Century®

Century Logistics Holdings Berhad

(424341-A)

Care n' recycle

annual report 2013

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.

Contents

> the **power** to move forward

FINANCIAL HIGHLIGHTS

	2009 RM'000	2010 RM'000	2011 RM'000	2012 RM'000	2013 RM'000
PROFITABILITY					
Revenue	210,950	270,621	281,627	256,853	**255,813**
Profit before taxation	24,788	35,971	36,237	24,861	**27,209**
Profit for the year attributable to equity holders	20,936	30,620	30,061	17,614	**22,553**
BALANCE SHEET					
Share capital	81,671	82,005	84,136	95,820	**122,064**
Shareholders' equity	155,179	174,634	200,715	218,785	**252,578**
FINANCIAL RATIO					
Revenue growth (%)	28.7%	28.3%	4.1%	-8.8%	**-0.4%**
Earnings growth (%)	41.8%	46.3%	-1.8%	-41.4%	**28.04%**
Return on equity	13.5%	17.5%	15.0%	8.1%	**8.9%**
SHARE INFORMATION					
Gross dividend per share (sen)	6.0	9.0	12.0	8.0	**11.0**
Earnings per share (sen)	27.49	38.71	37.79	20.39	**19.42**
Net assets per share (sen)	190	222	249	239	**209**

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

Malayan Banking Berhad
HSBC Amanah Malaysia 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 2095 0292 /
: 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 2095 0292 /
: 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, 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.

Dear Fellow Stakeholders,

I am pleased to announce that Century has produced commendable annual results, despite the very challenging market conditions during the first half of the year. Business confidence returned after the conclusion of the general election in May 2013.

Our balance sheet strength has enabled us to continue investing 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 improving in tune with the changing times.

DATUK PHUA SIN MO (RICHARD)
Executive Chairman

ECONOMIC AND INDUSTRY REVIEW

It is encouraging to note that the Malaysian economy performed commendably, having registered a growth of 4.7% for 2013, supported by higher growth in both export and domestic-oriented industries. The central bank expects the global economy to be on a path of moderate recovery, where sustained improvements in the advanced economies will be a positive impulse for international trade.

FINANCIAL REVIEW

Our 2013 revenue declined marginally by 0.4% to RM255.8 million, while profit for the year attributable to equity holders improved by 28.0% to RM22.6 million, compared against the performance recorded in year 2012. Shareholders' return, represented by earnings per share for 2013, was 19.4 sen.

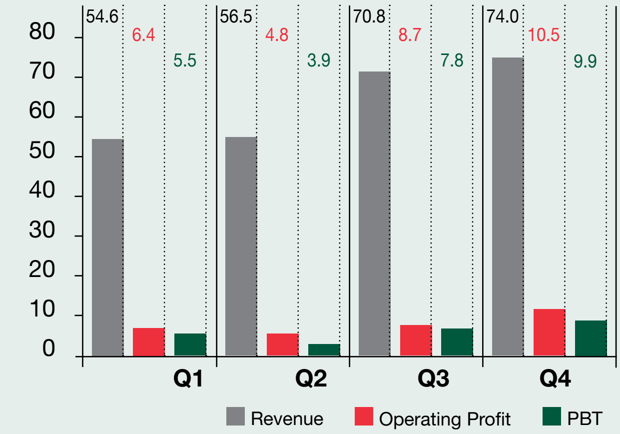
In addition to the improved financial performance, our balance sheet remains strong with total assets of RM435.0 million, up from RM371.4 million recorded as at end of 2012, while shareholders funds attributable to equity holders improved to RM252.6 million from RM218.8 million recorded as at end of 2012. Net assets per share stand at RM2.09 as at 31 December 2013.

We continue to manage our Group funding on an optimal debt-equity mix with cash and bank balances of RM38.1 million and net debt of RM48.8 million, translating to net gearing ratio of 0.19 times. This is despite having net cash used in investing activities of RM42.7 million during 2013.

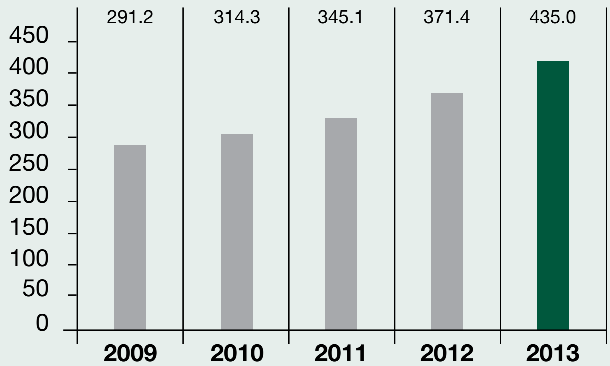
DIVIDEND

The Board has proposed a single tier final dividend of 4.0 sen per share pending your approval at the forthcoming Annual General Meeting. Including both the single tier interim dividends of 4.0 sen and 3.0 sen per share paid during 2013, the dividend payable in respect of the financial year ended 31 December 2013 totals 11.0 sen per share, representing 57% of earnings per share for 2013. This is in addition to the interim share dividend of one (1) treasury share for every twenty-five (25) existing shares held in the Company, which was distributed on 3 October 2013.

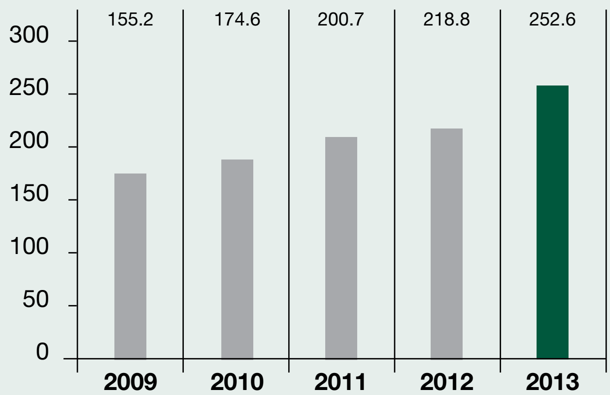
2013 Financial Performance
(RM Million)



Total Assets
(RM Million)



Shareholders' Equity
(RM Million)



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 chains. With the innovative solutions offered, we have evolved to managing the contract logistics of discerning clientele, where the value proposition is to improve operational efficiencies for our clientele that positively enhance the satisfaction of 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 new distribution centre in Port of Tanjong Pelepas, PTP D28, was completed in June 2013. This new facility, having capacity of 402,000 square feet over 2 buildings, is currently 88% occupied by multi-national tenants.

Together with our other three distribution centres in PTP, we own a total warehouse capacity of 860,000 square feet in PTP. Our confidence is reinforced by the fact that foreign companies operating in Singapore recognize the value proposition of comparatively better cost efficiency in PTP.

We have decided to terminate our oil transportation operation with the disposal of our 7,119 Dead Weight Tonnes clean-product tanker in December 2013. Despite having recorded loss on disposal of RM4.8 million, we are indeed relieved to be able to stem recurrent losses from the operation.

As for our operations abroad, we have recently entered into a sale and purchase agreement to dispose our distribution centre in Rojana Industrial Park, Thailand for THB320 million (approximately RM32 million), with an expected net gain on disposal of approximately RM2 million. We have taken a strategic decision to concentrate on growing our core domestic operations, while exiting from investments abroad. The disposal presents the right opportunity for us to realize our property investment in Thailand.

Procurement Logistics Services

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 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 will continue to exercise prudence in this expansion due to the economic uncertainties abroad.

We have in October 2013, relocated our Procurement Logistics Services to our new state-of-the-art Procurement Logistics Centre, with a combined space of 290,000 square feet, over 2 floors.

PROSPECTS AND OUTLOOK

Our industry growth thrives on one key aspect - that customers will continue to outsource more and more of their logistics needs. 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 the resultant cost savings and enhanced customer service.

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 also embarked on quality services and best practices. In pursuit of this, Century became the first logistics service provider in Malaysia to be accredited with the prestigious ISO 39001:2012 Road Traffic Safety Management System. 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.

It is certainly very difficult to make a reasonable prediction for the rest of year 2014, 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 Thursday, 24 April 2014 at Setia City Convention Centre in Setia Alam.

DATUK PHUA SIN MO (RICHARD)
Executive Chairman

Road Traffic Safety Management System, ISO 39001:2012 (December 2013)

BOARD OF DIRECTORS

Datuk Phua Sin Mo
Executive Chairman

Aged 65, 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 54, 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 60, 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.

Teow Choo Chuan
Executive Director

Aged 51, 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 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 43, 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 67, 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.

Sits on the Boards of Supermax Corporation Berhad, Kinsteel Berhad, Perwaja Holdings Berhad and Multi-Code Electronics Industries (M) Berhad. Also sits on the Boards of Ingress Corporation Berhad and Master Tec Holdings Berhad, both non-listed public companies.

Dato' Sri Yong Seng Yeow
Independent Non-Executive Director

Aged 61, 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.

Sits on the Board of Mieco Chipboard Berhad. Also sits on the Board of Bioalpha Holdings Berhad, a non-listed public company.

Soong Chee Keong
Independent Non-Executive Director

Aged 44, 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.

Sits on the Boards of Abric Berhad and Taliworks Corporation Berhad. Also sits on the Board of Wonderful Wire & Cable Berhad, a non-listed public company.

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 2013.

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 2013 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.
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.

Related Party	Nature of Transaction	Amount for Jan to Dec 2013 RM'000
Cost		
CFA	Provision of freight forwarding services to Century Total Logistics Sdn Bhd ("CTL")	1,473
CFA	Provision of management services to CTL	150
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)	10
Total		**1,633**

Share Buy-backs

During the financial year, the Company purchased 1,384,400 of its issued and paid-up share capital from the open market at an average price of RM1.70 per share. There were no resale of treasury shares or shares cancelled during the financial year. Further to the distribution of treasury shares on 3 October 2013, the shares purchased that are still being held as treasury shares in accordance with Section 67A of the Companies Act 1965 amount to 1,083,974 shares.

Month	No. of Shares purchased	Purchase price per share Lowest RM	Highest RM	Average cost* per share RM	Total cost* RM'000
January 2013	127,000	1.68	1.70	1.69	214
February 2013	224,200	1.66	1.72	1.68	377
March 2013	544,800	1.62	1.67	1.64	895
April 2013	–	–	–	–	–
May 2013	–	–	–	–	–
June 2013	–	–	–	–	–
July 2013	–	–	–	–	–
August 2013	54,100	1.75	1.83	1.81	98
September 2013	434,300	1.74	1.85	1.77	771
October 2013	–	–	–	–	–
November 2013	–	–	–	–	–
December 2013	–	–	–	–	–
TOTAL FOR 2013	**1,384,400**	**1.62**	**1.85**	**1.70**	**2,355**

* *Excluding transaction costs.*

Options, Warrants or Convertible Securities

There were no issuance of options, warrants or convertible securities during the financial year.

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 for each warrant held during the financial year. The warrants expired on Sunday, 27 January 2013.

Depository Receipt Programme

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

Imposition of Sanctions 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 RM120,400 and RM19,700 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 RM26,243,893 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 2013 was RM51,000.

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
  - 100% Century Logistics (S'pore) Pte Ltd, Singapore
  - 100% Century Resources (Thailand) Limited, Thailand
  - 75% Century - YES Logistics (Yichun) Co. Ltd, China
  - 51% Storewell Realty Sdn Bhd (being disposed)
  - 51% Expo Century Logistics Private Limited, India
  - 51% Century Onsys Sdn Bhd
- 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.

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 4 Engines which entitles us to Green Engine Certification from SIRIM and JPJ, resulting in 50% of road tax rebate. In addition, Century has fabricated new double decker and 45' curtain sider trucks, enabling shippers to consolidate more cargo into fewer trips. The aerodynamic features of the trucks are also expected to result in reduced fuel consumption. 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. We help our customers convert their documents into digital form. 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.

Cuci Cuci Masjid (17 March 2013)

Extreme Sports Adventure (March 2013)

ATV Adventure Park (30 June 2013)

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.

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 (2013-2015) 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 our employees, we are the first logistics service provider in Malaysia to be accredited with the prestigious Road Traffic Safety Management Certification (ISO 39001:2012). Century has been selected to be the pilot organization together with Royal Police Malaysia, Puspakom and Shell Malaysia to establish road traffic safety management system in Malaysia. The implementation of the standard is expected to improve the traffic safety and elimination of death and serious injury in road traffic. Hopefully, we do pave the direction for best practices, safety and sustainability for the industry.

Bersamamu - with 62 poor & Destitute Families (July 2013)

Majlis Buka Puasa with Persada (July 2013)

First Aid Training (September 2013)

8th Annual "Children Party 2013" with 300 Underprivileged Children organised by Care United (26 October 2013)

Gotong Royong at Rumah Seri Kenangan (Old Folks Home) (9 November 2013)

Presentation of Certificate of Road Traffic Safety Management System (ISO 39001:2012)

Fire Drill Training (December 2013)

Contribution to Malaysian Tenpin Bowling Congress (November 2013)

Chinese New Year Lunch (February 2014)

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 2013.

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 to 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.

ESTABLISH CLEAR ROLES AND RESPONSIBILITIES (cont'd)

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 company's website.

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 had approved a board charter on 15 August 2013 which sets out a list of specific functions that are reserved for the Board. The Board Charter serves as a general statement of intent and expectation as to how the Board will discharge its duties. The Board Charter is subject to periodic review and can be accessed via the company's website at www.century.com.my.

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 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.

DEVELOP, MAINTAIN AND REVIEW CRITERIA FOR RECRUITMENT AND ANNUAL ASSESSMENT OF DIRECTORS

Recruitment or Appointment of Directors

The Nomination Committee of the Board is tasked to oversee the selection process and assessment of directors for the Board with the objective to secure the best composition to meet the diverse objectives of the Company. In its selection process, the Nomination Committee follows a set of criteria and expectations based upon the competencies, commitment, experience and integrity of the candidates.

In the selection process, the Nomination Committee and the Board does not set any target on race, religion or gender diversity but endeavour to include any member who will improve the Board's overall compositional balance.

All newly appointed directors will go through a board induction, followed by a series of the necessary training programmes, including the Mandatory Accreditation Programme mandated by the Main Market Listing Requirements of the Bursa Malaysia Securities Berhad.

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 Director/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.

Summary of Activities of the Nomination Committee

The Nomination Committee had met once during the financial year ended 31 December 2013 to discuss the following matters:

- recommendation for the re-election of the directors who were retiring and seeking for re-election at the Sixteenth Annual General Meeting held on 24 April 2013.
- assessment of the independence of the Independent Director who had served for more than nine (9) cumulative years on the Board in such capacity and recommendation for his retention as an Independent Director.
- evaluation on the effectiveness of the Board as a whole and the Committees of the Board, and the contribution and performance of each individual Director.

DEVELOP, MAINTAIN AND REVIEW CRITERIA FOR RECRUITMENT AND ANNUAL ASSESSMENT OF DIRECTORS (cont'd)

The attendance of Directors who are members of Board Committee during the financial year ended 31 December 2013 is set out below:

Director	Designation	Audit Committee	Nomination Committee	Remuneration Committee
Dato' Sri Yong Seng Yeow	Independent Non-Executive Director	4/5	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 in the minutes book.

The range of remuneration received by the Directors for the financial year ended 31 December 2013 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 Expenses**

  The Non-Executive Directors are paid RM1,000 for each Board meeting that they attend.

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 judgement 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 judgement and ability to act in the best interests of the Company.

Shareholders' Approval for the Retention of Independent Directors

The Board is satisfied with the skills, contribution and independent judgement that Encik Shamsudin @ Samad Bin Kassim brings to the Board. In view thereof, the Board recommends and supports his retention as Independent Director of the Company, which is tabled for shareholders' approval at the forthcoming 17th 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 judgement. Their role is to provide independent view, advice and judgement to ensure a balanced and unbiased decision-making process as well as to safeguard the interest of public shareholders. If the need arises, the Company may increase the number of Independent Directors to ensure the balance of power and authority on the Board.

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	4/5
Dr. Mohamed Amin bin Mohd Kassim	5/5
Teow Choo Chuan	4/5
Yeap Khoo Soon Edwin	5/5
Dato' Sri Yong Seng Yeow	4/5
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 a timely update on their other directorships and shareholdings to the Company Secretary. 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

In order to ensure Directors' continuous professional development, the Board, through its Nomination Committee, has identified and enrolled relevant training needs amongst the Directors as and when required.

The Board also 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 2013 are as follows:

TRAINING/COURSE ATTENDED	DATE
Development in Asean Automotive Industry : Opportunities & Challenges	1 & 2 February 2013
Bursa Malaysia's Session Dialogue on the Revised Shariah Screening Methodology of SC	21 February 2013
Microsoft Excel 2007 (Advanced)	14 & 15 March 2013
Risk Management Workshop	21 March 2013
Sustainability Training for Directors and Practitioners	21 March 2013
CFO Breakfast Talk Series : CFO and Beyond	28 March 2013
Nominating Committee Program	14 May 2013
Advocacy Sessions on Corporate Disclosure for Directors	21 May 2013
Ongoing Business Improvement	28 June 2013
GST Briefing	26 September 2013
Deloitte TaxMax 39th Series	12 November 2013

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 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

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.

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.

ENSURE TIMELY AND HIGH QUALITY DISCLOSURE (cont'd)

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 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 had amended 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 despatches 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 on the Group is made pursuant to paragraph 15.26(b) of the Main Market Listing Requirements 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

The Group established 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 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 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.

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, as well as 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 made within the required time frame.

A total of RM51,000 was spent on internal audit activities in 2013.

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 2013 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 2013, 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)	4/5
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;

(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.

TERMS OF REFERENCE (cont'd)

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 Main Market Listing Requirements, the Audit Committee shall promptly report such matter to Bursa Securities.

Duties and Responsibilities

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

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

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

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

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

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

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

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

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

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

TERMS OF REFERENCE (cont'd)

Duties and Responsibilities (cont'd)

(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 2013. 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

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, 2013.

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	27,209	20,258
Tax expense	(5,638)	(324)
Profit for the year	21,571	19,934
Attributable to:		
Owners of the Company	22,553	
Non-controlling interests	(982)	
	21,571	

Other comprehensive gain for the year of RM333,000 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 except for the fair value gain on investment property of the Group amounting to approximately RM10,581,000 as disclosed in Note 10 to the Financial Statements.

DIVIDENDS

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

(a) A single tier final dividend of 4 sen per ordinary share, amounting to RM4,671,959 in respect of the previous financial year were paid on May 27, 2013;

(b) A single tier first interim dividend of 4 sen per ordinary share, amounting to RM4,669,795 in respect of the current financial year were paid on October 3, 2013;

(c) A single tier second interim dividend of 3 sen per ordinary share, amounting to RM3,629,410 in respect of the current financial year were paid on December 27, 2013; and

(d) Distribution of interim share dividend of one (1) treasury share for every twenty five (25) ordinary shares held in the Company, amounting to RM7,788,001.

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, 2014.

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 RM95,820,404 divided into 95,820,404 ordinary shares of RM1.00 each to RM122,064,297 divided into 122,064,297 ordinary shares of RM1.00 each by the issuance of 26,243,893 new ordinary shares of RM1.00 each at par for cash through the exercise of 26,243,893 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:

(a) Bought back 1,384,400 of its issued ordinary shares from the open market at an average price of RM1.70 per share. The total consideration paid for the purchase was RM2,354,760 excluding incidental cost of RM10,806.

(b) Distributed 4,669,746 treasury shares as interim share dividend ("Share Dividend') of one (1) treasury share for every twenty-five (25) ordinary shares of RM1.00 each held in the Company, amounting to RM7,788,001. The Share Dividend was paid out from share premium account and retained earnings in accordance with Section 67A of the Companies Act, 1965.

The Company held as treasury shares a total of 1,083,974 of its 122,064,297 issued ordinary shares. The treasury shares are held in accordance with Section 67A of the Companies Act, 1965 at a carrying amount of RM1,857,804 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, 26,243,893 ordinary shares have been issued during the financial year by virtue of the exercise of warrants to take up unissued shares of the Company.

Following the expiration of the Company's three (3) year 2010/2013 warrants on January 27, 2013, there was no unissued share of the Company under options as of the end of the financial year.

OTHER STATUTORY INFORMATION

Before the statements of profit or loss and other 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.

OTHER STATUTORY INFORMATION (cont'd)

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.

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

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 1.1.2013	Bought	Transfer^	Distribution of treasury shares*	Balance as of 31.12.2013
Shares in the Company					
Direct interest					
Datuk Phua Sin Mo	20,103,478	9,029,551	(6,625,500)	900,301	23,407,830
Teow Choo Hing	8,501,680	4,313,800	–	512,618	13,328,098
Dr. Mohamed Amin bin Mohd Kassim	1,878,059	–	–	75,122	1,953,181
Teow Choo Chuan	4,586,477	2,218,238	–	272,188	7,076,903
Yeap Khoo Soon Edwin	741,300	28,700	–	30,800	800,800
Dato' Sri Yong Seng Yeow	110,000	–	–	4,400	114,400
Shamsudin @ Samad bin Kassim	33,500	66,500	–	4,000	104,000
Indirect interest					
Datuk Phua Sin Mo	1,710,250	–	6,625,500	333,430	8,669,180
Teow Choo Hing	409,200	207,600	–	24,672	641,472
Teow Choo Chuan	440,000	220,000	–	26,400	686,400
Shares in the subsidiary company - Century Forwarding Agency Sdn. Bhd.					
Direct interest					
Dr. Mohamed Amin bin Mohd Kassim	75,000	–	–	–	75,000

^ During the current financial year, Datuk Phua Sin Mo transferred 6,625,500 shares registered under his name to a connected person.

* During the current financial year, the Company distributed one (1) treasury share for every twenty-five (25) ordinary shares held by its shareholders.

	Number of warrants to subscribe for ordinary shares of RM1 each			
	Balance as of 1.1.2013	Bought	Exercised/ Sold	Balance as of 31.12.2013
Warrants in the Company				
Direct interest				
Datuk Phua Sin Mo	9,029,551	–	9,029,551	–
Teow Choo Hing	4,313,800	–	4,313,800	–
Teow Choo Chuan	2,218,238	–	2,218,238	–
Yeap Khoo Soon Edwin	28,700	–	28,700	–
Shamsudin @ Samad bin Kassim	2,900	–	2,900	–
Indirect interest				
Teow Choo Hing	207,600	–	207,600	–
Teow Choo Chuan	220,000	–	220,000	–

DIRECTORS' INTERESTS (cont'd)

The Company's warrants expired during the current financial year, on January 27, 2013.

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.

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 13, 2014

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, 2013 and the statements of profit or loss and other 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 41 to 98.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The directors are also responsible 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 give a true and fair view of the financial positions of the Group and the Company as of December 31, 2013 and their financial performances and cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

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.

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 Matter

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

LAI CAN YIEW
Partner - 2179/11/14 (J)
Chartered Accountant

Kuala Lumpur
March 13, 2014

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2013

		The Group		The Company	
	Note(s)	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Revenue	5 & 6	255,813	256,853	20,000	10,024
Cost of sales		(176,618)	(184,747)	–	–
Gross profit		79,195	72,106	20,000	10,024
Other income		12,202	4,338	5,400	5,400
Interest income	9 (a)	918	625	247	6
Administrative expenses		(48,752)	(36,058)	(5,389)	(4,216)
Finance costs	9 (b)	(4,086)	(3,880)	–	–
Other expenses		(12,268)	(12,270)	–	–
Profit before tax	10	27,209	24,861	20,258	11,214
Tax expense	11	(5,638)	(8,475)	(324)	(359)
Profit for the year		21,571	16,386	19,934	10,855
Other comprehensive income:					
Item that will be reclassified subsequently to profit or loss -					
Exchange differences on translating foreign operations		333	(128)	–	–
Other comprehensive income/(loss) for the year, net of tax		333	(128)	–	–
Total comprehensive income for the year		21,904	16,258	19,934	10,855
Profit attributable to:					
Owners of the Company		22,553	17,614	19,934	10,855
Non-controlling interests		(982)	(1,228)	–	–
		21,571	16,386	19,934	10,855
Total comprehensive income attributable to:					
Owners of the Company		22,886	17,486	19,934	10,855
Non-controlling interests		(982)	(1,228)	–	–
		21,904	16,258	19,934	10,855
Earnings per ordinary share					
Basic (sen)	12	19.42	20.39		
Diluted (sen)	12	19.42	17.98		

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

STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2013

	Note	The Group 2013 RM'000	The Group 2012 RM'000	The Company 2013 RM'000	The Company 2012 RM'000
ASSETS					
Non-current Assets					
Property, plant and equipment	14	170,254	244,001	–	–
Investment property	15	81,000	–	–	–
Investment in subsidiary companies	16	–	–	7,070	7,789
Deferred tax asset	28	–	122	–	–
Other financial assets	17	822	381	–	–
Goodwill on consolidation	18	3,005	3,730	–	–
Total Non-current Assets		255,081	248,234	7,070	7,789
Current Assets					
Inventories	19	603	–	–	–
Trade receivables	20	50,245	56,721	–	–
Other receivables, deposits and prepaid expenses	21	62,489	45,159	13	27
Amount owing by subsidiary companies	16	–	–	125,001	94,592
Tax recoverable		79	353	40	–
Deposits, cash and bank balances	22	38,086	20,928	2,386	704
		151,502	123,161	127,440	95,323
Non-current assets held for sale	35	28,454	–	–	–
Total Current Assets		179,956	123,161	127,440	95,323
Total Assets		435,037	371,395	134,510	103,112

STATEMENTS OF FINANCIAL POSITION (cont'd) AS OF DECEMBER 31, 2013

	Note	The Group 2013 RM'000	The Group 2012 RM'000	The Company 2013 RM'000	The Company 2012 RM'000
EQUITY AND LIABILITIES					
Capital and Reserves					
Issued capital	23	122,064	95,820	122,064	95,820
Treasury shares	24	(1,858)	(7,280)	(1,858)	(7,280)
Reserves	25	132,372	130,245	8,828	9,653
Equity attributable to owners of the Company		252,578	218,785	–	–
Non-controlling interests		1,190	2,172	–	–
Total Equity		253,768	220,957	129,034	98,193
Non-current and Deferred Liabilities					
Hire-purchase payables	26	3,463	2,683	–	–
Long-term borrowings	27	66,828	52,094	–	–
Deferred tax liabilities	28	9,618	9,803	–	–
Sub-lease rental payable	30	4,574	9,148	–	–
Total Non-current and Deferred Liabilities		84,483	73,728	–	–
Current Liabilities					
Trade payables	29	14,190	13,894	–	–
Other payables and accrued expenses	30	63,758	35,980	2,170	1,600
Amount owing to subsidiary companies	16	–	–	3,306	3,309
Hire-purchase payables	26	2,340	2,368	–	–
Short-term borrowings	31	14,224	24,368	–	–
Tax liabilities		2,274	100	–	10
Total Current Liabilities		96,786	76,710	5,476	4,919
Total Liabilities		181,269	150,438	5,476	4,919
Total Equity and Liabilities		435,037	371,395	134,510	103,112

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

STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2013

The Group	Note	Issued capital RM'000	Treasury shares RM'000	← Non-distributable reserves → 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, 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
Balance as of January 1, 2013		95,820	(7,280)	801	(284)	874	128,854	218,785	2,172	220,957
Issue of shares	23	26,244	–	–	–	–	–	26,244	–	26,244
Purchase of treasury shares	24	–	(2,366)	–	–	–	–	(2,366)	–	(2,366)
Exercise of warrants	25	–	–	1,312	–	(1,312)	–	–	–	–
Transfer to retained earnings upon expiry of warrants		–	–	–	–	438	(438)	–	–	–
Profit for the year		–	–	–	–	–	22,553	22,553	(982)	21,571
Other comprehensive income for the year		–	–	–	333	–	–	333	–	333
Total comprehensive income for the year		–	–	–	333	–	22,553	22,886	(982)	21,904
Dividends paid	13	–	–	–	–	–	(12,971)	(12,971)	–	(12,971)
Distribution of share dividend	13	–	7,788	(2,113)	–	–	(5,675)	–	–	–
Balance as of December 31, 2013		122,064	(1,858)	–	49	–	132,323	252,578	1,190	253,768

The Company	Note	Issued capital RM'000	Treasury shares RM'000	← Non-distributable reserves → Share premium RM'000	Capital reserve RM'000	Distributable reserve - Retained earnings RM'000	Total RM'000
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
Balance as of January 1, 2013		95,820	(7,280)	801	874	7,978	98,193
Issue of shares	23	26,244	–	–	–	–	26,244
Purchase of treasury shares	24	–	(2,366)	–	–	–	(2,366)
Exercise of warrants	25	–	–	1,312	(1,312)	–	–
Transfer to retained earnings upon expiry of warrants		–	–	–	438	(438)	–
Profit for the year/Total comprehensive income for the year		–	–	–	–	19,934	19,934
Dividends paid	13	–	–	–	–	(12,971)	(12,971)
Distribution of share dividend	13	–	7,788	(2,113)	–	(5,675)	–
Balance as of December 31, 2013		122,064	(1,858)	–	–	8,828	129,034

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

STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2013

	The Group 2013 RM'000	The Group 2012 RM'000	The Company 2013 RM'000	The Company 2012 RM'000
Cash Flows From/(Used In) Operating Activities				
Profit for the year	21,571	16,386	19,934	10,855
Adjustments for:				
Depreciation of property, plant and equipment	12,268	12,270	–	–
Tax expense recognised in profit or loss	5,638	8,475	324	359
Loss/(Gain) on disposal of:				
Property, plant and equipment	4,538	(760)	–	–
Other financial assets	–	(33)	–	–
Finance costs	4,086	3,880	–	–
Allowance for doubtful debts	4,055	–	–	–
Unrealised loss on foreign exchange	686	52	–	–
Impairment on:				
Goodwill on consolidation	725	–	–	–
Property, plant and equipment	10	–	–	–
Inventories	–	120	–	–
Investment in subsidiary companies	–	–	719	–
Property, plant and equipment written off	262	177	–	–
Net value loss/(gain) on financial asset carried at fair value through profit or loss	59	(171)	–	–
Bad debts written off	28	152	–	–
Fair value gain on investment property	(10,581)	–	–	–
Interest income	(918)	(625)	(247)	(6)
Allowance for doubtful debts no longer required (net)	–	(237)	–	–
Dividend income	–	(270)	(20,000)	(10,024)
Operating Profit Before Working Capital Changes	42,427	39,416	730	1,184
Movement in working capital:				
(Increase)/Decrease in:				
Inventories	(603)	375	–	–
Trade receivables	2,389	5,838	–	–
Other receivables and prepaid expenses	(17,158)	11,577	14	(15)
Amount owing by subsidiary companies	–	–	(30,409)	(11,174)
Increase/(Decrease) in:				
Trade payables	297	2,386	–	–
Other payables and accrued expenses	28,032	(24,985)	570	(56)
Amount owing to subsidiary companies	–	–	(3)	(7)
Cash Generated From/(Used In) Operations	55,384	34,607	(29,098)	(10,068)
Tax paid	(3,264)	(7,797)	(374)	(139)
Net Cash From/(Used In) Operating Activities	52,120	26,810	(29,472)	(10,207)

STATEMENTS OF CASH FLOWS (cont'd)
FOR THE YEAR ENDED DECEMBER 31, 2013

	The Group		The Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Cash Flows From/ (Used In) Investing Activities				
Proceeds from disposal of:				
Property, plant and equipment	11,493	1,260	–	–
Other financial assets	–	1,624	–	–
Interest received	918	625	247	6
Dividend received	–	270	20,000	10,024
Additions of property, plant and equipment (Note 1 below)	(54,652)	(45,502)	–	–
Increase in investment in fixed income funds	(15,879)	–	–	–
Acquisition of other financial assets	(500)	–	–	–
Increase in deposits with maturities exceeding 3 months	(5)	–	–	–
Acquisition of non-controlling interests in a subsidiary company	–	(62)	–	–
Net Cash (Used In)/From Investing Activities	(58,625)	(41,785)	20,247	10,030
Cash Flows From/(Used In) Financing Activities				
Proceeds from bank borrowings	37,636	29,286	–	–
Proceeds from issuance of shares	26,244	11,684	26,244	11,684
Subscription of shares in existing subsidiary company by non-controlling interests	–	1,715	–	–
Repayment of bank borrowings	(33,506)	(11,899)	–	–
Dividends paid	(12,971)	(9,730)	(12,971)	(9,730)
Finance costs paid	(4,086)	(3,880)	–	–
Repayment of hire-purchase payables	(3,172)	(2,518)	–	–
Purchase of own shares	(2,366)	(1,370)	(2,366)	(1,370)
Net Cash From Financing Activities	7,779	13,288	10,907	584
Net Increase/(Decrease) In Cash and Cash Equivalents	1,274	(1,687)	1,682	407
Cash And Cash Equivalents At Beginning Of Year	20,859	22,546	704	297
Cash And Cash Equivalents At End Of Year (Note 32)	22,133	20,859	2,386	704

Note 1

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

		The Group	
	Note	2013 RM'000	2012 RM'000
Additions during the year	14	52,607	61,190
Less:			
Unpaid consideration on acquisition of leasehold land in current year	30	–	(15,116)
Acquisition under hire-purchase arrangements		(3,924)	(572)
Add: Settlement of consideration on acquisition of leasehold land in prior year	30	5,969	–
Cash outflow		54,652	45,502

The accompanying Notes form an integral part of 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 13, 2014.

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.

Application of new and revised Malaysian Financial Reporting Standards

In the current year, the Group and the Company have applied a number of new and revised MFRSs issued by the Malaysian Accounting Standards Board ("MASB") that are relevant to their operations and mandatorily effective for an accounting period that begins on or after January 1, 2013:

Amendments to MFRS 7 Disclosures – Offsetting Financial Assets and Financial Liabilities

The Group and the Company have applied the amendments to MFRS 7 *Disclosures – Offsetting Financial Assets and Financial Liabilities* for the first time in the current year. The amendments to MFRS 7 require entities to disclose information about rights of offset and related arrangements (such as collateral posting requirements) for financial instruments under an enforceable master netting agreement or similar arrangement.

The amendments have been applied retrospectively. As the Group and the Company do not have any offsetting arrangements in place, the application of amendments has no material impact on the disclosures or on the amounts recognised in these financial statements.

New and revised Standards on consolidation, joint arrangements, associates and disclosures

In November 2011, a package of five standards on consolidation, joint arrangements, associates and disclosures was issued comprising MFRS 10 *Consolidated Financial Statements*, MFRS 11 *Joint Arrangements*, MFRS 12 *Disclosure of Interests in Other Entities*, MFRS 127 (IAS 27 as revised by IASB in May 2011) *Separate Financial Statements and MFRS 128 Investments in Associates and Joint Ventures*. Subsequent to the issue of these standards, amendments to MFRS 10, MFRS 11 and MFRS 12 were issued to clarify certain transitional guidance on the first-time application of the standards.

In the current year, the Group and the Company have applied for the first time MFRS 10, MFRS 12 and MFRs 127 (IAS 27 as revised by IASB in May 2011) together with the amendments to MFRS 10 and MFRS 12 regarding the transitional guidance. MFRS 11 and MFRS 128 are not applicable to the operations of the Group and the Company.

The impact of the application of these applicable standards is set out below.

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

Application of new and revised Malaysian Financial Reporting Standards (cont'd)

Impact of the applications of MFRS 10

MFRS 10 replaces the parts of MFRS 127 *Consolidated and Separate Financial Statements* that deal with consolidated financial statements and IC Int. 112 *Consolidation – Special Purpose Entities*. MFRS 10 changes the definition of control such that an investor has control over an investee when a) it has power over the investee, b) it is exposed, or has rights, to variable returns from its involvement with the investee and c) has the ability to use its power to affect its returns. All three of these criteria must be met for an investor to have control over an investee. Previously, control was defined as the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Additional guidance has been included in MFRS 10 to explain when an investor has control over an investee. Based on the directors' assessment as of the date of initial application of MFRS 10 (i.e., January 1, 2013), the application of MFRS 10 has no impact to the Group.

Impact of the application of MFRS 12

MFRS 12 is a new disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. In general, the application of MFRS 12 has resulted in more extensive disclosures in the consolidated financial statements.

MFRS 13 Fair Value Measurement

The Group and the Company have applied MFRS 13 for the first time in the current year. MFRS 13 establishes a single source of guidance for fair value measurements. The scope of MFRS 13 is broad; the fair value measurement requirements of MFRS 13 apply to both financial instrument items and non-financial instrument items for which other MFRSs require or permit fair value measurements and disclosures about fair value measurements, except for share-based payment transactions that are within the scope of MFRS 2 *Share-based Payment*, leasing transactions that are within the scope of MFRS 117 *Leases*, and measurements that have some similarities to fair value but are not fair value (e.g. net realisable value for the purposes of measuring inventories or value in use for impairment assessment purposes).

MFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions. Fair value under MFRS 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique. Also, MFRS 13 includes extensive disclosure requirements.

MFRS 13 requires prospective application from January 1, 2013. In addition, specific transitional provisions were given to entities such that they need not apply the disclosure requirements set out in the Standard in comparative information provided for periods before the initial application of the Standard. In accordance with these transitional provisions, the Group and the Company have not made any new disclosures required by MFRS 13 for the 2012 comparative period. Other than the additional disclosures, the application of MFRS 13 has not had any material impact on the amounts recognised in these financial statements.

Amendments to MFRS 101 Presentation of Items of Other Comprehensive Income

The Group and the Company have applied the amendments to MFRS 101 *Presentation of Items of Other Comprehensive Income* for the first time in the current year. The amendments introduce new terminology, whose use is not mandatory, for the statement of comprehensive income and income statement. Under the amendments to MFRS 101, the "statement of comprehensive income" is renamed as the "statement of profit or loss and 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 items of other comprehensive income to be grouped into two categories in the other comprehensive income section: (a) items that will not be classified subsequently to profit or loss and (b) items that may 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.

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

Application of new and revised Malaysian Financial Reporting Standards (cont'd)

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

The amendments have been applied retrospectively, and hence the presentation of items of other comprehensive income has been modified to reflect the changes. Other than the abovementioned presentation changes, the application of the amendments to MFRS 101 does not result in any impact on profit or loss, other comprehensive income and total comprehensive income.

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 9	Financial Instruments (IFRS 9 issued by IASB in November 2009)[1]
MFRS 9	Financial Instruments (IFRS 9 issued by IASB in October 2010)[1]
MFRS 9	Financial Instruments (Hedge Accounting and amendments to MFRS 9, MFRS 7 and MFRS 139)[1]
IC Int. 21	Levies[2]
Amendments to MFRS 9 and MFRS 7	Mandatory Effective Date of MFRS 9 (IFRS 9 issued by IASB in November 2009 and October 2010 respectively) and Transition Disclosures[1]
Amendments to MFRS 10, MFRS 12 and MFRS 127	Investment Entities[2]
Amendments to MFRS 119	Employee Benefits (Amendments relating to Defined Benefit Plans: Employee Contributions)[3]
Amendments to MFRS 132	Financial Instruments: Presentation (Amendments relating to Offsetting Financial Assets and Financial Liabilities)[2]
Amendments to MFRS 136	Impairment of Assets (Amendments relating to Recoverable Amounts Disclosures for Non-Financial Assets)[2]
Amendments to MFRS 139	Financial Instruments: Recognition and Measurement (Amendments relating to Novation of Derivatives and Continuation of Hedge Accounting)[2]

Amendments to MFRSs contained in the document entitled Annual Improvements to MFRSs 2010 – 2012 Cycle[3]

Amendments to MFRSs contained in the document entitled Annual Improvements to MFRSs 2011 – 2013 Cycle[3]

[1] The mandatory effective date of MFRS 9 (IFRS 9 issued by IASB in November 2009 and October 2010 respectively) which was for annual periods beginning on or after January 1, 2015 has been removed with the issuance of MFRS 9 *Financial Instruments: Hedge Accounting and amendments to MFRS 9, MFRS 7 and MFRS 139*. The effective date of MFRS 9 will be decided when IASB's IFRS 9 project is closer to completion. However, each version of the MFRS 9 is available for early adoption

[2] Effective for annual periods beginning on or after January 1, 2014

[3] Effective for annual periods beginning on or after July 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.

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

Standards and IC Interpretation in issue but not yet effective (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 for derecognition.

The amendments to MFRS 9 (IFRS 9 issued by IASB in November 2009 and October 2010 respectively) ("MFRS 9") relating to "Mandatory Effective Date of MFRS 9 and Transition Disclosures" which became immediately effective on the issuance date of March 1, 2012 amended the mandatory effective date of MFRS 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. However, this mandatory effective date has been removed with the issuance of MFRS 9 *Financial Instruments: Hedge Accounting and Amendments to MFRS 9, MFRS 7 and MFRS 139*. MFRS 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 MFRS 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's and the Company's financial assets and financial liabilities.

Amendments to MFRS 10, MFRS 12 and MFRS 127 Investment Entities

The amendments to MFRS 10 define an investment entity and require a reporting entity that meets the definition of an investment entity not to consolidate its subsidiaries but instead to measure its subsidiaries at fair value through profit or loss in its consolidated and separate financial statements.

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

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

Amendments to MFRS 10, MFRS 12 and MFRS 127 Investment Entities (cont'd)

To qualify as an investment entity, a reporting entity is required to:

- obtain funds from one or more investors for the purpose of providing them with professional investment services;
- commit to its investor(s) that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and
- measure and evaluate performance of substantially all of its investments on a fair value basis.

Consequential amendments have been made to MFRS 12 and MFRS 127 to introduce new disclosure requirements for investment entities.

The directors do not anticipate that the investment entities amendments will have any effect on the Group's consolidated financial statements as the Company is not an investment entity.

Amendments to MFRS 132 Offsetting Financial Assets and Financial Liabilities

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

The directors do not anticipate that the application of these amendments to MFRS 132 will have a significant impact on the Group's and the Company's financial statements as the Group and the Company do not have any financial assets and financial liabilities that qualify for offset.

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.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating fair value of an asset or a liability, the Group and the Company take into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for the measurement and/or disclosure purposes in these financial statements is determined on such basis.

Subsidiary Companies and Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiary companies. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Subsidiary Companies and Basis of Consolidation (cont'd)

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary company begins when the Company obtains control over the subsidiary company and ceases when the Company loses control of the subsidiary company. Specifically, income and expenses of a subsidiary company acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary company.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiary companies is attributed to the owners of the Company and the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiary companies to bring their accounting policies into line with the Group's accounting policies.

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members are eliminated in full on consolidation.

Changes in the Group's ownership interest in existing subsidiary companies

Changes in the Group's ownership interests in subsidiary companies that do not result in the Group losing 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, a gain or loss is recognised in profit or loss is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any subsidiary company and any non-controlling interests and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary company and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary company are accounted for as if the Group had directly disposed of the relevant assets or liabilities of the subsidiary company (i.e., reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable MFRSs). 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 MFRS 139 *Financial Instruments: Recognition and Measurement* or, when applicable, the cost on initial recognition of an investment in an associate or joint venture.

Subsidiary companies

Investment in subsidiary companies which are eliminated on consolidation, are stated at cost less impairment losses, if any, in the Company's separate financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Business Combinations

At acquisition date, the identifiable assets acquired and liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with MFRS 112 *Income Taxes* and MFRS 119 *Employee Benefits* respectively;
- liabilities or equity instruments related to the share-based payment arrangements of the acquiree or share-based payments of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with MFRS 2 *Share-based Payment* at the acquisition date; and
- assets (or disposal group) that are classified as held for sale in accordance with MFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests which entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another MFRSs.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or liability is remeasured at subsequent reporting dates in accordance with MFRS 139 or MFRS 137 *Provisions, Contingent Liabilities and Contingent Assets*, as appropriate, with the corresponding gain or loss being recognsied in profit or loss.

When a business combination is achieved in stages, the Group's previously held equity interests in the acquiree is remeasured to its acquisition date fair value and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised at that date.

The policy described above is applied to all business combinations that take place on or after January 1, 2011.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Goodwill on Consolidation

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

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

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

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) 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.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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.

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

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

Taxation

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

Current Tax

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

Deferred Tax

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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.

Non-Current Assets Held For Sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than continuing use. This condition is regarded as met only if the sale is highly probable and the asset is available for immediate sale in its present condition subject only to terms that are usual and ordinary. Non-current assets held for sale are measured at the lower of the previous carrying amount and fair value less cost to sell.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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 assembling parts and consumables comprises the original cost of purchase plus the cost of bringing the inventories to their present location. The cost of assembled products includes the cost of assembling parts and consumables, 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.

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.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Financial Instruments (cont'd)

Financial assets of the Group and the Company are classified into financial assets "at fair value through profit or loss" (FVTPL) 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.

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 33.

(c) 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.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Financial Instruments (cont'd)

(d) 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 all other financial assets, 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.

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.

(e) 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 recognise a collateralised borrowing for the proceeds received.

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 of the Group and the Company are classified as "other financial liabilities".

(e) Other financial liabilities

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

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

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

(f) Derecognition of financial liabilities

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

Derivative financial instruments

The Group enters into foreign exchange forward contracts to manage its exposure to foreign exchange rate risk. Further details of foreign exchange forward contracts are disclosed in Note 33.

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.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Derivative financial instruments (cont'd)

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:

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 which the Group deals with were to deteriorate, resulting in an impairment of their ability to make payments, additional allowance may be required.

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 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 RM3,005,000 (2012: RM3,730,000) and an impairment loss of RM725,000 (2012: nil impairment loss) was recognised in profit or loss during the financial year. Circumstances leading to recognition of impairment loss is disclosed in Note 18.

Estimated useful lives 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.

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

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

Fair value of investment property

In estimating fair value of investment property as of December 31, 2013 and 2012, the Group makes reference to current prices in an active market for similar lease and other contracts or valuations carried out by independent firms of valuers annually.

Valuation of financial instruments

Some of the Group's assets are measured at fair value for financial reporting purposes. In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent it is available. Information about valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in Note 33.

5. REVENUE

	The Group		The Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Total logistics services	222,961	223,256	–	–
Procurement logistics services	32,852	33,327	–	–
Dividend income from quoted investments	–	270	–	–
Dividend income from subsidiary companies	–	–	20,000	10,024
	255,813	256,853	20,000	10,024

6. OPERATING COSTS APPLICABLE TO REVENUE

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

		The Group		The Company	
	Note	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Direct operating costs		155,572	164,985	–	–
Staff costs	7	43,272	40,583	4,256	3,698
Depreciation of property, plant and equipment	14	12,268	12,270	–	–
Finance costs	9 (b)	4,086	3,880	–	–
Other expenses		26,526	15,237	1,133	518
		241,724	236,955	5,389	4,216

7. STAFF COSTS

	The Group		The Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Wages and salaries	37,719	35,180	3,751	3,253
Contributions to defined contribution plan	4,047	3,768	492	420
Short-term accumulating compensated absences	292	255	–	–
Other staff related expenses	1,214	1,380	13	25
	43,272	40,583	4,256	3,698

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	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Directors of the Company				
Executive directors:				
Salaries and other emoluments	4,165	4,248	3,515	2,998
Contributions to defined contribution plan	583	595	492	420
Fees	120	140	120	140
	4,868	4,983	4,127	3,558
Non-executive directors:				
Fees	115	115	115	115
	4,983	5,098	4,242	3,673
Directors of subsidiary companies				
Executive directors:				
Salaries and other emoluments	905	772	–	–
Contributions to defined contribution plan	120	101	–	–
	1,025	873	–	–
Total	6,008	5,971	4,242	3,673

Included in directors' remuneration of the Group and the Company is remuneration amounting to RM766,026 (2012: RM1,280,806) and RM Nil (2012: RM20,000) respectively paid to a past director of the Company and a subsidiary company and another past director of a subsidiary company who resigned as directors on November 1, 2012 and remained as key management personnel of the Group subsequent thereto.

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 RM158,073 (2012: RM168,850) and RM88,723 (2012: RM99,500) respectively.

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	
	2013	2012
Executive directors:		
RM350,001 - RM400,000	–	1
RM450,001 - RM500,000	–	–
RM500,001- RM550,000	1	1
RM550,001- RM600,000	1	1
RM600,001 - RM650,000	1	1
RM1,000,001 – RM1,050,000	–	1
RM1,200,001 – RM1,250,000	1	–
RM1,450,001 – RM1,500,000	–	1
RM1,700,001 – RM1,750,000	1	–
	5	6
Non-executive directors:		
RM50,000 and below	3	3
	8	9

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

9. INTEREST INCOME AND FINANCE COSTS

(a) Interest income

	The Group		The Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Interest income on short-term deposits	918	625	247	6

(b) Finance costs

	The Group		The Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Interest expense on:				
Term loans	3,711	3,171	–	–
Hire-purchase payables	336	343	–	–
Revolving credit	39	366	–	–
	4,086	3,880	–	–

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	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
After charging:				
Rental of:				
Premises	7,699	8,398	–	–
Motor vehicles and equipment	3,624	3,629	–	–
Loss on disposal of property, plant and equipment (net)	4,538	–	–	–
Allowance for doubtful debts (net)	4,055	–	–	–
Impairment on:				
Goodwill on consolidation (Note 18)	725	–	–	–
Property, plant and equipment	10	–	–	–
Inventories	–	120	–	–
Investment in subsidiary companies	–	–	719	–
Loss on foreign exchange (net):				
Unrealised	686	52	–	–
Realised	68	–	–	–
Property, plant and equipment written off	262	177	–	–
Audit fees:				
Statutory audit	242	264	51	49
Other services	62	55	28	7
Net value loss on financial assets carried at fair value through profit or loss	59	–	–	–
Bad debts written off	28	152	–	–
And crediting:				
Fair value gain on investment property (Note 15)	10,581	–	–	–
Bad debts recovered	118	–	–	–
Gain on disposal of:				
Property, plant and equipment	–	760	–	–
Other financial assets	–	33	–	–
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	–	–

11. TAX EXPENSE

	The Group		The Company	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Current year:				
Estimated current tax payable	(7,867)	(7,942)	(326)	(403)
Deferred tax (Note 28)	(467)	228	–	–
	(8,334)	(7,714)	(326)	(403)
Over/(Under)provision in prior years:				
Income tax	2,166	131	2	44
Deferred tax (Note 28)	514	(892)	–	–
	2,680	(761)	2	44
Effect of changes in tax rates on deferred tax (Note 28)	16	–	–	–
	(5,638)	(8,475)	(324)	(359)

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	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Profit before tax	27,209	24,861	20,258	11,214
Tax at the applicable tax rate of 25%	6,802	6,215	5,064	2,804
Effect on tax rate differential	(373)	(31)	–	–
Tax effects of:				
Expenses not deductible for tax purposes	3,288	1,914	263	98
Income not subject to tax	(1,235)	(952)	(5,000)	(2,500)
Difference between corporate tax rate of 25% and RPGT rate of 5% applied in the computation of deferred tax on fair value gain on investment property	(2,116)	–	–	–
Double deduction of certain allowable expenses	(18)	(41)	–	–
Deferred tax assets not recognised	2,065	776	–	1
Utilisation of deferred tax assets not recognised previously	(95)	(167)	(1)	–
(Over)/Underprovision in prior years:				
Income tax	(2,166)	(131)	(2)	(44)
Deferred tax	(514)	892	–	–
	5,638	8,475	324	359

11. TAX EXPENSE (cont'd)

The Budget 2014 announced on October 25, 2013 reduced the corporate income tax rate from 25% to 24% with effect from year of assessment 2016. The real property gains tax (RPGT) is also revised to 30% for disposal within the first three years, 20% within the fourth year, 15% within the fifth year and 5% from sixth year onwards, on gains from the disposal of real property effective January 1, 2014. Following these, the applicable tax rates to be used for the measurement of any applicable deferred tax will be the respective expected rates.

As of December 31, 2013, 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 RM32,293,000 (2012: RM52,293,000).

As of December 31, 2013, 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 RM52,435,000 (2012: RM32,435,000) and RM190,000 (2012: 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	
	2013	**2012**
Profit attributable to ordinary equity holders of the Company (RM'000)	22,553	17,614
Weighted average number of ordinary shares in issue ('000)	116,119	86,375
Basic earnings per share (sen)	19.42	20.39

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	
	2013	**2012**
Profit attributable to ordinary equity holders of the Company (RM'000)	22,553	17,614
Weighted average number of ordinary shares in issue ('000)	116,119	86,375
Shares deemed to be issued for no consideration in respect of warrants	–	11,573
Weighted average number of ordinary shares for the purpose of diluted earnings per share	116,119	97,948
Diluted earnings per share (sen)	19.42	17.98

13. DIVIDENDS

	The Company	
	2013	**2012**
	RM	**RM**
Single tier final dividend of 4 sen per ordinary share, in respect of 2012 (2012: 7 sen in respect of 2011)	4,671,959	6,148,337
Single tier first interim dividend of 4 sen per ordinary share, in respect of 2013 (2012: 4 sen, in respect of 2012)	4,669,795	3,582,043
Single tier second interim dividend of 3 sen per ordinary share, in respect of 2013 (2012: Nil)	3,629,410	–
	12,971,164	9,730,380

During the current financial year, the Company distributed 4,669,746 interim share dividend of one (1) treasury share for every twenty-five (25) ordinary shares held in the Company, amounting to RM7,788,001. The share dividend was distributed from the following accounts:

	The Company	
	2013	**2012**
	RM	**RM**
Share premium	2,113,194	–
Retained earnings	5,674,807	–
	7,788,001	–

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, 2014.

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, 2012	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
Transferred to investment property (Note 15)	–	(17,152)	–	–	–	–	–	–	(53,267)	–	(70,419)
Additions	9,082	–	21	18	–	3,467	2,669	4,123	33,227	–	52,607
Exchange differences	204	232	728	–	–	(2)	(2)	(1)	–	–	1,159
Disposals and write-offs	–	–	–	(4,196)	(16,400)	(3,194)	(1,164)	(783)	–	–	(25,737)
Reclassifications	130	–	–	–	–	1,516	186	(95)	–	(1,737)	–
Transferred to non-current assets held for sale (Note 35)	(6,784)	–	(24,232)	(26)	–	–	–	–	–	–	(31,042)
Balance at December 31, 2013	9,212	47,037	103,644	8,814	–	55,640	26,255	6,662	413	90	257,767
Accumulated Depreciation											
Balance at January 1, 2012	–	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
Charge for the year	–	799	2,860	501	601	4,622	2,447	438	–	–	12,268
Exchange differences	–	25	44	–	–	–	(1)	1	–	–	69
Impairment losses recognised in profit or loss	–	–	–	–	–	–	6	4	–	–	10
Disposals and write-offs	–	–	–	(4,193)	(1,287)	(2,394)	(1,068)	(502)	–	–	(9,444)
Transferred to non-current assets held for sale (Note 35)	–	–	(2,576)	(12)	–	–	–	–	–	–	(2,588)
Balance at December 31, 2013	–	4,431	13,868	7,070	–	41,701	18,291	2,152	–	–	87,513
Net Carrying Amount											
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
As of December 31, 2013	9,212	42,606	89,776	1,744	–	13,939	7,964	4,510	413	90	170,254

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

(a) Carrying amount of property, plant and equipment totaling RM117,027,377 (2012: RM151,595,758) were charged to financial institutions as securities for credit facilities granted to the Group (Note 27).

(b) Carrying amount of motor vehicles acquired under hire-purchase arrangement amounted to RM5,738,336 (2012: RM8,495,000).

(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	
	2013 RM'000	2012 RM'000
At beginning of year	–	30,000
Transferred from/(to) property, plant and equipment (Note 14)	70,419	(30,000)
Fair value gain (Note 10)	10,581	–
At end of year	81,000	–

Investment property as of December 31, 2013 represents two (2) single storey warehouses erected on three (3) adjoining parcels of industrial land of which construction was completed during the year. The fair value of the said investment property as of December 31, 2013 has been arrived at on the basis of a valuation carried out on November 11, 2013 by independent valuers which have appropriate qualifications and recent experience in the valuation of properties in the relevant locations. The fair value was determined based on Investment Method of Valuation. The Investment Method of Valuation entails determining the net annual outgoings from the gross annual income, and capitalising the net income by a suitable rate of return consistent with the type and quality of investment to arrive at the market value. In estimating the fair value of the property, the highest and the best use of the property is its current use.

Details of the Group's investment property and information about the fair value hierarchy as of December 31, 2013 are as follows:

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Fair value as of 31.12.2013 RM'000
Two (2) single storey warehouses located in Malaysia	–	81,000	–	81,000

15. INVESTMENT PROPERTY (cont'd)

There was no transfer between Level 1 and 2 during the year.

During 2012, another warehouse, which was initially leased to a third party under an operating lease arrangement, has been transferred to Property, Plant and Equipment (Note 14) following a change in use as owner-occupied property upon the expiration of the leasing arrangement. 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*.

Property rental income earned by the Group amounted to RM3,960,033 (2012: RM2,360,000) and was included as revenue from total logistics services of the Group. The direct operating expenses pertaining to the investment property of the Group that generated rental income during the year amounted to RM159,610 (2012: RM71,807).

The investment property was charged to a financial institution as security for credit facilities granted to the Group (Note 27).

16. INVESTMENT IN SUBSIDIARY COMPANIES

	The Company	
	2013 RM'000	**2012 RM'000**
Unquoted shares - at cost	17,732	17,732
Accumulated impairment losses	(10,662)	(9,943)
Net	7,070	7,789

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

	Effective Equity Interest		
	2013 %	**2012 %**	**Principal Activities**
Direct Subsidiary Companies			
Century Total Logistics Sdn. Bhd.	100	100	Total logistics provider
Century Advance Technology Sdn. Bhd.	100	100	Procurement logistics services
Century Logistics Sdn. Bhd.	100	100	Investment holding
Century Logistics (Johore) Sdn. Bhd.	100	100	Dormant
Century Forwarding Agency Sdn. Bhd.	70	70	Freight forwarding and shipping agency
Indirect Subsidiary Companies			
Storewell (M) Sdn. Bhd.	100	100	Bonded warehousing
Century Trucking Sdn. Bhd.	100	100	Dormant
Century Logistics (Sarawak) Sdn. Bhd.	100	100	Dormant

16. INVESTMENT IN SUBSIDIARY COMPANIES (cont'd)

	Effective Equity Interest 2013 %	Effective Equity Interest 2012 %	Principal Activities
Indirect Subsidiary Companies (cont'd)			
Century LED Sdn. Bhd.	100	100	Dormant
Storewell Realty Sdn. Bhd.	51	51	Property holding
Century Onsys Sdn. Bhd.	51	51	Dormant
Century Logistics (S'pore) Pte. Ltd.* (Incorporated in Singapore)	100	100	Dormant
Century Resources (Thailand) Limited* (Incorporated in Thailand)	100	100	Property holding
Century-YES Logistics (Yichun) Co. Ltd.* (Incorporated in the People's Republic of China)	75	75	Dormant
Expo Century Logistics Private Ltd* (Incorporated in India)	51	51	Dormant

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

There was no acquisition of subsidiary company during the year 2013.

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

(a) Century Logistics Sdn. Bhd. 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; and

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

Composition of the Group

Information about composition of the Group at the end of the reporting period is as follows:

Principal activity	Place of incorporation and operations	Number of wholly-owned subsidiary companies 2013	Number of wholly-owned subsidiary companies 2012
Total logistics services	Malaysia	1	1
Procurement logistics services	Malaysia	1	1
Investment holding	Malaysia	1	1
Bonded warehousing	Malaysia	1	1
Property holding	Thailand	1	1
Dormant	Malaysia	4	4
	Singapore	1	1

16. INVESTMENT IN SUBSIDIARY COMPANIES (cont'd)

Composition of the Group (cont'd)

Principal activity	Place of incorporation and operations	Number of non-wholly-owned subsidiary companies 2013	2012
Freight forwarding and shipping agency	Malaysia	1	1
Property holding	Malaysia	1	1
Vessel chartering	Malaysia	–	1
Dormant	Malaysia	1	–
	China	1	1
	India	1	1

As of December 31, 2013 and 2012, none of the Company's non-wholly owned subsidiary companies has material non-controlling interests.

Amount owing by/to subsidiary companies, which arose mainly from management fee income 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 2013 RM'000	2012 RM'000
Century Total Logistics Sdn. Bhd.		
Management fee income	4,680	4,680
Century Advance Technology Sdn. Bhd.		
Management fee income	720	720

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

Name of related party	Relationship
Century Forwarding Agency Sdn. Bhd.	A company in which Dr. Mohamed Amin bin Mohd Kassim has 30% equity interest
Policy Management Sdn. Bhd.	A company in which Teow Choo Ann, who is the nephew of Datuk Phua Sin Mo and brother of Teow Choo Hing and Teow Choo Chuan has 94% equity interest
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
Onsys Energy Sdn. Bhd. ("OESB") # ~	A company in which Datuk Jaafar bin Mohamad* has 70% equity interest

16. INVESTMENT IN SUBSIDIARY COMPANIES (cont'd)

Name of related party	Relationship
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". These companies ceased to be related parties in 2013.

* 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.

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

	The Group	
	2013 RM'000	2012 RM'000
Century Forwarding Agency Sdn. Bhd.		
- Provision of freight forwarding services to Century Total Logistics Sdn. Bhd. ("CTL")	1,473	1,284
- Provision of management services to CTL	150	600
Policy Management Sdn. Bhd		
- Payment of service fees for renewal of vehicle road tax by CTL	10	8
Award Maritime Sdn. Bhd.		
- Provision of ship handling and agency services to CTL	–	1,821
- Rental of office space and administration charges from CTL	–	19
Onsys Group		
- Provision of ship handling and agency services to Century Onsys Sdn. Bhd.	–	551
- Rental of office space and electricity charges from CTL	–	169
- Provision of agency services by CTL	–	47

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 24, 2013. 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 2013 RM'000	2012 RM'000
Financial assets carried at fair value through profit or loss:		
Shares quoted in Malaysia	614	144
Shares quoted outside Malaysia	208	237
Total	822	381

18. GOODWILL ON CONSOLIDATION

	The Group 2013 RM'000	2012 RM'000
At beginning of year	3,730	3,730
Less: Impairment loss charged to profit or loss (Note 10)	(725)	–
At end of year	3,005	3,730

Goodwill on consolidation of the Group arose from the acquisition of four (4) subsidiary companies of which their underlying assets and operations were subsequently transferred to another subsidiary company, Century Total Logistics Sdn. Bhd. ("CTL"), to enable CTL to operate as a total logistics service provider.

Accordingly, goodwill on consolidation has been allocated to the four (4) cash generating units ("CGUs") within CTL that benefited from the business combination, out of which the carrying amount of goodwill allocated to the haulage operations of CTL amounted to RM1,562,000 (2012: RM1,562,000).

The Group tests goodwill annually for impairment or more frequently if there are indications that goodwill might be impaired. During the current financial year, the service contract relating to Lot 4 General Warehouse, one of the CGUs to which goodwill was allocated to, expired and has not been renewed. At the end of the financial year, the directors have not decided as to whether to hold the said property for continued use or for disposal. By reference to certain offers received during the current financial year, the directors have consequently determined to fully impair the goodwill attributable to this CGU of RM725,000.

Key assumptions used in value in use calculations

The recoverable amount of the CGUs 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 CGUs. The growth rates are based on industry growth forecasts. Changes in service rates 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 of 5.2% 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 2013 RM'000	2012 RM'000
At cost:		
Assembled products	603	–

20. TRADE RECEIVABLES

	The Group 2013 RM'000	2012 RM'000
Trade receivables	56,693	59,114
Less: Allowance for doubtful debts	(6,448)	(2,393)
Net	50,245	56,721

The credit terms of the Group range from 7 to 60 days (2012: 7 to 60 days).

Included in the Group's trade receivables are debtors with a carrying amount of RM19,663,000 (2012: RM26,568,000) 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 2013 RM'000	2012 RM'000
1-30 days	13,244	11,971
31-60 days	3,024	5,002
61-90 days	699	5,846
91-120 days	219	1,043
More than 120 days	2,477	2,706
Total	19,663	26,568

Movement in the allowance for doubtful debts is as follows:

	The Group 2013 RM'000	2012 RM'000
Balance at beginning of the year	2,393	2,630
Impairment losses recognised	4,636	382
Impairment losses reversed	(581)	(619)
	4,055	(237)
Balance at end of the year	6,448	2,393

20. TRADE RECEIVABLES (cont'd)

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, amount owing by ten (10) major customers of the Group, which transacted with a subsidiary company principally involved in the provision of total logistics services and another subsidiary company principally involved in the provision of procurement logistics services, accounted for 55% (2012: 52%) of the Group's trade and other receivables. 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.

The currency profile of trade receivables is as follows:

	The Group	
	2013 RM'000	2012 RM'000
Ringgit Malaysia	54,849	58,444
United States Dollar	1,032	226
Thai Baht	579	296
Chinese Renminbi	148	46
Indian Rupee	85	102
	56,693	59,114

21. OTHER RECEIVABLES, DEPOSITS AND PREPAID EXPENSES

	The Group		The Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Other receivables	42,515	25,274	–	4
Deposits paid for capital expenditure	12,546	12,546	–	–
Refundable deposits	4,506	4,813	1	1
Prepaid expenses	3,152	2,756	12	22
	62,719	45,389	13	27
Less: Allowance for doubtful debts	(230)	(230)	–	–
	62,489	45,159	13	27

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 RM34,485,889 (2012: RM21,588,063).

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	
	2013 RM'000	2012 RM'000
Ringgit Malaysia	62,036	43,942
Thai Baht	336	240
United States Dollar	336	714
Indian Rupee	–	407
Others	11	86
	62,719	45,389

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

22. DEPOSITS, CASH AND BANK BALANCES

	The Group		The Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Cash and bank balances	10,408	9,995	286	704
Deposits with licensed banks	11,799	10,933	2,100	–
Investment in fixed income funds	15,879	–	–	–
	38,086	20,928	2,386	704

The weighted average interest rate of deposits and investment in fixed income funds is 2.98% (2012: 2.87%) per annum. The maturity periods of deposits of the Group range from 1 to 365 days (2012: 3 to 365 days).

Investment in fixed income funds of the Group as of December 31, 2013 were launched by two (2) licensed investment banks of which amounts deposited can be withdrawn at the discretion of the Group given a one (1) day-notice period.

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

	The Group	
	2013 RM'000	2012 RM'000
Ringgit Malaysia	34,615	16,974
United States Dollar	1,553	2,402
Chinese Renminbi	1,046	938
Thai Baht	537	211
Singapore Dollar	181	275
Indian Rupee	142	124
Others	12	4
	38,086	20,928

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

23. SHARE CAPITAL

	The Company	
	2013 RM'000	2012 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	95,820	84,136
Exercise of warrants	26,244	11,684
At end of year	122,064	95,820

During the current financial year, the issued and paid-up share capital of the Company was increased from RM95,820,404 divided into 95,820,404 ordinary shares of RM1.00 each to RM122,064,297 divided into 122,064,297 ordinary shares of RM1.00 each by the issuance of 26,243,893 new ordinary shares of RM1.00 each at par for cash through the exercise of 26,243,893 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 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.

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

Warrants 2010/2013

The Warrants 2010/2013 were 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 26,243,893 new ordinary shares being issued at RM1.00 each.

The subscription rights of Warrants 2010/2013 expired during the current financial year, on January 27, 2013.

24. TREASURY SHARES

On April 24, 2013 and April 25, 2012, 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 2013 and 2012 respectively.

During the current financial year, the Company:

(a) Bought back 1,384,400 (2012: 780,400) of its issued ordinary shares from the open market at an average price of RM1.70 (2012: RM1.75) per share. The total consideration paid for the purchase was RM2,354,760 excluding incidental cost of RM10,806 (2012: RM1,362,442 excluding incidental cost of RM7,350).

(b) Distributed 4,669,746 treasury shares as interim share dividend of one (1) treasury share for every twenty-five (25) ordinary shares of RM1.00 each held in the Company, amounting to RM7,788,001.

24. TREASURY SHARES (cont'd)

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

The Company held as treasury shares a total of 1,083,974 (2012: 4,369,320) of its 122,064,297 (2012: 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 RM1,857,804 (2012: RM7,280,239).

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

25. RESERVES

	The Group		The Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Share premium	–	801	–	801
Translation reserve	49	(284)	–	–
Capital reserve	–	874	–	874
Retained earnings	132,323	128,854	8,828	7,978
	132,372	130,245	8,828	9,653

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. During the current financial year, the balance in share premium account was fully utilised in the distribution of share dividend.

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. Upon expiry of these warrants on January 27, 2013, the remaining balance in capital reserve account of RM438,000 was transferred to retained earnings, including warrants issue expenses previously debited to capital reserve account of RM456,000.

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 2013 RM'000	2012 RM'000
Total outstanding	6,307	5,364
Less: Interest-in-suspense	(504)	(313)
Principal outstanding	5,803	5,051
Less: Portion due within the next 12 months (shown under current liabilities)	(2,340)	(2,368)
Non-current portion	3,463	2,683

The non-current portion is repayable as follows:

	The Group 2013 RM'000	2012 RM'000
Within 1 to 2 years	1,325	1,846
Within 2 to 5 years	2,138	837
	3,463	2,683

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 4.80% to 5.64% (2012: 4.56% to 5.76%) 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. LONG-TERM BORROWINGS

	The Group 2013 RM'000	2012 RM'000
Secured:		
Principal outstanding	81,052	66,462
Portion due within the next 12 months (Note 31)	(14,224)	(14,368)
	66,828	52,094

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

	The Group 2013 RM'000	2012 RM'000
Within 1 to 2 years	21,300	14,369
Within 2 to 5 years	43,398	33,688
5 years and thereafter	2,130	4,037
	66,828	52,094

27. LONG-TERM BORROWINGS (cont'd)

The weighted average effective interest rate of the above long-term loans is 5.2% (2012: 5.6%) per annum.

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 and buildings (Notes 14 and 15);
(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); and
(v) corporate guarantee by the Company amounting to RM156,494,000 (2012: RM105,449,000).

A long-term loan of the Group as of December 31, 2012 amounting to USD3,325,000 (equivalent to RM9,944,078), which was drawndown by a subsidiary company in 2012 and was early settled in full during the current financial year, was 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 the Group's borrowings is as follows:

	The Group	
	2013 **RM'000**	**2012** **RM'000**
Ringgit Malaysia	68,499	43,155
Thai Baht	12,553	14,855
United States Dollar	–	8,452
	81,052	66,462

28. 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	
	2013 **RM'000**	**2012** **RM'000**
At beginning of year	122	–
Transfer from profit or loss (Note 11)		
Property, plant and equipment	(309)	(187)
Other payables and accrued expenses	187	309
	(122)	122
At end of year	–	122

28. 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	
	2013 RM'000	**2012 RM'000**
Deferred tax assets (before offsetting)		
Tax effects 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 effects on taxable temporary differences arising from property, plant and equipment	–	187
Offsetting	–	(187)
Deferred tax liabilities (after offsetting)	–	–

Deferred tax liabilities

	The Group	
	2013 RM'000	**2012 RM'000**
At beginning of year	9,803	9,017
Transfer (to)/from profit or loss (Note 11)		
Property, plant and equipment	(731)	1,198
Trade receivables	(1,113)	–
Unused capital allowances and tax losses	2,401	(761)
Others	(742)	349
	(185)	786
At end of year	9,618	9,803

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

	The Group	
	2013 RM'000	**2012 RM'000**
Deferred tax liabilities (before offsetting)		
Tax effects on taxable temporary differences arising from:		
Property, plant and equipment	(11,405)	(12,136)
Others	(109)	(165)
	(11,514)	(12,301)
Offsetting	1,896	2,498
Deferred tax liabilities (after offsetting)	(9,618)	(9,803)

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

	The Group 2013 RM'000	The Group 2012 RM'000
Deferred tax assets (before offsetting)		
Tax effects of unused capital allowances and tax losses	–	2,401
Tax effects on deductible temporary differences arising from:		
Trade receivables	1,113	–
Others	783	97
	1,896	2,498
Offsetting	(1,896)	(2,498)
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 2013 RM'000	The Group 2012 RM'000	The Company 2013 RM'000	The Company 2012 RM'000
Unused capital allowances and tax losses	11,765	4,007	–	–
Other deductible temporary differences	542	421	41	44
	12,307	4,428	41	44

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.

29. 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 2013 RM'000	The Group 2012 RM'000
Ringgit Malaysia	14,003	13,875
United States Dollar	136	–
Thai Baht	22	14
Others	29	5
	14,190	13,894

30. OTHER PAYABLES AND ACCRUED EXPENSES

Other payables and accrued expenses consist of the following:

	The Group		The Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Other payables	33,879	7,074	2	–
Accrued expenses	16,579	13,372	2,168	1,600
Sub-lease rental payable	9,147	15,116	–	–
Amount owing to corporate shareholders of certain subsidiary companies	5,762	5,999	–	–
Deposits refundable	2,965	3,567	–	–
	68,332	45,128	2,170	1,600
Less: Sub-lease rental payable after the next 12 months	(4,574)	(9,148)	–	–
	63,758	35,980	2,170	1,600

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

	The Group	
	2013 RM'000	2012 RM'000
Within 1 to 2 years	4,574	4,574
Within 2 to 5 years	–	4,574
	4,574	9,148

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 RM21,976,067 (2012: RM Nil).

Included in amount owing to corporate shareholders of certain subsidiaries is an amount of RM5,706,187 (2012: 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.

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

	The Group	
	2013 RM'000	2012 RM'000
Ringgit Malaysia	40,821	40,303
United States Dollar	25,157	2,456
Thai Baht	1,180	809
Singapore Dollar	1,070	1,206
Indian Rupee	68	322
Chinese Renminbi	36	32
	68,332	45,128

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

31. SHORT-TERM BORROWINGS

	The Group	
	2013 RM'000	2012 RM'000
Secured:		
Portion of long-term loans due within the next 12 months (Note 27)	14,224	14,368
Unsecured:		
Revolving credit	–	10,000
	14,224	24,368

The Group has term loans, bank overdrafts and revolving credit facilities amounting to RM179.5 million (2012: RM134.6 million) obtained from various financial institutions.

The weighted average effective interest rate of revolving credit was 4.14% (2012: 4.36%) per annum.

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

	The Group	
	2013 RM'000	2012 RM'000
Ringgit Malaysia	11,040	19,291
Thai Baht	3,184	3,088
United States Dollar	–	1,989
	14,224	24,368

32. CASH AND CASH EQUIVALENTS

	The Group		The Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Cash and bank balances (Note 22)	10,408	9,995	286	704
Deposits with licensed banks (Note 22)	11,799	10,933	2,100	–
	22,207	20,928	2,386	704
Less: Deposits with maturities in excess of 3 months	(74)	(69)	–	–
	22,133	20,859	2,386	704

33. 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 2012.

The capital structure of the Group consists of net debt (borrowings as detailed in Notes 26 to 27 and 31) 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	
	2013 RM'000	2012 RM'000
Debts, comprising:		
Long-term borrowings (Note 27)	81,052	66,462
Short-term borrowings (Note 31)	–	10,000
Hire-purchase payables (Note 26)	5,803	5,051
	86,855	81,513
Cash and bank balances	(38,086)	(20,928)
Net debts	48,769	60,585
Shareholders' equity	253,768	220,957
Net debt to equity ratio	19.2%	27.4%

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.

33. FINANCIAL INSTRUMENTS (cont'd)

Categories of financial instruments

	The Group	
	2013 RM'000	2012 RM'000
Financial assets		
Financial asset at fair value through profit and loss:		
Quoted shares (Note 17)	822	381
Loans and receivables:		
Trade receivables	50,245	56,721
Other receivables and refundable deposits (Note 21)	46,791	29,857
Deposits, cash and bank balances	38,086	20,928
	135,122	107,506
Financial liabilities at amortised costs		
Trade payables	14,190	13,894
Other payables and accrued expenses	68,332	45,128
Long-term borrowings (Note 27)	81,052	66,462
Short-term borrowings (Note 31)	–	10,000
Hire-purchase payables (Note 26)	5,803	5,051
	169,377	140,535

	The Company	
	2013 RM'000	2012 RM'000
Financial assets		
Loans and receivables:		
Other receivables and refundable deposits (Note 21)	1	5
Amount owing by subsidiary companies	125,001	94,592
Deposits, cash and bank balances	2,386	704
	127,388	95,301
Financial liabilities at amortised costs		
Other payables and accrued expenses	2,170	1,600
Amount owing to subsidiary companies	3,306	3,309
	5,476	4,909

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

33. FINANCIAL INSTRUMENTS (cont'd)

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	
	2013 RM'000	2012 RM'000
Sub-lease rental payable		
Carrying amount (Note 30)	9,147	15,116
Fair value	8,480	14,498

Fair value of the abovementioned financial liability recognised at amortised costs, which is categorised into Level 2 of the fair value hierarchy, has been determined in accordance with generally accepted pricing models based on a discounted cashflow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparties.

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") and Thai Baht.

The Group hedges majority of USD denominated purchase transactions by foreign currency forward contracts as well as maintaining USD denominated bank accounts. The following table details the foreign currency ("FC") forward contracts outstanding at the end of the reporting period:

Outstanding contracts	Range of exchange rates	Foreign currency USD'000	Notional value RM'000	Fair value gain/(loss) RM'000
2013				
Buy USD				
Less than 3 months	3.15 - 3.36	2,612	8,435	124
3 to 6 months	3.31	71	235	(1)
2012				
Buy USD				
Less than 3 months	3.06 - 3.10	1,688	5,195	17
3 to 6 months	3.09	272	839	(1)

33. FINANCIAL INSTRUMENTS (cont'd)

Foreign currency risk management (cont'd)

Fair values of the abovementioned foreign currency forward contracts, which are categorised into Level 2 of the fair value hierarchy, have been determined based on discounted cashflow analysis. Future cash flows are estimated based on forward exchange rates (from observable forward exchange rates at the end of the reporting period) and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties.

In respect of USD denominated monetary assets and liabilities not covered by FC forward exchange contracts, if USD were to change 5% against Ringgit Malaysia, profit and equity will increase/decrease by approximately RM685,000 (2012: RM76,600).

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 RM42,000 (2012: RM53,000). This sensitivity analysis assumes that all other variables, in particular interest rates, remain constant.

Interest rate risk management

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

The Group is mainly exposed to interest rate risk through long-term loans, with the underlying weighted average effective interest rate of 5.2% (2012: 5.6%) per annum. The Group's exposure to interest rate risk via hire-purchase is minimal as these liabilities are subject to fixed interest rate.

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

Credit risk management

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

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.

33. FINANCIAL INSTRUMENTS (cont'd)

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
2013						
Hire-purchase payables	4.80-5.64	2,582	1,468	2,257	–	6,307
Long-term borrowings	5.20	16,755	25,031	51,872	2,652	96,310
Sub-lease rental payable	–	4,574	4,573	–	–	9,147
		23,911	31,072	54,129	2,652	111,764
2012						
Hire-purchase payables	4.56-5.76	2,576	1,932	856	–	5,364
Long-term borrowings	5.60	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

As disclosed in Note 35, a freehold land and building of Century Resources (Thailand) Limited, a Thailand incorporated subsidiary company, is held for disposal as of December 31, 2013. Upon the completion of the said disposal, the directors of the Group and the Company intend to early settle a term loan of the said subsidiary company amounting to RM12,553,000 as of December 31, 2013 utilising the disposal proceeds. In the above analysis, cash outflows in respect of this term loan has been analysed by reference to the repayment period as stipulated in the loan agreement, as follows:

The Group	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
2013					
Long-term borrowing	3,871	3,871	7,502	–	15,244

33. 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 RM210.3 million (2012: RM169.5 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 27.

34. 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	**Total Logistics Services RM'000**	**Procurement Logistics Services RM'000**	**Elimination RM'000**	**Consolidated RM'000**
2013				
REVENUE				
External sales	222,961	32,852	–	255,813
Inter-segment sales	3,764	–	(3,764)	–
Total revenue	226,725	32,852	(3,764)	255,813
RESULTS				
Segment results	38,274	8,392	(16,289)	30,377
Interest income	725	193	–	918
Profit from operations	38,999	8,585	(16,289)	31,295
Finance costs	(3,438)	(648)	–	(4,086)
Income tax expense	(5,111)	(527)	–	(5,638)
Profit for the year	30,450	7,410	(16,289)	21,571

34. SEGMENTAL INFORMATION (cont'd)

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

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 2013	Total Logistics Services RM'000	Procurement Logistics Services RM'000	Elimination RM'000	Consolidated RM'000
SEGMENT ASSETS				
Segment assets	586,322	83,703	(234,988)	435,037
Consolidated total assets				435,037
SEGMENT LIABILITIES				
Segment liabilities	364,010	43,738	(226,479)	181,269
Consolidated total liabilities				181,269

34. SEGMENTAL INFORMATION (cont'd)

Group	Total Logistics Services RM'000	Procurement Logistics Services RM'000	Elimination RM'000	Consolidated RM'000
2012				
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

Other Segment Information

Group	Total Logistics Services RM'000	Procurement Logistics Services RM'000	Elimination RM'000	Consolidated RM'000
2013				
Capital expenditure	47,421	5,186	–	52,607
Depreciation	11,137	1,131	–	12,268
2012				
Capital expenditure	41,215	19,975	–	61,190
Depreciation	11,510	760	–	12,270

35. NON-CURRENT ASSETS HELD FOR SALE

	The Group	
	2013 RM'000	2012 RM'000
Freehold land and building held for sale:		
At beginning of year	–	–
Transferred from property, plant and equipment (Note 14)	28,454	–
At end of year	28,454	–

As of December 31, 2013, the Group intends to dispose of a freehold land and building, comprising a single storey warehouse with office building ("the property"), held by Century Resources (Thailand) Limited, a Thailand incorporated subsidiary company. No impairment loss was recognised on reclassification of the property as held for sale as the directors expected the fair value (estimated based on letter of offer received) less costs to sell to be higher than the carrying amount.

35. NON-CURRENT ASSETS HELD FOR SALE (cont'd)

Subsequent to the end of the financial year, on March 5, 2014, a sale and purchase agreement ("S&P") was entered into to dispose of this property at a cash consideration equivalent to approximately RM32.0 million. Upon the completion of this transaction, which is anticipated to take place within 60 days from the date of the S&P, the Group anticipates to record a gain on disposal of approximately RM2.0 million.

The subject property is included under the segment of total logistics service in Note 34.

36. 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	
	2013 **RM'000**	**2012** **RM'000**
Approved and contracted for	26,527	60,793
Approved but not contracted for	1,247	292

Included in capital commitment approved and contracted for as of December 31, 2013 was commitment for land acquisition amounted to RM18,818,000 (2012: RM18,818,000) relating to Storewell Realty Sdn. Bhd., a subsidiary company disposed of by the Group subsequent to the end of the financial year (Note 38). The said capital commitment has not been incurred by the Group as of the date of disposal.

(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	
	2013 **RM'000**	**2012** **RM'000**
Financial years ending December 31:		
2013	–	4,378
2014	3,678	600
2015	2,988	–
2016	125	–
	6,791	4,978

37. CONTINGENT LIABILITIES

(a) As of December 31, 2013, material litigation was 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, of which the plaintiff's claim was dismissed by the court and an appeal has been filed.

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 the appeal is not presently determinable.

(b) During the current financial year, a subsidiary company received letter of demand for damages amounted to RM5,745,600 arising from an alleged breach of contract. The said subsidiary company also received writ of summons and statement of claim relating to the same matter dated February 20, 2014 subsequent to the end of the financial year.

The directors, based on consultation with the Group's legal counsel, are of the opinion that the said subsidiary company has probable chance of success in resisting the said claim. No provision for losses has been made in the financial statements as the outcome of this case is not presently determinable and a reliable estimate of probable outflow of resources, if any, cannot be made.

38. SUBSEQUENT EVENTS

Subsequent to the end of the financial year:

(a) On February 24, 2014, a subsidiary company, Century Logistics Sdn. Bhd., entered into a share sale agreement with a third party to dispose of its entire 51% equity interest in Storewell Realty Sdn. Bhd. for a cash consideration of RM7.9 million. Upon the completion of this transaction, the Group is expected to record a gain on disposal of subsidiary company of approximately RM1.4 million.

(b) On March 5, 2014, a subsidiary company, Century Resources (Thailand) Limited, entered into a sale and purchase agreement to dispose of a freehold land and building at a cash consideration equivalent to approximately RM32.0 million. Upon the completion of this transaction, the Group anticipates to record a gain on disposal of approximately RM2.0 million (Note 35).

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	
	2013 RM'000	2012 RM'000
Total retained earnings of the Company and its subsidiaries		
- Realised	124,202	131,956
- Unrealised	(2,720)	(9,250)
	121,482	122,706
Less: Consolidation adjustments	10,841	6,148
Total Group retained earnings	132,323	128,854

	The Company	
	2013 RM'000	2012 RM'000
Total retained earnings of the Company		
- Realised	8,828	7,978
- Unrealised	–	–
Total Company retained earnings	8,828	7,978

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

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, 2013 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 13, 2014

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 13th day of March, 2014.

Before me,

COMMISSIONER FOR OATHS

LIST OF PROPERTIES
AS AT 31 DECEMBER 2013

Location	Existing use Description	Year of Acquisition or Revaluation*	Age of Building	Area (sq. feet)	Tenure	NBV as at 31/12/2013 (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*	22 years	174,240	Leasehold Expiry: 30 July 2086	8,093,199
Lot 8, Lingkaran Sultan Mohamed 1 Bandar Sultan Suleiman 42000 Port Klang Selangor Darul Ehsan	3 single storey warehouses with office building	2001	12 years	558,647	Leasehold Expiry: 29 March 2087	34,352,223
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*	7 years	335,412	Sub Lease Expiry: 23 March 2055	29,058,823
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	6 years	321,037	Sub Lease Expiry: 23 March 2055	24,115,026
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	4 years	156,511	Sub Lease Expiry: 23 March 2055	16,056,400
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	1,688,032
670, Moo 4 Tambol U-Thai Rojana Industrial Park Zone 2 Amphur U-Thai Ayutthaya Province Thailand	Single storey warehouse with office building	2009	4 years	417,299	Freehold	28,453,514
Plot D28-B, D28-C & D28-D Jalan DPB 3 Kawasan Zon Bebas Pelabuhan Tanjung Pelepas 81560 Gelang Patah Johor Darul Takzim	2 single storey warehouses	2013*	1 year	653,400	Sub Lease Expiry: 23 March 2055	81,000,000
Lot 4A, Jalan Sultan Mohamed 3 Bandar Sultan Suleiman 42000 Port Klang Selangor Darul Ehsan	Double storey factory with office building	2012	15 years (refurbished in 2013)	257,171	Leasehold Expiry: 30 June 2105	19,343,614
Lot PT 32307 Mukim Bukit Raja Daerah Petaling Selangor Darul Ehsan	Land	2013	–	65,370	Freehold	9,212,327
						251,373,158

Statement Accompanying Notice of Annual General Meeting Pursuant to Paragraph 12.06[2(a)] of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad

1. Disclaimer Statement

Bursa Malaysia Securities Berhad ("Bursa Securities") has not perused the Share Buy-Back Statement ("Statement") prior to its issuance as it is an exempt document. Bursa Securities takes no responsibility for the contents of this Statement, makes no representation as to its accuracy or completeness and expressly disclaims any liability, whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Statement.

2. Rationale for renewal of authority from the shareholders of the Company to enable the Company to purchase and/or hold up to ten percent (10%) of its issued and paid-up share capital pursuant to Section 67A of the Companies Act, 1965

The authority to purchase the Company's own Shares is sought to enable Century to have an additional option of utilising its financial resources more efficiently. All things being equal, any purchase of the Company's own Shares, regardless whether the Shares so purchased were retained as treasury shares or cancelled, would result in a lower number of Shares being used for the purpose of computing EPS.

Based on the foregoing and depending on the price paid for the purchase of each Share and its impact on the earnings of the Group, the purchase of the Company's own Shares may improve the EPS of the Group. If the EPS of the Group is improved, it is expected to have a positive impact on the market price of the Shares.

The Company may also retain the Shares so purchased as treasury shares with the intention of realising potential gains from the resale of treasury shares and/or to reward the shareholders through the distribution of the treasury shares as dividends.

3. Retained Profits and Share Premium

As at 4 March 2014, the issued and paid-up share capital of Century is RM122,064,297 comprising 122,064,297 Shares inclusive of 1,083,974 Shares bought by the Company and kept as treasury shares. The Proposed Share Buy-Back will enable the Company to purchase up to a maximum of 12,206,429 Shares (of which 1,083,974 Shares had been bought back and retained as treasury shares), representing 10% of the issued and paid-up ordinary share capital.

The maximum amount of funds to be utilised for any purchase of the Company's own Shares must not exceed the retained profits and/or share premium account of the Company. Based on the audited financial statements for the financial year ended 31 December 2013, the audited retained earnings accounts stood at RM8.828 million.

4. Source of Funds

The Proposed Share Buy-Back will be funded from internally generated funds and/or borrowings. In the event the Company purchase its own Shares using external borrowings, the Board will ensure that the Group will have sufficient funds to repay the external borrowings and that the repayment will not have a material effect on the Group's cash-flows.

5. Direct and Indirect Interests of the Directors and Substantial Shareholders

Save for the resulting change in percentage shareholdings as a consequence of the Share Buy-Back, none of the Directors and major shareholders and/or persons connected to them have any interest, direct or indirect, in the Proposed Share Buy-Back and, if any, the resale of treasury shares.

5.1 Directors' Shareholdings

The proforma effect of the Proposed Share Buy-Back on the shareholdings of the Directors of Century as at 4 March 2014 on the assumption that Shares are purchased from shareholders other than the Directors are set out below:

	As at 4 March 2014				After Proposed Share Buy-Back			
	Direct		Indirect		Direct		Indirect	
	No of Shares 000	%	No of Shares 000	%	No of Shares 000	%	No of Shares 000	%
Datuk Phua Sin Mo	23,408	19.35	8,669 (1)	7.17	23,408	21.31	8,669 (1)	7.89
Teow Choo Hing	13,328	11.02	641 (2)	0.53	13,328	12.13	641 (2)	0.58
Dr. Mohamed Amin Bin Mohd Kassim	1,953	1.61	–	–	1,953	1.78	–	–
Teow Choo Chuan	7,077	5.85	686 (2)	0.57	7,077	6.44	686 (2)	0.62
Yeap Khoo Soon Edwin	801	0.66	–	–	801	0.73	–	–
Dato' Sri Yong Seng Yeow	114	0.09	–	–	114	0.10	–	–
Shamsudin @ Samad Bin Kassim	204	0.17	–	–	204	0.19	–	–

5.2 Major Shareholders' Shareholdings

The proforma effect of the Proposed Share Buy-Back on the shareholdings of the major shareholders in Century as at 4 March 2014 on the assumption that Shares are purchased from shareholders other than the major shareholders are set out below:

	As at 4 March 2014				After Proposed Share Buy-Back			
	Direct		Indirect		Direct		Indirect	
	No of Shares 000	%	No of Shares 000	%	No of Shares 000	%	No of Shares 000	%
Datuk Phua Sin Mo	23,408	19.35	8,669 (1)	7.17	23,408	21.31	8,669 (1)	7.89
Teow Choo Hing	13,328	11.02	641 (2)	0.53	13,328	12.13	641 (2)	0.58

Notes:

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

6. Potential Advantages and Disadvantages

The potential advantages of any purchase of the Company's own Shares are as follows:

(a) allows the Company to take preventive measures against speculation particularly when the Shares are undervalued which would in turn stabilise the Company's market price and hence, enhance investors' confidence;

(b) allows the Company flexibility in achieving the desired capital structure, in terms of debt and equity composition and the size of equity; and

(c) if the treasury shares are distributed as dividends, it may then serve to reward the shareholders.

The potential disadvantages of any purchase of the Company's own Shares are as follows:

(a) any purchase of the Company's own Shares will reduce available financial resources and may result in the Group foregoing better investment opportunities that may emerge in the future; and

(b) as any purchase of the Company's own Shares can only be made out of retained profits and share premium, it may result in the reduction of financial resources available for distribution to the shareholders in the immediate future.

Nevertheless, the Board will be mindful of the interests of the Company and the shareholders in undertaking any purchase of the Company's own Shares and in the subsequent resale of treasury shares on Bursa Securities, if any.

7. Financial Effects

7.1 Share Capital

The effects of any purchase of the Company's own Shares on the share capital will depend on whether the Shares so purchased are cancelled or retained as treasury shares.

The Proposed Share Buy-Back will not have any effect on the issued and paid-up ordinary share capital if all the Shares purchased are to be retained as treasury shares, re-sold or distributed to our shareholders.

The Proposed Share Buy-Back will however, result in the reduction of the issued and paid-up share capital if the Shares so purchased are cancelled. The proforma effects of the Proposed Share Buy-Back based on the issued and paid-up share capital as at 4 March 2014 and assuming the Shares so purchased are cancelled are set out below:

	No. of Shares
Existing as at 4 March 2014	122,064,297
Cancellation of Shares purchased pursuant to the Proposed Share Buy-Back	12,206,429
	109,857,868

7. Financial Effects (cont'd)

7.2 Earnings

The effects of the Proposed Share Buy-Back on the EPS of the Group will depend on the purchase price for such Shares, the effective funding cost to finance the purchase of the Shares or any loss in interest income to the Group.

Assuming that any Shares so purchased are retained as treasury shares and resold, the effects on the earnings of the Group will depend on the actual selling price, the number of treasury shares resold and the effective gain or interest savings arising from the exercise.

If the Shares so purchased are cancelled, the Proposed Share Buy-Back will increase the EPS of the Group provided the income foregone and interest expense incurred on the Shares purchase is less than the EPS of the Group before the purchase of the Shares.

7.3 Net Assets ("NA")

The effects of the Proposed Share Buy-Back on the NA of the Group, whether the Shares purchased are cancelled or retained as treasury shares are as follows:

(i) Shares purchased under the Proposed Share Buy-Back are subsequently retained as treasury shares

The NA of the Group would decrease if the Shares purchased are retained as treasury shares due to the requirement for treasury shares to be carried at cost and be offset against equity, resulting in a decrease in the NA of the Group by the cost of the treasury shares.

If the Shares purchased are resold on Bursa Securities, the NA of the Group would increase if a gain is realized from the resale, and vice versa.

If the Shares purchased were distributed as share dividends, the NA of the Group will decrease by the cost of the treasury shares.

(ii) Century Shares purchased under the Proposed Share Buy-Back are subsequently cancelled

If the Shares so purchased are cancelled, the Proposed Share Buy-Back will reduce the NA per Share if the purchase price per Share exceeds the NA per Share at the relevant point in time, and vice versa.

7.4 Dividends

In respect of the financial year ended 31 December 2013, an interim dividend of 7.0 sen per share (single-tier) was paid together with a distribution of one (1) treasury share for every twenty-five (25) ordinary shares of RM1.00 each held in the Company. In addition, a final dividend of 4.0 sen per share (single-tier) has been recommended, subject to the approval of the shareholders of the Company at the forthcoming AGM of the Company.

The Company may distribute future dividends in the form of the Shares acquired pursuant to the Proposed Share Buy-Back.

7.5 Working Capital

The Proposed Share Buy-Back will reduce the working capital of the Group, the quantum of which will depend on the purchase prices of the Shares and the number of Shares so purchased.

8. Implication Under the Malaysian Code on Take-Overs and Mergers 1998 ("the Code")

As at 4 March 2014, Datuk Phua Sin Mo together with parties acting in concert, holds more than 33% but less than 50% of the voting shares of the Company. In the event that the Proposed Share Buy-Back is carried out in full within a period of 6 months, the combined holdings of Datuk Phua Sin Mo and the parties acting in concert may increase by more than 2%.

Pursuant to the Code, Datuk Phua Sin Mo and the parties acting in concert will be obliged to undertake a mandatory general offer for the remaining Shares not already owned by them collectively. However, an exemption from a mandatory offer obligation may be granted by the Securities Commission under Practice Note 2.9.10 of the Code, subject to Datuk Phua Sin Mo and the parties acting in concert complying with certain conditions, if the obligation is triggered as a result of action outside their direct participation. Datuk Phua Sin Mo intends to apply for waiver in the event that the Code is triggered.

9. Purchase, Resale and Cancellation of shares made in the previous twelve (12) months

For the financial year ended 31 December 2013, the Company bought back a total of 1,384,400 Shares from the open market at an average price of RM1.70 per share or a total consideration of RM2,354,760. All the purchased Shares are held as treasury shares by the Company.

Information on the Shares bought back by the Company during the financial year ended 31 December 2013 is set out on page 12 in the Annual Report 2013.

10. Public Shareholding Spread

Based on the Record of Depositors of Century as at 4 March 2014, the public shareholding spread of the Company was 52.74%. The Board undertakes that any purchase of the Company's own Shares would only be conducted in accordance with laws prevailing at the time of the purchase, including compliance with the 25% public shareholding spread as required by the Main Market Listing Requirements.

11. Directors' Statement

This Statement has been seen and approved by the Board of Directors and they individually and collectively accept full responsibility for the accuracy of the information given in this Statement and confirm that, after making all reasonable enquiries, to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading.

Having considered all aspects of the Proposed Share Buy-Back, the Board of Directors is of the opinion that the Proposed Share Buy-Back is fair, reasonable and in the best interest of the Company.

12. Directors' Recommendation

Your Board, having considered all aspects of the Proposed Share Buy-Back, is of the opinion that the Proposed Share Buy-Back is in the best interest of Century and recommends you to vote in favour of the resolution to be tabled at the forthcoming AGM to give effect to the Proposed Share Buy-Back.

13. Other Information

There is no other information concerning the Proposed Share Buy-Back as shareholders and their professional advisers would reasonably require and expect to find in this Statement for the purpose of making informed assessment as to the merits of approving the Proposed Share Buy-Back and the extent of the risks involved in doing so.

ANALYSIS OF SHAREHOLDINGS
AS AT 4 MARCH 2014

Authorised Share Capital	:	RM500,000,000
Issued and Fully Paid-Up Capital	:	RM122,064,297 (including the treasury shares of 1,083,974)
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 Holders	%
1 - 99	139	7.44	4,342	0.00
100 - 1,000	146	7.82	65,150	0.05
1,001 - 10,000	963	51.55	4,205,406	3.48
10,001 - 100,000	502	26.87	15,551,234	12.86
100,001 - 6,049,015 (less than 5% of Issued Shares)	115	6.16	70,569,671	58.33
6,049,016 and above (5% and above of Issued Shares)	3	0.16	30,584,520	25.28
TOTAL	**1,868**	**100.00**	**120,980,323**	**100.00**

2. DIRECTORS' SHAREHOLDINGS

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

No.		No. of Ordinary Shares Held			
		Direct	%	Indirect	%
1	Datuk Phua Sin Mo	23,407,830	19.35	8,669,180 (1)	7.17
2	Teow Choo Hing	13,328,098	11.02	641,472 (2)	0.53
3	Teow Choo Chuan	7,076,903	5.85	686,400 (2)	0.57
4	Dr. Mohamed Amin Bin Mohd Kassim	1,953,181	1.61	0	0.00
5	Yeap Khoo Soon Edwin	800,800	0.66	0	0.00
6	Shamsudin @ Samad Bin Kassim	204,000	0.17	0	0.00
7	Dato' Sri Yong Seng Yeow	114,400	0.09	0	0.00

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	23,407,830	19.35	8,669,180[1]	7.17
2.	Teow Choo Hing	13,328,098	11.02	641,472[2]	0.53
3.	Teow Choo Chuan	7,076,903	5.85	686,400[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	15,187,617	12.55
2	Datin Lee Lay Hun	8,320,000	6.88
3	Teow Choo Chuan	7,076,903	5.85
4	Datuk Syed Ahmad Khalid Bin Syed Mohammed	4,402,006	3.64
5	Maybank Nominees (Tempatan) Sdn Bhd - Pledged Securities Account For Teow Choo Hing	4,341,594	3.59
6	RHB Capital Nominees (Tempatan) Sdn Bhd - Pledged Securities Account For Datuk Phua Sin Mo	4,216,213	3.49
7	Kenanga Nominees (Tempatan) Sdn Bhd - Pledged Securities Account For Teow Choo Hing	4,110,672	3.40
8	AIBB Nominees (Tempatan) Sdn Bhd - Pledged Securities Account For Datuk Phua Sin Mo	4,004,000	3.31
9	Optimum Shine Sdn. Bhd.	3,997,246	3.30
10	HSBC Nominees (Asing) Sdn Bhd - Exempt AN For Credit Suisse	3,762,984	3.11
11	CIMSEC Nominees (Tempatan) Sdn Bhd - CIMB Bank For Teow Choo Hing	2,586,688	2.14
12	Dr. Mohamed Amin Bin Mohd Kassim	1,953,181	1.61
13	CIMSEC Nominees (Tempatan) Sdn Bhd - CIMB Bank For Gan Boon Sin	1,716,088	1.42
14	Woon Yen Siang	1,663,500	1.38
15	RHB Capital Nominees (Tempatan) Sdn Bhd - Pledged Securities Account For Tan Aik Pen	1,574,000	1.30

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

No.	Names	Shareholdings	%
16	Teow Choo Hing	1,537,328	1.27
17	Citigroup Nominees (Tempatan) Sdn Bhd - Pledged Securities Account For Lim Chai Beng	1,336,536	1.10
18	HLB Nominees (Tempatan) Sdn Bhd - Pledged Securities Account For Lim Chai Beng	1,284,996	1.06
19	RHB Capital Nominees (Tempatan) Sdn Bhd - Pledged Securities Account For Lim Chai Beng	1,284,304	1.06
20	Lim Nyuk Sang @ Freddy Lim	1,017,928	0.84
21	RHB Capital Nominees (Tempatan) Sdn Bhd - Pledged Securities Account For Ng Chin San	890,900	0.74
22	Yeap Khoo Soon Edwin	800,800	0.66
23	RHB Capital Nominees (Tempatan) Sdn Bhd - Pledged Securities Account For Choong Foong Ming	776,700	0.64
24	Affin Nominees (Tempatan) Sdn Bhd - Pledged Securities Account For Teow Choo Hing	751,816	0.62
25	HLB Nominees (Tempatan) Sdn Bhd - Pledged Securities Account For Oh Kim Sun	740,400	0.61
26	Chai Mee Young	686,400	0.57
27	Affin Nominees (Tempatan) Sdn Bhd - Pledged Securities Account For Cheah Bee Tin	641,472	0.53
28	Alliancegroup Nominees (Tempatan) Sdn Bhd - Pledged Securities Account For Gan Boon Sin	640,000	0.53
29	CIMSEC Nominees (Tempatan) Sdn Bhd - CIMB Bank For Tan Aik Pen	586,100	0.48
30	Ang Leng	579,000	0.48
Total		**82,467,372**	**68.16**

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Seventeenth Annual General Meeting of the Company will be held at Function Room 1, 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 Thursday, 24 April 2014 at 10:00 a.m. for the following purposes:

AGENDA

1. To receive the Audited Financial Statements for the financial year ended 31 December 2013 together with the Reports of the Directors and the Auditors thereon. **(Note 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 2013. **(Resolution 1)**

3. To approve the payment of Directors' Fees for the financial year ended 31 December 2013. **(Resolution 2)**

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) Dato' Sri Yong Seng Yeow **(Resolution 3)**
   (b) Mr. Soong Chee Keong **(Resolution 4)**
   (c) Mr. Yeap Khoo Soon Edwin **(Resolution 5)**

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 6)**

6. **As Special Business**

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

   Ordinary Resolution
   - Retention of Encik Shamsudin @ Samad Bin Kassim as Independent Director **(Resolution 7)**

   "THAT Encik Shamsudin @ Samad Bin Kassim be and is hereby retained as an Independent Director of the Company pursuant to Recommendation 3.3 of the Malaysian Code on Corporate Governance 2012."

   Ordinary Resolution
   - Authority To Issue Shares Pursuant To Section 132D Of The Companies Act, 1965 **(Resolution 8)**

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

Ordinary Resolution
- Proposed Renewal of Share Buy-Back Authority of Up to 10% of the Issued and Paid-Up Share Capital of the Company **(Resolution 9)**

"THAT subject always to the provisions of the Companies Act, 1965 ("the Act"), 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 2013, the audited retained earnings stood at RM8.828 million; and
iii) The shares purchased are to be treated in any one (1) of the following manners:
    (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 Annual General Meeting ("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 Renewal of Share Buy-Back Authority of Up to 10% of the Issued and Paid-Up Share Capital of the Company 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, the Main Market Listing Requirements and all other relevant governmental and/or regulatory authorities."

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

NOTICE OF 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 2013 will be payable on 28 May 2014 to depositors who are registered in the Record of Depositors at the close of business on 12 May 2014, if approved by shareholders at the forthcoming Seventeenth Annual General Meeting on Thursday, 24 April 2014.

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 12 May 2014 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
31 March 2014

Explanatory Notes To Special Business:

1. **Resolution 7**

Encik Shamsudin @ Samad Bin Kassim was appointed as an Independent Director of the Company on 1 November 2001 and has reached a cumulative nine (9) years term limit. In accordance with the Malaysian Code on Corporate Governance 2012, the Board of Directors of the Company, after having assessed the independence of Encik Shamsudin @ Samad Bin Kassim and after having been recommended and assessed by the Nomination Committee, regards him to be independent based amongst others, the following justifications and recommends that Encik Shamsudin @ Samad Bin Kassim be retained as an Independent Director of the Company:

- the aforementioned Independent Director fulfilled the definition of an Independent Director as set out under Paragraph 1.01 of the Bursa Malaysia Securities Berhad Main Market Listing Requirements.
- the aforementioned Independent Director was able to exercise independent judgement and act in the best interests of the Company.
- there was no potential conflict of interest that the aforementioned Independent Director could have with the Company as he had not entered into any contract or transaction with the Company and/or its subsidiaries within the scope and meaning as set forth under Paragraph 5 of Practice Note 13 of the Bursa Malaysia Securities Berhad Main Market Listing Requirements.
- the aforementioned Independent Director had not developed, established or maintained any significant personal or social relationship, whether direct or indirect, with the Executive Chairman and Executive Directors, major shareholders or management of the Company (including their family members) other than normal engagements and interactions on a professional level, consistent and expected of him to carry out his duties as an Independent Director.
- the aforementioned Independent Director does not derive any remuneration and benefits apart from Directors' fees and meeting expenses.

2. **Resolution 8**

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 Sixteenth Annual General Meeting held on 24 April 2013 and which will lapse at the conclusion of the Seventeenth Annual General Meeting.

3. **Resolution 9**

The proposed adoption of the resolution is to enable the 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.

Notes:

1. *This Agenda item is meant for discussion only, as the provision of Section 169(1) of the Companies Act 1965 ("the Act") does not require a formal approval of the members/shareholders for the Audited Financial Statements. Hence, this Agenda item is not put forward for voting.*

2. *In respect of deposited securities, only members whose names appear in the Record of Depositors on 17 April 2014 shall be eligible to attend the Meeting.*

3. *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 Sections 149(1)(a),(b),(c) and (d) of the Act, 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.*

4. *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.*

5. *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.*

6. *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.*

7. *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.*

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Century®

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 Seventeenth Annual General Meeting of the Company to be held at Function Room 1, 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 Thursday, 24 April 2014 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.

		Resolution	
No.	**Agenda**	**For**	**Against**
1	To receive the Audited Financial Statements for the financial year ended 31 December 2013 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 2013.		
3	To approve the payment of Directors' Fees for the financial year ended 31 December 2013.		
4	To re-elect the Director, Dato' Sri Yong Seng Yeow who retires pursuant to Article 82 of the Company's Articles of Association.		
5	To re-elect the Director, Mr. Soong Chee Keong who retires pursuant to Article 82 of the Company's Articles of Association.		
6	To re-elect the Director, Mr. Yeap Khoo Soon Edwin 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 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 Share Buy-Back Authority of Up to 10% of the Issued and Paid-Up Share Capital of the Company.		

* Strike out whichever not applicable.

As witness my/our hand this .... day of ....2014.

NUMBER OF SHARES HELD	
CDS ACCOUNT NO.	

....

Signature of Member/Common Seal

Notes:

1. *This Agenda item is meant for discussion only, as the provision of Section 169(1) of the Companies Act, 1965 ("the Act") does not require a formal approval of the members/shareholders for the Audited Financial Statements. Hence, this Agenda item is not put forward for voting.*
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Fold this flap for sealing

Then 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
Selangor Darul Ehsan

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(424341-A)

Lot 8, Lingkaran Sultan Mohamed 1,
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P.O.Box 93, 42008 Port Klang,
Selangor Darul Ehsan, Malaysia.

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