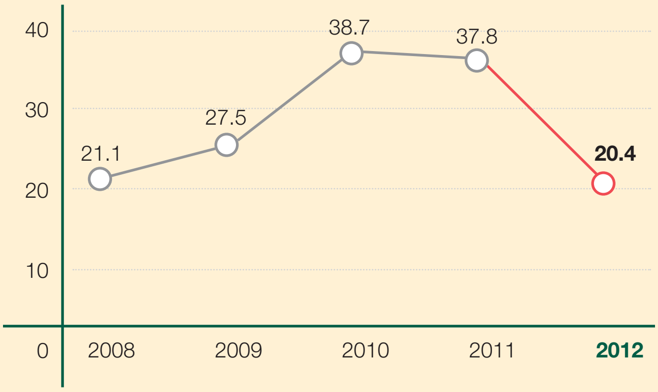
Net Profit

(RM million)



Net EPS

(Sen)



CHAIRMAN'S MESSAGE (CONTINUED)

Century DC6 warehouse

FINANCIAL REVIEW

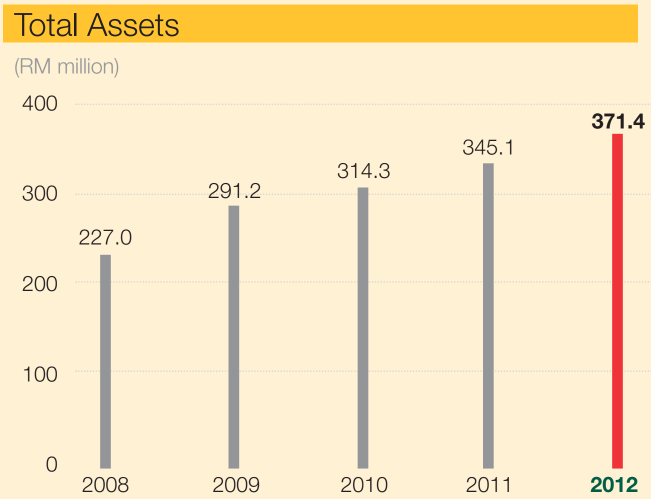
Our 2012 revenue declined by 8.8% to RM256.9 million from RM281.6 million, while profit for the year attributable to equity holders was RM17.6 million, lower by 41.4% recorded in year 2011. Shareholders' return, represented by earnings per share for 2012, was 20.4 sen.

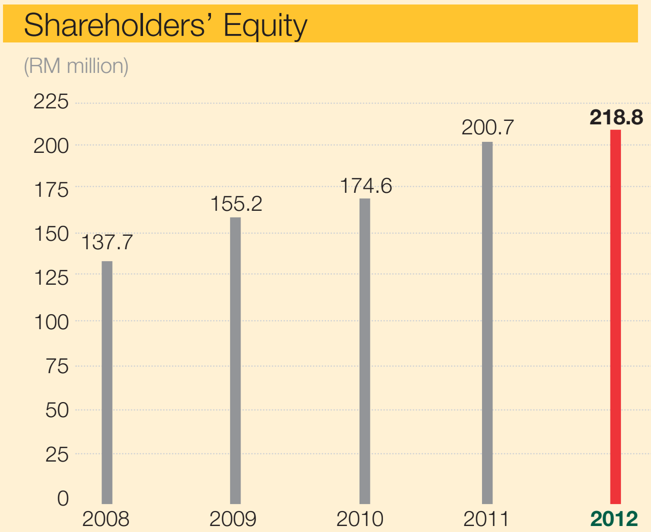
Despite the setback in financial performance, our balance sheet remains strong with total assets of RM371.4 million, up from RM345.1 million recorded as at end of 2011, while shareholders' funds attributable to equity holders improved to RM218.8 million from RM200.7 million recorded as at end of 2011. Net assets per share stand at RM2.39 as at 31 December 2012.

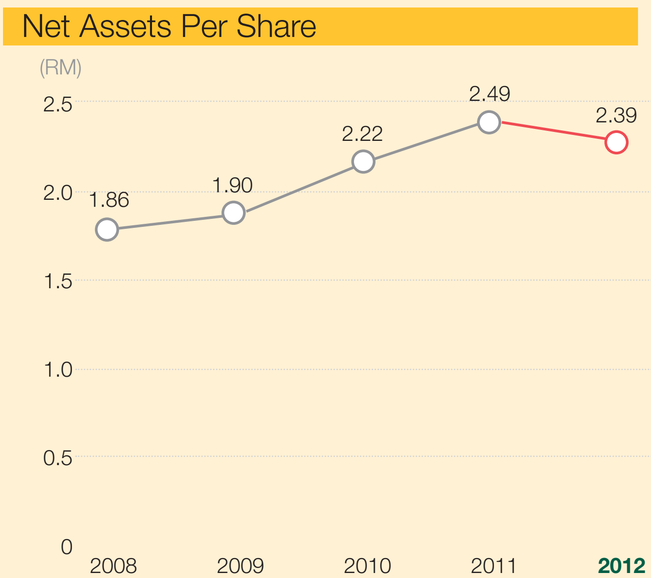
We continue to manage our Group funding on an optimal debt-equity mix with cash and bank balances of RM20.9 million and net debt of RM60.6 million, translating to net gearing ratio of 0.27 times. This is despite having invested more than RM60 million in fixed assets during 2012.

DIVIDEND

The Board has proposed a final dividend of 4.0 sen per share (single-tier) pending your approval at the forthcoming Annual General Meeting. Including the interim dividend of 4.0 sen per share (single-tier) paid during 2012, the total dividend payable for 2012 is 8.0 sen per share (single-tier), representing 39% of earnings per share for 2012.







CHAIRMAN'S MESSAGE (CONTINUED)

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. With the innovative solutions offered, we have evolved to managing the contract logistics of discerning clienteles, where the value proposition is to improve operational efficiencies for our clienteles that positively enhance their end customers. Our successful business model has enabled us to continue winning new contracts from various multi-national corporations during the year. As a testament to our services, we were able to expand further the scope of services to some of our existing customers.

Our three distribution centres in Port of Tanjong Pelepas ("PTP"), totaling 460,000 square feet of warehousing capacity, are currently full. Foreign companies operating in Singapore recognize the value proposition of comparatively better cost efficiency in PTP. We are currently constructing two distribution centres, totaling a further 400,000 square feet warehousing capacity, on 15 acres of land in PTP. The first new distribution centre is expected to be ready in April 2013, while the second is expected to be ready in May 2013.

The Group's oil and gas logistics operation comprises ship to ship transfer as well as transportation of oil. 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 Malaysia, with its adjacent port of PTP, is gaining competitive advantage with lower land and manpower costs. The contribution from this operation declined in 2012 from previous year due to the termination of operation within the port limit of Pasir Gudang in Johor during the end of year 2011. Our oil transportation operation is carried out by our 7,119 Dead Weight Tonnes ("DWT") clean-product tanker. We have made a decision to temporarily cease operation of the vessel due to the weak tanker charter market and high operating costs.

CHAIRMAN'S MESSAGE (CONTINUED)

PROCUREMENT LOGISTICS SERVICES

Breakthrough in assembly of 84" LED TV's

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.

We have been exploring business opportunities in various regions, including countries in South Asia, South America and Africa to expand our procurement logistics services in those regions. Nevertheless, we have decided to exercise prudence in this expansion due to the economic uncertainties abroad.

We had in October 2012, completed the purchase of a property in Port Klang with built up space of 290,000 square feet (over 2 stories) on land of 5.9 acres for a purchase consideration of RM19 million. The property is currently being refurbished and once completed, we will house our Procurement Logistics operation in the building. The Group's Procurement Logistics operation is currently carried out in Century's Distribution Centre 1A in Port Klang. Century's distribution centres are currently full and the space vacated in Distribution Centre 1A will enable the expansion of Century's total logistics operation.

Ongoing construction of PTP D28 buildings

CHAIRMAN'S MESSAGE (CONTINUED)

Century PTP D12 warehouse

Corporate Retreat 2012

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. Ultimately, our customers' logistics operation becomes more efficient, as well as they get to enjoy cost savings.

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 have been winning are testament that customers have entrusted us with their logistics needs, where business partnerships are forged on a mutually beneficial basis and contract logistics will continue to spearhead our growth for the future.

While we continue to expand our supply chain solutions offering, we are not giving up on trying to restore our participation in the oil and gas logistics operation, particularly our ship to ship transfer activities.

It is certainly very difficult to make a reasonable prediction for the rest of year 2013, 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. I would also like to thank the management and employees throughout the Group for their outstanding efforts and commitment.

And not forgetting my fellow investors; I thank you for your faith and support in Century. I look forward to meeting you at the forthcoming Annual General Meeting on Wednesday, 24 April 2013 at Setia City Convention Centre in Setia Alam.

DATUK PHUA SIN MO (RICHARD)
Executive Chairman

Century

BOARD OF DIRECTORS

Datuk Phua Sin Mo
Executive Chairman

Aged 64, 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 53, 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 59, 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 (2009/2010)”. Leading member of the Malaysian Logistics and Supply Chain Council. Appointed as Adjunct Professor by Universiti Malaysia Terengganu (UMT) in October 2012.

Does not have any directorship in other public companies.

BOARD OF DIRECTORS

Teow Choo Chuan
Executive Director

Aged 50, 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 42, 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.

Shamsudin @ Samad bin Kassim
Senior Independent Non-Executive Director

Aged 66, 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 and Master Tec Holdings Berhad.

BOARD OF DIRECTORS

Dato' Sri Yong Seng Yeow

Independent Non-Executive Director

Aged 60, 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 43, 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 2012.

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 2012 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 the remaining 30% equity in CFA.
Century Onsys Sdn Bhd ("COSB")	Vessel chartering, Onsys Century I	Century Logistics Sdn Bhd holds 51% equity while OESB holds 49% equity in COSB. Datuk Jaafar bin Mohamad was previously a substantial shareholder of Century and a Director of OESB and COSB. Dr. Mohamed Amin bin Mohd Kassim is a Director of Century and COSB and also previously a Director of OESB. Datuk Jaafar bin Mohamad has ceased to be a substantial shareholder of Century and has also resigned as a Director of COSB on 11 October 2012 while Dr. Mohamed Amin bin Mohd Kassim has resigned as a Director of OESB on 17 October 2012.
Award Maritime Sdn Bhd ("AMSB")	Shipping and commission agents and brokers	Datuk Jaafar bin Mohamad was previously a Director and substantial shareholder of Century, as well as he previously held 40% equity in AMSB. Datuk Jaafar bin Mohamad has since resigned as a Director and ceased to be a substantial shareholder of Century. He has also resigned as a Director and sold his shares in AMSB on 10 October 2012.
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, who was previously a Director and substantial shareholder of Century, is a Director and substantial shareholder 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. Datuk Phua Sin Mo and Teow Choo Hing are the major shareholders of Century.

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

Company	Relationship
Onsys Energy Sdn. Bhd. ("OESB") # ~	A company in which Datuk Jaafar bin Mohamad* has 70% equity interest
Onsys Energy Pte. Ltd. # ^) 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. ("OMSPL") #	A company in which Datuk Jaafar bin Mohamad* has 70% equity interest until the disposal of his equity interest in OMSPL on December 3, 2012

 # Collectively referred to as "Onsys Group"
** Resigned as a director of the Company on November 1, 2012*
~ Receiver and manager appointed on February 20, 2013
^ Liquidators appointed on January 3, 2013

ADDITIONAL INFORMATION

Related Party	Nature of Transaction	Amount for Jan to Dec 2012 RM'000
Income		
Onsys Group	Provision of agency services by Century Total Logistics Sdn Bhd ("CTL")	47
Onsys Group	Rental of office space and electricity charges from CTL	169
AMSB	Rental of office space and administration charges from CTL	19
	Total	235
Cost		
CFA	Provision of freight forwarding services to CTL	1,284
AMSB	Provision of ship handling and agency services to CTL	1,821
PMSB	Payment of service fees for renewal of vehicle road tax by CTL (however, total payment to PMSB includes insurance premium and road tax fees)	8
Onsys Group	Provision of ship handling and agencies services to COSB	551
	Total	3,664

Share Buy-backs

During the financial year, the Company purchased 780,400 its issued and paid-up share capital from the open market at an average price of RM1.75 per share. The shares purchased are being held as treasury shares in accordance with Section 67A of the Companies Act 1965.

Month	No. of shares purchased	Purchase price per share Lowest RM	Purchase price per share Highest RM	Average cost per share* RM	Total cost* RM'000
January 2012	-	-	-	-	-
February 2012	-	-	-	-	-
March 2012	10,000	1.78	1.78	1.78	18
April 2012	120,000	1.86	1.88	1.87	224
May 2012	-	-	-	-	-
June 2012	-	-	-	-	-
July 2012	-	-	-	-	-
August 2012	91,700	1.70	1.80	1.72	158
September 2012	558,700	1.68	1.80	1.72	963
October 2012	-	-	-	-	-
November 2012	-	-	-	-	-
December 2012	-	-	-	-	-
TOTAL FOR 2012	**780,400**	**1.68**	**1.88**	**1.75**	**1,363**

* *Excluding transaction costs.*
Subsequent to 31 December 2012, there were share buy-backs totalling 884,500 ordinary shares from the open market between 1 Jan 2013 and 13 March 2013 for total net consideration of RM1,467,108. As a result, a balance of 5,253,820 ordinary shares were retained as treasury shares on 13 March 2013.

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 11,684,200 ordinary shares through the exercise of 11,684,200 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, 26,603,242 ordinary shares of the Company are available for subscription via the exercise of three (3) year 2010/2013 warrants.

Subsequent to 31 December 2012, the company issued a total of 26,243,893 ordinary shares through the exercise of 26,243,893 three (3) year 2010/2013 warrants at an exercise price of RM1.00 each per share until the expiry of warrant on Sunday, 27 January 2013.

Depository Receipt Programme

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

ADDITIONAL INFORMATION

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 RM101,800 and RM15,850 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 RM11,684,200 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 2012 was RM48,000.

Disclosure pursuant to the Malaysian Code on Take-overs And Mergers 2010 ("Code")

Reference is made to the Company's announcement dated 17 July 2012 in relation to the Proposed Exemption.

The SC has approved the Proposed Exemption vide its letter dated 27 December 2012. The approval is subject to the Company complying with the requirements under Paragraph 16.13(b) of Practice Note 9 of the Code.

The following are the relevant disclosures made in compliance with Paragraph 16.13(b) of Practice Note 9 of the Code:

(i) The validity period for the Proposed Exemption is from 27 December 2012 to 27 January 2013;

(ii) The number and percentage of voting shares or voting rights and the conversion or subscription rights or options in the Company held by Datuk Phua Sin Mo ("DPSM") and the persons acting in concert ('PACs") as at 31 December 2012 are as follows:

	As at 31 December 2012				As at 13 March 2013			
	Number of Shares Held	% (1)	Number of Warrants Held	% (2)	Number of Shares Held	% (3)	Number of Warrants Held	% (4)
DPSM	20,103,478	21.98	9,029,551	33.94	22,507,529	19.27	-	-
Teow Choo Hing	8,501,680	9.30	4,313,800	16.21	12,815,480	10.97	-	-
Teow Choo Chuan	4,586,477	5.01	2,218,238	8.34	6,804,715	5.83	-	-
Datin Lee Lay Hun	1,374,500	1.50	-	-	8,000,000	6.85	-	-
Chai Mee Young	440,000	0.48	220,000	0.83	660,000	0.57	-	-
Cheah Bee Tin	409,200	0.45	207,600	0.78	616,800	0.53	-	-
Pamela Phua Jo Lyn	335,750	0.37	-	-	335,750	0.29	-	-
Total	**35,751,085**	**39.09**	**15,989,189**	**60.10**	**51,740,274**	**44.29**	**-**	**-**

Notes:
(1) Calculated based on issued and paid up share capital of the Company as at 31 December 2012 of 91,451,084 (excluding 4,369,320 Century Shares held as treasury shares)
(2) Calculated based on the total of 26,603,242 Century Warrants outstanding as at 31 December 2012
(3) Calculated based on issued and paid up share capital of the Company as at 13 March 2013 of 116,810,477 (excluding 5,253,820 Century shares held as treasury shares)
(4) As at 13 March 2013, the Century Warrants have expired

(iii) The maximum potential voting shares or voting rights of DPSM and the PACs in the Company will increase from 39.09% to 48.16%, if only DPSM and the PACs (but not other holders) exercise the conversion or subscription rights or option in full as at 31 December 2012. However, the Warrants expired on 27 January 2013;

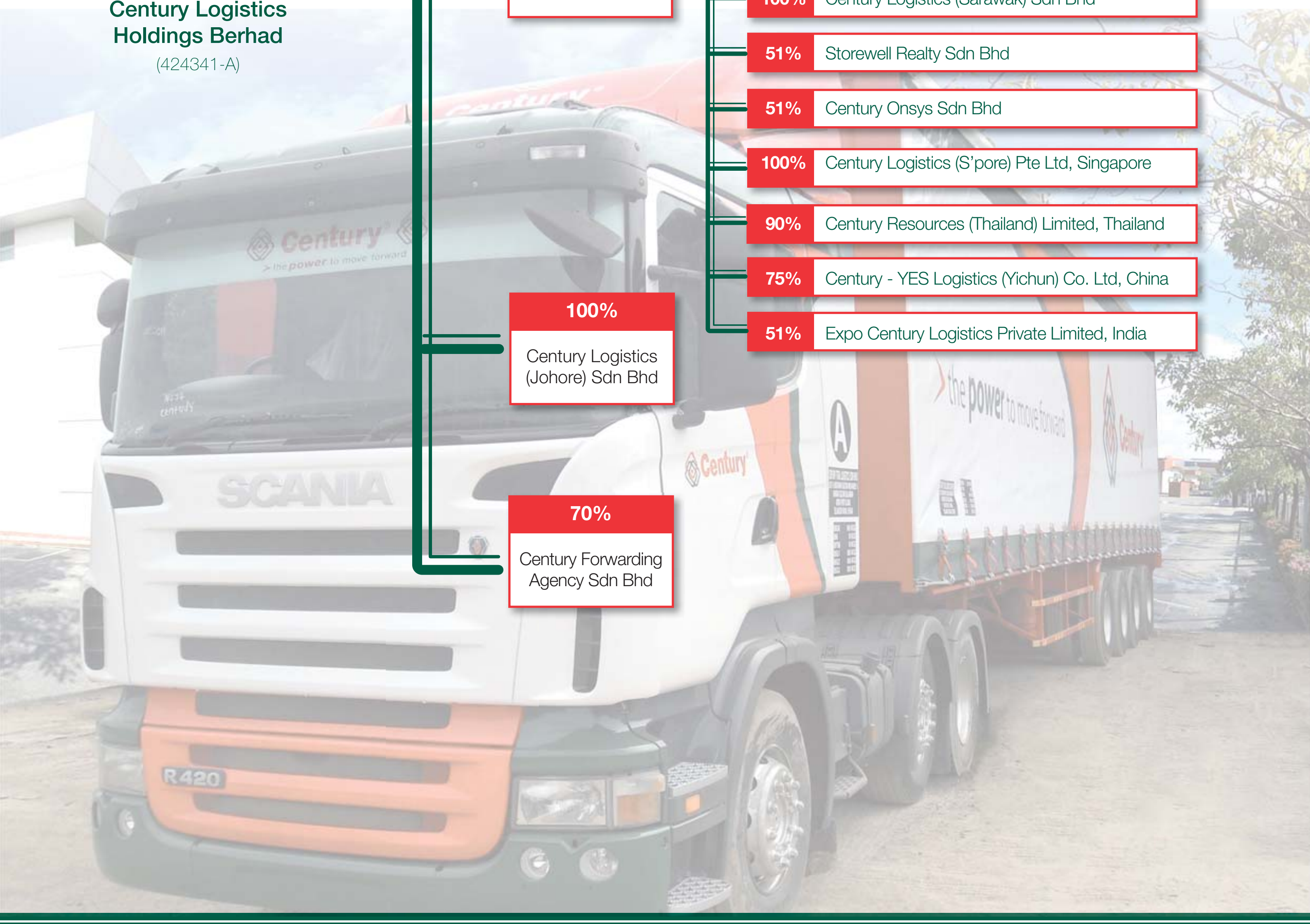
(iv) There is no acquisition of voting shares or voting rights or acquisition of the conversion or subscription rights or options of the Company (excluding issuance of new Century Shares following the exercise of the conversion or subscription rights or options, or where all Century shareholders are entitled to new Century Shares, rights, conversion or subscription rights or option on a pro-rata basis) by DPSM and the PACs throughout the validity period of the Proposed Exemption; and

(v) A mandatory offer obligation by DPSM and the PACs to acquire all the remaining Shares and Warrants of the Company not already owned by them will not arise following the full conversion as the Proposed Exemption has been granted.

CORPORATE STRUCTURE

Century Logistics Holdings Berhad (424341-A)

- 100% Century Total Logistics Sdn Bhd
- 100% Century Advance Technology Sdn Bhd
  - 100% Century LED 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
  - 100% Century Logistics (S'pore) Pte Ltd, Singapore
  - 90% Century Resources (Thailand) Limited, Thailand
  - 75% Century - YES Logistics (Yichun) Co. Ltd, China
  - 51% Expo Century Logistics Private Limited, India
- 100% Century Logistics (Johore) Sdn Bhd
- 70% Century Forwarding Agency Sdn Bhd



CORPORATE RESPONSIBILITY STATEMENT

Underlying our commitment to corporate responsibility is our pledge to uphold the highest standard of ethics and citizenship. The Group continued to build sustainable practices in every aspect of the Group's business as well as 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 focusses on the work place, community and environment.

Team building during Corporate Retreat 2012

BUSINESS ENVIRONMENT

While Century strives to meet customer needs and exceed their expectations through our provision of value-added 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% of road tax rebate. In addition, Century has reconstructed new 45' curtain sider trucks enabling shippers to consolidate more cargo into fewer trips. This in turn will reduce carbon emission into the environment.

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

We continue 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.

In an effort to reduce carbon footprint and contribute to a better environment, Century embarked on smart operational practices and new products. Document Management Solution (DMS) system has been deployed to track and store documents. This is done by converting documents and other papers into digital form in a centralised location. The objective of the project is to help promote "paperless office" and to help improve urban ecosystem and reduce carbon footprint. A paperless office also frees up valuable office space that can be put to better use as workspace for the employees.

Chinese New Year Lunch (February 2013)

CORPORATE RESPONSIBILITY STATEMENT

WORK PLACE

The Century Group currently employs more than 700 employees in our operations. We try our utmost to create a conducive and learning organisation to improve growth and work satisfaction for our personnel. We provide employees with various continuing training programmes to enhance job performance and career development.

Various social and sporting activities are organised 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 organised 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. Various Health, Safety and Environment ("HSE") programmes are organised to instill awareness in our employees.

Fire Drill Training (December 2012)

COMMUNITY

We are dedicated 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 organisations. We have fully honoured our commitment towards the sponsorship programme for the Malaysian Tenpin Bowling Congress, totaling RM300,000 for a period of 3 years (2010-2012) and we are proud that we have established scholarship and educational assistance programmes for financially needy children with good grades.

MOVING FORWARD

We shall continue our efforts to further involve and contribute in a meaningful and humble way to the community and society at large. Our initiatives to community and society include being certified for the International Occupational Health and Safety Management System, OHSAS 18001, which we had obtained in July 2012, enabling us to control occupational health and safety risks. In line with the Group's commitment to provide a safe and healthy working environment for its employees, we are currently one of the pioneers striving for the Road Traffic Safety Management Certification (ISO 39001:2012). The certification, which we expect to obtain in 2013, will improve the traffic safety and elimination of death and serious injury in the road transport system. Hopefully, we shall pave the direction for best practices, safety and sustainability for the industry.

Presentation of Certificate of Appreciation for OHSAS Certification (November 2012)

The Genuine Corporate Award by Business Software Alliance (2012)

CORPORATE RESPONSIBILITY STATEMENT

Bersamamu – SK Pendidikan Khas, Johor (March 2012)

Sponsorship for purchase of plants & trees in conjunction with 'Gotong Royong" activities in ASDAF (May 2012)

Gotong Royong activities in ASDAF (May 2012)

Donation to students of SRJK (C) Chiao Nan, KL during the Seminar on Pursuit for Excellence (July 2012)

Majlis Buka Puasa with ASDAF (July 2012)

CORPORATE RESPONSIBILITY STATEMENT

Majlis IFTAR AMAL PERSADA Bersama Anak-Anak Yatim Dan ARMALAH (August 2012)

Duit Raya for anak-anak yatim during Majlis IFTAR AMAL PERSADA (August 2012)

Berbuka Puasa & Get together with Persatuan Kebajikan Warga Emas Nur Ehsan & Anak-Anak Yatim Al-Zarafee, Johor (August 2012)

Bersamamu – Mukim Tanjung Sedili, Johor (August 2012)

Annual Children's Merdeka Party 2012, Johor (September 2012)

Participation in Northport Badminton Tournament (September 2012)

Annual Golden Years Celebration 2012, Johor (November 2012)

Century Futsal Tournament (November 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 and recommendations of the Malaysian Code on Corporate Governance 2012 ("the Code"). Set out herewith are the Corporate Governance principles and practices that were applied during the financial year ended 31 December 2012.

ESTABLISH CLEAR ROLES AND RESPONSIBILITIES

Clear Functions of the Board and Management

The Board is responsible for oversight of the Company. Key matters reserved for the Board's approval include the following:

- Approval of financial results
- Dividend policy
- Issuance of new securities
- Annual business plan
- Annual financial budget
- Acquisition or disposal of material fixed assets
- Acquisition or disposal of group companies

To ensure the effective discharge of its function and responsibilities, the Board delegates some of the Board's authorities and discretion on the Executive Directors, representing the Management, as well as to properly constituted Board Committees. The Board Members, in carrying out their duties and responsibilities, are firmly committed to ensuring that the highest standards of corporate governance and corporate conduct are adhered to, in order that the Company achieves strong financial performance for each financial year, and more importantly delivers long-term and sustainable value to stakeholders.

The Board Committees are entrusted with specific responsibilities to oversee the Company's affairs, in accordance with their respective Terms of References. At each Board meeting, minutes of the Board Committee meetings are presented to the Board. The respective Chairmen of the Board Committees will also report to the Board on key issues deliberated by the Board Committees.

Clear Roles and 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.

Formalized Ethical Standards through Code of Ethics

The Company's Codes of Ethics are set out in the Company's Employee Handbook, under the section of Conduct and Discipline, which covers all aspects of the Company's business operations, such as confidentiality of information, conflict of interest, gifts, gratuities or bribes, dishonest conduct and assault. The Code is expected to govern the standards of ethics and good conduct expected of Directors and employees of the Group.

Strategies Promoting Sustainability

The Board promotes good Corporate Governance in the application of sustainability practices throughout the Company, the benefits of which are believed to translate into better corporate performance. A detailed report on sustainability activities, demonstrating the Company's commitment to the global environmental, social, governance and sustainability agenda, appears in the Corporate Responsibility Statement of this Annual Report and corporate website.

CORPORATE GOVERNANCE STATEMENT

Access to Information and Advice

The Directors have individual and independent access to the advice and dedicated support services of the Company Secretary in ensuring the effective functioning of the Board. The Directors may seek advice from the Management on issues under their respective purview. The Directors may also interact directly with the Management, or request further explanation, information or updates on any aspect of the Company's operations or business concerns from them.

In addition, the Board may seek independent professional advice at the Company's expense on specific issues to enable it to discharge its duties in relation to matters being deliberated. Individual Directors may also obtain independent professional or other advice in furtherance of their duties, subject to the approval of the Chairman or the Board, depending on the quantum of the fees involved.

Qualified and Competent Company Secretary

The Board is satisfied with the performance and support rendered by the Company Secretary to the Board in the discharge of its functions. The Company Secretary plays an advisory role to the Board in relation to the Company's constitution, Board's policies and procedures and compliance with the relevant regulatory requirements, codes or guidance and legislations. The Company Secretary supports the Board in managing the Company's governance model, ensuring it is effective and relevant. The Company Secretary also ensure that deliberations at the Board meetings are well captured and minuted.

Board Charter

The Board Charter is currently being drafted and will be posted on the Company's website after the Board's approval. In the course of establishing a board charter, the Board recognizes the importance to set out the key values, principles and ethos of the Company, as policies and strategy development are based on these considerations. The Board Charter is expected to include the division of responsibilities and powers between the board and management as well as the different committees established by the Board.

STRENGTHEN COMPOSITION

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' Sri 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 Board is of the opinion that Mr Soong Chee Keong, an Independent Non-Executive Director, is ideal as chairman of the Nomination Committee, given his experience and available time commitment.

CORPORATE GOVERNANCE STATEMENT

Develop, Maintain and Review Criteria for Recruitment and Annual Assessment of Directors

Recruitment or Appointment of Directors

The duties and responsibilities of the Nomination Committee are as follows:

- To recommend candidates for all directorship to the Board of Directors. In making its recommendations, the Nomination Committee would consider the candidates':
  - skills, knowledge, expertise and experience;
  - professionalism;
  - integrity; and
  - in the case of the candidates for the position of independent non-executive Directors, the Nomination Committee would evaluate the candidates' ability to discharge such responsibilities/functions as expected from independent non-executive Directors.
- To consider, in making its recommendations, candidates for directorships proposed by the Managing Director and, within the bounds of practicability, by any Director or major Shareholder.
- To recommend to the Board of Directors the nominees to fill the seats on the committees of the Board.
- To assess the effectiveness of the Board of Directors as a whole and each individual Directors/committee of the Board. All assessments and evaluations carried out by the Nomination Committee in the discharge of all its functions to be properly documented.
- To act in line with the directions of the Board of Directors.
- To consider and examine such other matters as the members of the Nomination Committee consider appropriate.

The attendance of Directors who are members of Board Committee during the financial year ended 31 December 2012 is set out below:

Director	Designation	Audit Committee	Nomination Committee	Remuneration Committee
Dato' Sri Yong Seng Yeow	Independent Non-Executive Director	5/5	1/1	1/1
Shamsudin @ Samad bin Kassim	Senior Independent Non-Executive Director	5/5	1/1	1/1
Soong Chee Keong	Independent Non-Executive Director	5/5	1/1	Not member
Teow Choo Hing	Managing Director	Not member	Not member	1/1

Gender Diversity

The Board does not have any gender diversity policies and targets or any set measures to meet any target. Nevertheless, the Group is an equal opportunity employer and all appointments and employments are based strictly on merits and are not driven by any racial or gender bias.

Remuneration Policies

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' Sri 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 for the financial year ended 31 December 2012 is 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 current remuneration policy for the Non Executive Directors comprises the following:

- Directors' Fees
  The sum of RM43,200 per annum for the Audit Committee Chairman and RM36,000 per annum for each Non- Executive Director.
- Meeting Allowance
  The Non-Executive Directors are paid an attendance allowance of RM1,000 for each Board meeting that they attend.

CORPORATE GOVERNANCE STATEMENT

REINFORCE INDEPENDENCE

Annual Assessment of Independence

The Board has set out policies and procedures to ensure effectiveness of the Independent Non-Executive Directors on the Board, including new appointments. The Board assesses the independence of the Independent Non-Executive Directors annually, taking into account the individual Director's ability to exercise independent judgment at all times and to contribute to the effective functioning of the Board.

The Independent Non-Executive Directors are not employees and they do not participate in the day-to-day management as well as the daily business of the Company. They bring an external perspective, constructively challenge and help develop proposals on strategy, scrutinize the performance of Management in meeting approved goals and objectives, and monitor risk profile of the Company's business and the reporting of monthly business performances.

The Board is satisfied with the level of independence demonstrated by all the Independent Non-Executive Directors and their ability to act in the best interest of the Company.

Tenure of Independent Directors

One of the recommendation of the Corporate Governance states that the tenure of an independent director should not exceed a cumulative term of nine years. However, the Nomination Committee and the Board have determined at the annual assessment carried out that Encik Shamsudin @ Samad bin Kassim, who has served on the Board for more than nine years, remains objective and independent in expressing his views and in participating in deliberations and decision making of the Board and Board Committees. The length of his service on the Board does not in any way interfere with his exercise of independent judgment and ability to act in the best interests of the Company.

Shareholders' Approval for the Re-appointment of Non-Executive Directors

Encik Shamsudin @ Samad bin Kassim has offered himself for re-appointment as Director of the Company at the 16th Annual General Meeting.

The Board is satisfied with the skills, contribution and independent judgment that Encik Shamsudin @ Samad bin Kassim brings to the Board. In view thereof, the Board recommends and supports his re-appointment as Senior Independent Non-Executive Director of the Company which is tabled for shareholders' approval at the forthcoming 16th Annual General Meeting of the Company.

Separation of Positions of the Chairman and Managing Director

The position of Chairman and Managing Director are held by two different individuals. The Chairman is primarily responsible for the leadership of the Board and ensures effectiveness of the Board while the Managing Director manages the business and operations and implements the Board's decisions. The distinct and separate role of the Chairman and Managing Director, with a clear division of responsibilities, ensure a balance of power and authority, such that no one individual has unfettered powers of decision-making.

Composition of the Board

The size of the Board is appropriate given the complexity of the Company's business, and the significant time demands placed on the Independent Non-Executive Directors who also serve as Members of Board Committees.

The eight members of the Board of whom five are Executive Directors and three are Independent Non-Executive Directors are persons of high caliber and integrity, and they possess the appropriate skills, knowledge, experience and competencies to address key risks and major issues relating to the Company's policies and strategies. The Directors more than adequately fulfill the standards of fit and proper for appointment as Directors as established by the Board.

The Independent Non-Executive Directors account for more than 37% of the Board. The Independent Non-Executive Directors are independent of management and free from any business relationship, which could materially interfere with their independent judgment. Their role is to provide independent view, advice and judgment to ensure a balanced and unbiased decision-making process as well as to safeguard the interest of public shareholders. If the need arises, the Company may increase the number of Independent Directors to ensure the balance of power and authority on the Board.

CORPORATE GOVERNANCE STATEMENT

FOSTER COMMITMENT

Time Commitment

The Board is satisfied with the level of time commitment given by the Directors towards fulfilling their roles and responsibilities as Directors of the Company. This is evidenced by the attendance record of the Directors at the Board meetings as set out in the table.

Name of Director	Attendance
Datuk Phua Sin Mo	5/5
Teow Choo Hing	5/5
Dr. Mohamed Amin bin Mohd Kassim	5/5
Teow Choo Chuan	5/5
Yeap Khoo Soon Edwin	5/5
Dato' Sri Yong Seng Yeow	5/5
Shamsudin @ Samad bin Kassim	5/5
Soong Chee Keong	5/5

To ensure that the Directors have the time to focus and fulfill their roles and responsibilities effectively, one criterion as agreed by the Board for determining candidates for the pool of potential Directors is that they must be able to commit sufficient time to the Company.

The Directors are required to submit an update on their other directorships and shareholdings to the Company Secretary every quarter. Such information is used to monitor the number of directorship held by the Directors and to notify the Companies Commission of Malaysia accordingly.

To facilitate the Directors' time planning, an annual meeting calendar is prepared and circulated to them before the beginning of every year. It provides the scheduled dates for meetings of the Board and Board Committees as well as the Annual General Meeting.

Training

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. 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 2012 are as follows:

TRAINING/COURSE ATTENDED	DATE
Role of Audit Committee in Assuring Audit Quality, Governance Program Institute of Accountants	22 May 2012
Advocacy Sessions on Disclosure for CEOs and CFOs	24 May 2012
Governance, Risk Management and Compliance : What Directors Should Know	8 August 2012
Acquiring Overseas Business : Financial & Legal Due Diligence Structuring Acquisition	4 October 2012
Navigating Turbulence - MICPA-Bursa Msia Business Forum	12 October 2012
Audit Committee And Chief Audit Executive Forum (AC/CAE Forum): Enhancing Internal Audit's(IA's)	23 October 2012
Listing in Hong Kong Forum	6 November 2012
Malaysian Code on Corporate Governance 2012	8 November 2012
The Malaysian Code of Corporate Governance 2012 & Risk Management, Why The Push	21 November 2012
ICAEW South East Asia Economic Insight	4 December 2012

CORPORATE GOVERNANCE STATEMENT

UPHOLD INTEGRITY IN FINANCIAL REPORTING

Compliance with Applicable Financial Reporting Standards

In presenting the annual audited financial statements and quarterly announcements of results to shareholders, the Board 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.

In addition to the above, the Company also undertook an independent assessment of the internal control system and assured the Audit Committee that no material issue or major deficiency had been detected which posed a high risk to the overall internal control under review.

Assessment of Suitability and Independence of External Auditors

The Audit Committee undertakes an annual assessment of the suitability and independence of the external auditors. It is the policy of the Audit Committee to meet with the external auditors at least twice a year to discuss their audit plan, audit findings and the Company's financial statements. At least one of these meetings is held without the presence of the Executive Directors and the Management. The Audit Committee also meets with the external auditors additionally whenever it deems necessary. In addition, the external auditors are invited to attend the Annual General Meeting of the Company and are available to answer shareholders' questions on the conduct of the statutory audit and the preparation and contents of their audit report.

RECOGNISE AND MANAGE RISKS

Sound Framework to Manage Risks

The Company has appointed an external consultant to establish an Enterprise Risk Management Framework, which is expected to be completed by April 2013. The Enterprise Risk Management Framework is expected to provide a systematic approach to identify, assess, monitor as well as manage risk across the Group.

The Company continues to maintain and review its internal control procedures to ensure, as far as possible, the protection of its assets and its shareholders' investments.

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 an external consultant 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 was monitored. None of the internal control weaknesses have resulted in any material losses, contingencies or uncertainties that would require disclosure in the Annual Report.

ENSURE TIMELY AND HIGH QUALITY DISCLOSURE

Corporate Disclosure Policy

The Company recognises the value of transparent, consistent and coherent communications with investment community consistent with commercial confidentiality and regulatory considerations. The Company aims to build long-term relationships with shareholders and potential investors through appropriate channels for the management and disclosure of information. These investors are provided with sufficient business, operations and financial information on the Group to enable them to make informed investment decisions.

CORPORATE GOVERNANCE STATEMENT

Corporate Disclosure Policy (cont'd)

The Company's website has a "Contact Us" section as well as a dedicated link to the Company's Investor Relations team, via invest@century.com.my where shareholders and potential investors may direct their enquiries on the Company. The Company's Investor Relations team will endeavour to reply to these queries in the shortest possible time.

Leverage on Information Technology for Effective Dissemination of Information

The Company's website incorporates an Investor Relations section which provides all relevant information on the Company and is accessible by the public. This Investor Relations section enhances the Investor Relations function by including analyst reports, all announcements made by the Company, annual reports as well as the corporate and governance structure of the Company.

The announcement of the quarterly financial results is also made via Bursa LINK immediately after the Board's approval. This is important in ensuring equal and fair access to information by the investing public.

STRENGTHEN RELATIONSHIP BETWEEN COMPANY AND SHAREHOLDERS

Encourage Shareholder Participation at General Meetings

The Company provides information to the shareholders with regard to, amongst others, details of the Annual General Meeting, their entitlement to attend the Annual General Meeting, the right to appoint a proxy and also the qualifications of a proxy.

To further promote participation of members through proxy(ies), which is in line with the insertion of Paragraph 7.21 of the Main Market Listing Requirements, the Company will be seeking shareholders' approval to amend its Articles of Association to include explicitly the right of proxies to speak at general meetings, to allow a member who is an exempt authorized nominee to appoint multiple proxies for each omnibus account it holds and expressly disallow any restriction on proxy's qualification.

Encourage Poll Voting

There will not be any substantive resolutions to be put forth shareholders' approval at the forthcoming Annual General Meeting. Nevertheless, the Company would conduct poll voting if demanded by shareholders at the general meeting.

Effective Communication and Proactive Engagement

In maintaining the commitment to effective communication with shareholders, the Group adopts the practice of comprehensive, timely and continuing disclosures of information to its shareholders as well as to the general investing public. The practice of disclosure of information is not just established to comply with the requirements of the Main Market Listing Requirements pertaining to continuing disclosures, it also adopts the best practices as recommended in the Malaysian Code on Corporate Governance 2012 with regard to strengthening engagement and communication with shareholders. Where possible and applicable, the Group also provides additional disclosure of information on a voluntary basis. The Group believes that consistently maintaining a high level of disclosure and extensive communication with its shareholders is vital to shareholders and investors to make informed investment decisions.

The Annual Report is the main channel of communication between the Company and its stakeholders. The Annual Report communicates comprehensive information of the financial results and activities undertaken by the Group. As a listed issuer, the contents and disclosure requirements of the annual report are also governed by the Main Market Listing Requirements.

The Company dispatches its Annual Report to shareholders within three months after financial close, well in advance of the requirements of the Companies Act as well as the Main Market Listing Requirements. The early release of the Annual Report allows shareholders to have timely information about the Company, its operations and performance. All information to shareholders are available electronically as soon as it is announced or published.

Another key avenue of communication with its shareholders is the Company's Annual General Meeting, which provides a useful forum for shareholders to engage directly with the Company's Directors. During the general meeting, shareholders are at liberty to raise questions or seek clarification on the agenda items of the general meeting from the Company's Directors.

STATEMENT ON **RISK MANAGEMENT AND INTERNAL CONTROL**

Introduction

The Malaysian Code on Corporate Governance ("Code") sets out the principle that the Board of Directors ("Board") of a listed company should establish a sound risk management framework and internal control system to safeguard shareholders' investment and assets of the Group.

The Statement on Risk Management and Internal Control by the Board of Directors ("Board") on the Group is made pursuant to paragraph 15.26(b) of the Listing Requirements of Bursa Malaysia Securities Berhad and in accordance with the Principles and Recommendations relating to risk management and internal controls provided in the Code.

Board's responsibility

The Board recognises and affirms its overall responsibility for the Group's system of risk management and internal controls practices for good corporate governance. The Board, through its various committees, has continuously reviewed the adequacy and effectiveness of the system in particular the financial, operational, as well as compliance aspects of the Group throughout the financial year.

There is an ongoing process for identifying, evaluating and managing the significant risks faced by the Group in its achievement of objectives and strategies. The process has been in place during the year up to the date of approval of this statement and is subject to review by the Board. It should be noted, however, that such systems are designed to manage rather than to eliminate the risk of failure to achieve business objectives. In addition, it should be noted that these systems can only provide reasonable but not absolute assurance against material misstatement, loss or fraud.

The Board is assisted by Senior Management in implementing the Board approved policies and procedures on risk and control by identifying and analysing risk information; designing, operating suitable internal controls to manage and control these risks; and monitoring effectiveness of risk management and control activities.

The key features of the risk management and internal control systems are described below.

Risk Management

At the date of approval of this statement, the Group has appointed an external consultant to establish an Enterprise Risk Management ("ERM") Framework to proactively identify, evaluate and manage key risks to an optimal level. In line with the Group's commitment to deliver sustainable value, this framework aims to provide an integrated and organised approach entity-wide. It outlines the ERM methodology which is in line with the *ISO 31000:2009, Risk management – Principles and guidelines*, mainly promoting the risk ownership and continuous monitoring of key risks identified.

The Group is building a formal a database of risks and controls information are captured in the format of risk registers. Key risks of major business units are identified, assessed and categorised to highlight the source of risk, their impacts and the likelihood of occurrence. Risk profiles for the major business units are presented to the Risk Management Working Committee and Board for deliberation and approval for adoption. Comprehensive action plans to address key risks are currently being developed.

The risk profile of the major business units of the Group are being monitored by its respective Senior Management. The risks identified for the Group were considered in formulating the strategies and plans that were approved and adopted by the Board. The strategies and plans are monitored and revised as the need arises. These processes are embedded within the Group's overall business operations and guided by the documented policies and procedures.

STATEMENT ON **RISK MANAGEMENT AND INTERNAL CONTROL**

Internal Control

The Board receives and reviews regular reports from the Management on key financial data, performance indicators and regulatory matters. This is to ensure that matters that require the Board and Senior Management's attention are highlighted for review, deliberation and decision on a timely basis. The Board approves appropriate responses or amendments to the Group's policy. Besides, the results of the Group are reported quarterly and any significant fluctuations are analysed and acted on in a timely manner.

There is a comprehensive budgeting system that requires preparation of the annual budget by all major business units. The annual budget which contains financial, operating targets and performance indicators are reviewed and approved by the Executive Directors together with the Senior Management before being presented to the Board for final review and approval. 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.

Issues relating to the business operations are highlighted to the Board's attention during Board meetings. Further independent assurance is provided by the Group internal audit function and the Audit Committee. The Audit Committee reviews internal control matters and update the Board on significant control gaps for the Board's attention and action.

The other salient features of the Group's systems of internal controls are as follows:-

- Quarterly review of the financial performance of the Group by the Board and the Audit Committee;
- Defined organisation structure and delegation of responsibilities;
- Policies, Procedures and Standard Operating Procedures which are systematically documented, revised and made available to guide staff in their daily operations;
- Operations review meetings are held by the respective business units to monitor the progress of business operations, deliberate significant issues and formulate corrective measures;
- 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; and
- Code of conduct was communicated to all employees of the Group.

Internal Audit

The Board acknowledges the importance of the internal audit function and has outsourced its internal audit function to an external consultant, as part of its efforts in ensuring that the Group systems of internal controls are adequate and effective. The internal audit activities of the Group is carried out according to an annual audit plan approved by the Audit Committee. The internal audit function adopts a risk-based approach and prepares its audit plans based on key risks identified. The internal audit provides an assessment of the adequacy and integrity of the Group's system of internal controls, and provides recommendations, if any, for the improvement of the control policies and procedures. The results of the internal audit assessments are reported periodically to the Audit Committee.

The internal audit reports are reviewed by the Audit Committee and forwarded to the Senior Management so that recommended corrective actions could be implemented. The Senior Management is responsible for ensuring that the necessary corrective actions on reported weaknesses are taken within the required time frame.

A total of RM48,000 was spent on internal audit activities in 2012.

STATEMENT ON **RISK MANAGEMENT AND INTERNAL CONTROL**

Review by Board

The Board's review of risk management and internal control effectiveness is based on information from:

- Senior Management within the organisation responsible for the development and maintenance of the risk management and internal control system; and
- The work by the internal audit function which submit reports to the Audit Committee together with the assessment of the internal controls systems relating to key risks and recommendations for improvement.

The Board considered the system of internal controls described in this statement to be satisfactory and the risks to be at an acceptable level within the context of the Group's business environment.

The Board and Senior Management will continue to take measures to strengthen the risk and control environment and monitor the health of the risk and internal controls framework.

The Board also received assurance from the Executive Directors that the Group's risk management and internal control system is operating adequately and effectively, in all material aspects based on the risk management and internal control system of the Group.

In addition, the External Auditors have reviewed this Statement on Risk Management and Internal Control for inclusion in the 2012 Annual Report, and reported to the Board that nothing has come to their attention that causes them to believe that the Statement is inconsistent with their understanding of the process adopted by the Board in reviewing the adequacy and integrity of the system of internal control.

Conclusion

For the financial year under review and up to the date of approval of this Statement on Risk Management and Internal Control, the Board is satisfied that the risk management and internal control system was satisfactory and has not resulted in any material loss, contingency or uncertainty. The Board has not identified any circumstances which suggest any fundamental deficiencies in the Group's internal control system.

The above statement is made in accordance with a resolution of the Board.

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 2012, 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' Sri Yong Seng Yeow (Member / Independent Non-Executive Director)	5/5
Soong Chee Keong (Member / Independent Non-Executive Director)	5/5

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

Objectives (cont'd)

(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;

AUDIT COMMITTEE REPORT

Duties and Responsibilities (cont'd)

(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;

(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 2012. 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, 2012.

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	24,861	11,214
Tax expense	(8,475)	(359)
Profit for the year	16,386	10,855
Attributable to:		
Owners of the Company	17,614	
Non-controlling interests	(1,228)	
	16,386	

Other comprehensive loss for the year of RM128,000 arose from exchange differences on translation of foreign operations.

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 7 sen per ordinary share amounting to RM6,148,337 in respect of the previous financial year were paid on May 25, 2012; and

(b) A single tier first interim dividend of 4 sen per ordinary share, amounting to RM3,582,043 in respect of the current financial year were paid on October 29, 2012.

The directors propose a single tier final dividend of 4 sen per ordinary share in respect of the current financial year. This dividend is subject to 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, 2013.

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 RM84,136,204 divided into 84,136,204 ordinary shares of RM1.00 each to RM95,820,404 divided into 95,820,404 ordinary shares of RM1.00 each by the issuance of 11,684,200 new ordinary shares of RM1.00 each at par for cash through the exercise of 11,684,200 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 new shares issued rank *pari passu* in all respects with the then existing ordinary shares of the Company.

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

TREASURY SHARES

During the current financial year, the Company bought back 780,400 of its issued ordinary shares from the open market at an average price of RM1.75 per share. The total consideration paid for the purchase was RM1,362,442 excluding incidental cost of RM7,350.

The Company held as treasury shares a total of 4,369,320 of its 95,820,404 issued ordinary shares. The treasury shares are held in accordance with Section 67A of the Companies Act, 1965 at a carrying amount of RM7,280,239 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, 11,684,200 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, 26,603,242 ordinary shares of the Company are available for subscription via the exercise of three (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

(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.

DIRECTORS' REPORT

OTHER STATUTORY INFORMATION (cont'd)

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.

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
Teow Choo Chuan
Yeap Khoo Soon Edwin
Dato' Sri Yong Seng Yeow
Shamsudin @ Samad bin Kassim
Soong Chee Keong
Datuk Jaafar bin Mohamad (resigned on 1.11.2012)

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 1.1.2012	**Bought**	**Sold**	**Balance as of 31.12.2012**
Shares in the Company				
Direct interest				
Datuk Phua Sin Mo	20,103,478	-	-	20,103,478
Teow Choo Hing	8,501,680	-	-	8,501,680
Dr. Mohamed Amin bin Mohd Kassim	1,636,959	941,100	700,000	1,878,059
Teow Choo Chuan	4,586,477	-	-	4,586,477
Yeap Khoo Soon Edwin	650,000	91,300	-	741,300
Dato' Sri Yong Seng Yeow	110,000	-	-	110,000
Shamsudin @ Samad bin Kassim	5,500	28,000	-	33,500

DIRECTORS' REPORT

DIRECTORS' INTERESTS (cont'd)

	Number of ordinary shares of RM1 each			
	Balance as of 1.1.2012	Bought	Sold	Balance as of 31.12.2012
Indirect interest				
Datuk Phua Sin Mo	1,310,250	400,000	-	1,710,250
Teow Choo Hing	409,200	-	-	409,200
Dr. Mohamed Amin bin Mohd Kassim	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			
Warrants in the Company	Balance as of 1.1.2012	Bought	Exercised/ Sold	Balance as of 31.12.2012
Direct interest				
Datuk Phua Sin Mo	9,029,551	-	-	9,029,551
Teow Choo Hing	4,313,800	-	-	4,313,800
Dr. Mohamed Amin bin Mohd Kassim	941,100	-	941,100	-
Teow Choo Chuan	2,218,238	-	-	2,218,238
Yeap Khoo Soon Edwin	91,300	28,700	91,300	28,700
Shamsudin @ Samad bin Kassim	2,900	-	-	2,900
Indirect interest				
Teow Choo Hing	207,600	-	-	207,600
Dr. Mohamed Amin bin Mohd Kassim	601,100	-	601,100	-
Teow Choo Chuan	220,000	-	-	220,000

By virtue of the above directors' interests in the shares of the Company, they 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 disclosed 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, 2013

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, 2012 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 43 to 100.

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 Malaysian Financial Reporting Standards, International 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 Malaysian Financial Reporting Standards, International 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, 2012 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 39 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

(a) As stated in Note 2 to the Financial Statements, the Group and the Company adopted Malaysian Financial Reporting Standards on January 1, 2012 with a transition date of January 1, 2011. These standards were applied retrospectively by directors to the comparative information in these financial statements, including the statements of financial position as of December 31, 2011 and January 1, 2011, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the year ended December 31, 2011 and related disclosures. We were not engaged to report on the restated comparative information and it is unaudited. Our responsibilities as part of our audit of the financial statements of the Group and the Company for the year ended December 31, 2012 have, in these circumstances, included obtaining sufficient appropriate audit evidence that the opening balances as of January 1, 2012 do not contain misstatements that materially affect the financial position as of December 31, 2012 and financial performance and cash flows for the year then ended.

(b) 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

TEO SWEE CHUA
Partner – 2846/01/14 (J)
Chartered Accountant

Petaling Jaya
March 19, 2013

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2012

	Note(s)	The Group 2012 RM'000	The Group 2011 RM'000	The Company 2012 RM'000	The Company 2011 RM'000
Revenue	5 & 6	256,853	281,627	10,024	17,333
Cost of sales		(184,747)	(196,897)	-	-
Gross profit		72,106	84,730	10,024	17,333
Other income		4,338	1,882	5,400	5,400
Interest income	9 (a)	625	422	6	75
Administrative expenses		(36,058)	(36,253)	(4,216)	(12,281)
Finance costs	9 (b)	(3,880)	(3,515)	-	(188)
Other expenses		(12,270)	(11,029)	-	-
Profit before tax	10	24,861	36,237	11,214	10,339
Tax expense	11	(8,475)	(6,812)	(359)	(1,734)
Profit for the year		16,386	29,425	10,855	8,605
Other comprehensive income:					
Exchange differences on translating foreign operations		(128)	119	-	-
Reversal of net value loss on available-for-sale financial asset to profit or loss		-	1,250	-	1,250
Other comprehensive (loss)/income for the year, net of tax		(128)	1,369	-	1,250
Total comprehensive income for the year		16,258	30,794	10,855	9,855
Profit attributable to:					
Owners of the Company		17,614	30,061	10,855	8,605
Non-controlling interests		(1,228)	(636)	-	-
		16,386	29,425	10,855	8,605
Total comprehensive income attributable to:					
Owners of the Company		17,486	31,430	10,855	9,855
Non-controlling interests		(1,228)	(636)	-	-
		16,258	30,794	10,855	9,855
Earnings per ordinary share					
Basic (sen)	12	20.39	37.79		
Diluted (sen)	12	17.98	31.24		

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

STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2012

The Group

	Note	31.12.2012 RM'000	31.12.2011 RM'000	1.1.2011 RM'000
ASSETS				
Non-current Assets				
Property, plant and equipment	14	244,001	166,781	153,095
Investment property	15	-	30,000	30,000
Deferred tax asset	29	122	-	-
Other financial assets	17	381	1,801	3,886
Goodwill on consolidation	18	3,730	3,730	3,730
Total Non-current Assets		248,234	202,312	190,711
Current Assets				
Inventories	19	-	495	1,390
Trade receivables	20	56,721	62,416	39,989
Other receivables, deposits and prepaid expenses	21	45,159	56,736	45,328
Tax recoverable		353	519	414
Deposits, cash and bank balances	22	20,928	22,615	36,495
Total Current Assets		123,161	142,781	123,616
Total Assets		371,395	345,093	314,327
EQUITY AND LIABILITIES				
Capital and Reserves				
Issued capital	23	95,820	84,136	82,005
Treasury shares	24	(7,280)	(5,910)	(5,623)
Reserves	25	130,245	122,489	98,252
Equity attributable to owners of the Company		218,785	200,715	174,634
Non-controlling interests		2,172	1,689	1,410
Total Equity		220,957	202,404	176,044
Non-current and Deferred Liabilities				
Hire-purchase payables	26	2,683	4,598	4,820
Long-term borrowings	28	52,094	40,904	41,740
Deferred tax liabilities	29	9,803	9,017	9,357
Sub-lease rental payable	31	9,148	1,395	3,528
Total Non-current and Deferred Liabilities		73,728	55,914	59,445

STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2012

The Group

	Note	31.12.2012 RM'000	31.12.2011 RM'000	1.1.2011 RM'000
EQUITY AND LIABILITIES (cont'd)				
Current Liabilities				
Trade payables	30	13,894	11,508	12,112
Other payables and accrued expenses	31	35,980	54,444	34,514
Hire-purchase payables	26	2,368	2,399	2,699
Finance lease payables	27	-	-	67
Short-term borrowings	32	24,368	18,172	28,432
Tax liabilities		100	252	1,014
Total Current Liabilities		76,710	86,775	78,838
Total Liabilities		150,438	142,689	138,283
Total Equity and Liabilities		371,395	345,093	314,327

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

STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2012

The Company

	Note	31.12.2012 RM'000	31.12.2011 RM'000	1.1.2011 RM'000
ASSETS				
Non-current Asset				
Investment in subsidiary companies	16	7,789	7,789	14,841
Total Non-current Asset		7,789	7,789	14,841
Current Assets				
Other receivables, deposits and prepaid expenses	21	27	12	81
Amount owing by subsidiary companies	16	94,592	83,418	74,697
Tax recoverable		-	210	315
Deposits, cash and bank balances	22	704	297	16,643
Total Current Assets		95,323	83,937	91,736
Total Assets		103,112	91,726	106,577
EQUITY AND LIABILITIES				
Capital and Reserves				
Issued capital	23	95,820	84,136	82,005
Treasury shares	24	(7,280)	(5,910)	(5,623)
Reserves	25	9,653	8,528	5,866
Total Equity		98,193	86,754	82,248
Current Liabilities				
Other payables and accrued expenses	31	1,600	1,656	2,252
Amount owing to subsidiary companies	16	3,309	3,316	2,077
Short-term borrowings	32	-	-	20,000
Tax liabilities		10	-	-
Total Current Liabilities		4,919	4,972	24,329
Total Liabilities		4,919	4,972	24,329
Total Equity and Liabilities		103,112	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, 2012

The Group	Note	Issued capital RM'000	Treasury shares RM'000	← Non-distributable reserves: Investment revaluation reserve RM'000	Share premium RM'000	Translation reserve RM'000	Capital reserve RM'000 →	Distributable reserve - Retained earnings RM'000	Attributable to equity holders of the Company RM'000	Non-controlling interests RM'000	Total RM'000
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
Balance as of January 1, 2012		84,136	(5,910)	-	217	(156)	1,458	120,970	200,715	1,689	202,404
Issue of shares	23	11,684	-	-	-	-	-	-	11,684	-	11,684
Subscription of shares in existing subsidiary company by non-controlling interests		-	-	-	-	-	-	-	-	1,715	1,715
Purchase of treasury shares	24	-	(1,370)	-	-	-	-	-	(1,370)	-	(1,370)
Exercise of warrants	25	-	-	-	584	-	(584)	-	-	-	-
Acquisition of non-controlling interests in a subsidiary company		-	-	-	-	-	-	-	-	(4)	(4)
Profit for the year		-	-	-	-	-	-	17,614	17,614	(1,228)	16,386
Other comprehensive loss for the year		-	-	-	-	(128)	-	-	(128)	-	(128)
Total comprehensive income/(loss) for the year		-	-	-	-	(128)	-	17,614	17,486	(1,228)	16,258
Dividends paid	13	-	-	-	-	-	-	(9,730)	(9,730)	-	(9,730)
Balance as of December 31, 2012		95,820	(7,280)	-	801	(284)	874	128,854	218,785	2,172	220,957

STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2012

The Company	Note	Issued capital RM'000	Treasury shares RM'000	Investment revaluation reserve RM'000 (Non-distributable reserves)	Share premium RM'000 (Non-distributable reserves)	Capital reserve RM'000 (Non-distributable reserves)	Distributable reserve - Retained earnings RM'000	Total RM'000
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
Balance as of January 1, 2012		84,136	(5,910)	-	217	1,458	6,853	86,754
Issue of shares	23	11,684	-	-	-	-	-	11,684
Purchase of treasury shares	24	-	(1,370)	-	-	-	-	(1,370)
Exercise of warrants	25	-	-	-	584	(584)	-	-
Profit for the year/Total comprehensive income for the year		-	-	-	-	-	10,855	10,855
Dividends paid	13	-	-	-	-	-	(9,730)	(9,730)
Balance as of December 31, 2012		95,820	(7,280)	-	801	874	7,978	98,193

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

STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2012

	The Group		The Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Cash Flows From/(Used In) Operating Activities				
Profit for the year	16,386	29,425	10,855	8,605
Adjustments for:				
Depreciation of property, plant and equipment	12,270	11,029	-	-
Tax expense recognised in profit or loss	8,475	6,812	359	1,734
Finance costs	3,880	3,515	-	188
Property, plant and equipment written off	177	7	-	-
Bad debts written off	152	74	-	-
Impairment on:				
Inventories	120	143	-	-
Other financial assets	-	1,250	-	1,250
Investment in subsidiary companies	-	-	-	7,052
Unrealised loss on foreign exchange	52	587	-	-
Allowance for doubtful debts	-	842	-	-
Gain on disposal of:				
Property, plant and equipment	(760)	(485)	-	-
Other financial assets	(33)	(152)	-	-
Interest income	(625)	(422)	(6)	(75)
Allowance for doubtful debts no longer required (net)	(237)	-	-	-
Dividend income	(270)	-	(10,024)	(17,333)
Net value (gain)/loss on financial asset carried at fair value through profit or loss	(171)	324	-	-
Operating Profit Before Working Capital Changes	39,416	52,949	1,184	1,421
Movement in working capital:				
(Increase)/Decrease in:				
Inventories	375	752	-	-
Trade receivables	5,838	(23,343)	-	-
Other receivables and prepaid expenses	11,577	(11,408)	(15)	69
Amount owing by subsidiary companies	-	-	(11,174)	(8,721)
Increase/(Decrease) in:				
Trade payables	2,386	(604)	-	-
Other payables and accrued expenses	(24,985)	11,220	(56)	(596)
Amount owing to subsidiary companies	-	-	(7)	1,239
Cash Generated From/(Used In) Operations	34,607	29,566	(10,068)	(6,588)
Tax paid	(7,797)	(8,013)	(139)	(296)
Net Cash From/(Used In) Operating Activities	26,810	21,553	(10,207)	(6,884)

STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2012

	The Group		The Company	
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
Cash Flows From/(Used In) Investing Activities				
Proceeds from disposal of:				
Other financial assets	1,624	2,365	-	-
Property, plant and equipment	1,260	2,401	-	-
Interest received	625	422	6	75
Dividend received	270	-	10,024	16,000
Additions of property, plant and equipment (Note 1 below)	(45,502)	(17,896)	-	-
Acquisition of non-controlling interests in a subsidiary company	(62)	(10)	-	-
Acquisition of other financial assets	-	(452)	-	-
Net Cash (Used In)/From Investing Activities	(41,785)	(13,170)	10,030	16,075
Cash Flows From/(Used In) Financing Activities				
Proceeds from bank borrowings	29,286	18,000	-	-
Proceeds from issuance of shares	11,684	2,131	11,684	2,131
Subscription of shares in existing subsidiary company by non-controlling interests	1,715	925	-	-
Repayment of bank borrowings	(11,899)	(29,095)	-	(20,000)
Dividends paid	(9,730)	(7,193)	(9,730)	(7,193)
Finance costs paid	(3,880)	(3,515)	-	(188)
Repayment of hire-purchase and finance lease payables	(2,518)	(3,229)	-	-
Purchase of own shares	(1,370)	(287)	(1,370)	(287)
Net Cash From/(Used In) Financing Activities	13,288	(22,263)	584	(25,537)
Net (Decrease)/Increase In Cash and Cash Equivalents	(1,687)	(13,880)	407	(16,346)
Cash And Cash Equivalents At Beginning Of Year	22,615	36,495	297	16,643
Cash And Cash Equivalents At End Of Year (Note 33)	20,928	22,615	704	297

Note 1:
Cash outflow on acquisition of property, plant and equipment of the Group is as follows:

		The Group	
	Note	2012	2011
		RM'000	RM'000
Additions during the year	14	61,190	27,118
Less:			
Unpaid consideration on acquisition of leasehold land	31	(15,116)	-
Acquisition under hire-purchase arrangements		(572)	(2,640)
Vessel acquisition cost paid on behalf by the non-controlling interests of a subsidiary company	31	-	(6,582)
Cash outflow		45,502	17,896

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, 2013.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements of the Group and the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards and the provisions of the Companies Act, 1965 in Malaysia.

Adoption of Malaysian Financial Reporting Standards

The Group's and the Company's financial statements for the financial year ended December 31, 2012 have been prepared in accordance with MFRSs for the first time. In the previous year, these financial statements were prepared in accordance with Financial Reporting Standards ("FRSs").

The transition to MFRSs is accounted for in accordance with MFRS 1 *First-time Adoption of Malaysian Financial Reporting Standards*, with January 1, 2011 as the date of transition. As there was no change in accounting policies as a consequence of the transition to MFRSs, the reconciliations of reported financial position, financial performance and cash flows as of the date of transition have not been presented.

Standards and IC Interpretation in issue but not yet 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 listed below:

MFRS 7	Financial Instruments: Disclosures [Amendments relating to Mandatory Effective Date of MFRS 9 (IFRS 9 issued by IASB in November 2009 and October 2010 respectively) and Transition Disclosures[1]
MFRS 7	Financial Instruments: Disclosures (Amendments relating to Disclosures - Offsetting Financial Assets and Liabilities)[2]
MFRS 9	Financial Instruments (IFRS 9 issued by IASB in November 2009)[3]
MFRS 9	Financial Instruments (IFRS 9 issued by IASB in October 2010)[3]
MFRS 10	Consolidated Financial Statements[2]

NOTES TO THE FINANCIAL STATEMENTS

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

Standards and IC Interpretation in issue but not yet effective (cont'd)

MFRS 10	Consolidated Financial Statements (Amendments relating to Transition Guidance)[2]
MFRS 11	Joint Arrangements[2]
MFRS 11	Joint Arrangements (Amendments relating to Transition Guidance)[2]
MFRS 12	Disclosures of Interests in Other Entities[2]
MFRS 12	Disclosures of Interest in Other Entities (Amendments relating to Transition Guidance)[2]
MFRS 13	Fair Value Measurement[2]
MFRS 101	Presentation of Financial Statements (Amendments relating to Presentation of Items of Other Comprehensive Income)[4]
MFRS 119	Employee Benefits (IAS 19 as amended by IASB in June 2011)[2]
MFRS 127	Separate Financial Statements (IAS 27 as amended by IASB in May 2011)[2]
MFRS 128	Investments in Associates and Joint Ventures (IAS 28 as amended by IASB in May 2011)[2]
MFRS 132	Financial Instruments: Presentation (Amendments relating to Offsetting Financial Assets and Financial Liabilities)[5]
IC Int. 20	Stripping costs in the Production Phase of a Surface Mine[2]

Amendments to MFRSs contained in the document entitled Annual Improvements 2009-2011 cycle[2]
Investment Entities (Amendments to MFRS 10, MFRS 12 and MFRS 127)[5]

1 Effective immediately on issuance date of March 1, 2012
2 Effective for annual periods beginning on or after January 1, 2013
3 Effective for annual periods beginning on or after January 1, 2015 instead of January 1, 2013 immediately upon the issuance of Amendments to MFRS 9 (IFRS 9 issued by IASB in November 2009 and October 2010 respectively) and MFRS 7 relating to "Mandatory Effective Date of MFRS 9 and Transition Disclosures" on March 1, 2012
4 Effective for annual periods beginning on or after July 1, 2012
5 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 impact on the financial Statements of the Group and the Company in the period of initial applications, except as disclosed below.

Amendments to MFRS 7 and MFRS 132: Offsetting Financial Assets and Financial Liabilities and the related disclosures

The amendments to MFRS 132 clarify existing application issues relating to the offset of financial assets and financial liabilities requirements. Specifically, the amendments clarify the meaning of "currently has a legally enforceable right of set-off" and "simultaneous realisation and settlement".

The amendments to MFRS 7 introduce new disclosure requirements relating to rights of offset and related arrangements for financial instruments under the enforceable master netting agreements or similar arrangements. Both MFRS 132 and MFRS 7 require retrospective application upon adoption.

Todate, the Group and the Company have not entered into any such agreements or similar arrangements. However, the directors anticipate that the application of these amendments to MFRS 132 and MFRS 7 may result in more disclosures being made with regard to offsetting financial assets and financial liabilities in future.

NOTES TO THE FINANCIAL STATEMENTS

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

MFRS 9 and Amendments relating to Mandatory Effective Date of MFRS 9 and Transition Disclosures

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

The amendments to MFRS 9 (IFRS 9 issued by IASB in November 2009 and October 2010 respectively) ("FRS 9") relating to "Mandatory Effective Date of FRS 9 and Transition Disclosures" which became immediately effective on the issuance date of March 1, 2012 amended the mandatory effective date of FRS 9 to annual periods beginning on or after January 1, 2015 instead of on or after January 1, 2013, with earlier application still permitted as well as modified the relief from restating prior periods. FRS 7 which was also amended in tandem with the issuance of the aforementioned amendments introduces new disclosure requirements that are either permitted or required on the basis of the entity's date of adoption and whether the entity chooses to restate prior periods.

Key requirements of MFRS 9 are described as follows:

- All recognised financial assets that are within the scope of MFRS 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. In addition, under MFRS 9, entities may make an irrevocable election to present subsequent changes in fair value of equity instrument (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

- With regards to the measurement of financial liabilities designated as at fair value through profit or loss, MFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liabilities, be 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 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 do not anticipate the application of MFRS 9 to have a significant impact on amounts reported in respect of the Group and the Company's financial assets and financial liabilities.

MFRS 10: Consolidated Financial Statements
MFRS 11: Joint Arrangements
MFRS 12: Disclosure of Interests in Other Entities
MFRS 127: Separate Financial Statements
MFRS 128: Investments in Associates and Joint Ventures

In November 2011, a package of five standards on consolidation, joint arrangements, associates and disclosures was issued, including MFRS 10, MFRS 11, MFRS 12, MFRS 127 (IAS 27 as amended by IASB in May 2011) and MASB 128 (IAS 28 as amended by IASB in May 2011).

Out of the above five standards, the requirements of MASB 10, MFRS 12 and MFRS 127 which are applicable to the Group and the Company are described below.

NOTES TO THE FINANCIAL STATEMENTS

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

MFRS 9 and Amendments relating to Mandatory Effective Date of MFRS 9 and Transition Disclosures (cont'd)

MFRS 10 replaces the parts of MFRS 127 *Consolidated and Separate Financial Statements* that deal with consolidated financial statements. IC Int. 112 *Consolidation – Special Purpose Entities* will be withdrawn upon the effective date of MFRS 10. Under MFRS 10, there is only one basis for consolidation, that is control. In addition, MFRS 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. Extensive guidance has been added in MFRS 10 to deal with the complex scenarios.

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

In July 2012, the amendments to MFRS 10, MFRS 11 and MFRS 12 were issued to clarify certain transitional guidance on the application of these MFRSs for the first time.

In February 2013, amendments to MFRS 10, MFRS 12 and MFRS 127, equivalent to *Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27)* issued by the International Accounting Standard Board, were issued by MASB. The amendments introduce an exception to consolidation for investment entities and require investment entities to measure particular subsidiaries at fair value through profit or loss instead of consolidating them.

The directors do not anticipate the application of MFRS 10, MFRS 12 and MFRS 127 to have a significant impact on amounts reported in the consolidated financial statements.

MFRS 13: Fair Value Measurement

MFRS 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 MFRS 13 is broad; it applies to both financial instruments 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 MFRS 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 MFRS 7 *Financial Instruments: Disclosures* will be extended by MFRS 13 to cover all assets and liabilities within its scope.

The directors anticipate 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.

Amendments to MFRS 101: Presentation of Items of Other Comprehensive Income

The amendments to MFRS 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 MFRS 101 require additional disclosure 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 do not change the option to present items of other comprehensive income either before tax or net of tax.

The amendments also introduce new terminology for the statement of comprehensive income and income statement. Under the amendments to MFRS 101, the "statement of comprehensive income" is renamed "statement of profit or loss and other comprehensive income" and the "income statement" is renamed the "statement of profit or loss".

NOTES TO THE FINANCIAL STATEMENTS

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

Amendments to MFRS 101: Presentation of Items of Other Comprehensive Income (cont'd)

The amendments will be applied retrospectively upon adoption and hence the presentation of items of other comprehensive income will be modified to reflect the changes. Other than the abovementioned presentation changes, the application of the amendments to MFRS 101 would not result in any impact on profit or loss, other comprehensive income and total comprehensive income.

Amendments to MFRSs: Annual Improvements 2009 - 2011 Cycle

The *Annual Improvements 2009 - 2011 Cycle* includes a number of amendments to various MFRSs. Those applicable to the Company include:

- Amendments to MFRS 101 *Presentation of Financial Statements*
- Amendments to MFRS 116 *Property, Plant and Equipment*
- Amendments to MFRS 132 *Financial Instruments: Presentation*

Amendments to MFRS 101

MFRS 101 requires an entity that changes accounting policies retrospectively, or makes a retrospective restatement or reclassification to present a statement of financial position as at the beginning of the preceding period (third statement of financial position). The amendments to MFRS 101 clarify that an entity is required to present a third statement of financial position only when the retrospective application, restatement or reclassification has a material effect on the information in the third statement of financial position and that related notes are not required to accompany the third statement of financial position. Hence, the adoption of the amendments when it becomes effective will affect the presentation of the third statement of financial position and related notes in future periods.

Amendments to MFRS 116

The amendments to MFRS 116 clarify that spare parts, stand-by equipment and servicing equipment should be classified as property, plant and equipment when they meet the definition of property, plant and equipment in MFRS 116 and as inventory otherwise. The directors do not anticipate that the amendments to MFRS 116 will have a significant effect on the Group and the Company's financial statements.

Amendments to MFRS 132

The amendments to MFRS 132 clarify that income tax relating to distributions to holders of an equity instrument and to transaction costs of an equity transaction should be accounted for in accordance with MFRS 112 *Income Taxes*. The directors anticipate that the amendment to MFRS 132 will have no effect on the Group and the Company's financial statements as this treatment has already been adopted.

3. SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Group and of the Company have been prepared on the basis of historical cost, except for certain financial instruments that are measured at fair values as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

NOTES TO THE FINANCIAL STATEMENTS

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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 disclosed 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 or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiary companies 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 subsidiary companies 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 subsidiary companies 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 subsidiary companies. 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 company, 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 company and any non-controlling interests. Amounts previously recognised in other comprehensive income in relation to the subsidiary company 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 company 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 the currency of the primary economic environment in which the entities operate (the 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 entity'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.

<u>Current Tax</u>

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.

<u>Deferred Tax</u>

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.

Goodwill on Consolidation

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

NOTES TO THE FINANCIAL STATEMENTS

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Goodwill on Consolidation (cont'd)

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	44 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 or loss unless they are directly attributable to a qualifying asset, in which case they are capitalised in accordance with the Group's and the 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 profit or loss 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.

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 statements 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)

Financial Instruments (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)

Financial Instruments (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 retain substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group and the Company recognise 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.

NOTES TO THE FINANCIAL STATEMENTS

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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.

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.

(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 other than as disclosed below:

a. 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.

NOTES TO THE FINANCIAL STATEMENTS

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (cont'd)

(ii) Key sources of estimation uncertainty (cont'd)

b. 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 (31.12.2011 and 1.1.2011: RM3,730,000) and there was no impairment loss (2011: nil impairment loss) recognised in profit or loss during the financial year.

c. Estimated useful life of property, plant and equipment

The cost of property, plant and equipment, except for freehold land, building-in-progress and other capital assets-in-progress, is depreciated on a straight line basis over the assets' useful lives. The Group reviews the remaining useful lives of property, plant and equipment at the end of each reporting period and ensures consistency with previous estimates and patterns of consumption of the economic benefits that embodies in these assets. Changes in useful lives of property, plant and equipment may result in revision of future depreciation charges.

d. Fair value of investment property

The best evidence of fair value of investment property as of December 31, 2011 and January 1, 2011 was current prices in an active market for similar lease and other contracts or valuations carried out by independent firms of valuers annually.

5. REVENUE

	The Group		The Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Total logistics services	223,256	243,324	-	-
Procurement logistics services	33,327	38,303	-	-
Dividend income from quoted investments	270	-	-	-
Dividend income from subsidiary companies	-	-	10,024	17,333
	256,853	281,627	10,024	17,333

6. OPERATING COSTS APPLICABLE TO REVENUE

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

	Note	The Group		The Company	
		2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Direct operating costs		172,068	188,598	-	-
Staff costs	7	40,583	36,641	3,698	3,619
Depreciation of property, plant and equipment	14	12,270	11,029	-	-
Finance costs	9 (b)	3,880	3,515	-	188
Other expenses		8,154	7,911	518	8,662
		236,955	247,694	4,216	12,469

NOTES TO THE FINANCIAL STATEMENTS

7. STAFF COSTS

	The Group		The Company	
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
Wages and salaries	35,180	31,731	3,253	3,191
Contributions to defined contribution plan	3,768	3,439	420	413
Short-term accumulating compensated absences	255	221	-	-
Other staff related expenses	1,380	1,250	25	15
	40,583	36,641	3,698	3,619

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

8. DIRECTORS' REMUNERATION

	The Group		The Company	
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
Directors of the Company				
Executive directors:				
Salaries and other emoluments	3,789	4,335	2,998	2,947
Contributions to defined contribution plan	531	607	420	413
Fees	140	159	140	144
	4,460	5,101	3,558	3,504
Non-executive directors:				
Fees	115	100	115	100
	4,575	5,201	3,673	3,604
Directors of subsidiary companies				
Executive directors:				
Salaries and other emoluments	587	746	-	-
Contributions to defined contribution plan	75	97	-	-
	662	843	-	-
Total	5,237	6,044	3,673	3,604

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 RM164,858 (2011: RM182,846) and RM99,500 (2011: RM110,000) respectively.

NOTES TO THE FINANCIAL STATEMENTS

8. DIRECTORS' REMUNERATION (cont'd)

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

	Number of directors 2012	2011
Executive directors:		
RM350,001- RM400,000	1	-
RM450,001- RM500,000	-	1
RM500,001- RM550,000	1	-
RM550,001- RM600,000	1	1
RM600,001- RM650,000	1	1
RM1,001,001 – RM1,050,000	1	-
RM1,050,001 – RM1,100,000	-	2
RM1,400,001 – RM1,450,000	-	-
RM1,450,001 – RM1,500,000	1	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.

9. INTEREST INCOME AND FINANCE COSTS

(a) Interest income

	The Group 2012 RM'000	The Group 2011 RM'000	The Company 2012 RM'000	The Company 2011 RM'000
Interest income on short-term deposits	625	422	6	75

(b) Finance costs

	The Group 2012 RM'000	The Group 2011 RM'000	The Company 2012 RM'000	The Company 2011 RM'000
Interest expense on:				
Term loans	3,171	2,873	-	188
Revolving credit	366	186	-	-
Hire-purchase payables	343	426	-	-
Bank overdrafts	-	30	-	-
	3,880	3,515	-	188

NOTES TO THE FINANCIAL STATEMENTS

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	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
After charging:				
Rental of:				
Premises	8,398	7,651	-	-
Motor vehicles and equipment	3,629	3,318	-	-
Audit fees:				
Statutory audit	264	256	49	49
Other services	55	45	7	7
Property, plant and equipment written off	177	7	-	-
Bad debts written off	152	74	-	-
Impairment on:				
Inventories	120	143	-	-
Other financial assets	-	1,250	-	1,250
Investment in subsidiary companies	-	-	-	7,052
Unrealised loss (net) on foreign exchange	52	587	-	-
Allowance for doubtful debts (net)	-	842	-	-
Net value loss on financial assets carried at fair value through profit or loss	-	324	-	-
And crediting:				
Gain on disposal of:				
Property, plant and equipment	760	485	-	-
Other financial assets	33	152	-	-
Allowance for doubtful debts no longer required (net)	237	-	-	-
Net value gain on financial assets carried at fair value through profit or loss	171	-	-	-
Realised gain (net) on foreign exchange	77	322	-	-

11. TAX EXPENSE

	The Group		The Company	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Current year:				
Estimated current tax payable	(7,942)	(7,246)	(403)	(1,652)
Deferred tax (Note 29)	228	289	-	-
	(7,714)	(6,957)	(403)	(1,652)
Over/(Under)provision in prior years:				
Income tax	131	94	44	(82)
Deferred tax (Note 29)	(892)	51	-	-
	(761)	145	44	(82)
	(8,475)	(6,812)	(359)	(1,734)

NOTES TO THE FINANCIAL STATEMENTS

11. TAX EXPENSE (cont'd)

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	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Profit before tax	24,861	36,237	11,214	10,339
Tax at the applicable tax rate of 25%	6,215	9,059	2,804	2,585
Effect on tax rate differential	(31)	(97)	-	-
Tax effects of:				
Expenses not deductible for tax purposes	1,914	2,210	98	2,202
Income not subject to tax	(952)	(119)	(2,500)	(3,000)
Double deduction of certain allowable expenses	(41)	(34)	-	-
Deferred tax assets not recognised	776	288	1	-
Utilisation of deferred tax assets not recognised previously	(167)	(135)	-	(135)
Utilisation of investment tax allowance	-	(4,215)	-	-
(Over)/Underprovision in prior years:				
Income tax	(131)	(94)	(44)	82
Deferred tax	892	(51)	-	-
	8,475	6,812	359	1,734

As of December 31, 2012, 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 RM52,293,000 (2011: RM62,293,000).

As of December 31, 2012, 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 RM32,435,000 (2011: RM22,435,000) and RM190,000 (2011: RM190,000) respectively.

The above tax exempt accounts, which are subject to approval by the tax authorities, are available for distribution as 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.

	The Group	
	2012	2011
Profit attributable to ordinary equity holders of the Company (RM'000)	17,614	30,061
Weighted average number of ordinary shares in issue ('000)	86,375	79,555
Basic earnings per share (sen)	20.39	37.79

NOTES TO THE FINANCIAL STATEMENTS

12. EARNINGS PER ORDINARY SHARE (cont'd)

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.

	The Group	
	2012	**2011**
Profit attributable to ordinary equity holders of the Company (RM'000)	17,614	30,061
Weighted average number of ordinary shares in issue ('000)	86,375	79,555
Shares deemed to be issued for no consideration in respect of warrants	11,573	16,656
Weighted average number of ordinary shares for the purpose of diluted earnings per share	97,948	96,211
Diluted earnings per share (sen)	17.98	31.24

13. DIVIDENDS

	The Company	
	2012	**2011**
	RM	**RM**
Single tier final dividend of 7 sen per ordinary share, in respect of 2011 (2011: 4 sen in respect of 2010)	6,148,337	3,170,515
Single tier interim dividend of 4 sen per ordinary share, in respect of 2012 (2011: 5 sen, in respect of 2011)	3,582,043	4,022,569
	9,730,380	7,193,084

The directors propose a single tier final dividend of 4 sen per ordinary share, in respect of the current financial year. This dividend is subject to 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, 2013.

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, 2011	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
Transferred from investment property (Note 15)	-	10,501	19,499	-	-	-	-	-	-	-	30,000
Additions	-	25,378	11,231	172	213	195	1,607	299	20,322	1,773	61,190
Exchange differences	(212)	(95)	(759)	(1)	-	(7)	(6)	(4)	-	-	(1,084)
Disposals and write-offs	-	-	-	(2,609)	-	(2,948)	(1,241)	(399)	-	-	(7,197)
Reclassifications	-	-	2	63	-	512	216	-	(263)	(530)	-
Balance at December 31, 2012	6,580	63,957	127,127	13,018	16,400	53,853	24,566	3,418	20,453	1,827	331,199
Accumulated Depreciation											
Balance at January 1, 2011	-	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
Charge for the year	-	560	2,377	569	656	5,007	2,713	388	-	-	12,270
Exchange differences	-	(1)	(51)	-	-	(3)	(2)	(4)	-	-	(61)
Disposals and write-offs	-	-	-	(2,472)	-	(2,724)	(979)	(345)	-	-	(6,520)
Balance at December 31, 2012	-	3,607	13,540	10,774	686	39,473	16,907	2,211	-	-	87,198
Net Carrying Amount											
As of January 1, 2011	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
As of December 31, 2012	6,580	60,350	113,587	2,244	15,714	14,380	7,659	1,207	20,453	1,827	244,001

NOTES TO THE FINANCIAL STATEMENTS

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

(a) Carrying amount of property, plant and equipment totalling RM151,596,000 (31.12.2011: RM71,800,000;1.1.2011: 56,249,000) 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 amounted to RM8,495,000 (31.12.2011: RM10,071,000; 1.1.2011: 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 term 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 year of 2055;

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

(v) Lease of land for the Group's warehouse with assembling facility erected thereon located in Bandar Sultan Suleiman, Port Klang, Selangor with lease term expiring in the year of 2105.

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		
	31.12.2012 RM'000	**31.12.2011 RM'000**	**1.1.2011 RM'000**
At beginning of year	30,000	30,000	30,000
Transferred to property, plant and equipment (Note 14)	(30,000)	-	-
At end of year	-	30,000	30,000

The investment property of the Group was revalued at RM30,000,000 as of November 20, 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.

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

Prior to 2012, the investment property was leased to a third party under operating lease. During the current financial year, following the expiration of the leasing arrangement, the Group operates the property as its own general warehouse and accordingly, the property has been transferred to Property, Plant and Equipment (Note 14). In accordance with the provisions in MFRS 140 *Investment Property*, the fair value of this property at the date of change in use became the deemed cost for subsequent accounting under MFRS 116 *Property, Plant and Equipment*.

NOTES TO THE FINANCIAL STATEMENTS

15. INVESTMENT PROPERTY (cont'd)

Prior to the change in use as owner-occupied property, property rental income earned by the Group amounted to RM2,360,000 (2011: RM3,540,000) and was included as revenue for the Group. Direct operating expenses pertaining to the investment property of the Group that generated rental income during the year amounted to RM71,807 (2011: RM186,649).

As of December 31, 2011 and January 1, 2011, the investment property was charged to a financial institution as security for credit facilities granted to the Group (Note 28).

16. INVESTMENT IN SUBSIDIARY COMPANIES

	The Company		
	31.12.2012 RM'000	31.12.2011 RM'000	1.1.2011 RM'000
Unquoted shares - at cost	17,732	17,732	17,732
Accumulated impairment losses	(9,943)	(9,943)	(2,891)
Net	7,789	7,789	14,841

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

	Effective Equity Interest			
	31.12.2012 %	31.12.2011 %	1.1.2011 %	Principal Activities
Direct Subsidiary Companies				
Century Total Logistics Sdn. Bhd.	100	100	100	Total logistics provider
Century Advance Technology Sdn. Bhd.	100	100	100	Procurement logistics services
Century Logistics Sdn. Bhd.	100	100	100	Investment holding
Century Logistics (Johore) Sdn. Bhd.	100	100	100	Dormant
Century Forwarding Agency Sdn. Bhd.	70	70	70	Freight forwarding and shipping agency
Indirect Subsidiary Companies				
Storewell (M) Sdn. Bhd.	100	100	100	Bonded warehousing
Century Trucking Sdn. Bhd.	100	100	100	Dormant
Century Logistics (Sarawak) Sdn. Bhd.	100	100	100	Dormant
Century LED Sdn. Bhd.	100	74	65	Dormant
Storewell Realty Sdn. Bhd.	51	51	51	Property holding
Century Onsys Sdn. Bhd.	51	51	-	Vessel chartering

NOTES TO THE FINANCIAL STATEMENTS

16. INVESTMENT IN SUBSIDIARY COMPANIES (cont'd)

	Effective Equity Interest			
	31.12.2012 %	31.12.2011 %	1.1.2011 %	Principal Activities
Indirect Subsidiary Companies (cont'd)				
Century Logistics (S'pore) Pte. Ltd.* (Incorporated in Singapore)	100	100	100	Dormant
Century Resources (Thailand) Limited* (Incorporated in Thailand)	90	90	90	Property holding
Century-YES Logistics (Yichun) Co. Ltd.* (Incorporated in the People's Republic of China)	75	75	75	Dormant
Expo Century Logistics Private Ltd* (Incorporated in India)	51	51	51	Dormant

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

In 2012, the following transactions were undertaken by the Group:

(a) Century Logistics Sdn. Bhd. ("CLSB") subscribed for 1,785,000 ordinary shares of RM1.00 each issued by Century Onsys Sdn. Bhd.("COSB") at a cash consideration of RM1,785,000. There was no change in the Group's equity interest in COSB arising from this subscription of shares.

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

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

(a) CLSB acquired 2 ordinary shares of RM1.00 each, representing 100% equity interest COSB, 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) CAT subscribed to 325,000 out of the 450,000 new ordinary shares issued by 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%.

There was no acquisition/establishment of subsidiary company during year 2012.

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

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

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.

NOTES TO THE FINANCIAL STATEMENTS

16. INVESTMENT IN SUBSIDIARY COMPANIES (cont'd)

Amount owing by/(to) subsidiary companies, which arose mainly from reimbursement of costs charged and expenses paid on behalf, is 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	
	2012 RM'000	2011 RM'000
Century Total Logistics Sdn. Bhd.		
Reimbursement of costs charged	4,680	4,800
Century Advance Technology Sdn. Bhd.		
Reimbursement of costs charged	720	600

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

Name of related party	Relationship
Award Maritime Sdn. Bhd. ("AMSB")	A company in which Datuk Jaafar bin Mohamad* has 40% equity interest until the disposal of his equity interest in AMSB on October 10, 2012
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.# ^) 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. ("OMSPL") #	A company in which Datuk Jaafar bin Mohamad* has 70% equity interest until the disposal of his equity interest in OMSPL on December 3, 2012
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".

* Resigned as a director of the Company on November 1, 2012.

~ Receiver and manager appointed on February 20, 2013.

^ Liquidators appointed on January 3, 2013.

NOTES TO THE FINANCIAL STATEMENTS

16. INVESTMENT IN SUBSIDIARY COMPANIES (cont'd)

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 2012 RM'000	The Group 2011 RM'000
Award Maritime Sdn. Bhd.		
- Provision of ship handling and agency services to Century Total Logistics Sdn. Bhd. ("CTL")	1,821	2,110
- Rental of office space and administration charges from CTL	19	18
Century Forwarding Agency Sdn. Bhd.		
- Provision of freight forwarding services to CTL	1,284	1,152
Onsys Group		
- Provision of ship handling and agency services to Century Onsys Sdn. Bhd.	551	42
- Rental of office space and electricity charges from CTL	169	201
- Provision of agency services by CTL	47	432
Policy Management Sdn. Bhd		
- Payment of service fees for renewal of vehicle road tax by CTL	8	11

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 April 25, 2012. 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.

17. OTHER FINANCIAL ASSETS

	The Group 31.12.2012 RM'000	The Group 31.12.2011 RM'000	The Group 1.1.2011 RM'000
Financial assets carried at fair value through profit or loss:			
Shares quoted in Malaysia	144	1,454	2,798
Shares quoted outside Malaysia	237	347	1,088
Total	381	1,801	3,886

NOTES TO THE FINANCIAL STATEMENTS

18. GOODWILL ON CONSOLIDATION

	The Group		
	31.12.2012 RM'000	31.12.2011 RM'000	1.1.2011 RM'000
At beginning and end of year	3,730	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 reflects 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		
	31.12.2012 RM'000	31.12.2011 RM'000	1.1.2011 RM'000
At cost:			
Finished goods	-	120	440
Raw materials	-	375	950
	-	495	1,390

20. TRADE RECEIVABLES

	The Group		
	31.12.2012 RM'000	31.12.2011 RM'000	1.1.2011 RM'000
Trade receivables	59,114	65,046	41,777
Less: Allowance for doubtful debts	(2,393)	(2,630)	(1,788)
Net	56,721	62,416	39,989

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

NOTES TO THE FINANCIAL STATEMENTS

20. TRADE RECEIVABLES (cont'd)

Included in the Group's trade receivables are debtors with a carrying amount of RM26,568,000 (31.12.2011: RM28,437,000; 1.1.2011: RM16,185,000) which are past due at the reporting date for which no impairment had been 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:

	The Group		
	31.12.2012 RM'000	**31.12.2011 RM'000**	**1.1.2011 RM'000**
1-30 days	11,971	12,411	8,571
31-60 days	5,002	3,950	3,703
61-90 days	5,846	9,627	2,221
91-120 days	1,043	1,161	588
More than 120 days	2,706	1,288	1,102
Total	26,568	28,437	16,185

Movement in the allowance for doubtful debts is as follows:

	The Group		
	31.12.2012 RM'000	**31.12.2011 RM'000**	**1.1.2011 RM'000**
Balance at beginning of the year	2,630	1,788	995
Impairment losses recognised	382	1,275	938
Impairment losses reversed	(619)	(433)	(120)
Amounts written off during the year	-	-	(25)
Balance at end of the year	2,393	2,630	1,788

In determining the recoverability of the trade receivables, the Group considers any change in the credit quality of the trade receivables from the date credit was initially granted up to the reporting date. The directors believe that no further write down is required in excess of the allowance for doubtful debts.

As of the end of the reporting period, two (2) subsidiary companies have concentration of credit risk as follows:

(a) Amount owing by five (5) major customers accounted for 47% (31.12.2011: 39%; 1.1.2011: 29%) of total trade receivables of a subsidiary company principally involved in the provision of total logistics services; and

(b) Amount owing by three (3) major customers accounted for 62% (31.12.2011: 87%; 1.1.2011: 77%) of total trade and other receivables of another subsidiary company principally involved in the provision of procurement logistics services.

The extension of credit to and repayments from these customers are closely monitored by the management to ensure that they adhere to the agreed credit terms and policies.

NOTES TO THE FINANCIAL STATEMENTS

20. TRADE RECEIVABLES (cont'd)

The currency profile of trade receivables is as follows:

	The Group		
	31.12.2012 RM'000	31.12.2011 RM'000	1.1.2011 RM'000
Ringgit Malaysia	58,444	62,999	38,871
Thai Baht	296	118	95
United States Dollar	226	-	25
Indian Rupee	102	1,144	1,005
Chinese Renminbi	46	785	1,781
	59,114	65,046	41,777

21. OTHER RECEIVABLES, DEPOSITS AND PREPAID EXPENSES

	The Group		
	31.12.2012 RM'000	31.12.2011 RM'000	1.1.2011 RM'000
Other receivables	25,274	34,544	24,781
Deposits paid for capital expenditure	12,546	12,546	12,546
Refundable deposits	4,813	6,638	5,174
Prepaid expenses	2,756	3,238	3,057
	45,389	56,966	45,558
Less: Allowance for doubtful debts	(230)	(230)	(230)
	45,159	56,736	45,328

	The Company		
	31.12.2012 RM'000	31.12.2011 RM'000	1.1.2011 RM'000
Other receivables	4	11	1
Refundable deposits	1	1	1
Prepaid expenses	22	-	79
	27	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 RM21,588,063 (31.12.2011: RM30,634,937; 1.1.2011: RM18,786,398).

NOTES TO THE FINANCIAL STATEMENTS

21. OTHER RECEIVABLES, DEPOSITS AND PREPAID EXPENSES (cont'd)

The currency profile of the Group's other receivables, deposits and prepaid expenses is as follows:

	The Group		
	31.12.2012 RM'000	31.12.2011 RM'000	1.1.2011 RM'000
Ringgit Malaysia	43,942	55,393	43,152
United States Dollar	714	-	-
Indian Rupee	407	1,274	1,675
Thai Baht	240	265	629
Others	86	34	102
	45,389	56,966	45,558

The Company's other receivables, deposits and prepaid expenses are predominantly denominated in Ringgit Malaysia.

22. DEPOSITS, CASH AND BANK BALANCES

	The Group		
	31.12.2012 RM'000	31.12.2011 RM'000	1.1.2011 RM'000
Cash and bank balances	9,995	5,529	13,212
Short-term deposits with licensed banks	10,933	17,086	23,283
	20,928	22,615	36,495

	The Company		
	31.12.2012 RM'000	31.12.2011 RM'000	1.1.2011 RM'000
Cash and bank balances	704	297	243
Short-term deposits with licensed banks	-	-	16,400
	704	297	16,643

The weighted average interest rate of short-term deposits is 2.87% (31.12.2011: 2.90%; 1.1.2011: 2.56%) per annum. The maturity periods of these deposits as of the end of the financial year range from 3 days to 365 days (31.12.2011: 6 days to 365 days; 1.1.2011: 4 days to 365 days).

NOTES TO THE FINANCIAL STATEMENTS

22. DEPOSITS, CASH AND BANK BALANCES (cont'd)

The currency profile of the Group's deposits, cash and bank balances is as follows:

	The Group		
	31.12.2012 RM'000	**31.12.2011 RM'000**	**1.1.2011 RM'000**
Ringgit Malaysia	19,382	21,199	34,360
Chinese Renminbi	936	1,024	1,588
Indian Rupee	124	171	316
Singapore Dollar	275	136	156
Thai Baht	211	85	75
	20,928	22,615	36,495

The Company's deposits, cash and bank balances are predominantly denominated in Ringgit Malaysia.

23. SHARE CAPITAL

	The Company	
	2012 RM'000	**2011 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	84,136	82,005
Exercise of warrants	11,684	2,131
At end of year	95,820	84,136

During the current financial year, the issued and paid-up share capital of the Company was increased from RM84,136,204 divided into 84,136,204 ordinary shares of RM1.00 each to RM95,820,404 divided into 95,820,404 ordinary shares of RM1.00 each by the issuance of 11,684,200 new ordinary shares of RM1.00 each at par for cash through the exercise of 11,684,200 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.

During the previous 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.

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

NOTES TO THE FINANCIAL STATEMENTS

23. SHARE CAPITAL (cont'd)

Warrants 2010/2013

The Warrants 2010/2013 are constituted by a Deed Poll dated December 21, 2009, of which the Company allotted 40,753,042 new Warrants 2010/2013 at an issue price of RM0.05 per warrant on the basis of 1 warrant for every 2 existing ordinary shares of RM1.00 each in the Company held on January 6, 2010.

Warrants exercised during the financial year resulted in 11,684,200 new ordinary shares being issued at RM1.00 each. At the end of the reporting period, 26,603,242 Warrants 2010/2013 (2011: 38,287,442) remained unexercised.

The subscription rights of Warrants 2010/2013 expired subsequent to the end of the financial year, on January 27, 2013.

24. TREASURY SHARES

On April 25, 2012 and May 12, 2011, 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 2012 and 2011 respectively.

During the current financial year, the Company bought back 780,400 (2011: RM166,800) of its issued ordinary shares from the open market at an average price of RM1.75 (2011: RM1.71) per share. The total consideration paid for the purchase was RM1,362,442 excluding incidental cost of RM7,350 (2011: RM285,330 excluding incidental cost of RM2,088).

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

The Company held as treasury shares a total of 4,369,320 (31.12.2011: 3,588,920; 1.1.2011: 3,422,120) of its 95,820,404 (31.12.2011: 84,136,204; 1.1.2011: 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 RM7,280,239 (31.12.2011: RM5,910,447; 1.1.2011: RM5,623,029).

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

25. RESERVES

		The Group	
	31.12.2012 RM'000	31.12.2011 RM'000	1.1.2011 RM'000
Share premium	801	217	94
Investment revaluation reserve	-	-	(1,250)
Translation reserve	(284)	(156)	(275)
Capital reserve	874	1,458	1,581
Retained earnings	128,854	120,970	98,102
	130,245	122,489	98,252

		The Company	
	31.12.2012 RM'000	31.12.2011 RM'000	1.1.2011 RM'000
Share premium	801	217	94
Investment revaluation reserve	-	-	(1,250)
Capital reserve	874	1,458	1,581
Retained earnings	7,978	6,853	5,441
	9,653	8,528	5,866

NOTES TO THE FINANCIAL STATEMENTS

25. RESERVES (cont'd)

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.

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 expired subsequent to the end of the financial year, 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		
	31.12.2012 RM'000	31.12.2011 RM'000	1.1.2011 RM'000
Total outstanding	5,364	7,511	8,222
Less: Interest-in-suspense	(313)	(514)	(703)
Principal outstanding	5,051	6,997	7,519
Less: Portion due within the next 12 months (shown under current liabilities)	(2,368)	(2,399)	(2,699)
Non-current portion	2,683	4,598	4,820

NOTES TO THE FINANCIAL STATEMENTS

26. HIRE-PURCHASE PAYABLES (cont'd)

The non-current portion is repayable as follows:

	The Group		
	31.12.2012 RM'000	31.12.2011 RM'000	1.1.2011 RM'000
Within 1 to 2 years	1,846	2,253	1,936
Within 2 to 5 years	837	2,345	2,884
	2,683	4,598	4,820

The term of the hire-purchase ranges from one to five years and the weighted average effective interest rates implicit in the hire-purchase arrangements range from 4.56% to 5.76% (31.12.2011: 5.64% to 7.20%; 1.1.2011: 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	
	31.12.2012/ 31.12.2011 RM'000	1.1.2011 RM'000	31.12.2012/ 31.12.2011 RM'000	1.1.2011 RM'000
Amounts payable under finance lease within one year	-	67	-	67
Less: Future finance charges	-	-	-	-
Present value of lease payables	-	67	-	67
Less: Portion due within the next 12 months (shown under current liabilities)			-	(67)
Non-current portion			-	-

The weighted average effective interest rate applicable to finance lease payable as of January 1, 2011 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.

NOTES TO THE FINANCIAL STATEMENTS

28. LONG-TERM BORROWINGS

	The Group		
	31.12.2012 RM'000	31.12.2011 RM'000	1.1.2011 RM'000
Secured:			
Principal outstanding	66,462	51,076	70,172
Portion due within the next 12 months (Note 32)	(14,368)	(10,172)	(28,432)
	52,094	40,904	41,740

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

	The Group		
	31.12.2012 RM'000	31.12.2011 RM'000	1.1.2011 RM'000
Within 1 to 2 years	14,369	10,172	8,432
Within 2 to 5 years	33,688	27,765	25,257
5 years and thereafter	4,037	2,967	8,051
	52,094	40,904	41,740

	The Company		
	31.12.2012 RM'000	31.12.2011 RM'000	1.1.2011 RM'000
Secured:			
Principal outstanding	-	-	20,000
Portion due within the next 12 months (Note 32)	-	-	(20,000)
	-	-	-

The weighted average effective interest rate of the above long-term loans is 4.8% (31.12.2011: 5.5%; 1.1.2011: 6.1%) per annum.

A long-term loan of the Company as of January 1, 2011 required the investment in unquoted bond (which was carried at nil fair value) 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 year 2011.

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 certain leasehold land (Notes 15 and 14);
(iii) a specific debenture over a leasehold land and building together with fixture and fittings now or from time to time on the said building (Note 15);
(iv) a specific debenture over certain leasehold land (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 RM105,449,000 (31.12.2011: RM76,333,000; 1.1.2011: RM66,891,000).

NOTES TO THE FINANCIAL STATEMENTS

28. LONG-TERM BORROWINGS (cont'd)

In addition to the above, long-term loan amounting to USD3,325,000 (equivalent to RM9,944,078) which was drawndown by a subsidiary company during the current financial year is secured by:

(i) a vessel owned by the said subsidiary company (Note 14);
(ii) the Revenue and Operation Account and the Debt Service Reserve Account opened by the said subsidiary with the lender;
(iii) corporate guarantee from both the Company and the minority shareholder of the said subsidiary company; and
(iv) letter of undertaking from the Company, the said subsidiary company and its minority shareholder.

The currency profile of borrowings is as follows:

	The Group		
	31.12.2012 RM'000	31.12.2011 RM'000	1.1.2011 RM'000
Ringgit Malaysia	43,155	32,935	49,020
Thai Baht	14,855	18,141	21,152
United States Dollar	8,452	-	-
	66,462	51,076	70,172

29. DEFERRED TAX ASSET/(LIABILITIES)

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.

Deferred tax asset

	The Group	
	2012 RM'000	2011 RM'000
At beginning of year	-	-
Transfer from profit or loss (Note 11)		
Property, plant and equipment	(187)	-
Other payables and accrued expenses	309	-
	122	-
At end of year	122	-

NOTES TO THE FINANCIAL STATEMENTS

29. DEFERRED TAX ASSET/(LIABILITIES) (cont'd)

The following is the analysis of the deferred tax asset (after offset) in the statement of financial position:

	The Group		
	31.12.2012 RM'000	31.12.2011 RM'000	1.1.2011 RM'000
Deferred tax assets (before offsetting)			
Tax effect on deductible temporary differences arising from other payables and accrued expenses	309	-	-
Offsetting	(187)	-	-
Deferred tax assets (after offsetting)	122	-	-
Deferred tax liabilities (before offsetting)			
Tax effect on taxable temporary differences arising from property, plant and equipment	187	-	-
Offsetting	(187)	-	-
Deferred tax liabilities (after offsetting)	-	-	-

Deferred tax liabilities

	The Group	
	2012 RM'000	2011 RM'000
At beginning of year	9,017	9,357
Transfer (to)/from profit or loss (Note 11)		
Property, plant and equipment	1,198	1,488
Other payables and accrued expenses	230	(178)
Unused capital allowances and tax losses	(761)	(1,612)
Others	119	(38)
	786	(340)
At end of year	9,803	9,017

The following is the analysis of the deferred tax liabilities (after offset) in the statement of financial position:

	The Group		
	31.12.2012 RM'000	31.12.2011 RM'000	1.1.2011 RM'000
Deferred tax liabilities (before offsetting)			
Tax effect on taxable temporary differences arising from:			
Property, plant and equipment	(12,136)	(10,938)	(9,450)
Others	(165)	(15)	-
	(12,301)	(10,953)	(9,450)
Offsetting	2,498	1,936	93
Deferred tax liabilities (after offsetting)	(9,803)	(9,017)	(9,357)

NOTES TO THE FINANCIAL STATEMENTS

29. DEFERRED TAX ASSET/(LIABILITIES) (cont'd)

	The Group 31.12.2012 RM'000	31.12.2011 RM'000	1.1.2011 RM'000
Deferred tax assets (before offsetting)			
Tax effect of unused capital allowances and tax losses	2,401	1,612	-
Tax effect on deductible temporary differences arising from:			
Other payables and accrued expenses	41	271	93
Others	56	53	-
	2,498	1,936	93
Offsetting	(2,498)	(1,936)	(93)
Deferred tax assets (after offsetting)	-	-	-

Details of deductible temporary differences, 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 31.12.2012 RM'000	31.12.2011 RM'000	1.1.2011 RM'000
Unused capital allowances and tax losses	3,958	1,192	828
Deductible temporary differences arising from:			
Other payables and accrued expenses	-	337	59
Others	421	415	-
	4,379	1,944	887

	The Company 31.12.2012 RM'000	31.12.2011 RM'000	1.1.2011 RM'000
Deductible temporary differences arising from other payables and accrued expenses	44	39	-

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

NOTES TO THE FINANCIAL STATEMENTS

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		
	31.12.2012 RM'000	**31.12.2011 RM'000**	**1.1.2011 RM'000**
Ringgit Malaysia	13,875	10,579	9,633
Thai Baht	14	650	335
Chinese Renminbi	4	279	1,727
Indian Rupee	1	-	362
United States Dollar	-	-	49
Others	-	-	6
	13,894	11,508	12,112

31. OTHER PAYABLES AND ACCRUED EXPENSES

Other payables and accrued expenses consist of the following:

	The Group		
	31.12.2012 RM'000	**31.12.2011 RM'000**	**1.1.2011 RM'000**
Sub-lease rental payable	15,116	3,528	5,661
Accrued expenses	13,372	14,165	12,905
Other payables	7,074	21,086	9,692
Amount owing to corporate shareholders of certain subsidiary companies	5,999	13,755	7,144
Deposits refundable	3,567	3,305	2,640
	45,128	55,839	38,042
Less: Sub-lease rental payable after the next 12 months	(9,148)	(1,395)	(3,528)
	35,980	54,444	34,514

The non-current portion of sub-lease rental payable is repayable as follows:

	The Group		
	31.12.2012 RM'000	**31.12.2011 RM'000**	**1.1.2011 RM'000**
Within 1 to 2 years	4,574	1,395	2,133
Within 2 to 5 years	4,574	-	1,395
	9,148	1,395	3,528

NOTES TO THE FINANCIAL STATEMENTS

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

	The Company		
	31.12.2012 RM'000	31.12.2011 RM'000	1.1.2011 RM'000
Other payables	-	12	759
Accrued expenses	1,600	1,644	1,493
	1,600	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 RM Nil (31.12.2011: RM16,870,520; 1.1.2011: RM6,676,369).

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

(i) An amount of RM5,706,187 (31.12.2011 and 1.1.2011: RM5,706,187) representing deposits paid as its portion to a third party for the proposed acquisition of 3 adjoining parcels of vacant land 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 RM Nil (31.12.2011: RM6,581,571; 1.1.2011 RM Nil) representing purchasing and refurbishment cost of a vessel (Note 14) paid on behalf of a subsidiary company. This amount was unsecured, interest-free and has been fully repaid during the current financial year following the drawdown of the USD3,325,000 term loan by the said subsidiary company as disclosed in Note 28.

The currency profile of the Group's other payables and accrued expenses is as follows:

	The Group		
	31.12.2012 RM'000	31.12.2011 RM'000	1.1.2011 RM'000
Ringgit Malaysia	40,303	52,259	36,105
United States Dollar	2,456	128	-
Singapore Dollar	1,206	741	3
Thai Baht	809	807	193
Indian Rupee	322	1,858	1,663
Chinese Renminbi	32	46	78
	45,128	55,839	38,042

The Company's other payables and accrued expenses are predominantly denominated in Ringgit Malaysia.

32. SHORT-TERM BORROWINGS

	The Group		
	31.12.2012 RM'000	31.12.2011 RM'000	1.1.2011 RM'000
Secured:			
Portion of long-term loans due within the next 12 months (Note 28)	14,368	10,172	28,432
Unsecured:			
Revolving credit	10,000	8,000	-
	24,368	18,172	28,432

	The Company		
	31.12.2012 RM'000	31.12.2011 RM'000	1.1.2011 RM'000
Secured:			
Portion of long-term loans due within the next 12 months (Note 28)	-	-	20,000

NOTES TO THE FINANCIAL STATEMENTS

32. SHORT-TERM BORROWINGS (cont'd)

The Group has term loans, bank overdrafts and revolving credit facilities amounting to RM134.6 million (31.12.2011: RM114.9 million; 1.1.2011: RM97.7 million) obtained from various financial institutions.

The weighted average effective interest rate of the bank overdrafts was 6.85% (31.12.2011: 6.85%; 1.1.2011: 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.

The currency profile of the Group's short-term borrowings is as follows:

	The Group		
	31.12.2012 RM'000	**31.12.2011 RM'000**	**1.1.2011 RM'000**
Ringgit Malaysia	19,291	14,984	25,185
Thai Baht	3,088	3,188	3,247
United States Dollar	1,989	-	-
	24,368	18,172	28,432

The Company's short-term borrowings are predominantly denominated in Ringgit Malaysia.

33. CASH AND CASH EQUIVALENTS

	The Group		
	31.12.2012 RM'000	**31.12.2011 RM'000**	**1.1.2011 RM'000**
Cash and bank balances (Note 22)	9,995	5,529	13,212
Short-term deposits with licensed banks (Note 22)	10,933	17,086	23,283
	20,928	22,615	36,495

	The Company		
	31.12.2012 RM'000	**31.12.2011 RM'000**	**1.1.2011 RM'000**
Cash and bank balances (Note 22)	704	297	243
Short-term deposits with licensed banks (Note 22)	-	-	16,400
	704	297	16,643

34. FINANCIAL INSTRUMENTS

Capital Risk Management

The Group manages its capital to ensure that entities within 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 2011.

NOTES TO THE FINANCIAL STATEMENTS

34. FINANCIAL INSTRUMENTS (cont'd)

Capital Risk Management (cont'd)

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 and 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		
	31.12.2012 RM'000	**31.12.2011 RM'000**	**1.1.2011 RM'000**
Debts, comprising:			
Long-term borrowings (Note 28)	66,462	51,076	70,172
Short-term borrowings (Note 32)	10,000	8,000	-
Hire-purchase payables (Note 26)	5,051	6,997	7,519
Finance lease payables (Note 27)	-	-	67
	81,513	66,073	77,758
Cash and bank balances	(20,928)	(22,615)	(36,495)
Net debts	60,585	43,458	41,263
Shareholders' equity	220,957	202,404	176,044
Net debt to equity ratio	27.4%	21.5%	23.4%

	The Company		
	31.12.2012 RM'000	**31.12.2011 RM'000**	**1.1.2011 RM'000**
Debts, long-term borrowings (Note 28)	-	-	20,000
Cash and bank balances	(704)	(297)	(16,643)
Net debts	(704)	(297)	3,357
Shareholders' equity	98,193	86,754	82,248
Net debt to equity ratio	NA	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.

NOTES TO THE FINANCIAL STATEMENTS

34. FINANCIAL INSTRUMENTS (cont'd)

Categories of financial instruments

	The Group		
	31.12.2012 RM'000	**31.12.2011 RM'000**	**1.1.2011 RM'000**
Financial assets			
Financial asset at fair value through profit and loss:			
Quoted shares (Note 17)	381	1,801	3,886
Loans and receivables:			
Trade receivables	56,721	62,416	39,989
Other receivables and refundable deposits (Note 21)	30,087	41,182	29,955
Deposits, cash and bank balances	20,928	22,615	36,495
	107,736	126,213	106,439
Financial liabilities at amortised costs			
Trade payables	13,894	11,508	12,112
Other payables and accrued expenses	45,128	55,839	38,042
Long-term borrowings (Note 28)	66,462	51,076	70,172
Short-term borrowings (Note 32)	10,000	8,000	-
Hire-purchase payables (Note 26)	5,051	6,997	7,519
Finance lease payables (Note 27)	-	-	67
	140,535	133,420	127,912

	The Company		
	31.12.2012 RM'000	**31.12.2011 RM'000**	**1.1.2011 RM'000**
Financial assets			
Loans and receivables:			
Other receivables (Note 21)	4	11	1
Amount owing by subsidiary companies	94,592	83,418	74,697
Deposits, cash and bank balances	704	297	16,643
	95,300	83,726	91,341
Financial liabilities at amortised costs			
Other payables and accrued expenses	1,600	1,656	2,252
Amount owing to subsidiary companies	3,309	3,316	2,077
Long-term borrowings (Note 28)	-	-	20,000
	4,909	4,972	24,329

NOTES TO THE FINANCIAL STATEMENTS

34. FINANCIAL INSTRUMENTS (cont'd)

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.

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.

Except for the sub-lease rental payable as disclosed below, the directors consider the carrying amounts of financial assets and financial liabilities recognised at amortised cost in the financial statements approximate their fair values, including long-term borrowings which are subjected to floating interest rates.

		The Group	
Sub-lease rental payable	**31.12.2012 RM'000**	**31.12.2011 RM'000**	**1.1.2011 RM'000**
Carrying amount (Note 31)	15,116	3,528	5,661
Fair value	14,498	3,455	5,383

Financial risk management objectives

The Company's shared services function provides services to the entities within the Group, 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 USD denominated bank accounts.

The Group is also exposed to foreign currency risk arising from a Thai Baht denominated borrowing taken out by a Thailand incorporated subsidiary company. 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 RM53,000 (31.12.2011: RM61,000; 1.1.2011: 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 4.8% (31.12.2011: 5.5%; 1.1.2011: 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.

NOTES TO THE FINANCIAL STATEMENTS

34. FINANCIAL INSTRUMENTS (cont'd)

Credit risk management

Credit risk refers to the risk that a 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.

Ongoing credit evaluation is performed on the financial condition of accounts receivable.

Other than those disclosed in Note 20, 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 and banking facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The following tables detail the Group's and the Company's expected maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on undiscounted cash flows of financial liabilities based on the earliest dates on which the Group and the Company can be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from the interest rate at the end of the reporting period. The contractual maturity is based on the earliest date on which the Group and the Company may be required to pay.

The Group	**Weighted average effective interest rate %**	**Less than 1 year RM'000**	**Within 1 to 2 years RM'000**	**Within 2 to 5 years RM'000**	**More than 5 years RM'000**	**Total RM'000**
December 31, 2012						
Hire-purchase payables	4.56-5.76	2,576	1,932	856	-	5,364
Long-term borrowings	3.82-6.00	17,579	17,579	41,748	5,211	82,117
Sub-lease rental payable	-	5,968	4,574	4,574	-	15,116
		26,123	24,085	47,178	5,211	102,597
December 31, 2011						
Hire-purchase payables	5.64-7.20	2,582	2,304	2,625	-	7,511
Long-term borrowings	4.40-6.50	12,929	12,929	35,477	4,110	65,445
Sub-lease rental payable	-	2,133	1,395	-	-	3,528
		17,644	16,628	38,102	4,110	76,484
January 1, 2011						
Hire-purchase payables	5.52-5.88	3,050	2,141	3,031	-	8,222
Finance lease payable	5.52	67	-	-	-	67
Long-term borrowings	4.82-7.63	31,172	11,063	33,141	10,969	86,345
Sub-lease rental payable	-	2,133	2,133	1,395	-	5,661
		36,422	15,337	37,567	10,969	100,295
The Company						
January 1, 2011						
Long-term borrowing	7.63	20,109	-	-	-	20,109

NOTES TO THE FINANCIAL STATEMENTS

34. FINANCIAL INSTRUMENTS (cont'd)

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 RM169.5 million (31.12.2011: RM153.9 million; 1.1.2011: 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

Inter-segment sales comprises provision of total logistics services to other business segment. These transactions are conducted on an arm's length basis under terms, conditions and prices not materially different from transactions with non-related parties.

Segment Revenue and Results

Group **2012**	**Total Logistics Services RM'000**	**Procurement Logistics Services RM'000**	**Elimination RM'000**	**Consolidated RM'000**
REVENUE				
External sales	223,526	33,327	-	256,853
Inter-segment sales	3,820	-	(3,820)	-
Total revenue	227,346	33,327	(3,820)	256,853
RESULTS				
Segment results	29,312	8,861	(10,057)	28,116
Interest income	486	139	-	625
Profit from operations	29,798	9,000	(10,057)	28,741
Finance costs	(3,679)	(201)	-	(3,880)
Income tax expense	(6,291)	(2,190)	6	(8,475)
Profit for the year	19,828	6,609	(10,051)	16,386

NOTES TO THE FINANCIAL STATEMENTS

35. SEGMENTAL INFORMATION (cont'd)

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	7,907	-	(7,907)	-
Total revenue	251,231	38,303	(7,907)	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

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.

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 31.12.2012	Total Logistics Services RM'000	Procurement Logistics Services RM'000	Elimination RM'000	Consolidated RM'000
SEGMENT ASSETS				
Segment assets	510,049	55,239	(193,893)	371,395
Consolidated total assets				371,395
SEGMENT LIABILITIES				
Segment liabilities	309,435	22,685	(181,682)	150,438
Consolidated total liabilities				150,438

NOTES TO THE FINANCIAL STATEMENTS

35. SEGMENTAL INFORMATION (cont'd)

Group 31.12.2011	Total Logistics Services RM'000	Procurement Logistics Services RM'000	Elimination RM'000	Consolidated RM'000
SEGMENT ASSETS				
Segment assets	429,278	50,328	(134,513)	345,093
Consolidated total assets				345,093
SEGMENT LIABILITIES				
Segment liabilities	242,430	24,382	(124,123)	142,689
Consolidated total liabilities				142,689
1.1.2011				
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				
2012				
Capital expenditure	41,215	19,975	-	61,190
Depreciation	11,510	760	-	12,270
2011				
Capital expenditure	25,836	1,282	-	27,118
Depreciation	10,335	694	-	11,029

NOTES TO THE FINANCIAL STATEMENTS

36. OPERATING LEASE ARRANGEMENTS

As of December 31, 2011, the Group had a non-cancellable operating lease arrangement on its investment property.

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

	The Group	
	2012 RM'000	2011 RM'000
Financial year ended December 31, 2012	-	2,360

The said operating lease arrangement expired during the current financial year and has not been renewed.

37. COMMITMENTS

(a) Capital commitments

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

	The Group	
	2012 RM'000	2011 RM'000
Approved and contracted for	73,072	27,785
Approved but not contracted for	292	

(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	
	2012 RM'000	2011 RM'000
Financial years ending December 31:		
2012	-	3,145
2013	4,378	515
2014	600	-
	4,978	3,660

38. CONTINGENT LIABILITIES

(a) The Company issued unsecured corporate guarantees to financial institutions for term loans, bank overdrafts and revolving credit facilities granted to certain subsidiary companies up to a limit of RM134.6 million (2011: RM114.9 million). Amount outstanding under such facilities as of the reporting date amounted to RM76.5 million (2011: RM59.1 million).

(b) As of December 31, 2012, 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. 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 retained earnings 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 into realised and unrealised profits or losses, pursuant to the directive, are as follows:

	The Group	
	2012	**2011**
	RM'000	**RM'000**
Total retained earnings of the Company and its subsidiaries		
- Realised	131,956	123,618
- Unrealised	(9,250)	(7,601)
	122,706	116,017
Less: Consolidation adjustments	6,148	4,953
Total group retained earnings	128,854	120,970

	The Company	
	2012	**2011**
	RM'000	**RM'000**
Total retained earnings of the Company		
- Realised	7,978	6,853
- Unrealised	-	-
Total Company retained earnings	7,978	6,853

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 accompanying financial statements of the Group and of the Company are drawn up in accordance with Malaysian Financial Reporting Standards, International 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, 2012 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 39, 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, 2013

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 accompanying financial statements of the Group and of the Company 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,
2013.

Before me,

COMMISSIONER FOR OATHS

LIST OF PROPERTIES AS AT 31 DECEMBER 2012

Location	Description	Year of Acquisition or Revaluation*	Age of Building	Area (sq. feet)	Tenure	NBV as at 31/12/2012 (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*	21 years	174,240	Leasehold Expiry: 30 July 2086	8,255,277
Lot 8, Lingkaran Sultan Mohamed 1 Bandar Sultan Suleiman 42000 Port Klang Selangor Darul Ehsan	3 single storey warehouses with office building	2001	11 years	558,647	Leasehold Expiry: 29 March 2087	35,113,725
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*	6 years	335,412	Sub Lease Expiry: 23 March 2055	29,764,706
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	5 years	321,037	Sub Lease Expiry: 23 March 2055	24,683,856
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	3 years	156,511	Sub Lease Expiry: 23 March 2055	16,406,417
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	1,523,809
670, Moo 4 Tumbon U-Thai Rojana Industrial Park Zone 2 Amphur U-Thai Ayutthaya Province Thailand	Single storey warehouse with office building	2009	3 years	417,299	Freehold	28,235,847
Plot D28-B, D28-C & D28-D Jalan DPB 3 Kawasan Zon Bebas Pelabuhan Tanjung Pelepas 81560 Gelang Patah Johor Darul Takzim	Land (Building under construction)	2012	-	653,400	Sub Lease Expiry: 23 March 2055	17,151,750
Lot 4A, Jalan Sultan Mohamed 3 Bandar Sultan Suleiman 42000 Port Klang Selangor Darul Ehsan	Double storey factory with office building	2012	14 years	257,171	Leasehold Expiry: 30 June 2105	19,638,821
						180,774,208

ANALYSIS OF SHAREHOLDINGS AS AT 13 MARCH 2013

Authorised Share Capital	:	RM500,000,000
Issued and Fully Paid-Up Capital	:	RM122,064,297 (including the treasury shares of 5,253,820)
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	4.30	1,713	0.00
100 - 1,000	156	9.07	95,940	0.08
1,001 - 10,000	991	57.62	4,403,656	3.77
10,001 - 100,000	400	23.26	12,734,186	10.90
100,001 - 5,840,523 (less than 5% of Issued Shares)	96	5.58	70,166,789	60.07
5,840,523 and above (5% and above of Issued Shares)	3	0.17	29,408,193	25.18
TOTAL	1,720	100.00	116,810,477	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	22,507,529	19.27	8,335,750 (1)	7.14
2.	Teow Choo Hing	12,815,480	10.97	616,800 (2)	0.53
3.	Dr. Mohamed Amin bin Mohd Kassim	1,878,059	1.61	–	–
4.	Teow Choo Chuan	6,804,715	5.83	660,000 (2)	0.57
5.	Yeap Khoo Soon Edwin	770,000	0.66	–	–
6.	Shamsudin @ Samad bin Kassim	36,400	0.03	–	–
7.	Dato' Sri Yong Seng Yeow	110,000	0.09	–	–

ANALYSIS OF SHAREHOLDINGS AS AT 13 MARCH 2013

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	22,507,529	19.27	8,335,750 (1)	7.14
2.	Teow Choo Hing	12,815,480	10.97	616,800 (2)	0.53
3.	Teow Choo Chuan	6,804,715	5.83	660,000 (2)	0.57

Notes:

(1) Deemed interested through his wife and daughter.
(2) Deemed interested through his wife.

4. LIST OF THIRTY LARGEST SECURITIES ACCOUNTS HOLDERS

No.	Names	Shareholdings	%
1	Datuk Phua Sin Mo	14,603,478	12.50
2	Datin Lee Lay Hun	8,000,000	6.85
3	Teow Choo Chuan	6,804,715	5.83
4	Datuk Syed Ahmad Khalid Bin Syed Mohammed	4,271,160	3.66
5	Maybank Nominees (Tempatan) Sdn Bhd - Pledged Securities Account For Teow Choo Hing	4,174,610	3.57
6	Datuk Phua Sin Mo	4,054,051	3.47
7	Kenanga Nominees (Tempatan) Sdn Bhd - Pledged Securities Account For Teow Choo Hing	3,952,570	3.38
8	AIBB Nominees (Tempatan) Sdn Bhd - Pledged Securities Account For Datuk Phua Sin Mo	3,850,000	3.30
9	Optimum Shine Sdn. Bhd.	3,843,506	3.29
10	HSBC Nominees (Asing) Sdn Bhd	3,154,100	2.70
11	CIMSEC Nominees (Tempatan) Sdn Bhd - CIMB Bank For Gan Boon Sin	2,833,450	2.43
12	CIMSEC Nominees (Tempatan) Sdn Bhd - CIMB Bank For Teow Choo Hing	2,487,200	2.13
13	ECML Nominees (Tempatan) Sdn. Bhd - Pledged Securities Account For Optimum Shine Sdn Bhd	1,939,045	1.66

ANALYSIS OF SHAREHOLDINGS AS AT 13 MARCH 2013

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

No.	Names	Shareholdings	%
14	Dr. Mohamed Amin Bin Mohd Kassim	1,878,059	1.61
15	Ong Har Hong	1,834,900	1.57
16	Citigroup Nominees (Tempatan) Sdn Bhd - Pledged Securities Account For Lim Chai Beng	1,605,900	1.37
17	Lim Nyuk Sang @ Freddy Lim	1,498,000	1.28
18	Teow Choo Hing	1,478,200	1.27
19	Datuk Jaafar Bin Mohamad	1,460,971	1.25
20	ECML Nominees (Tempatan) Sdn. Bhd - Pledged Securities Account For Lew Mei Yee	1,371,700	1.17
21	HLB Nominees (Tempatan) Sdn Bhd - Pledged Securities Account For Lim Chai Beng	1,264,900	1.08
22	RHB Capital Nominees (Tempatan) Sdn Bhd - Pledged Securities Account For Lim Chai Beng	1,117,600	0.96
23	Maybank Securities Nominees (Tempatan) Sdn Bhd - Pledged Securities Account For Ong Huey Peng	907,900	0.78
24	Yeap Khoo Soon Edwin	770,000	0.66
25	Affin Nominees (Tempatan) Sdn Bhd - Pledged Securities Account For Teow Choo Hing	722,900	0.62
26	Chai Mee Young	660,000	0.57
27	Tischler Rainer	658,000	0.56
28	Affin Nominees (Tempatan) Sdn Bhd - Pledged Securities Account For Cheah Bee Tin	616,800	0.53
29	ECML Nominees (Tempatan) Sdn. Bhd - Pledged Securities Account For Tan Yap Mooi	604,000	0.52
30	Alliancegroup Nominees (Tempatan) Sdn Bhd - Pledged Securities Account For Gan Boon Sin	563,000	0.48
		82,980,715	71.05

Note:

* The Analysis of Shareholdings is based on the issued and paid-up share capital of the Company after deducting 5,253,820 ordinary share bought back by the Company and held as tresury shares as at 13 March 2013

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Sixteenth Annual General Meeting of the Company will be held at Function Room 8, Mezzanine Floor, Setia City Convention Centre, No. 1, Jalan Setia Dagang AG U13/AG, Setia Alam Seksyen U13, 40170 Shah Alam, Selangor Darul Ehsan on Wednesday, 24 April 2013 at 10:00 a.m. for the following purposes:

AGENDA

1. To receive the Audited Financial Statements for the financial year ended 31 December 2012 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 4.0 sen per share for the financial year ended 31 December 2012. (Resolution 2)

3. To approve the payment of Directors' Fees for the financial year ended 31 December 2012. (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) Datuk Phua Sin Mo (Resolution 4)
   (b) Mr. Teow Choo Chuan (Resolution 5)
   (c) Encik Shamsudin @ Samad Bin Kassim (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 and Special Resolutions:-

   Ordinary Resolution (Resolution 8)
   - Retention of Encik Shamsudin @ Samad Bin Kassim as Independent Director

   "THAT Encik Shamsudin @ Samad Bin Kassim be and is hereby retained as an Independent Non-Executive Director of the Company and to hold office until the conclusion of the next Annual General Meeting pursuant to Malaysian Code on Corporate Governance 2012 ("MCCG 2012")."

   Ordinary Resolution (Resolution 9)
   - Authority To Issue Shares Pursuant To Section 132D Of The Companies Act, 1965
   "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."

NOTICE OF ANNUAL GENERAL MEETING

Ordinary Resolution
- Proposed Renewal of 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 (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 (II) of the Circular to Shareholders dated 29 March 2013 with the related party mentioned therein, namely Dr Mohamed Amin bin Mohd Kassim, 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 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."

Ordinary Resolution
- 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 11)

"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 (II) of the Circular to Shareholders dated 29 March 2013 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.

NOTICE OF ANNUAL GENERAL MEETING

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."

Ordinary Resolution (Resolution 12)
- 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")

"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 account of the Company. Based on the audited financial statements for the financial year ended 31 December 2012, the audited retained earnings and share premium account stood at RM7.978 million and RM801,000 respectively; 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."

NOTICE OF ANNUAL GENERAL MEETING

SPECIAL RESOLUTION
- PROPOSED AMENDMENTS TO ARTICLES OF ASSOCIATION OF THE COMPANY (Resolution 13)
"**THAT** the Proposed Amendments to the Company's Articles of Association as set out in Part A (I) of the Circular to Shareholders dated 29 March 2013 be and are hereby approved and adopted **AND THAT** the Directors and Secretary of the Company be and are hereby authorised to take all steps as are necessary and expedient in order to implement, finalise and give full effect to the Proposed Amendments to the Company's Articles of Association."

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

NOTICE OF DIVIDEND ENTITLEMENT

NOTICE IS ALSO HEREBY GIVEN that a Single Tier Final Dividend of 4.0 sen per share in respect of financial year ended 31 December 2012 will be payable on 27 May 2013 to depositors who are registered in the Record of Depositors at the close of business on 8 May 2013, if approved by shareholders at the forthcoming Sixteenth Annual General Meeting on Wednesday, 24 April 2013.

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 2013 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
29 March 2013

Explanatory Notes To Special Business:

1. **Resolution 8**

Encik Shamsudin @ Samad Bin Kassim was appointed as Independent Non-Executive Director of the Company on 1 November 2001 and has reached cumulative nine (9) years term limit recommended by the MCCG 2012. In accordance with the MCCG 2012, the Board of Directors of the Company, after having assessed the independence of Encik Shamsudin @ Samad Bin Kassim, regarded him to be independent based amongst others, the following justifications and recommends that Encik Shamsudin @ Samad Bin Kassim be retained as Independent Non-Executive Director of the Company

i) He has met the independence guidelines as set out in Chapter 1 of the Bursa Malaysia Securities Berhad Main Market Listing Requirements;
(ii) He does not have any conflict of interest with the Company and has not been entering/is not expected to enter into contract(s) especially material contract(s) with the Company and/or its subsidiary companies; and
(iii) The Board of Directors is of the opinion that Encik Shamsudin @ Samad Bin Kassim is an important Independent Non-Executive Director of the Board in view of his many years on the Board with incumbent knowledge of the Company and the Group's activities and corporate history and has provided invaluable contributions to the Board in his role as an Independent Non-Executive Director.

NOTICE OF ANNUAL GENERAL MEETING

Explanatory Notes To Special Business (cont'd)

2. **Resolution 9**

   The proposed resolution 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 to allot 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 Fifteenth Annual General Meeting held on 25 April 2012 and which will lapse at the conclusion of the Sixteenth Annual General Meeting.

3. **Resolutions 10 and 11**

   The proposed adoption of the resolutions are to enable the Company's subsidiary 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.

4. **Resolution 12**

   The proposed adoption of the resolution 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 at any time within the time period stipulated in the Bursa Malaysia Securities Berhad Main Market Listing Requirements.

5. **Resolution 13**

   The Proposed Amendments are to enable the Company to adopt the recent amendments made to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad where applicable in its Articles of Association.

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 2013 ("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)(a),(b),(c) and (d) of the Companies Act, 1965 shall not apply to the Company. 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 Sixteenth Annual General Meeting:-

   (a) Datuk Phua Sin Mo
   (b) Mr. Teow Choo Chuan
   (c) Encik Shamsudin @ Samad Bin Kassim

2. Attendance of Directors at Board Meetings held during the financial year ended 31 December 2012 is set out in the Corporate Governance Report of the Annual Report.

3. The Sixteenth Annual General Meeting of the Company will be held at Function Room 8, Mezzanine Floor, Setia City Convention Centre, No. 1, Jalan Setia Dagang AG U13/AG, Setia Alam Seksyen U13, 40170 Shah Alam, Selangor Darul Ehsan on Wednesday, 24 April 2013 at 10:00 a.m.

4. Further details of Directors seeking re-election at the Sixteenth 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 Sixteenth Annual General Meeting of the Company to be held at Function Room 8, Mezzanine Floor, Setia City Convention Centre, No. 1, Jalan Setia Dagang AG U13/AG, Setia Alam Seksyen U13, 40170 Shah Alam, Selangor Darul Ehsan on Wednesday, 24 April 2013 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 2012 together with the Reports of the Directors and the Auditors thereon.		
2	To approve the declaration of a Single Tier Final Dividend of 4.0 sen per share for the financial year ended 31 December 2012.		
3	To approve the payment of Directors' Fees for the financial year ended 31 December 2012.		
4	To re-elect the Director, Datuk Phua Sin Mo who retires pursuant to Article 82 of the Company's Articles of Association.		
5	To re-elect the Director, Mr. Teow Choo Chuan who retires pursuant to Article 82 of the Company's Articles of Association.		
6	To re-elect the Director, Encik Shamsudin @ Samad Bin Kassim 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.		
8	As Special Business To retain Encik Shamsudin @ Samad Bin Kassim as Independent Non-Executive Director of the Company in accordance with Malaysian Code on Corporate Governance 2012.		
9	Authority to Issue Shares pursuant to Section 132D of the Companies Act, 1965		
10	Proposed Renewal of Shareholders' Mandate in respect of Recurrent Related Party Transactions of a Revenue or Trading Nature involving Dr Mohamed Amin Bin Mohd Kassim		
11	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		
12	Proposed Renewal of Share Buy-Back Authority of Up to 10% of the Issued and Paid-Up Share Capital of the Company		
13	Proposed Amendments to the Articles of Association of the Company		

* Strike out whichever not applicable.

As witness my/our hand this .... day of .... 2013.

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 2013 ("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)(a),(b),(c) and (d) of the Companies Act, 1965 shall not apply to the Company. 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

FOLD HERE