Century®

the power to move forward

Century Logistics Holdings Berhad (424341-A)

Annual Report 2015

Care n' recycle

Step Up And Be Different

QUALITY POLICY

‘Doing The **Right Things** Right’

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.

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

- **Customer Satisfaction** - meeting customers’ needs and their expectations.
- **Human Resource Considerations** - promoting a conducive work place to work, learn and grow.
- **Service Excellence** - measurement and review of performance through set Key Performance Indicators for continuous improvement.
- **Corporate Responsibility** - practise respectable corporate responsibility towards safety, environment and society.

SAFETY & HEALTH POLICY

Century provides a safe and healthy working environment for all employees and contractors.

Our Objectives:-

- Develop and enforce safe working practices and provide training to employees.
- Compliance to all applicable legal requirements and take every measure to prevent job related hazards.
- Employees of Century and contractors shall strive in preventing occupational illnesses, accidents and injuries and pollution to the environment.
- Assess risks and hazards, which may potentially lead to accidents or illnesses.

Century is committed to continuously improve the safety and health policy.

CONTENTS

FINANCIAL HIGHLIGHTS

	2011	2012	2013	2014	2015
PROFITABILITY					
Revenue (RM'000)	281,627	256,853	255,813	275,232	297,876
Earnings before interest, tax, depreciation and amortisation (EBITDA) (RM'000)	50,359	40,386	42,645	55,187	54,619
Profit before taxation (RM'000)	36,237	24,861	27,209	42,439	41,003
Profit for the year attributable to equity holders (RM'000)	30,061	17,614	22,553	33,287	31,948
BALANCE SHEET					
Share capital (RM'000)	84,136	95,820	122,064	183,096	186,818
No of shares in issue (units) ('000)	84,136	95,820	122,064	366,193	373,635
Shareholders' equity (RM'000)	200,715	218,785	252,578	270,514	288,768
FINANCIAL RATIO					
Revenue growth	4.1%	-8.8%	-0.4%	7.6%	8.2%
Earnings growth	-1.8%	-41.4%	28.0%	47.6%	-4.0%
Return on equity	15.0%	8.1%	8.9%	12.3%	11.1%
SHARE INFORMATION					
Weighted average number of ordinary shares (units) ('000)*	241,114	256,886	328,059	365,019	370,067
Dividend per share (sen)*	4.2	3.2	4.0	4.7	5.5
Earnings per share (sen)*	12.47	6.86	6.87	9.12	8.63
Net assets per share (sen)*	83	85	77	74	78

* Weighted average number of ordinary shares in issue in years 2011 to 2013 have been adjusted as if the proportionate change in the number of shares arising from the bonus issue and share split exercises in 2014 had taken place at the start of each of these years.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Datuk Phua Sin Mo
Executive Chairman

Teow Choo Hing
Managing 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 SECRETARIES

Chua Siew Chuan
(MAICSA 0777689)
Yeow Sze Min
(MAICSA 7065735)

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 2094 9940 / 03 2095 0292

CORPORATE OFFICE

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

SHARE REGISTRAR

Securities Services (Holdings) Sdn Bhd
Level 7, Menara Milenium,
Jalan Damanlela,
Pusat Bandar Damansara,
Damansara Heights,
50490 Kuala Lumpur
Tel : 03 2084 9000
Fax : 03 2094 9940 / 03 2095 0292

ABOUT CENTURY

Century is a leading provider of supply chain solutions. From a forwarding agent in the 1970s, the Group has since diversified into integrated logistics, oil logistics, procurement logistics as well as data management solutions.

Century's unique model of value-added solutions encompasses warehousing and distribution services that can be scaled and customised to cater 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 clientele, where the value propositions are to improve operational efficiencies that positively enhance the clientele and their end customers.

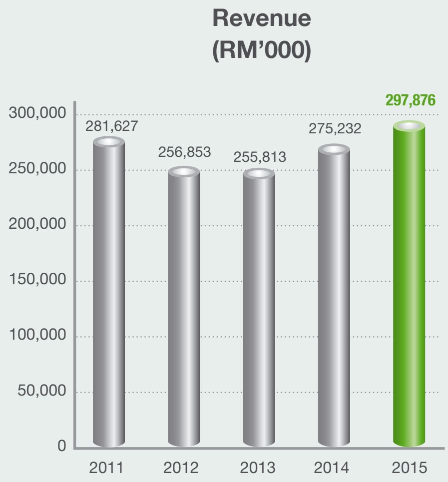
CHAIRMAN'S MESSAGE

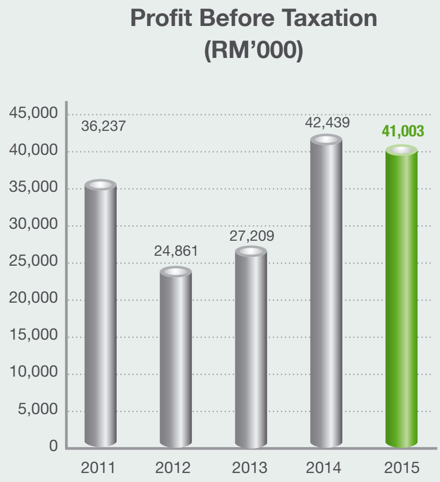
Dear Fellow Stakeholders,

I am very pleased to announce that Century has produced yet another year of excellent results, with record revenue for financial year 2015. This was achieved despite the challenging market conditions during the year, where business confidence dwindled in the face of the slump in oil prices while consumption was significantly reduced following the commencement of Goods and Services Tax (GST).

I am confident though that our balance sheet strength and our dedicated employees will enable us to continue 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.

CHAIRMAN'S MESSAGE (cont'd)





INDUSTRY REVIEW

The logistics industry is one which is very much in-sync with the general economic climate. When consumption rises, more products and services have to be moved and therefore, more of our services are required. Unfortunately, this relationship cuts both ways. Added to the poor business sentiment, cost and competitive pressures remained as constant threats to our business.

Notwithstanding the numerous challenges, I am pleased to advise that Century has performed remarkably well, resulting in the strong performance of the Group during 2015.

FINANCIAL REVIEW

We achieved revenue of RM297.9 million and profit after taxation of RM31.9 million in 2015, representing an improvement in revenue of 8.2% while profit after taxation declined marginally by 4.0% from the previous financial year. Shareholders' returns, represented by earnings per share was 8.63 sen for the financial year.

Our balance sheet remained healthy with shareholders' funds of RM288.8 million, and net assets per share of 78 sen as at 31 December 2015. We continued to manage our funding on an optimal debt-equity mix with cash and bank balance in excess of RM89.5 million and we continue to maintain our net cash position for the second consecutive year running. This is even more thrilling after considering our record of payment of dividend.

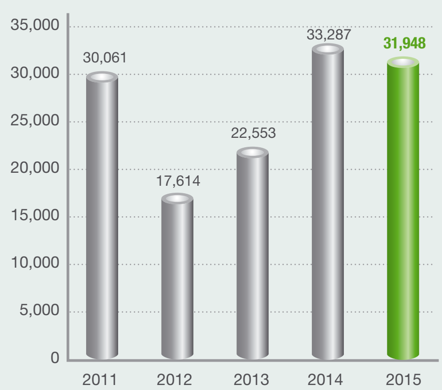
DIVIDEND

The Board has proposed a single tier final dividend of 1.0 sen per share pending your approval at the forthcoming Annual General Meeting. We had earlier paid three (3) interim single-tier dividends, bringing the total single-tier dividends for 2015 to 5.5 sen per share. After adjusting for the enlarged share capital as a result of the bonus issue and share split exercise in 2014, this represents the highest total quantum of dividend declared since listing in 2001. For 2015, the total dividend quantum translates to 63.7% of profit after taxation.

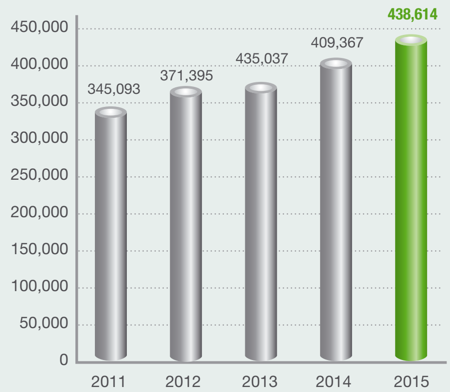
Our record of payment of dividends has not gone unnoticed; during the year, we won the Focus Malaysia Best Under Billion Award 2015 for Best Dividend Yield. Owing to our sound financial management, we expect to continue distributing at least half of our profits in the future, subject to any major investment needs.

CHAIRMAN'S MESSAGE (cont'd)

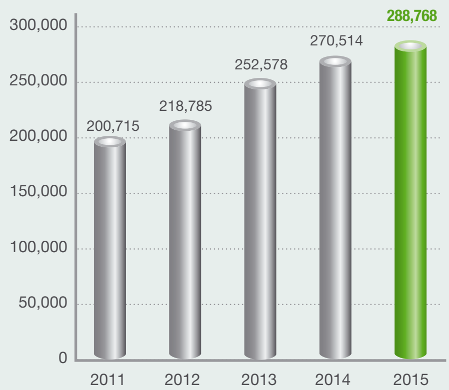
Profit for the Year Attributable To Equity Holders (RM'000)



Total Assets (RM'000)



Shareholders' Equity (RM'000)



OPERATIONAL REVIEW

I would now like to report on the performance of each of our two (2) core divisions as well as our new Data Management Solutions.

Total Logistics Services

We offer integrated logistics solutions that effectively enhance our customers' supply chains. With the innovative solutions offered, we manage the contract logistics of discerning clientele, where the value proposition is to improve operational and cost 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 big local conglomerates and 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.

We currently manage a total of more than 186,000 sq metres (approximately 2.0 million square feet) of storage facility, of which 140,000 sq metres (approximately 1.5 million square feet) is owned by us. Of this total, we manage a total of 110,000 sq metres (approximately 1.2 million square feet) in Port Klang, Subang and Shah Alam for a varied mix of customers and industries ranging from electrical and electronics, fast moving consumer goods to paper products.

Our five (5) blocks of distribution centres in the Port of Tanjong Pelepas (PTP), with warehousing capacity totalling 80,000 sq metres (approximately 860,000 square feet), are currently being operated at close to maximum capacity. This success stems from our intensive marketing efforts in Singapore.

The Group will expand its earnings base further via the targeted construction of a multi-storey warehouse of up to 57,000 sq metres (approximately 613,000 square feet) on our 8.22 acres land in Eastern Gateway Industrial Hub in Klang. Construction is expected to commence during the latter part of 2016.

During the year, our Total Logistics Services generated revenue of RM245.1 million, representing a decline of less than 1% from the previous financial year. As I have mentioned, the slight decline is due to the general weakness in global economy and trade, and further exacerbated domestically upon the commencement of GST from April 2015.

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 increased 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 various business opportunities to expand our procurement logistics offering, including diversifying beyond the electrical and electronic sector. Nevertheless, you

CHAIRMAN'S MESSAGE (cont'd)

can be assured that we will continue to exercise sound prudence and investment appraisal before any major capital investment.

Our Procurement Logistics Services generated revenue of RM52.8 million during 2015, translating to an increase of 88.5% from the previous financial year. The improvement is two (2) pronged; one (1) is the expansion in scope of works with certain customers while the other is the higher activities and contribution from a key customer.

Data Management Solutions

Organisations are under increasing pressure to streamline their paper processes and reduce costs. With our Data Management Solutions services, we can customise solutions for our customers to meet the challenges associated with document management and data protection. Breakthrough documents processing benefits can be realised immediately, reliably and cost effectively. Our value proposition to our customers is the virtual server and storage of scanned documents on our proprietary Century Cloud.

The scope of services include:

- Physical - Off-Site Document Storage & Management
- Electronic - Document Imaging & Data Management
- Consultancy - Data Management Consultancy

SAFETY

Safety is at the forefront of everything we do and creating a safety first culture continues to be our priority. Our key goal is simple: all our employees must be able to return home safely every day. Some of the highlights of our safety initiatives for 2015 include:

- Full compliance with requirements of Occupational Health and Safety Assessment Series (OHSAS)
- Full compliance with requirements of Road Traffic Safety Management System (RTSMS)
- Merit award by the Land Public Transport Commission (SPAD) under the category of Goods Vehicle Operator for 2015
- Awarded Good Distribution Practice Medical Devices (GDPMD) certification
- Ongoing audit leading to Halalan-Toyyiban Assurance Pipeline (MS2400:2010) certification

We are mindful about the value which our customers place on our quality and safety commitment. Therefore the requirements relating to halal, quality, food safety, amongst others, are consciously addressed throughout the supply chain.

CHAIRMAN'S MESSAGE (cont'd)

ENVIRONMENT

We are committed to reducing our environmental footprint and impact, while not compromising on providing the best service and value to our customers. Our initiatives should meet high environmental standards which makes economic sense, as the supply chain and environment are integral parts of logistics.

Modern equipment and the application of the best operational practices reinforces our environmental commitment. Our fleet renewal programme involves replacing our older vehicles with new low-emission ones. Our increased use of higher capacity vehicles and effective capacity planning means we are carrying more freight and using less fuel, without the need for safety compromises.

PROSPECTS

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.

E-Commerce

Century recognises the fast evolution of the world of logistics and the importance of keeping abreast with the latest trends as well as the newest logistics solutions. We have the financial capacity and will continue to further invest in state-of-the-art information technology infrastructure in order to be at the forefront of the logistics industry. To this end, we have put our best minds to develop our E-Commerce infrastructure, recognizing the importance of time and cost efficiencies in delivering to the hands of the consumers. If the opportunity arises, we will certainly be keen to acquire the necessary company to achieve this mean.

Outlook

It is certainly very difficult to make a reasonable prediction for the rest of year 2016, given the prolonged uncertain economic and geo-political landscape. You can nevertheless be confident that our disciplined pursuit of growth, on the back of focussed financial management and successful business model, will position us to take advantage of any improvement in the external economic condition. I will continue to work closely with the members of my senior management team to drive business improvements, cost reductions, as well as investments in value-creating growth opportunities.

CHAIRMAN'S MESSAGE (cont'd)

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, as well as to the Board of Directors for the excellent governance and guidance.

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, 21 April 2016 at Setia City Convention Centre in Setia Alam.

DATUK PHUA SIN MO (RICHARD)
Executive Chairman

Focus Best Dividend Yield Award - 11 November 2015

Our Financial Strength

Best Revenue ever at **RM297.9 million**

Highest ever quantum of dividend at **5.5 sen** per share (based on the enlarged share capital)

Highest ever cash and bank balance at **RM89.5 million** while maintaining a net cash position for the second year running

BOARD OF DIRECTORS

Seated (from left) :

TEOW CHOO HING
Managing Director

DATUK PHUA SIN MO
Executive Chairman

YEAP KHOO SOON EDWIN
Executive Director

Standing (from left) :

DATO ' SRI YONG SENG YEOW
Independent Non-Executive Director

SOONG CHEE KEONG
Independent Non-Executive Director

SHAMSUDIN @ SAMAD BIN KASSIM
Senior Independent Non-Executive Director

BOARD OF DIRECTORS (cont'd)

DATUK PHUA SIN MO

Executive Chairman
Age 67, Malaysian
Appointed 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
Age 56, Malaysian
Appointed 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.

YEAP KHOO SOON EDWIN

Executive Director
Age 45, Malaysian
Appointed 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
Age 69, Malaysian
Appointed 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 Kinsteel 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
Age 63, Malaysian
Appointed on 16 January 2009.

Joined Mieco Chipboard Berhad as Executive Director in 1994 and was Managing Director in 2007 until retirement in 2014. 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.

Does not have any directorship in other public companies.

SOONG CHEE KEONG

Independent Non-Executive Director
Age 46, Malaysian
Appointed 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.

ADDITIONAL INFORMATION

Family Relationships with any Director and/or Major Shareholder

Datuk Phua Sin Mo is the uncle of Teow Choo Hing. 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 2015.

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 2015 were as follows:

Name of related party	Relationship	Nature of Transaction	Amount for Jan to Dec 2015 RM'000
Century Forwarding Agency Sdn. Bhd. ("CFA") (Principal activity is freight forwarding and shipping agency)	A company in which Sabarin Bin Ibrahim, a director in CFA and Century Total Logistics Sdn. Bhd. ("CTL"), has 30% equity interest	Provision of freight forwarding services to CTL	745

Share Buy Back

There were no shares bought back by the Company during the financial year.

Options, Warrants or Convertible Securities

Save for the issuance of new options pursuant to the Company's Employees' Share Option Scheme ("ESOS"), there was no further issuance of options, warrants or convertible securities during financial year.

During the financial year ended 31 December 2015, a total of 54,890,000 options were granted to the eligible employees of the Group of which 7,442,500 options were exercised pursuant to the ESOS.

The number of ESOS exercised by the Directors and the senior management are disclosed in the Directors' Report.

As at 31 December 2015, the details of the options pursuant to the ESOS are as follows:

	During the financial year ended 31 December 2015	Since commencement of the ESOS on 8 January 2015
Total number of options granted	54,890,000	54,890,000
Total number of options exercised	7,442,500	7,442,500
Total number of options cancelled	(1,618,000)	(1,618,000)
Total options outstanding	45,829,500	45,829,500
Granted to Directors and Senior Management		
Aggregate number of options granted	33,100,000	33,100,000
Aggregate number of options exercised	(4,740,000)	(4,740,000)
Aggregate number of options outstanding	28,360,000	28,360,000
Aggregate maximum allocation in percentage	Not Applicable	Not Applicable
Actual percentage granted	60%	60%

Depository Receipt Programme

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

ADDITIONAL INFORMATION (cont'd)

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, which were material and made public 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 RM122,308 and RM16,700 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.

Internal Audit Function
The internal audit function for the Group is outsourced to an external firm of consultants. The amount incurred for the internal audit services for the financial year ended 31 December 2015 was RM54,000.

CORPORATE STRUCTURE

Century®

100% — **Century** Total Logistics Sdn Bhd

100% — **Century** Advance Technology Sdn Bhd

- **100%** Century LED Sdn Bhd

70% — **Century** Forwarding Agency Sdn Bhd

100% — **Century** Logistics Sdn Bhd

- **100%** Storewell (M) Sdn Bhd
- **100%** Century Logistics (Sarawak) Sdn Bhd
- **100%** Century Logistics (S'pore) Pte Ltd, Singapore
- **100%** Century Resources (Thailand) Limited, Thailand (in liquidation)
- **75%** Century - YES Logistics (Yichun) Co. Ltd, China
- **70%** Century DMS Sdn Bhd

100% — **Century** Logistics (Johore) Sdn Bhd

CORPORATE RESPONSIBILITY STATEMENT

Century recognises corporate responsibility commitments based on ethical values and respect for the people, to contributing sustainably to the communities and environment. For Century, sustainability means managing its business for long term success while creating enduring values for our shareholders.

Spring Cleaning Activities 12 September 2015

Bantuan Banjir Ke Kelantan - 28 March 2015

Indonesia Embassy Migrant Care Buka Puasa 25 June 2015

Care United Children Merdeka Party 22 August 2015

Century Bersamamu 2015 - 11 July 2015

COMMUNITY DEVELOPMENT

Education

Education holds the key to the future. For the 6th year running, Century donated tuition fees and school expenses for needy students under the Century Adoption Program. We will continue to support students who have the capacity and ambition but lack the means to pursue education.

Community Sports

Sports programmes are important as they promote good health, unity and develop a wide range of positive societal attributes. Century supports activities related to sports development and provides opportunities that nurture Malaysia's young talents and athletes. Since year 2013, we have honoured our yearly commitment towards sponsoring the Malaysian Tenpin Bowling Congress.

CORPORATE RESPONSIBILITY STATEMENT (cont'd)

Family Walk Charity Event - 22 August 2015

Gotong Royong - 12 September 2015

Support of The Underprivileged

In conjunction with the Hari Raya celebration, the employees of Century spread some festive cheer and fulfilled the wishes of underprivileged children by holding a Jamuan Buka Puasa and donation of green packet.

Flood Relief Donation for East Coast

In response to the flood situation in the East Coast of Malaysia during March 2015, the Group has donated 100 mattresses to residents of the affected areas.

Little Entrepreneur Day Chiao Nan - 15 August 2015

Majlis Berbuka Puasa - 3 July 2015

MARKET PLACE

Creating A Pool of Future Leaders

Learning is an irreplaceable component in defining a culture to support innovation, market adaptation and success. Century consistently host study visits to enable students from various colleges and universities to learn about logistics.

Supplier Management

Century maintains strong governance in its procurement activities and this is demonstrated in its well defined procurement policy, which reflect transparency and accountability.

- Procurement policy
  - Adoption of tender exercises for procurement of all major items
  - Centralising procurement functions at Head Office to ensure that the best and optimum value in terms of quality, quantity and pricing is obtained
- Selection of vendors and service providers with
  - Sound management background with good business ethics
  - Competitive pricing
  - Reliability and quality of products and services
  - Speedy delivery
- Prompt payment to vendors and service providers
  - Migrate payment using cheques to electronic payment system
  - Educate and give clear guidance to suppliers to reduce mismatched invoices

CORPORATE RESPONSIBILITY STATEMENT (cont'd)

UPM Student Visit - 20 November 2015

An Evening With The Homeless - 4 April 2015

Malaysian Tenpin Bowling Congress

WORK PLACE DEVELOPMENT

The Century Group currently employs more than 700 people, with equal opportunity provided to all regardless of age, gender, race, religion etc. Our workforce is encouraged to reach their full potential through training, career development and promotion from within wherever possible. Opportunity to have a direct ownership of the Company is provided through the Employees' Share Option Scheme.

Health and well-being play a crucial role in Century – contributing to bottom-line growth through the productivity of its employees. The management employees are encouraged to attend medical check-ups for an update of their health status and to facilitate early detection and treatment of any serious illness. This is further supplemented by an introduction of Group Term Life Insurance scheme and the enhancement of the existing Group Hospitalisation and Surgical Insurance scheme for the Executive employees.

The Non-Executive employees are not neglected either, with improved personal accident cover.

To sustain a dedicated and effective workforce, Century continues to invest in a host of trainings and seminars to engage the hearts and minds of its employees such as:

- Well-being programmes encompassing health and safety at work place, enhancing quality of life, the basic and legal responsibilities and how to avoid work related accidents.
- Skills and competency development.
- Employees engagement including new employees undergo a series of induction programmes to enable them to be oriented to the Company's culture.

Century has conducted employees satisfaction survey, with the goal of understanding employees' satisfaction level, identifying issues and making improvements. Initiatives are taken towards improving possible issues in each area based on the analysis of the results.

CORPORATE RESPONSIBILITY STATEMENT (cont'd)

Fire Drill at HQ - 2015

Safety Briefing - 2015

ENVIRONMENT SUSTAINABILITY

Century views safety as its priority. During year 2015, Century worked together with PDRM (Polis Diraja Malaysia) to conduct an Accident Drill to mentally and physically prepare our drivers in handling traffic accidents scenario.

Preventing Traffic Accidents through Vehicle Maintenance

Century emphasises on maintenance of company vehicles with the goals of eliminating traffic accidents caused by vehicle maintenance defect and reducing their environmental impact.

All our vehicles are equipped with GPS to manage drivers' driving habits. The GPS system assigns scores to measure drivers' ability and to monitor the idling time of vehicles.

Sound Environmental Practices

While Century strives to meet customers' needs and exceed their expectations through our provision of value-added total logistics solutions, 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 operates double decker and 45' curtain sider trucks amongst its fleet, enabling shippers to consolidate more cargo into fewer trips. Our increased use of higher capacity vehicles and effective capacity planning means we are carrying more freight and using less fuel, without the need for safety compromises.

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 to convert their documents into digital form to promote "paperless office" and to help improve the urban ecosystem.

In addition to this, with the goal of reducing air pollution and preventing global warming, Century has replaced a majority of the Company passenger cars for senior management with hybrid vehicles that offer superior fuel consumption.

We continue to promote the responsible usage of resources and the importance of environmental protection amongst our employees.

Accident Drill - 2015

Maintenance Team Checking Prime Mover

CORPORATE GOVERNANCE STATEMENT

The Board of Century recognises 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 2015.

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 operate within clearly defined terms of reference.

Formalised Ethical Standards through Code of Ethics

The Company's Code 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.

CORPORATE GOVERNANCE STATEMENT (cont'd)

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 the Company's website at www.century.com.my.

Access to Information and Advice

The Directors have individual and independent access to the advice and dedicated support services of the Company Secretaries 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 Secretaries

The Board is satisfied with the performance and support rendered by the Company Secretaries to the Board in the discharge of its functions. The Company Secretaries play 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 Secretaries support the Board in managing the Company's governance model, ensuring it is effective and relevant. The Company Secretaries also ensure that deliberations at the Board meetings are well captured and minuted.

Board Charter

The Board has adopted a Board Charter 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

CORPORATE GOVERNANCE STATEMENT (cont'd)

STRENGTHEN COMPOSITION (cont'd)

Nomination Committee (cont'd)

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 Secretaries 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 gender, ethnicity or age 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.

CORPORATE GOVERNANCE STATEMENT (cont'd)

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

Summary of Activities of the Nomination Committee

The Nomination Committee had met once during the financial year ended 31 December 2015 to discuss the following matters:

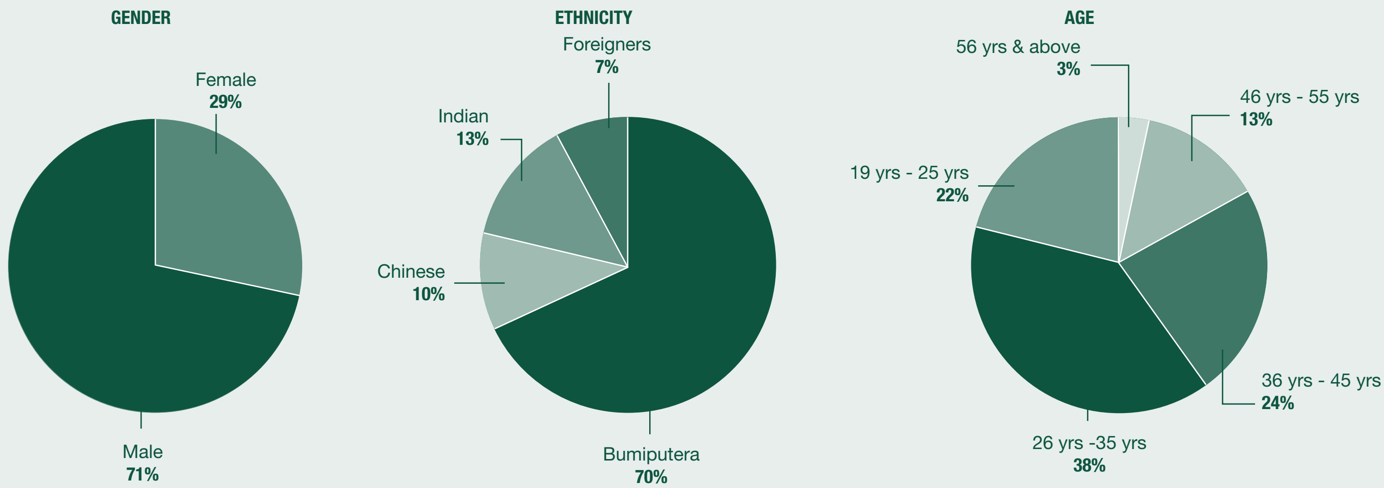
- recommendation for the re-election of the directors who were retiring and seeking for re-election at the 18th Annual General Meeting held on 23 April 2015.
- assessment of the independence of the Independent Director who had served for more than nine (9) cumulative years on the Board in such capacity 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.

The attendance of Directors who are members of Board Committee during the financial year ended 31 December 2015 is set out below:

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

Gender, Ethnicity and Age Diversity

The Board does not have any gender, ethnicity and age 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 gender, ethnicity or age bias.



Current Structure by Gender, Ethnicity and Age of the Employees of the Group

CORPORATE GOVERNANCE STATEMENT (cont'd)

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

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 2015 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 transparency and accountability aspects 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.

- Employees' Share Option Scheme

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 the 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 interests of the Company.

CORPORATE GOVERNANCE STATEMENT (cont'd)

REINFORCE INDEPENDENCE (cont'd)

Tenure of Independent Directors

One of the recommendations of the Code states that the tenure of an Independent Director should not exceed a cumulative term of nine (9) 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 (9) 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 interest of the Company.

Shareholders' Approval for the Retention of Independent Director

The Board is satisfied with the skills, contributions 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 19th Annual General Meeting of the Company.

Separation of Positions of the Chairman and Managing Director

The positions 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 roles 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 six (6) members of the Board of whom three (3) are Executive Directors and three (3) 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 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.

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 during the financial year under review as set out in the table below:

Name of Director	Attendance
Datuk Phua Sin Mo	5/5
Teow Choo Hing	5/5
Yeap Khoo Soon Edwin	5/5
Dato' Sri Yong Seng Yeow	5/5
Shamsudin @ Samad Bin Kassim	5/5
Soong Chee Keong	5/5

CORPORATE GOVERNANCE STATEMENT (cont'd)

FOSTER COMMITMENT (cont'd)

Time Commitment (cont'd)

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 Secretaries. 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 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 Secretaries on the latest 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 2015 are as follows:

Training/Courses Attended	Date
CAP10 ASEAN CEO Summit 2015	12 February 2015
Audit Committee Conference 2015, Rising to New Challenges	24 March 2015
MIDF Investment Forum 2015 in collaboration with MITI Jakarta	28 March 2015
Technical Briefing on Computation of Percentage Ratios for Company Secretaries of Listed Issuers	9 April 2015
Audit Oversight Board : Conversation with Audit Committees	7 May 2015
PN 16 Company : Disclosure of Material Information	22 May 2015
Logistics Conference by Maybank Investment Bank	11 June 2015
Enforcement of Latest Bursa Revamped Listing Requirements 2015	18 June 2015
Advocacy Sessions on Management Discussion & Analysis for CEO & CFO	30 June 2015
Board Chairman Series Part 2 : Leadership Excellence from the Chair	28 July 2015
CG Breakfast Series with Directors : Bringing the Best Out in Boardrooms	31 July 2015
CG Breakfast Series with Directors : The Board's Response in Light of Rising Shareholder Engagements	4 August 2015
Updates on Corporate Governance and Main Market Listing Requirements of Bursa Malaysia Securities Berhad : Effect on Role of Directors	17 August 2015
Forum on Green Procurement for Private Sector	1 September 2015
CG Breakfast Series with Directors: How to Maximise Internal Audit	9 September 2015
Making the Most of the Latest Tax Development / Updates in 2015	14 September 2015
Marketing Forum with Prof. Philip Kotler	8 October 2015
Board Chairman Series : Tone From the Chair and Establishing Boundaries	22 October 2015
CG Breakfast with Directors : Future of Auditor Reporting – The Game Changer for Boardroom	2 November 2015
Deloitte TaxMax – The 41st Series Seminar	4 November 2015
Roles & Responsibilities of Directors in Relation to Financial Statements	7 December 2015

CORPORATE GOVERNANCE STATEMENT (cont'd)

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 scrutinising 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. The Audit Committee has during these meetings met with the external auditors 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 two (2) years, is tabled to the Audit Committee at the beginning of the two (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 the 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.

CORPORATE GOVERNANCE STATEMENT (cont'd)

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 Paragraph 7.21 of the Main Market Listing Requirements, the Company's Articles of Association include 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

The Board takes note of the Recommendation 8.2 of the Code that the Board should encourage poll voting. In line with this recommendation, the Chairman informs the shareholders of their right to demand for a poll vote at the commencement of the general meeting. The Board will put substantive resolutions to vote by poll when necessary.

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 principles and recommendations of the Code 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 2012 ("the 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 and as guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers.

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 has established 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 continuously 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.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (cont'd)

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. 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.

Issues relating to the business operations are highlighted to the Board's attention during Board meetings. 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 are 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 RM54,000 was spent on internal audit activities in 2015.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (cont'd)

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 submits 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 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 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 2015, where a total of five (5) meetings were held, are as follows:

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

TERMS OF REFERENCE

Composition of members

The Audit Committee shall be appointed by the Board of Directors and shall comprise no fewer than three (3) Non-Executive Directors. The majority of the Audit Committee members shall be Independent Directors. In this respect, the Board adopts the definition of "Independent Director" as defined under the Bursa Malaysia Securities Berhad ("Bursa Securities") Main Market Listing Requirements ("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 auditors believe 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, including the Executive Directors, the internal auditors and the external auditors in order to be kept informed of matters affecting the Company. The Chief Financial Officer 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.

AUDIT COMMITTEE REPORT (cont'd)

TERMS OF REFERENCE (cont'd)

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.

Authority

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

(a) have explicit authority to investigate any matter within its terms of reference, the resources to do so, and full access to information. All employees shall be directed to co-operate as requested by members of the Audit Committee.
(b) have full and unlimited/unrestricted access to all information and documents/resources which are required to perform its duties as well as to the internal and external auditors and senior management of the Company and Group.
(c) obtain independent professional or other advice and to invite outsiders with relevant experience to attend, if necessary.
(d) have direct communication channels with the external auditors and person(s) carrying out the internal audit function or activity (if any).
(e) where the Audit Committee is of the view that the matter reported by it to the Board has not been satisfactorily resolved resulting in a breach of the Listing Requirements, the Audit Committee shall promptly report such matter to Bursa Securities.

Duties and Responsibilities

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

(a) To consider the appointment of the external auditors, the audit fee and any question of resignation or dismissal;
(b) To discuss with the external auditors before the audit commences, the nature and scope of the audit, and ensure co-ordination where more than one audit firm is involved;
(c) To review with the external auditors their evaluation of the system of internal controls and the audit report;
(d) To review the quarterly and year-end financial statements of the Board, focusing particularly on:
  - any change in accounting policies and practices;
  - significant adjustments arising from the audit;
  - the going concern assumption; and
  - compliance with accounting standards and other legal requirements;
(e) To discuss problems and reservations arising from the interim and final audits, and any matter the auditors may wish to discuss (in the absence of management, where necessary);
(f) To review the external auditors' management letter and management's response;
(g) To do the following, in relation to the internal audit function:
  - consider the appointment of the internal auditors, the audit fee and any question of resignation or dismissal;
  - review the adequacy of the scope, functions, competency and resources of the internal audit function, and that it has the necessary authority to carry out its work;
  - review the internal audit programme and results of the internal audit process and, where necessary, ensure that appropriate actions are taken on the recommendations of the internal audit function;
(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.

AUDIT COMMITTEE REPORT (cont'd)

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 2015. 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;
(c) Reviewed the recovery of major long outstanding debts;
(d) Reviewed the unaudited quarterly reports on the consolidated results and financial statements and financial results prior to tabling of the same to the Board for approval;
(e) Reviewed the recurrent related party transactions of a revenue of trading nature of the Company;
(f) Reviewed and monitored the suitability and independence of the external auditors; and
(g) Verified the allocation of Employees' Share Option Scheme ("ESOS") in compliance with the criteria as stipulated in the By-Laws of ESOS of the Company.

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 two (2) years, is tabled to the Audit Committee at the beginning of the two (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.

A summary of the activities of the internal audit function for the financial year ended 31 December 2015 is as follows:

(a) Performed audit work in accordance with the pre-approved internal audit plan;
(b) Carried out reviews on the systems of internal control of the Group;
(c) Reviewed and comment on the effectiveness and adequacy of the existing internal control policies and procedures; and
(d) Provided recommendations, if any, for the improvement of the internal control policies and procedures.

STATEMENT ON ESOS

The Company established and implemented the ESOS on 8 January 2015.

The Audit Committee hereby confirms that during the financial year 31 December 2015, the allocation of options offered by the Company to the eligible employees of the Group complies with the By-Laws of the ESOS.

The options granted to the Non-Executive Directors pursuant to the ESOS during the financial year under review were as follows:

	Number of options over ordinary shares of RM0.50 each			
Options pursuant to ESOS of the Company	**Balance as of 1.1.2015**	**Granted**	**Exercised**	**Balance as of 31.12.2015**
Dato' Sri Yong Seng Yeow	-	1,000,000	(200,000)	800,000
Shamsudin @ Samad bin Kassim	-	1,000,000	(200,000)	800,000
Soong Chee Keong	-	1,000,000	-	1,000,000

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.

CONTENTS

DIRECTORS' REPORT

DIRECTORS' REPORT

The directors of **CENTURY LOGISTICS HOLDINGS BERHAD** have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2015.

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	41,003	19,411
Tax expense	(9,024)	(95)
Profit for the year	31,979	19,316
Attributable to:		
Owners of the Company	31,948	
Non-controlling interests	31	
	31,979	

Other comprehensive gain for the year of RM262,000 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 gain on disposal of property, plant and equipment of RM11,078,242 of the Group as disclosed in Note 10 to the Financial Statements.

DIVIDENDS

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

(a) A single tier final dividend of 1 sen per ordinary share of RM0.50 each, amounting to RM3,681,459 in respect of the previous financial year were paid on 27 May 2015;

(b) A single tier first interim dividend of 1 sen per ordinary share of RM0.50 each, amounting to RM3,690,394 in respect of the current financial year were paid on 17 June 2015;

(c) A single tier second interim dividend of 2 sen per ordinary share of RM0.50 each, amounting to RM7,468,668 in respect of the current financial year were paid on 17 September 2015; and

(d) A single tier third interim dividend of 1.5 sen per ordinary share of RM0.50 each, amounting to RM5,603,931 in respect of the current financial year were paid on 23 December 2015.

DIRECTORS' REPORT (cont'd)

DIVIDENDS (cont'd)

The directors propose a single tier final dividend of 1 sen per ordinary share of RM0.50 each 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 31 December 2016.

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 RM183,096,445 divided into 366,192,890 ordinary shares of RM0.50 each to RM186,817,695 divided into 373,635,390 ordinary shares of RM0.50 each, by the issuance of 7,442,500 new ordinary shares of RM0.50 each pursuant to the Company's Employees' Share Option Scheme ("ESOS"), at a premium of RM0.10 per ordinary share for cash. The new shares issued rank pari passu in all respects with the then existing ordinary shares of the Company. The resulted premium of RM744,250 has been credited to Share Premium Account.

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

TREASURY SHARES

The Company did not issue or buy back any treasury shares during the financial year. As of the end of the financial year, none of the Company's issued ordinary shares were held as treasury shares.

SHARE OPTIONS

The ESOS of the Company is governed by the By-Laws approved by the shareholders at an Extraordinary General Meeting held on 6 January 2015. The ESOS was implemented on 8 January 2015 and will be in force for a maximum period of 5 years from the effective date.

Salient features of the ESOS are disclosed in Note 39 to the Financial Statements.

Movements in the Company's ESOS during the financial year are as follows:

	Number of options to subscribe for ordinary shares of RM0.50 each					
Grant date	Balance as of 1.1.2015	Granted	Exercised	Cancelled	Balance as of 31.12.2015	Exercise price per share (RM)
8.1.2015	-	53,090,000	(7,442,500)	(1,618,000)	44,029,500	0.60
16.4.2015	-	1,800,000	-	-	1,800,000	0.73

DIRECTORS' REPORT (cont'd)

SHARE OPTIONS (cont'd)

The Company has been granted relief by the Companies Commission of Malaysia from having to disclose the names of those who have been awarded ESOS in aggregate of less than 800,000 shares each. The details of ESOS granted to the directors of the Company are disclosed in "Directors' Interests". Other than the directors of the Company, the names of those who have been awarded ESOS in aggregate of 800,000 shares and above each during the financial year are as follows:

	Number of options over ordinary shares of RM0.50 each			
	Balance as of 1.1.2015	Granted	Exercised	Balance as of 31.12.2015
Options pursuant to ESOS of the Company				
Tan Siew Ping	-	5,100,000	(900,000)	4,200,000
Heng Mon Sing	-	5,100,000	(900,000)	4,200,000
Charles Edward A/L Lawrence Sebastian	-	800,000	(160,000)	640,000
Lim King Ann	-	800,000	(160,000)	640,000
Sabarin Bin Ibrahim	-	800,000	(140,000)	660,000
Chong Sok Ching	-	800,000	(140,000)	660,000
Lim Chee Khoon	-	800,000	(160,000)	640,000

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.

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.

DIRECTORS' REPORT (cont'd)

OTHER STATUTORY INFORMATION (cont'd)

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 financial year in which this report is made.

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
Yeap Khoo Soon Edwin
Dato' Sri Yong Seng Yeow
Shamsudin @ Samad Bin Kassim
Soong Chee Keong

DIRECTORS' INTERESTS

The interest in shares 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 RM0.50 each			
	Balance as of 1.1.2015	**Bought**	**Sold**	**Balance as of 31.12.2015**
Shares in the Company				
Direct interest				
Datuk Phua Sin Mo	70,223,488	1,080,000	-	71,303,488
Teow Choo Hing	39,984,294	500,000	-	40,484,294
Yeap Khoo Soon Edwin	2,200,000	712,700	(712,700)	2,200,000
Dato' Sri Yong Seng Yeow	343,200	200,000	-	543,200
Shamsudin @ Samad bin Kassim	612,000	200,000	-	812,000
Indirect interest				
Datuk Phua Sin Mo	27,410,840	160,000	-	27,570,840
Teow Choo Hing	2,224,416	-	-	2,224,416

	Number of options over ordinary shares of RM0.50 each			
	Balance as of 1.1.2015	**Granted**	**Exercised**	**Balance as of 31.12.2015**
Options pursuant to ESOS of the Company				
Direct interest				
Datuk Phua Sin Mo	-	5,400,000	(1,080,000)	4,320,000
Teow Choo Hing	-	5,400,000	-	5,400,000
Yeap Khoo Soon Edwin	-	5,100,000	(700,000)	4,400,000
Dato' Sri Yong Seng Yeow	-	1,000,000	(200,000)	800,000
Shamsudin @ Samad bin Kassim	-	1,000,000	(200,000)	800,000
Soong Chee Keong	-	1,000,000	-	1,000,000

DIRECTORS' REPORT (cont'd)

DIRECTORS' INTERESTS (cont'd)

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 other than options pursuant to ESOS of the Company as disclosed under "Directors' Interests" above.

AUDITORS

Messrs. Deloitte have indicated their willingness to accept appointment as auditors of the Company in place of the retiring auditors, Messrs. Deloitte & Touche.

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

TEOW CHOO HING

YEAP KHOO SOON EDWIN

Kuala Lumpur,
17 March 2016

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF CENTURY LOGISTICS HOLDINGS BERHAD

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 31 December 2015 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 43 to 101.

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 about 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 31 December 2015 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.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF CENTURY LOGISTICS HOLDINGS BERHAD (cont'd)

Other Reporting Responsibilities

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

Other 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 - 2179/11/16 (J)
Chartered Accountant

17 March 2016

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2015

	Note	The Group 2015 RM'000	The Group 2014 RM'000	The Company 2015 RM'000	The Company 2014 RM'000
Revenue	5	297,876	275,232	20,000	78,000
Cost of sales	6 (a)	(213,863)	(196,966)	-	-
Gross profit		84,013	78,266	20,000	78,000
Gain on disposal of:					
Property, plant and equipment	10	11,078	8,928	-	-
Subsidiary companies	10	-	5,713	-	-
Fair value gain on investment property	10	-	2,500	-	-
Other income		3,632	2,873	5,400	5,400
Interest income	9 (a)	1,823	1,270	387	7
Administrative expenses		(44,104)	(43,093)	(6,376)	(5,474)
Finance costs	9 (b)	(4,594)	(3,982)	-	-
Depreciation of property, plant and equipment	14	(10,845)	(10,036)	-	-
Profit before tax	10	41,003	42,439	19,411	77,933
Tax expense	11	(9,024)	(9,034)	(95)	(25)
Profit for the year		31,979	33,405	19,316	77,908
Other comprehensive income:					
Item that will be reclassified subsequently to profit or loss -					
Exchange differences on translating foreign operations		262	393	-	-
Other comprehensive income for the year, net of tax		262	393	-	-
Total comprehensive income for the year		32,241	33,798	19,316	77,908
Profit attributable to:					
Owners of the Company		31,948	33,287	19,316	77,908
Non-controlling interests		31	118	-	-
		31,979	33,405	19,316	77,908
Total comprehensive income attributable to:					
Owners of the Company		32,210	33,680	19,316	77,908
Non-controlling interests		31	118	-	-
		32,241	33,798	19,316	77,908
Earnings per ordinary share					
Basic (sen)	12	8.63	9.12		
Diluted (sen)	12	8.34	9.12		

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

STATEMENTS OF FINANCIAL POSITION
AS OF 31 DECEMBER 2015

	Note	The Group 2015 RM'000	The Group 2014 RM'000	The Company 2015 RM'000	The Company 2014 RM'000
ASSETS					
Non-current Assets					
Property, plant and equipment	14	267,211	158,665	-	-
Investment property	15	-	83,500	-	-
Investment in subsidiary companies	16	-	-	7,070	7,070
Other financial assets	17	-	352	-	-
Goodwill on consolidation	18	1,443	1,443	-	-
Total Non-current Assets		268,654	243,960	7,070	7,070
Current Assets					
Inventories	19	3,552	913	-	-
Trade receivables	20	57,650	55,333	-	-
Other receivables, deposits and prepaid expenses	21	18,628	37,917	7	10
Amount owing by subsidiary companies	16	-	-	195,944	184,383
Tax recoverable		677	200	143	128
Deposits, cash and bank balances	22	89,453	71,044	192	4,761
Total Current Assets		169,960	165,407	196,286	189,282
Total Assets		438,614	409,367	203,356	196,352
EQUITY AND LIABILITIES					
Capital and Reserves					
Issued capital	23	186,818	183,096	186,818	183,096
Reserves	25	101,950	87,418	9,740	8,102
Equity attributable to owners of the Company		288,768	270,514	196,558	191,198
Non-controlling interests		964	933	-	-
Total Equity		289,732	271,447	196,558	191,198
Non-current and Deferred Liabilities					
Hire-purchase payables	26	5,988	5,116	-	-
Long-term borrowings	27	63,445	44,655	-	-
Deferred tax liabilities	28	7,179	9,299	-	-
Total Non-current and Deferred Liabilities		76,612	59,070	-	-

STATEMENTS OF FINANCIAL POSITION
AS OF 31 DECEMBER 2015 (cont'd)

	Note	The Group 2015 RM'000	The Group 2014 RM'000	The Company 2015 RM'000	The Company 2014 RM'000
Current Liabilities					
Trade payables	29	17,497	18,776	-	-
Other payables and accrued expenses	30	32,623	36,059	2,785	2,324
Amount owing to subsidiary companies	16	-	-	4,013	2,830
Hire-purchase payables	26	2,947	2,354	-	-
Short-term borrowings	31	15,808	18,547	-	-
Tax liabilities		3,395	3,114	-	-
Total Current Liabilities		72,270	78,850	6,798	5,154
Total Liabilities		148,882	137,920	6,798	5,154
Total Equity and Liabilities		438,614	409,367	203,356	196,352

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

STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2015

The Group

		←Non-distributable reserves→								
	Note	**Issued capital RM'000**	**Treasury shares RM'000**	**Share premium RM'000**	**Translation reserve RM'000**	**Equity-settled employees' benefits 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 1 January 2014		122,064	(1,858)	-	49	-	132,323	252,578	1,190	253,768
Disposal of treasury shares	24	-	1,858	664	-	-	-	2,522	-	2,522
Bonus issue	23	61,032	-	(664)	-	-	(60,368)	-	-	-
Subscription of shares in subsidiary company by non-controlling interests		-	-	-	-	-	-	-	30	30
Disposal of subsidiary companies	38	-	-	-	-	-	-	-	(405)	(405)
Profit for the year		-	-	-	-	-	33,287	33,287	118	33,405
Other comprehensive income for the year		-	-	-	393	-	-	393	-	393
Total comprehensive income for the year		-	-	-	393	-	33,287	33,680	118	33,798
Dividends paid	13	-	-	-	-	-	(18,266)	(18,266)	-	(18,266)
Balance as of 31 December 2014		183,096	-	-	442	-	86,976	270,514	933	271,447

STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2015 (cont'd)

The Group

		← Non-distributable reserves →								
	Note	**Issued Capital RM'000**	**Treasury shares RM'000**	**Share premium RM'000**	**Translation reserve RM'000**	**Equity-settled employees' benefits 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 1 January 2015		183,096	-	-	442	-	86,976	270,514	933	271,447
Share-based payments	39	-	-	-	-	2,000	-	2,000	-	2,000
Issue of shares pursuant to exercise of Employees' Share Option Scheme ("ESOS")	23	3,722	-	748	-	18	-	4,488	-	4,488
Transfer to retained earnings upon exercise of ESOS		-	-	-	-	(1,356)	1,356	-	-	-
Profit for the year		-	-	-	-	-	31,948	31,948	31	31,979
Other comprehensive income for the year		-	-	-	262	-	-	262	-	262
Total comprehensive income for the year		-	-	-	262	-	31,948	32,210	31	32,241
Dividends paid	13	-	-	-	-	-	(20,444)	(20,444)	-	(20,444)
Balance as of 31 December 2015		186,818	-	748	704	662	99,836	288,768	964	289,732

STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2015 (cont'd)

The Company

				Non-distributable reserves		Distributable reserve -	
	Note	**Issued capital RM'000**	**Treasury shares RM'000**	**Share premium RM'000**	**Equity-settled employees' benefits reserve RM'000**	**Retained earnings RM'000**	**Total RM'000**
Balance as of 1 January 2014		122,064	(1,858)	-	-	8,828	129,034
Disposal of treasury shares	24	-	1,858	664	-	-	2,522
Bonus issue	23	61,032	-	(664)	-	(60,368)	-
Profit for the year/Total comprehensive income for the year		-	-	-	-	77,908	77,908
Dividends paid	13	-	-	-	-	(18,266)	(18,266)
Balance as of 31 December 2014		183,096	-	-	-	8,102	191,198
Balance as of 1 January 2015		183,096	-	-	-	8,102	191,198
Share-based payments	39	-	-	-	2,000	-	2,000
Issue of shares pursuant to exercise of ESOS	23	3,722	-	748	18	-	4,488
Transfer to retained earnings upon exercise of ESOS		-	-	-	(1,356)	1,356	-
Profit for the year/Total comprehensive income for the year		-	-	-	-	19,316	19,316
Dividends paid	13	-	-	-	-	(20,444)	(20,444)
Balance as of 31 December 2015		186,818	-	748	662	8,330	196,558

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

STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2015

	The Group		The Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Cash Flows From/(Used In) Operating Activities				
Profit before tax	41,003	42,439	19,411	77,933
Adjustments for:				
Depreciation of property, plant and equipment	10,845	10,036	-	-
Finance costs	4,594	3,982	-	-
Share-based payments expenses	2,000	-	689	-
Allowance for doubtful debts	1,308	250	-	-
Property, plant and equipment written off	228	7	-	-
Bad debts written off	38	106	-	-
Impairment loss on:				
Property, plant and equipment	-	1,736	-	-
Goodwill on consolidation	-	1,562	-	-
Net value loss on financial asset carried at fair value through profit or loss	-	302	-	-
(Gain)/Loss on disposal of:				
Property, plant and equipment	(11,078)	(8,928)	-	-
Other financial assets	67	(63)	-	-
Subsidiary companies	-	(5,713)	-	-
Interest income	(1,823)	(1,270)	(387)	(7)
Unrealised gain on foreign exchange (net)	(1,183)	(1,560)	-	-
Allowance for doubtful debts no longer required	(294)	(1,301)	-	-
Fair value gain on investment property	-	(2,500)	-	-
Dividend income	-	(12)	(20,000)	(78,000)
Operating Profit/(Loss) Before Working Capital Changes	45,705	39,073	(287)	(74)
Movement in working capital:				
(Increase)/Decrease in:				
Inventories	(2,639)	(310)	-	-
Trade receivables	(1,913)	(2,534)	-	-
Other receivables, deposits and prepaid expenses	19,289	11,995	3	3
Amount owing by subsidiary companies	-	-	(10,250)	(59,382)
Increase/(Decrease) in:				
Trade payables	(1,279)	4,605	-	-
Other payables and accrued expenses	(3,436)	(11,295)	461	154
Amount owing to subsidiary companies	-	-	1,183	(476)
Cash Generated From/(Used In) Operations	55,727	41,534	(8,890)	(59,775)
Tax paid	(11,353)	(8,639)	(110)	(113)
Net Cash From/(Used In) Operating Activities	44,374	32,895	(9,000)	(59,888)

STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2015 (cont'd)

	The Group		The Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Cash Flows From/(Used In) Investing Activities				
Proceeds from disposal of:				
Property, plant and equipment	21,858	46,395	-	-
Other financial assets	285	231	-	-
Interest received	1,823	1,270	387	7
Net cash inflow from disposal of subsidiary companies (Note 38)	-	1,627	-	-
Dividend received	-	12	20,000	78,000
Additions of property, plant and equipment (Note 1 below)	(41,791)	(8,519)	-	-
(Increase)/Decrease in investment in money market funds	(22,152)	(8,065)	4,597	(2,497)
Increase in deposits with maturities exceeding 3 months	(12)	(1)	-	-
Net Cash (Used In)/From Investing Activities	(39,989)	32,950	24,984	75,510
Cash Flows From/(Used In) Financing Activities				
Drawdown of bank borrowings	37,118	6,015	-	-
Proceeds from issuance of shares	4,488	-	4,488	-
Proceeds from disposal of treasury shares	-	2,522	-	2,522
Subscription of shares in subsidiary company by non-controlling interests	-	30	-	-
Dividends paid	(20,444)	(18,266)	(20,444)	(18,266)
Repayment of bank borrowings	(21,067)	(23,865)	-	-
Finance costs paid	(4,594)	(3,982)	-	-
Repayment of hire-purchase payables	(3,641)	(3,407)	-	-
Net Cash Used In Financing Activities	(8,140)	(40,953)	(15,956)	(15,744)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(3,755)	24,892	28	(122)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	44,925	20,033	164	286
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 32)	41,170	44,925	192	164

Note 1

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

		The Group	
	Note	2015 RM'000	2014 RM'000
Additions during the year	14	46,897	9,020
Less: Acquisition under hire-purchase arrangements		(5,106)	(5,074)
Add: Settlement of consideration on acquisition of leasehold land in prior year	30	-	4,573
Cash outflow		41,791	8,519

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

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

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

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

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

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

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

The financial statements of the Group and of the Company have been authorised by the Board of Directors for issuance on 17 March 2016.

2. BASIS OF PREPARATION OF 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 requirements of the Companies Act, 1965 in Malaysia.

Adoption of new and revised MFRSs

During the current financial year, the Group and the Company have adopted a number of amendments to MFRSs issued by the Malaysian Accounting Standards Board ("MASB") that are effective for annual periods beginning on or after 1 July 2014 as follows:

Amendments to MFRS 119 - Defined Benefit Plans: Employee Contributions
Amendments to MFRSs contained in the document entitled Annual Improvements to MFRSs 2010 - 2012 Cycle
Amendments to MFRSs contained in the document entitled Annual Improvements to MFRSs 2011 - 2013 Cycle

The adoption of the above Standards did not have any material effect on the financial performance or position of the Group and the Company.

Standards and Interpretations in issue but not yet effective

At the date of authorisation for issue of these financial statements, the new and revised Standards and Amendments relevant to the Group and the Company which were in issue but not yet effective and not early adopted by the Group and the Company are as listed below.

MFRS 9	Financial Instruments[2]
MFRS 14	Regulatory Deferral Account[1]
MFRS 15	Revenue from Contracts with Customers[2]
Amendments to MFRS 11	Accounting for Acquisition of Interests in Joint Ventures[1]
Amendments to MFRS 101	Disclosure Initiative[1]
Amendments to MFRS 116 and MFRS 138	Clarification of Acceptable Methods of Depreciation and Amortisation[1]
Amendments to MFRS 116 and MFRS 141	Agriculture: Bearer Plants[1]
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[3]

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

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

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

Amendments to MFRS 10, MFRS 12 and MFRS 128	Investment Entities: Applying the Consolidation Excemption[1]
Amendments to MFRS 127	Equity Method in Separate Financial Statements[2]

Amendments to MFRSs contained in the document entitled Annual Improvements to MFRSs 2012 - 2014 Cycle[1]

[1] Effective for annual periods beginning on or after 1 January 2016, with earlier application permitted
[2] Effective for annual periods beginning on or after 1 January 2018, with earlier application permitted
[3] Effective date deferred to a date to be determined and announced, with earlier application still permitted

MFRS 9 Financial Instruments

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, and in February 2015, the new requirements for general hedge accounting was issued by MASB. The mandatory effective date for MFRS 9 was removed in tandem with the issuance of the new requirements on hedge accounting. The new mandatory effective date will be announced by MASB in due course.

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 new general hedge accounting requirements retain the three types of hedge accounting mechanisms currently available in MFRS 139. Under MFRS 9, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an "economic relationship". Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about any entity's risk management activities have also been introduced.

The directors of the Company anticipate that the application of MFRS 9 in the future may have a material impact on amounts reported in respect of the Group's financial assets and liabilities. However, it is not practicable to provide a reasonable estimate of the effect of MFRS 9 until the Group and the Company complete a detailed review.

MFRS 15 Revenue from Contract with Customers

MFRS 15 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. MFRS 15 will supersede the current revenue recognition guidance including MFRS 118 *Revenue*, MFRS 111 *Construction Contracts* and the related interpretation when it becomes effective.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

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

MFRS 15 Revenue from Contract with Customers (cont'd)

The core principle of MFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition:

Step 1: Identify the contract(s) with a customer
Step 2: Identify the performance obligations in the contract
Step 3: Determine the transaction price
Step 4: Allocate the transaction price to the performance obligations in the contract
Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under MFRS 15, an entity recognises revenue when (or as) a performance obligations is satisfied, i.e. when 'control' of the good or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in MFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by MFRS 15.

The directors of the Company anticipate that the application of MFRS 15 in the future may have a material impact on the amounts reported and disclosures made in these financial statements. However, it is not practicable to provide a reasonable estimate of the effect of MFRS 15 until the Group completes a detailed review.

Amendments to MFRS 101 Disclosure Initiative

The amendments to MFRS 101 aim at clarifying MFRS 101 to address perceived impediments to preparers exercising their judgement in presenting their financial reports. The amendments make the following changes:

- They clarify that information should not be obscured by aggregating or by providing immaterial information, materiality considerations apply to all parts of the financial statements, and even when a standard requires a specific disclosure, materiality considerations do apply.

- They introduce a clarification that the list of line items to be presented in the statement of financial position and the statement of profit or loss and other comprehensive income can be disaggregated and aggregated as relevant.

- They add additional examples of possible ways of ordering the notes to clarify that understandability and comparability should be considered when determining the order of the notes and removed guidance and examples with regard to the identification of significant accounting policies that were perceived as potentially unhelpful.

The directors of the Company do not anticipate that the application of these amendments to MFRS 101 will have a material impact on these financial statements as these amendments deal with the presentation of financial statements.

Amendment to MFRS 116 and MFRS 138 Clarification of Acceptable Methods of Depreciation and Amortisation

The amendments to MFRS 116 prohibit entities from using a revenue-based depreciation method for items of property, plant and equipment. The amendments to MFRS 138 introduce a rebuttable presumption that revenue is not an appropriate basis for amortisation of an intangible asset. This presumption can only be rebutted in the following two limited circumstances:

(a) When the intangible asset is expressed as a measure of revenue; or
(b) When it can be demonstrated that revenue and consumption of the benefits of the intangible asset are highly correlated.

The amendments apply prospectively for annual periods beginning on or after 1 January 2016. Currently, the Group uses the straight-line method for depreciation and amortisation for its property, plant and equipment and the Group does not own any intangible assets. The directors of the Company believe that the straight-line method is the most appropriate method to reflect the consumption of economic benefits inherent in the respective assets and accordingly, the directors of the Company do not anticipate that the application of these amendments to MFRS 116 will have a material impact on these financial statements.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

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

Annual Improvements to MFRS 2012 - 2014 Cycle

The Annual Improvements to MFRS 2012 - 2014 Cycle include a number of amendments to various MFRSs. Those relevant to the Group are summarised below.

The amendments to MFRS 7 *Financial Instruments: Disclosures* clarify that applicability of the amendments to MFRS 7 on offsetting disclosures to condensed interim financial statements.

The amendments to MFRS 134 *Interim Financial Reporting* clarify the meaning of 'elsewhere in the interim report' and require a cross-reference.

The directors of the Company do not anticipate that the application of these amendments will have a significant impact on these financial statements.

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 goods and services.

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.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

- Level 3 inputs are unobservable inputs for the asset or liability.

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.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

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.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

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 recognised 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 1 January 2011.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

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.

(iii) Interest income

Interest income is recognised on accrual basis.

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.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

3. **SIGNIFICANT ACCOUNTING POLICIES (cont'd)**

Employee Benefits (cont'd)

(iii) Share-based Payments

Equity-settled share-based payments to eligible employees are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in Note 39.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest with a corresponding increase in equity. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

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.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

3. **SIGNIFICANT ACCOUNTING POLICIES (cont'd)**

Taxation (cont'd)

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.

For the purposes of measuring deferred tax liabilities and deferred tax assets for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale. The directors of the Company reviewed the Group's investment property and concluded that it is not held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale. Therefore, the directors have determined that the 'sale' presumption set out in the amendments to MFRS 112 is not rebutted. As a result, the Group has recognised deferred taxes on changes in fair value of the investment property based on the expected rate that would apply on disposal of the investment property.

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.

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.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

3. **SIGNIFICANT ACCOUNTING POLICIES (cont'd)**

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 96 years
Buildings	2% - 10%
Improvements and renovations	10%
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.

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.

When an item of property, plant and equipment is transferred to investment property following a change in its use, any difference arising at the date of transfer between the carrying amount of the item immediately prior to transfer and its fair value is recognised in other comprehensive income and accumulated in equity as revaluation reserve. However, if a fair value gain reverses a previous impairment loss, the gain is recognised in profit or loss. Upon disposal of an investment property, any surplus previously recorded in equity is transferred to retained earnings; the transfer is not made through profit or loss.

When the use of a property changes such that it is reclassified as property, plant and equipment or inventories, its fair value at the date of reclassification becomes its deemed cost for subsequent accounting.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

3. **SIGNIFICANT ACCOUNTING POLICIES (cont'd)**

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.

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.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

3. **SIGNIFICANT ACCOUNTING POLICIES (cont'd)**

Financial Instruments (cont'd)

(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 MFRS 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.

(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.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

3. **SIGNIFICANT ACCOUNTING POLICIES (cont'd)**

Financial Instruments (cont'd)

(d) Impairment of financial assets (cont'd)

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 60 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.

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 MFRS 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.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

3. **SIGNIFICANT ACCOUNTING POLICIES (cont'd)**

Financial liabilities and equity instruments issued by the Group and the Company (cont'd)

(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.

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.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

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

(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 with which the Group deals 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 RM1,443,000 (2014: RM1,443,000) and an impairment loss of RM Nil (2014: RM1,562,000) was recognised in profit or loss during the financial year. Circumstances leading to recognition of impairment loss are 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.

Fair value of investment property

In estimating fair value of investment property as of 31 December 2014, the Group made reference to current prices in an active market for similar lease and other contracts or valuations carried out by an independent firm 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.

Share-based payments

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. The estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

5. REVENUE

	The Group 2015 RM'000	The Group 2014 RM'000	The Company 2015 RM'000	The Company 2014 RM'000
Total logistics services	245,107	247,236	-	-
Procurement logistics services	52,769	27,996	-	-
Dividend income from subsidiary companies	-	-	20,000	78,000
	297,876	275,232	20,000	78,000

Included in revenue from total logistics services is property rental income amounting to RM4,142,913 (2014: RM8,515,934) (Note 15).

6. COST OF SALES AND EXPENSES CLASSIFIED BY NATURE

(a) Cost of sales comprise:

	The Group 2015 RM'000	The Group 2014 RM'000	The Company 2015 RM'000	The Company 2014 RM'000
Direct operating costs	192,256	176,586	-	-
Direct staff costs	21,607	20,380	-	-
	213,863	196,966	-	-

(b) Expenses classified by nature are as follows:

	Note	The Group 2015 RM'000	The Group 2014 RM'000	The Company 2015 RM'000	The Company 2014 RM'000
Direct operating costs		192,256	176,586	-	-
Staff costs, included under:					
Cost of sales		21,607	20,380	-	-
Administrative expenses		24,361	22,797	6,022	4,886
	7	45,968	43,177	6,022	4,886
Depreciation of property, plant and equipment	14	10,845	10,036	-	-
Finance costs	9 (b)	4,594	3,982	-	-
Other expenses		19,743	20,296	354	588
		273,406	254,077	6,376	5,474

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

7. STAFF COSTS

	The Group 2015 RM'000	The Group 2014 RM'000	The Company 2015 RM'000	The Company 2014 RM'000
Wages and salaries	37,297	37,019	4,596	4,326
Contributions to defined contribution plan	4,614	4,187	705	540
Share-based payment expenses	2,000	-	689	-
Short-term accumulating compensated absences	62	(10)	9	(3)
Other staff related expenses	1,995	1,981	23	23
	45,968	43,177	6,022	4,886

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

8. DIRECTORS' REMUNERATION

	The Group 2015 RM'000	The Group 2014 RM'000	The Company 2015 RM'000	The Company 2014 RM'000
Directors of the Company				
Executive directors:				
Salaries and other emoluments	4,409	4,518	4,409	4,106
Contributions to defined contribution plan	705	570	705	540
Share-based payment expenses	689	-	689	-
Fees	72	105	72	105
	5,875	5,193	5,875	4,751
Non-executive directors:				
Fees	115	115	115	115
	5,990	5,308	5,990	4,866
Directors of subsidiary companies				
Executive directors:				
Salaries and other emoluments	1,251	1,096	-	-
Share-based payment expenses	424	-	-	-
Contributions to defined contribution plan	192	146	-	-
	1,867	1,242	-	-
Total	7,857	6,550	5990	4,866

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 RM114,961 (2014: RM145,632) and RM73,400 (2014: RM83,889) respectively.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

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	
	2015	**2014**
Executive directors:		
RM450,001 - RM500,000	-	1
RM550,001 - RM600,000	-	1
RM600,001 - RM650,000	-	1
RM650,001 - RM700,000	1	-
RM1,450,001 - RM1,500,000	-	1
RM1,950,001 - RM2,000,000	1	-
RM2,100,001 - RM2,150,000	-	1
RM2,600,001 - RM2,650,000	1	-
	3	5
Non-executive directors:		
RM50,000 and below	3	3
	6	8

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	
	2015 RM'000	**2014 RM'000**	**2015 RM'000**	**2014 RM'000**
Interest income on short-term deposits	1,823	1,270	387	7

(b) Finance costs

	The Group		The Company	
	2015 RM'000	**2014 RM'000**	**2015 RM'000**	**2014 RM'000**
Interest expense on:				
Term loans	4,122	3,569	-	-
Hire-purchase payables	472	392	-	-
Revolving credit	-	21	-	-
	4,594	3,982	-	-

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

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	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
After charging:				
Rental of:				
Premises	7,484	6,388	-	-
Motor vehicles and equipment	4,169	4,018	-	-
Settlement of legal case	1,650	-	-	-
Allowance for doubtful debts	1,308	250	-	-
Property, plant and equipment written off	228	7	-	-
Audit fees:				
Statutory audit	227	244	57	54
Other services	112	85	58	34
Loss on disposal of other financial assets	67	-	-	-
Bad debts written off	38	106	-	-
Loss on foreign exchange:				
Realised	2	364	-	-
Unrealised	-	334	-	-
Impairment on:				
Property, plant and equipment	-	1,736	-	-
Goodwill on consolidation (Note 18)	-	1,562	-	-
Net value loss on financial assets carried at fair value through profit or loss	-	302	-	-
And crediting:				
Gain on disposal of:				
Freehold land and building	10,785	2,234	-	-
Leasehold land and building	-	6,362	-	-
Other property, plant and equipment	293	332	-	-
	11,078	8,928	-	-
Subsidiary companies (Note 38)	-	5,713	-	-
Other financial assets	-	63	-	-
Gain on foreign exchange:				
Realised	2,088	257	-	-
Unrealised	1,183	1,894	-	-
Allowance for doubtful debts no longer required	294	1,301	-	-
Fair value gain on investment property (Note 15)	-	2,500	-	-
Dividend income on financial assets carried at fair value through profit or loss	-	12	-	-

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

11. TAX EXPENSE

	The Group		The Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Current year:				
Estimated current tax payable	(10,769)	(11,577)	(97)	(114)
Real property gains tax	(1,676)	(181)	-	-
Deferred tax (Note 28)	359	1,212	-	-
	(12,086)	(10,546)	(97)	(114)
Over/(Under)provision in prior years:				
Income tax	1,301	2,405	2	89
Deferred tax (Note 28)	1,761	(893)	-	-
	3,062	1,512	2	89
	(9,024)	(9,034)	(95)	(25)

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	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Profit before tax	41,003	42,439	19,411	77,933
Tax at the applicable tax rate of 25%	10,251	10,610	4,853	19,483
Tax effects of:				
Expenses not deductible for tax purposes	3,148	2,912	244	131
Income not subject to tax	(255)	(2,597)	(5,000)	(19,500)
Difference between corporate tax rate of 25% and RPGT rate of 15% on gain of disposal of freehold land	(1,078)	-	-	-
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	-	(500)	-	-
Double deduction of certain allowable expenses	(10)	(15)	-	-
Deferred tax assets not recognised	30	136	-	-
(Over)/Underprovision in prior years:				
Income tax	(1,301)	(2,405)	(2)	(89)
Deferred tax	(1,761)	893	-	-
Tax charged to profit or loss	9,024	9,034	95	25

The Finance (No. 2) Act 2014 gazetted on 30 December 2014 enacts the reduction of 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 1 January 2014. The applicable tax rates to be used for the measurement of any applicable deferred tax will be the respective expected rates.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

12. EARNINGS PER ORDINARY SHARE

Basic

The basic earnings per share ("EPS") 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	
	2015	**2014**
Profit attributable to ordinary equity holders of the Company (RM'000)	31,948	33,287
Weighted average number of ordinary shares in issue ('000)	370,067	365,019
Basic earnings per share (sen)	8.63	9.12

Diluted

Diluted earnings per share has been calculated by dividing profit attributable to ordinary equity holders of the Company for the financial year by the weighted average number of ordinary shares that would have been in issue assuming full exercise of the share options granted under the ESOS of the Company, adjusted by the number of such ordinary shares that would have been issued at fair value, as follows:

	The Group	
	2015	**2014**
Profit attributable to ordinary equity holders of the Company (RM'000)	31,948	33,287
Weighted average number of ordinary shares in issue ('000)	370,067	365,019
Effect of share options dilution ('000)	12,885	-
Adjusted weighted average number of ordinary shares in issue ('000)	382,952	365,019
Diluted earnings per share (sen)	8.34	9.12

These was no dilution in earnings per share in 2014.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

13. DIVIDENDS

	The Company	
	2015	2014
	RM	RM
Single tier final dividend of 1 sen per ordinary share of RM0.50 each, in respect of 2014 (2014: 4 sen per ordinary share of RM1.00 each in respect of 2013)	3,681,459	4,839,213
Single tier first interim dividend of 1 sen per ordinary share of RM0.50 each, in respect of 2015 (2014: 5 sen per ordinary share of RM1.00 each in respect of 2014)	3,690,394	6,103,215
Single tier second interim dividend of 2 sen per ordinary share of RM0.50 each, in respect of 2015 (2014: 2 sen per ordinary share of RM0.50 each in respect of 2014)	7,468,668	7,323,858
Single tier third interim dividend of 1.5 sen per ordinary share of RM0.50 each, in respect of 2015 (2014: Nil)	5,603,931	-
	20,444,452	18,266,286

The directors propose a single tier final dividend of 1 sen per ordinary share of RM0.50 each, 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 31 December 2016.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

14. **PROPERTY, PLANT AND EQUIPMENT**

The Group

	Freehold land RM'000	Leasehold land RM'000	Buildings RM'000	Improvements and renovations 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										
As of 1 January 2014	9,212	44,340	101,273	12,366	58,648	22,751	2,650	413	90	251,743
Additions	-	-	598	146	6,451	1,621	204	-	-	9,020
Exchange differences	-	128	92	-	-	-	-	-	-	220
Disposals and write-offs	-	(3,933)	(5,885)	(2,961)	(4,429)	(308)	(431)	(413)	(72)	(18,432)
Disposal of subsidiary company (Note 38)	-	-	-	-	-	(30)	(10)	-	-	(40)
As of 31 December 2014	9,212	40,535	96,078	9,551	60,670	24,034	2,413	-	18	242,511
As of 1 January 2015	9,212	40,535	96,078	9,551	60,670	24,034	2,413	-	18	242,511
Transferred from investment property (Note 15)	-	21,900	61,600	-	-	-	-	-	-	83,500
Additions	39,849	-	-	96	6,175	625	110	-	42	46,897
Disposals and write-offs	(9,212)	-	-	(407)	(4,883)	(53)	(3)	-	-	(14,558)
As of 31 December 2015	39,849	62,435	157,678	9,240	61,962	24,606	2,520	-	60	358,350

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

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

The Group

	Freehold land RM'000	Leasehold Land RM'000	Buildings RM'000	Improvements and renovations 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
Accumulated Depreciation										
As of 1 January 2014	-	1,735	12,115	6,368	43,702	15,757	1,802	-	-	81,479
Charge for the year	-	750	1,998	431	4,157	2,420	280	-	-	10,036
Exchange differences	-	37	-	-	-	-	-	-	-	37
Disposals and write-offs	-	(501)	(1,480)	(2,949)	(3,555)	(503)	(424)	-	-	(9,412)
Disposal of subsidiary company (Note 38)	-	-	-	-	-	(24)	(6)	-	-	(30)
As of 31 December 2014	-	2,021	12,633	3,850	44,304	17,650	1,652	-	-	82,110
As of 1 January 2015	-	2,021	12,633	3,850	44,304	17,650	1,652	-	-	82,110
Charge for the year	-	976	2,820	887	3,879	2,049	234	-	-	10,845
Disposals and write-offs	-	-	-	(242)	(3,282)	(25)	(3)	-	-	(3,552)
As of 31 December 2015	-	2,997	15,453	4,495	44,901	19,674	1,883	-	-	89,403

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

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

The Group	Freehold land RM'000	Leasehold Land RM'000	Buildings RM'000	Improvements and renovations 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
Accumulated Impairment										
As of 1 January 2014	-	-	-	-	-	6	4	-	-	10
Impairment losses recognised in profit or loss	-	1,736	-	-	-	-	-	-	-	1,736
Disposal of subsidiary company (Note 38)	-	-	-	-	-	(6)	(4)	-	-	(10)
As of 31 December 2014/1 January 2015/31 December 2015	-	1,736	-	-	-	-	-	-	-	1,736
Net Carrying Amount										
As of 31 December 2014	9,212	36,778	83,445	5,701	16,366	6,384	761	-	18	158,665
As of 31 December 2015	39,849	57,702	142,225	4,745	17,061	4,932	637	-	60	267,211

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

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

(a) Carrying amount of property, plant and equipment totaling RM151,762,892 (2014: RM86,579,305) 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 arrangements amounted to RM12,560,113 (2014: RM10,989,088).

(c) Leasehold land as of 31 December 2015 relate to:

(i) Lease of land for the Group's warehouse with office buildings erected thereon located in Port Klang, Selangor with lease term expiring in the year of 2087;

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

(iii) Lease of land for the Group's warehouse with assembling facility erected thereon located in 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	
	2015	**2014**
	RM'000	**RM'000**
At beginning of year	83,500	81,000
Transferred to property, plant and equipment (Note 14)	(83,500)	-
Fair value gain (Note 10)	-	2,500
At end of year	-	83,500

Investment property as of 31 December 2014 represented two (2) single storey warehouses erected on three (3) adjoining parcels of industrial land. The fair value of the said investment property as of 31 December 2014 had been arrived at on the basis of a valuation carried out on 2 January 2015 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 was its current use.

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

	Level 1	**Level 2**	**Level 3**	**Fair value as of 31.12.2014**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Two (2) single storey warehouses located in Malaysia	-	-	83,500	83,500

There was no transfer between Level 1 and 2 during 2014.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

15. **INVESTMENT PROPERTY (cont'd)**

During the current year, this property has been transferred to Property, Plant and Equipment (Note 14) following a substantial change in use as owner-occupied property. In accordance with the provisions of *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 RM4,142,913 (2014: RM8,515,934) 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 RM223,406 (2014: RM365,559).

In 2014, 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	
	2015	2014
	RM'000	RM'000
Unquoted shares - at cost	17,732	17,732
Accumulated impairment losses	(10,662)	(10,662)
Net	7,070	7,070

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

	Proportion of ownership interest and voting power		Principal Activities
	2015 %	2014 %	
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 DMS Sdn. Bhd.	70	70	Data management solutions
Century Trucking Sdn. Bhd.^	-	100	Dormant
Century Logistics (Sarawak) Sdn. Bhd.	100	100	Dormant
Century LED Sdn. Bhd.	100	100	Dormant
Century Logistics (S'pore) Pte. Ltd.* (Incorporated in Singapore)	100	100	Dormant

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

16. **INVESTMENT IN SUBSIDIARY COMPANIES (cont'd)**

	Proportion of ownership interest and voting power 2015 %	2014 %	Principal Activities
Indirect Subsidiary Companies (cont'd)			
Century Resources (Thailand) Limited* # (Incorporated in Thailand)	100	100	Dormant
Century-YES Logistics (Yichun) Co. Ltd.* (Incorporated in the People's Republic of China)	75	75	Dormant

^ De-registered from the Companies Commission of Malaysia on 18 November 2015.

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

On 10 September 2014, Century Resources (Thailand) Limited registered with Thailand Ministry of Commerce to liquidate its business. The liquidation process has not been completed as of the date of these financial statements.

There was no acquisition or disposal of subsidiary companies during year 2015.

In year 2014:

(a) Century Logistics Sdn. Bhd. ("CLSB") acquired 70,000 ordinary shares of RM1.00 each in the capital of Century DMS Sdn. Bhd. representing 70% equity interest, at a cash consideration of RM70,000.

(b) CLSB disposed of its entire 51% equity interest in Storewell Realty Sdn. Bhd. for a cash consideration of RM1,861,000. The Group recorded a gain on disposal of RM1,439,000.

(c) CLSB disposed of its entire 51% equity interest in Century Onsys Sdn. Bhd. for a cash consideration of RM1.00. The Group recorded a gain on disposal of RM3,813,000.

(d) CLSB disposed of its entire 51% equity interest in Expo Century Logistics Pvt. Ltd. for a cash consideration of INR883,092 (equivalent to approximately RM49,025). The Group recorded a gain on disposal of RM461,000.

The Group reported gain totalling RM5,713,000 from the abovementioned disposal of subsidiary companies (Note 10). Financial implications of the abovementioned disposals are disclosed in Note 38.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

16. **INVESTMENT IN SUBSIDIARY COMPANIES (cont'd)**

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 2015	2014
Total logistics services	Malaysia	1	1
Procurement logistics services	Malaysia	1	1
Investment holding	Malaysia	1	1
Bonded warehousing	Malaysia	1	1
Dormant	Malaysia	3	4
Dormant	Singapore	1	1
Dormant	Thailand	1	1

Principal activity	Place of incorporation and operations	Number of non-wholly-owned subsidiary companies 2015	2014
Freight forwarding and shipping agency	Malaysia	1	1
Data management solutions	Malaysia	1	1
Dormant	People's Republic of China	1	1

As of 31 December 2015 and 2014, 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 2015 RM'000	2014 RM'000
Century Total Logistics Sdn. Bhd. ("CTL")		
Management fee income	4,680	4,680
Century Advance Technology Sdn. Bhd.		
Management fee income	576	720
Century DMS Sdn. Bhd.		
Management fee income	144	-

Related party with recurrent related party transaction with the Group is as follows:

Name of related party	Relationship
Century Forwarding Agency Sdn. Bhd. ("CFA")	A company in which Sabarin Bin Ibrahim, a director in CFA and CTL, has 30% equity interest

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

16. INVESTMENT IN SUBSIDIARY COMPANIES (cont'd)

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

	The Group	
	2015 RM'000	2014 RM'000
Century Forwarding Agency Sdn. Bhd.		
- Provision of freight forwarding services to CTL	745	999

17. OTHER FINANCIAL ASSETS

	The Group	
	2015 RM'000	2014 RM'000
Financial assets carried at fair value through profit or loss:		
Shares quoted in Malaysia	-	311
Shares quoted outside Malaysia	-	41
Total	-	352

18. GOODWILL ON CONSOLIDATION

	The Group	
	2015 RM'000	2014 RM'000
At beginning of year	1,443	3,005
Less: Impairment loss charged to profit or loss (Note 10)	-	(1,562)
At end of year	1,443	1,443

Goodwill on consolidation of the Group arose from the acquisition of certain 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 cash generating units ("CGUs") within CTL that benefited from the business combination. As of 31 December 2015 and 2014, CGUs to which the carrying value of goodwill related to are ship-to-ship transfer operations and Lot 8 General Warehouse.

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

In 2014, considering the operating losses reported by the haulage operations for a few consecutive years of which the operating condition is not expected to turnaround in the near future amidst a competitive operating environment, the directors have consequently determined to fully impair the goodwill attributable to this CGU of RM1,562,000.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

18. GOODWILL ON CONSOLIDATION (cont'd)

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 4.93% (2014: 5.00%) 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	
	2015	**2014**
	RM'000	**RM'000**
Assembling parts	2,539	645
Assembled products	1,013	268
	3,552	913

20. TRADE RECEIVABLES

	The Group	
	2015	**2014**
	RM'000	**RM'000**
Trade receivables	64,061	60,730
Less: Allowance for doubtful debts	(6,411)	(5,397)
Net	57,650	55,333

The credit terms of the Group range from 3 to 60 days (2014: 7 to 60 days).

Included in the Group's trade receivables are debtors with a carrying amount of RM21,908,504 (2014: RM22,541,000) 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.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

20. **TRADE RECEIVABLES (cont'd)**

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

	The Group	
	2015 RM'000	**2014 RM'000**
1-30 days	11,735	12,195
31-60 days	7,484	4,956
61-90 days	2,689	4,175
91-120 days	-	584
More than 120 days	-	631
Total	21,908	22,541

Movement in the allowance for doubtful debts is as follows:

	The Group	
	2015 RM'000	**2014 RM'000**
At beginning of the year	5,397	6,448
Impairment losses recognised (Note 10)	1,308	250
Impairment losses reversed (Note 10)	(294)	(1,301)
	1,014	(1,051)
At end of the year	6,411	5,397

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 45% (2014: 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	
	2015 RM'000	**2014 RM'000**
Ringgit Malaysia	61,203	51,696
United States Dollar	2,584	8,810
Chinese Renminbi	270	195
Singapore Dollar	4	29
	64,061	60,730

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

21. OTHER RECEIVABLES, DEPOSITS AND PREPAID EXPENSES

	The Group		The Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Other receivables	10,818	27,698	-	-
Refundable deposits	3,336	3,630	2	1
Prepaid expenses	2,837	2,721	5	9
Goods and services tax recoverable	1,637	-	-	-
Deposits paid for capital expenditure (Note 36)	-	3,868	-	-
	18,628	37,917	7	10

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 RM5,774,670 (2014: RM24,207,577).

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

	The Group	
	2015 RM'000	2014 RM'000
Ringgit Malaysia	16,180	37,314
United States Dollar	2,104	296
Thai Baht	342	305
Others	2	2
	18,628	37,917

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	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Investment in money market funds	48,196	26,044	-	4,597
Deposits with licensed banks	21,808	22,981	-	-
Cash and bank balances	19,449	22,019	192	164
	89,453	71,044	192	4,761

Investment in money market funds of the Group as of 31 December 2015 were managed by three (3) licensed fund management companies of which amounts deposited can be withdrawn at the discretion of the Group given a two (2) days-notice period.

The weighted average interest rate of deposits with licensed bank is 3.27% (2014: 2.95%) per annum. The maturity periods of deposits of the Group range from 1 to 365 days (2014: 1 to 365 days).

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

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

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

	The Group	
	2015 RM'000	2014 RM'000
Ringgit Malaysia	79,912	53,623
United States Dollar	7,991	11,878
Chinese Renminbi	1,260	1,094
Thai Baht	73	4,235
Others	217	214
	89,453	71,044

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

23. SHARE CAPITAL

	The Company			
	2015 No. of Shares	2014 No. of Shares	2015 RM'000	2014 RM'000
Authorised:				
At beginning of year - ordinary shares of RM0.50 (2014: RM1.00) each	1,000,000,000	500,000,000	500,000	500,000
Share split	-	500,000,000	-	-
At end of year - ordinary shares of RM0.50 each	1,000,000,000	1,000,000,000	500,000	500,000
Issued and fully paid:				
At beginning of year - ordinary shares of RM0.50 (2014: RM1.00) each	366,192,890	122,064,297	183,096	122,064
Bonus issue	-	61,032,148	-	61,032
Share split	-	183,096,445	-	-
Exercise of ESOS options (Note 39)	7,442,500	-	3,722	-
At end of year - ordinary shares of RM0.50 each	373,635,390	366,192,890	186,818	183,096

In 2015, the issued and paid-up share capital of the Company was increased from RM183,096,445 divided into 366,192,890 ordinary shares of RM0.50 each to RM186,817,695 divided into 373,635,390 ordinary shares of RM0.50 each, by the issuance of 7,442,500 new ordinary shares of RM0.50 each pursuant to the Company's Employees' Share Option Scheme, at a premium of RM0.10 per ordinary share for cash. The new shares issued rank pari passu in all respects with the then existing ordinary shares of the Company. The resulted premium of RM744,250 has been credited to Share Premium Account.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

23. **SHARE CAPITAL (cont'd)**

In year 2014:

(a) The authorised share capital of the Company has been converted from 500,000,000 ordinary shares of RM1.00 each to 1,000,000,000 ordinary shares of RM0.50 each via a share split exercise involving the subdivision of every one (1) ordinary share of RM1.00 each into two (2) ordinary shares of RM0.50 each.

(b) The issued and paid-up share capital of the Company was increased from RM122,064,297 divided into 122,064,297 ordinary shares of RM1.00 each to RM183,096,445 divided into 366,192,890 ordinary shares of RM0.50 each via:

(i) Bonus issue of 61,032,148 new ordinary shares of RM1.00 each out of share premium and retained earnings, credited as fully paid and distributed amongst the shareholders of the Company in the proportion of one (1) ordinary share of RM1.00 each for two (2) existing paid up ordinary of RM1.00 each; and

(ii) The share split exercise involving the subdivision of every one (1) ordinary share of RM1.00 each (existing and bonus shares) into two (2) ordinary shares of RM0.50 each.

24. **TREASURY SHARES**

On 23 April 2015 and 24 April 2014, 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.

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

In year 2014, the Company resold its remaining 1,083,974 treasury shares at an average price of RM2.33 per share. The difference of RM664,000 between the sale consideration and the carrying amount of the shares has been credited to the Share Premium Account. Following this, none of the Company's issued ordinary shares as of 31 December 2015 and 2014 were held as treasury shares.

25. **RESERVES**

	The Group		The Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Share premium	748	-	748	-
Equity-settled employees' benefits reserve	662	-	662	-
Translation reserve	704	442	-	-
Retained earnings	99,836	86,976	8,330	8,102
	101,950	87,418	9,740	8,102

Share Premium

Share premium arose from the issuance of ESOS shares at premium in current year.

Equity-Settled Employees' Benefits Reserve

The equity-settled employees' benefits reserve relates to share options granted by the Company to employees of the Group under the ESOS. Further information about share-based payments to employees is set out in Note 39.

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.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

25. **RESERVES (cont'd)**

Retained Earnings

The Company's retained earnings as of 31 December 2015 are distributable as dividends under the single tier income tax system.

26. **HIRE-PURCHASE PAYABLES**

	The Group	
	2015 RM'000	**2014 RM'000**
Total outstanding	9,745	8,167
Less: Interest-in-suspense	(810)	(697)
Principal outstanding	8,935	7,470
Less: Portion due within the next 12 months (shown under current liabilities)	(2,947)	(2,354)
Non-current portion	5,988	5,116

The non-current portion is repayable as follows:

	The Group	
	2015 RM'000	**2014 RM'000**
Within 1 to 2 years	2,964	2,220
Within 2 to 5 years	3,024	2,896
	5,988	5,116

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 5.28% to 5.64% (2014: 4.80% to 5.88%) per annum. The interest rates are fixed at the inception of the hire-purchase arrangement.

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

Hire-purchase payables are predominantly denominated in Ringgit Malaysia.

27. **LONG-TERM BORROWINGS**

	The Group	
	2015 RM'000	**2014 RM'000**
Secured:		
Principal outstanding	79,253	63,202
Portion due within the next 12 months (Note 31)	(15,808)	(18,547)
Non-current portion	63,445	44,655

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

27. LONG-TERM BORROWINGS (cont'd)

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

	The Group	
	2015 RM'000	2014 RM'000
Within 1 to 2 years	14,832	15,872
Within 2 to 5 years	40,536	27,971
5 years and thereafter	8,077	812
	63,445	44,655

The weighted average effective interest rate of the above long-term loans is 4.93% (2014: 5.00%) per annum.

Long-term loans pertaining to subsidiary companies are secured by:

(i) 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);
(ii) 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 14);
(iii) a specific debenture over certain leasehold land (Note 14); and
(iv) corporate guarantee by the Company amounting to RM113,900,000 (2014: RM126,500,000).

The Group's borrowings are denominated in Ringgit Malaysia.

28. DEFERRED TAX 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.

The Group

	At beginning of year RM'000	Recognised in profit or loss (Note 11) RM'000	At end of year RM'000
2015			
Deferred tax liabilities (before offsetting)			
Tax effect of temporary differences arising from:			
Property, plant and equipment	9,714	(2,258)	7,456
Others	-	363	363
	9,714	(1,895)	7,819
Offsetting:			
Deferred tax asset			
Tax effect of temporary differences arising from:			
Other payables and accrued expenses	-	(399)	(399)
Others	(415)	174	(241)
	(415)	(225)	(640)
Deferred tax liabilities (after offsetting)	9,299	(2,120)	7,179

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

28. DEFERRED TAX LIABILITIES (cont'd)

The Group

	At beginning of year RM'000	Recognised in profit or loss (Note 11) RM'000	At end of year RM'000
2014			
Deferred tax liabilities (before offsetting)			
Tax effect of temporary differences arising from:			
Property, plant and equipment	11,405	(1,691)	9,714
Others	109	(109)	-
	11,514	(1,800)	9,714
Offsetting:			
Deferred tax asset			
Tax effect of temporary differences arising from:			
Trade receivables	(1,113)	1,113	-
Others	(783)	368	(415)
	(1,896)	1,481	(415)
Deferred tax liabilities (after offsetting)	9,618	(319)	9,299

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

	The Group 2015 RM'000	2014 RM'000
Deductible temporary differences	1,532	627
Unused capital allowances and tax losses	-	787
	1,532	1,414

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 2015 RM'000	2014 RM'000
Ringgit Malaysia	15,628	16,952
United States Dollar	1,800	1,764
Others	69	60
	17,497	18,776

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

30. OTHER PAYABLES AND ACCRUED EXPENSES

Other payables and accrued expenses consist of the following:

	The Group		The Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Other payables	16,262	14,932	-	17
Accrued expenses	13,777	14,587	2,761	2,307
Deposits refundable	1,557	1,966	-	-
Goods and service tax payable	1,027	-	24	-
Sub-lease rental payable	-	4,574	-	-
	32,623	36,059	2,785	2,324

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 RM13,477,971 (2014: RM12,159,242).

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

	The Group	
	2015 RM'000	2014 RM'000
Ringgit Malaysia	18,783	23,519
United States Dollar	13,520	12,386
Singapore Dollar	151	3
Thai Baht	115	102
Others	54	49
	32,623	36,059

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

31. SHORT-TERM BORROWINGS

	The Group	
	2015 RM'000	2014 RM'000
Secured:		
Portion of long-term loans due within the next 12 months (Note 27)	15,808	18,547

The Group has term loans, bank overdrafts and revolving credit facilities amounting to RM132.9 million (2014: RM147.5 million) obtained from various financial institutions.

The weighted average effective interest rate of revolving credit is Nil (2014: 4.24%) per annum.

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

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

32. CASH AND CASH EQUIVALENTS

	The Group		The Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Cash and bank balances (Note 22)	19,449	22,019	192	164
Deposits with licensed banks (Note 22)	21,808	22,981	-	-
	41,257	45,000	192	164
Less: Deposits with maturities in excess of 3 months	(87)	(75)	-	-
	41,170	44,925	192	164

33. FINANCIAL INSTRUMENTS

Capital Risk Management

The Group manages its capital to ensure that entities within the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from 2014.

The capital structure of the Group consists of net debt (borrowings as detailed in Notes 26, 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	
	2015 RM'000	2014 RM'000
Debts, comprising:		
Borrowings (Note 27)	79,253	63,202
Hire-purchase payables (Note 26)	8,935	7,470
	88,188	70,672
Cash and bank balances	(89,453)	(71,044)
Net cash	(1,265)	(372)
Shareholders' equity	289,732	271,447
Net debt to equity ratio	N/A	N/A

Significant accounting policies

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

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

33. FINANCIAL INSTRUMENTS (cont'd)

Categories of financial instruments

	The Group	
	2015 RM'000	2014 RM'000
Financial assets		
Financial asset at fair value through profit and loss:		
Quoted shares (Note 17)	-	352
Loans and receivables:		
Trade receivables	57,650	55,333
Other receivables and refundable deposits (Note 21)	15,791	31,328
Deposits, cash and bank balances	89,453	71,044
	162,894	157,705
Financial liabilities at amortised costs		
Trade payables	17,497	18,776
Other payables and accrued expenses	32,623	36,059
Total borrowings (Note 27)	79,253	63,202
Hire-purchase payables (Note 26)	8,935	7,470
	138,308	125,507

	The Company	
	2015 RM'000	2014 RM'000
Financial assets		
Loans and receivables:		
Other receivables and refundable deposits (Note 21)	2	1
Amount owing by subsidiary companies	195,944	184,383
Deposits, cash and bank balances	192	4,761
	196,138	189,145
Financial liabilities at amortised costs		
Other payables and accrued expenses	2,785	2,324
Amount owing to subsidiary companies	4,013	2,830
	6,798	5,154

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.

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.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

33. **FINANCIAL INSTRUMENTS (cont'd)**

Categories of financial instruments (cont'd)

	The Group	
	2015 RM'000	2014 RM'000
Sub-lease rental payable		
Carrying amount (Note 30)	-	4,574
Fair value	-	4,574

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 currency giving rise to this risk is primarily United States Dollar ("USD").

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

Outstanding contracts	Range of exchange rates	Foreign currency '000	Notional value RM'000	Fair value gain RM'000
2015				
Buy USD				
Less than 3 months	4.22 - 4.45	1,056	4,537	10
3 to 6 months	4.30 - 4.35	44	191	(2)
Buy EURO				
Less than 3 months	4.60 - 4.70	374	1,721	37
2014				
Buy USD				
Less than 3 months	3.26 - 3.52	847	2,898	67
3 to 6 months	3.30 - 3.52	600	1,983	126

Fair values of the abovementioned FC 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 RM104,000 (2014: RM586,000).

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

33. **FINANCIAL INSTRUMENTS (cont'd)**

Interest rate risk management

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

The Group is mainly exposed to interest rate risk through long-term loans, with the underlying weighted average effective interest rate of 4.93% (2014: 5.00%) 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.

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.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

33. FINANCIAL INSTRUMENTS (cont'd)

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
2015						
Hire-purchase payables	5.28-5.64	3,348	3,207	3,190	-	9,745
Borrowings	4.93	19,942	18,139	37,247	20,431	95,759
		23,290	21,346	40,437	20,431	105,504
2014						
Hire-purchase payables	4.80-5.88	2,705	2,440	3,022	-	8,167
Borrowings	5.00	20,545	17,742	31,670	1,071	71,028
Sub-lease rental payable	-	4,574	-	-	-	4,574
		27,824	20,182	34,692	1,071	83,769

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 RM167.7 million (2014: RM180.3 million) representing the 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.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

34. SEGMENTAL INFORMATION (cont'd)

Segment Revenue and Results

Group	Total Logistics Services RM'000	Procurement Logistics Services RM'000	Elimination RM'000	Consolidated RM'000
2015				
REVENUE				
External sales	245,107	52,769	-	297,876
Inter-segment sales	2,405	-	(2,405)	-
Total revenue	247,512	52,769	(2,405)	297,876
RESULTS				
Segment results	37,245	6,366	163	43,774
Interest income	1,459	364	-	1,823
Profit from operations	38,704	6,730	163	45,597
Finance costs	(3,904)	(690)	-	(4,594)
Income tax expense	(7,994)	(1,030)	-	(9,024)
Profit for the year	26,806	5,010	163	31,979
2014				
REVENUE				
External sales	247,236	27,996	-	275,232
Inter-segment sales	2,360	-	(2,360)	-
Total revenue	249,596	27,996	(2,360)	275,232
RESULTS				
Segment results	42,307	5,184	(2,340)	45,151
Interest income	797	473	-	1,270
Profit from operations	43,104	5,657	(2,340)	46,421
Finance costs	(3,254)	(728)	-	(3,982)
Income tax expense	(8,139)	(895)	-	(9,034)
Profit for the year	31,711	4,034	(2,340)	33,405

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.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

34. **SEGMENTAL INFORMATION (cont'd)**

Segment Assets and Liabilities (cont'd)

Group	Total Logistics Services RM'000	Procurement Logistics Services RM'000	Elimination RM'000	Consolidated RM'000
2015				
SEGMENT ASSETS				
Segment assets	586,401	79,804	(227,591)	438,614
Consolidated total assets				438,614
SEGMENT LIABILITIES				
Segment liabilities	311,143	50,796	(213,057)	148,882
Consolidated total liabilities				148,882
2014				
SEGMENT ASSETS				
Segment assets	536,414	80,824	(207,871)	409,367
Consolidated total assets				409,367
SEGMENT LIABILITIES				
Segment liabilities	274,256	56,824	(193,160)	137,920
Consolidated total liabilities				137,920

OTHER SEGMENT INFORMATION

Group	Total Logistics Services RM'000	Procurement Logistics Services RM'000	Elimination RM'000	Consolidated RM'000
2015				
Capital expenditure	46,192	705	-	46,897
Depreciation	9,513	1,332	-	10,845
2014				
Capital expenditure	8,327	693	-	9,020
Depreciation	8,553	1,483	-	10,036

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

35. NON-CURRENT ASSETS HELD FOR SALE

	The Group	
	2015	2014
	RM'000	RM'000
Freehold land and building held for sale:		
At beginning of year	-	28,454
Disposal	-	(28,454)
At end of year	-	-

Non-current asset held for sale as of 1 January 2014 represented a freehold land and building, comprising a single storey warehouse with office building, held by Century Resources (Thailand) Limited, a Thailand incorporated subsidiary company. In 2014, the Group completed the disposal at a cash consideration equivalent to approximately RM32.0 million and recorded a gain on disposal of approximately RM2,234,000 (Note 10).

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	
	2015	2014
	RM'000	RM'000
Approved and contracted for	762	37,347
Approved but not contracted for	886	5,034

Included in capital commitment approved and contracted for as of 31 December 2014 was commitment for land acquisition amounted RM39,823,879. As of 31 December 2014, deposits totalling RM3,867,561 have been paid and included as part of other receivables, deposits and refundable deposits (Note 21). Balance purchase consideration amounting to RM35,956,318 was paid in full during the current year.

(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	
	2015	2014
	RM'000	RM'000
Financial years ending 31 December :		
2015	-	5,280
2016	5,559	740
2017	3,705	-
	9,264	6,020

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

37. CONTINGENT LIABILITIES

As of 31 December 2015, a former customer filed a claim amounting to RM21,649,382 against a subsidiary company for damages arising from alleged failure in undertaking outbound logistics services. In the meantime, the said subsidiary company claimed against the former customer and its related companies for amount outstanding from services rendered totalling RM853,997 together with late payment interest thereon and, damages and loss of profit amounting to RM8,443,385.

No provision for losses has been made in the financial statements of the Group in respect of the claim brought against the said subsidiary company as the directors of the Company, based on consultation with the legal counsel, are of the opinion that the outcome of the claim is not presently determinable given the preliminary stage of the litigation and that a reliable estimate of probable outflow of resources, if any, cannot be made.

38. DISPOSAL OF SUBSIDIARY COMPANIES

As mentioned in Note 16, the Group disposed of its entire equity interest in Storewell Realty Sdn. Bhd., Century Onsys Sdn. Bhd. and Expo Century Logistics Pvt. Ltd. in 2014.

Analysis of assets and liabilities over which control was lost

	The Group 2014 RM'000
Other receivables, deposits and prepaid expenses	12,577
Cash and bank balances	283
Trade payables	(19)
Other payables and accrued expenses	(16,405)
Translation reserve	166
Net liabilities disposed of	(3,398)

Gain on disposal of subsidiary companies

	The Group 2014 RM'000
Disposal consideration	1,910
Net liabilities disposed of	3,398
Non-controlling interests	405
Gain on disposal	5,713

Net cash inflow on disposal of subsidiary companies

	The Group 2014 RM'000
Disposal consideration received	1,910
Cash and cash equivalents disposed of	(283)
Net cash inflow	1,627

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

39. SHARE-BASED PAYMENTS

The Employees' Share Option Scheme ("ESOS") of the Company is governed by the by-laws approved by the shareholders at an Extraordinary General Meeting held on 6 January 2015. The ESOS was implemented on 8 January 2015 and will be in force for a maximum period of 5 years from the effective date.

The maximum number of the Company's shares under the ESOS shall not exceed 15% of the issued and paid-up share capital (excluding treasury shares) of the Company at any point of time during the duration of the scheme.

Other salient features of the ESOS are as follows:

(i) The employee eligible to participate in the ESOS must have attained the age of 18 years, is not an undischarged bankrupt or subject to any bankruptcy proceedings, is a Malaysian citizen and has been confirmed in service and in permanent employment of the Group.

(ii) The actual entitlement of an eligible employee shall essentially be based on the seniority of job position and work performance. Notwithstanding the foregoing, not more than 10% of the shares under ESOS shall be allocated to any eligible employee who, either singly or collectively, through persons connected to him, holds 20% or more in the issued and paid-up capital (excluding treasury shares) of the Company.

(iii) The price of which the grantee is entitled to subscribe for shares under ESOS shall be the higher of:

(a) The volume weighted average market price of the shares for the 5 market days immediately preceding the date of offer, subject to a discount of not more than 10% which the Company may at its discretion decide to give; or

(b) The par value of the shares.

(iv) The option granted to a grantee under the ESOS is exercisable only by the grantee during his employment within the Group and within the option period subject to the by-laws.

(v) The shares to be allotted upon the exercise of the option shall, upon issue and allotment, rank pari passu in all respects with the existing issued and paid-up share capital of the Company, except that such shares will not be entitled for any dividend, rights, transfer, allotment or distribution declared, made or paid to shareholders which record date thereof precedes the date of allotment of the shares and will be subject to all the provisions of the Articles of Association of the Company relating to transfer, transmission and otherwise.

(vi) Upon acceptance of the offer, eligible employees at the commencement of the scheme may exercise their options at a maximum percentage of 20% each year over the option period. Persons who become eligible after the commencement of the scheme may exercise their options in equal percentage for each of the remaining years of the scheme.

Options granted pursuant to ESOS during the financial year, which are vested and exercisable over a period of 5 years, are as follows:

Option series	Grant date	Number of options	Expiry date	Exercise price RM	Fair value per option at grant date RM
Grant 1	8.1.2015	53,090,000	7.1.2020	0.60	0.1927
Grant 2	16.4.2015	1,800,000	7.1.2020	0.73	0.2398

NOTES TO THE FINANCIAL STATEMENTS (cont'd)

39. **SHARE-BASED PAYMENTS (cont'd)**

Fair value of share options granted in the year

Fair value of the share options granted during the financial year was valued using the Black-Scholes Valuation model. Inputs into the valuation model are as follows:

	Grant 1	Grant 2
Share price at grant date	RM0.665	RM0.810
Exercise price	RM0.600	RM0.730
Dividend yield	2.3%	2.3%
Expected life	5 years	5 years
Risk-free interest rate	3.86%	3.86%
Volatility	27.4%	27.4%

SUPPLEMENTAL INFORMATION

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

On 25 March 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 20 December 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	
	2015 RM'000	2014 RM'000
Total retained earnings of the Company and its subsidiaries		
- Realised	92,088	85,059
- Unrealised	9,013	3,146
	101,101	88,205
Less: Consolidation adjustments	(1,265)	(1,229)
Total Group retained earnings	99,836	86,976

	The Company	
	2015 RM'000	2014 RM'000
Total retained earnings of the Company		
- Realised	8,330	8,102
- Unrealised	-	-
Total Company retained earnings	8,330	8,102

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 20 December 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 requirements 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 31 December 2015 and of the results of their businesses and the cash flows of the Group and of the Company for the year ended on that date.

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

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

TEOW CHOO HING

YEAP KHOO SOON EDWIN

Kuala Lumpur,
17 March 2016

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 requirements 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 17th day of March, 2016.

Before me,

COMMISSIONER FOR OATHS

LIST OF PROPERTIES
AS AT 31 DECEMBER 2015

Location	Existing use Description	Year of Acquisition or Revaluation*	Age of Building	Area (sq. feet)	Tenure	NBV as at 31/12/2015 (RM)
Lot 8, Lingkaran Sultan Mohamed 1 Bandar Sultan Suleiman 42000 Port Klang Selangor Darul Ehsan	3 single storey warehouses with office building	2001	14 years	558,647	Leasehold Expiry: 29 March 2087	32,881,398
Plot D16 & D18, Jalan Tanjung A/3 Kawasan Zon Bebas Pelabuhan Tanjung Pelepas 81560 Gelang Patah Johor Darul Takzim	Single storey warehouse with office building	2008*	9 years	335,412	Sub Lease Expiry: 23 March 2055	27,647,048
Plot D12, Jalan Tanjung A/2 Kawasan Zon Bebas Pelabuhan Tanjung Pelepas 81560 Gelang Patah Johor Darul Takzim	Single storey warehouse with office building	2007	8 years	321,037	Sub Lease Expiry: 23 March 2055	22,944,645
Plot D14, Jalan Tanjung A/3 Kawasan Zon Bebas Pelabuhan Tanjung Pelepas 81560 Gelang Patah Johor Darul Takzim	Single storey warehouse with office building	2009	6 years	156,511	Sub Lease Expiry: 23 March 2055	15,280,239
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	2014*	3 years	653,400	Sub Lease Expiry: 23 March 2055	82,460,188
Lot 4A, Jalan Sultan Mohamed 3 Bandar Sultan Suleiman 42000 Port Klang Selangor Darul Ehsan	Double storey factory with office building	2012	17 years (refurbished in 2013)	257,171	Leasehold Expiry: 30 June 2105	18,711,011
Lot No.26, HS (D) 139769 PT No.69196 Mukim Kapar Daerah Klang Selangor Darul Ehsan	Land	2015	-	174,505	Freehold	19,431,046
Lot No.27, HS (D) 139758 PT No.69185 Mukim Kapar Daerah Klang Selangor Darul Ehsan	Land	2015	-	183,600	Freehold	20,417,836
						239,773,411

SHARE BUY-BACK STATEMENT

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 9 March 2016, the issued and paid-up share capital of Century is RM187,056,195 comprising 374,112,390 Shares. The Proposed Share Buy-Back will enable the Company to purchase up to a maximum of 39,798,500 Shares, representing 10% of the enlarged issued and paid-up ordinary share capital.

On 8 January 2015, the Company implemented an employees' share option scheme ("ESOS") of up to 15% of the issued and paid-up share capital (excluding treasury shares) of the Company for eligible directors and executive employees of the Company and its subsidiary companies who fulfill the criteria of eligibility as stipulated in the by-laws governing the ESOS. In accordance with the by-laws, the ESOS may only be exercisable in the following manner:

Maximum percentage exercisable each year (vested)				
2015	**2016**	**2017**	**2018**	**2019**
20%	20%	20%	20%	20%

The maximum amount of funds to be utilised for any purchase of the Company's own Shares must not exceed the aggregate of the retained profits and/or share premium account of the Company based on the latest audited financial statements and/or the latest management accounts of the Company (where applicable) available at the time of the purchase(s). Based on the audited financial statements for the financial year ended 31 December 2015, the retained earnings account stood at RM8.330 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 purchases its own Shares using external borrowings, the Board will ensure that the Group has sufficient funds to repay the external borrowings and that the repayment will not have a material effect on the Group's cash-flows.

SHARE BUY-BACK STATEMENT (cont'd)

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 9 March 2016 on the assumption that Shares are purchased from shareholders other than the Directors are set out below:

Scenario I: Assuming that none of the ESOS are exercised

	As at 9 March 2016				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	71,303	19.06	27,571[1]	7.37	71,303	21.18	27,571[1]	8.19
Teow Choo Hing	40,484	10.82	2,224[2]	0.59	40,484	12.02	2,224[2]	0.66
Yeap Khoo Soon Edwin	2,200	0.59	–	–	2,200	0.65	–	–
Shamsudin @ Samad Bin Kassim	1,012	0.27	–	–	1,012	0.30	–	–
Dato' Sri Yong Seng Yeow	543	0.15	–	–	543	0.16	–	–

Scenario II: Assuming that the maximum unexercised ESOS vested for 2015 to 2017 are exercised

	As at 9 March 2016				After Exercise of ESOS				After Proposed Share Buy-Back			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
	No of Shares 000	%	No of Shares 000	%	No of Shares 000	%	No of Shares 000	%	No of Shares 000	%	No of Shares 000	%
Datuk Phua Sin Mo	71,303	19.06	27,571[1]	7.37	73,463	18.46	27,571[1]	6.93	73,463	20.51	27,571[1]	7.70
Teow Choo Hing	40,484	10.82	2,224[2]	0.59	43,724	10.99	2,224[2]	0.56	43,724	12.21	2,224[2]	0.62
Yeap Khoo Soon Edwin	2,200	0.59	–	–	4,560	1.15	–	–	4,560	1.27	–	–
Shamsudin @ Samad Bin Kassim	1,012	0.27	–	–	1,212	0.30	–	–	1,212	0.34	–	–
Dato' Sri Yong Seng Yeow	543	0.15	–	–	943	0.24	–	–	943	0.26	–	–
Soong Chee Keong	–	–	–	–	600	0.15	–	–	600	0.17	–	–

Notes :

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

SHARE BUY-BACK STATEMENT (cont'd)

5. Direct and Indirect Interests of the Directors and Substantial Shareholders (cont'd)

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 9 March 2016 on the assumption that Shares are purchased from shareholders other than the major shareholders are set out below:

Scenario I: Assuming that none of the ESOS are exercised

	As at 9 March 2016				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	71,303	19.06	27,571[(1)]	7.37	71,303	21.18	27,571[(1)]	8.19
Teow Choo Hing	40,484	10.82	2,224[(2)]	0.59	40,484	12.02	2,224[(2)]	0.66

Scenario II: Assuming that the maximum unexercised ESOS vested for 2015 to 2017 are exercised

	As at 9 March 2016				After Exercise of ESOS				After Proposed Share Buy-Back			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
	No of Shares 000	%	No of Shares 000	%	No of Shares 000	%	No of Shares 000	%	No of Shares 000	%	No of Shares 000	%
Datuk Phua Sin Mo	71,303	19.06	27,571[(1)]	7.37	73,463	18.46	27,571[(1)]	6.93	73,463	20.51	27,571[(1)]	7.70
Teow Choo Hing	40,484	10.82	2,224[(2)]	0.59	43,724	10.99	2,224[(2)]	0.56	43,724	12.21	2,224[(2)]	0.62

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.

SHARE BUY-BACK STATEMENT (cont'd)

6. Potential Advantages and Disadvantages (con't)

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 9 March 2016 and assuming the Shares so purchased are cancelled are set out below:

Scenario I: Assuming that none of the ESOS are exercised

Scenario II: Assuming that the maximum unexercised ESOS vested for 2015 to 2017 are exercised

	Scenario I No. of Shares	**Scenario II No. of Shares**
Existing as at 9 March 2016	374,112,390	374,112,390
To be issued pursuant to the exercise of ESOS	-	23,873,500
	374,112,390	397,985,890
Cancellation of Shares purchased pursuant to the Proposed Share Buy-Back	(37,411,200)	(39,798,500)
	336,701,190	358,187,390

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.

SHARE BUY-BACK STATEMENT (cont'd)

7. Financial Effects (cont'd)

7.2 Earnings (cont'd)

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) 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 2015, a total interim dividend of 4.5 sen per ordinary share of RM0.50 each were paid. In addition, a final dividend of 1.0 sen per ordinary share of RM0.50 each has been recommended, subject to the approval of the shareholders of the Company at the forthcoming Annual General Meeting 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 2010 ("the Code")

As at 9 March 2016, 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 of Malaysia under Practice Note 9, Paragraph 24.1 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.

SHARE BUY-BACK STATEMENT (cont'd)

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

There was no share buy-back, resale or cancellation of treasury shares during the financial year ended 31 December 2015.

10. Public Shareholding Spread

Based on the Record of Depositors of Century as at 9 March 2016, the public shareholding spread of the Company was 55.4%. 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 Annual General Meeting 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 9 MARCH 2016

Authorised Share Capital	:	RM500,000,000
Issued and Fully Paid-Up Capital	:	RM187,056,195
Class of Shares	:	Ordinary Shares of RM0.50 each
Voting Rights	:	One vote per ordinary share

1. DISTRIBUTION OF SHAREHOLDERS

Size of Holdings	No. of Holders	%	No. of Ordinary Shares Held	%
1 - 99	102	2.09	3,646	0.00
100 - 1,000	369	7.57	247,380	0.06
1,001 - 10,000	2,436	49.96	14,094,022	3.77
10,001 - 100,000	1,670	34.25	52,902,006	14.14
100,001 - 18,705,618 (less than 5% of issued holdings)	297	6.09	233,999,186	62.55
18,705,619 and above (5% and above of issued holdings)	2	0.04	72,866,150	19.48
TOTAL	4,876	100.00	374,112,390	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	71,303,488	19.06	27,570,840 (1)	7.37
2.	Teow Choo Hing	40,484,294	10.82	2,224,416 (2)	0.59
3.	Yeap Khoo Soon Edwin	2,200,000	0.59	–	–
4.	Shamsudin @ Samad bin Kassim	1,012,000	0.27	–	–
5.	Dato' Sri Yong Seng Yeow	543,200	0.15	–	–

Notes:

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

ANALYSIS OF SHAREHOLDINGS
AS AT 9 MARCH 2016 (cont'd)

3. LIST OF SUBSTANTIAL SHAREHOLDERS

The 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	71,303,488	19.06	27,570,840 [1]	7.37
2.	Teow Choo Hing	40,484,294	10.82	2,224,416 [2]	0.59
3.	Teow Choo Chuan *(deceased pending probate)*	18,530,708	4.95	2,059,200 [2]	0.55

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	46,642,850	12.47
2	Datin Lee Lay Hun	26,223,300	7.01
3	Teow Choo Chuan *(deceased pending probate)*	18,530,708	4.95
4	Datuk Syed Ahmad Khalid Bin Syed Mohammed	14,126,018	3.78
5	Maybank Nominees (Tempatan) Sdn Bhd - Pledged Securities Account For Teow Choo Hing	13,024,782	3.48
6	RHB Capital Nominees (Tempatan) Sdn Bhd - Pledged Securities Account For Datuk Phua Sin Mo	12,648,638	3.38
7	Kenanga Nominees (Tempatan) Sdn Bhd - Pledged Securities Account For Teow Choo Hing	12,332,016	3.30
8	Alliancegroup Nominees (Tempatan) Sdn Bhd - Pledged Securities Account For Datuk Phua Sin Mo	12,012,000	3.21
9	Optimum Shine Sdn. Bhd.	11,991,738	3.21
10	CIMSEC Nominees (Tempatan) Sdn Bhd - CIMB Bank For Teow Choo Hing	8,260,064	2.21
11	HSBC Nominees (Asing) Sdn Bhd - Exempt AN For Credit Suisse	6,231,472	1.67
12	Woon Yen Siang	5,414,600	1.45
13	Maybank Nominees (Tempatan) Sdn Bhd - Pledged Securities Account For Lim Soon Foo	5,346,056	1.43

ANALYSIS OF SHAREHOLDINGS
AS AT 9 MARCH 2016 (cont'd)

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

No.	Names	Shareholdings	%
14	Teow Choo Hing	4,611,984	1.23
15	N2N Connect Berhad	3,322,100	0.89
16	Nurmala Binti Abdul Hafiz	3,100,000	0.83
17	Affin Hwang Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account For Teow Choo Hing	2,255,448	0.60
18	Affin Hwang Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account For Cheah Bee Tin	2,224,416	0.59
19	Yeap Khoo Soon Edwin	2,200,000	0.59
20	Thong Weng Kin	2,095,928	0.56
21	Chai Mee Young	2,059,200	0.55
22	Alliancegroup Nominees (Tempatan) Sdn Bhd - Pledged Securities Account For Yap Chee Kheng	1,980,000	0.53
23	HSBC Nominees (Tempatan) Sdn Bhd -HSBC (M) Trustee Bhd For Manulife Insurance Berhad (Equity Fund)	1,892,700	0.51
24	CIMB Islamic Nominees (Tempatan) Sdn Bhd - CIMB Islamic Trustee Berhad - Kenanga Syariah Growth Fund	1,830,700	0.49
25	Foo Loke Weng	1,560,000	0.42
26	Lim Pay Kaon	1,524,000	0.41
27	Alliancegroup Nominees (Tempatan) Sdn Bhd - Pledged Securities Account For Gan Boon Sin	1,520,000	0.41
28	Lim Pei Tiam @ Liam Ahat Kiat	1,465,000	0.39
29	Thong Weng Kin	1,431,144	0.38
30	Pamela Phua Jo Lyn	1,347,540	0.36
Total		229,204,402	61.27

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Nineteenth 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, 21 April 2016 at 10:00 a.m. for the following purposes:

AGENDA

1. To receive the Audited Financial Statements for the financial year ended 31 December 2015 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 1.0 sen per share for the financial year ended 31 December 2015. (Resolution 1)

3. To approve the payment of Directors' Fees for the financial year ended 31 December 2015. (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) Datuk Phua Sin Mo (Resolution 3)
   (b) Mr. Yeap Khoo Soon Edwin (Resolution 4)

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

   Notice of Nomination pursuant to Section 172(11) of the Companies Act, 1965, a copy of which is annexed hereto as 'Annexure A' in the Annual Report had been received by the Company for the nomination of Messrs. Deloitte for appointment as Auditors of the Company and the intention to propose the following ordinary resolution:-

   "That subject to their consent to act, Messrs. Deloitte be and are hereby appointed as the Auditors of the Company in place of the retiring Auditors, Messrs. Deloitte & Touche, to hold office until the conclusion of the next Annual General Meeting at a remuneration to be agreed between the Directors and the Auditors."

   Subsequent to the receipt of the said Notice of Nomination, Messrs. Deloitte had given their consent to act.

   As Special Business

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

6. **Ordinary Resolution**
   - Approval To Continue In Office As Independent Director (Resolution 6)

   "**THAT** Encik Shamsudin @ Samad Bin Kassim who has served the Board as an Independent Director of the Company for a cumulative term of more than nine (9) years since 1 November 2001 be and is hereby retained as an Independent Director of the Company."

7. **Ordinary Resolution**
   - Authority To Issue Shares Pursuant To Section 132D Of The Companies Act, 1965 ("the Act") (Resolution 7)

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

NOTICE OF ANNUAL GENERAL MEETING (cont'd)

8. **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 8)

   "THAT subject always to the provisions of the Companies Act, 1965, 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 RM0.50 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 latest audited financial statements and/or the latest management accounts of the Company (where applicable) available at the time of the purchase(s); and
   iii) The shares purchased are to be treated in any 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 to implement, finalise and give full effect to the aforesaid."

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

NOTICE OF ANNUAL GENERAL MEETING (cont'd)

NOTICE OF DIVIDEND ENTITLEMENT

NOTICE IS ALSO HEREBY GIVEN that a Single Tier Final Dividend of 1.0 sen per share in respect of financial year ended 31 December 2015 will be payable on 27 May 2016 to depositors who are registered in the Record of Depositors at the close of business on 11 May 2016, if approved by shareholders at the forthcoming Nineteenth Annual General Meeting on Thursday, 21 April 2016.

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 11 May 2016 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)
YEOW SZE MIN (MAICSA 7065735)
Company Secretaries

Kuala Lumpur
30 March 2016

Explanatory Notes To Special Business:

1. **Resolution 6**

The Board of Directors has vide the Nomination Committee conducted an annual performance evaluation and assessment of Encik Shamsudin @ Samad Bin Kassim who has served as an Independent Director for a cumulative term of more than nine (9) years and recommended him to continue in office as an Independent Director based on the following justifications:-

- fulfilled the definition of an independent director as set out under Paragraph 1.01 of the Bursa Malaysia Securities Berhad ("Bursa Securities") Main Market Listing Requirements ("MainLR").
- able to exercise independent judgement and act in the best interests of the Company.
- no potential conflict of interest 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 Securities MainLR.
- had not developed, established or maintained any significant personal or social relationship, whether direct or indirect, with the 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.
- does not derive any remuneration and benefits apart from Directors' fees, meeting allowances and options pursuant to the Company's Employees' Share Option Scheme.
- affirmed his time commitment for the Company by attending and chairing all the five (5) AC Meetings in the year 2015.

NOTICE OF ANNUAL GENERAL MEETING (cont'd)

Explanatory Notes To Special Business: (cont'd)

2. **Resolution 7**

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 Eighteenth Annual General Meeting held on 23 April 2015 and which will lapse at the conclusion of the Nineteenth Annual General Meeting.

3. **Resolution 8**

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 Securities MainLR.

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 14 April 2016 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 (2) 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.*

ANNEXURE "A"

Date: 17 March 2016

The Board of Directors
CENTURY LOGISTICS HOLDINGS BERHAD
Level 7, Menara Milenium,
Jalan Damanlela, Pusat Bandar Damansara
Damansara Heights
50490 Kuala Lumpur

Dear Sirs,

NOTICE OF NOMINATION OF AUDITORS

I, the undersigned, being a major shareholder of Century Logistics Holdings Berhad ("**the Company**") hereby nominate Messrs. Deloitte for appointment as new Auditors of the Company in place of the retiring Auditors, Messrs. Deloitte & Touche at the forthcoming Annual General Meeting of the Company, pursuant to Section 172(11) of the Companies Act, 1965.

Therefore, I propose that the following resolution be considered at the forthcoming Annual General Meeting of the Company:-

"That subject to their consent to act, Messrs. Deloitte be and are hereby appointed as the Auditors of the Company in place of the retiring Auditors, Messrs. Deloitte & Touche, to hold office until the conclusion of the next Annual General Meeting at a remuneration to be agreed between the Directors and the Auditors."

Yours faithfully,

Teow Choo Hing

This page is intentionally left blank

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 Nineteenth 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, 21 April 2016 at 10:00 a.m. and at any adjournment thereof.

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

No.	Agenda	For	Against
1	To receive the Audited Financial Statements for the financial year ended 31 December 2015 together with the Reports of the Directors and the Auditors thereon (Note 1)		
		For	**Against**
2	To approve the declaration of a Single Tier Final Dividend of 1.0 sen per share for the financial year ended 31 December 2015 (Resolution 1)		
3	To approve the payment of Directors' Fees for the financial year ended 31 December 2015 (Resolution 2)		
4(a)	To re-elect the Director, Datuk Phua Sin Mo who retires pursuant to Article 82 of the Company's Articles of Association (Resolution 3)		
4(b)	To re-elect the Director, Mr. Yeap Khoo Soon Edwin who retires pursuant to Article 82 of the Company's Articles of Association (Resolution 4)		
5	To appoint Messrs. Deloitte as Auditors of the Company until the conclusion of the next Annual General Meeting and to authorise the Directors to fix their remuneration (Resolution 5)		
6	<u>As Special Business</u> Approval to Continue in Office as Independent Director - Encik Shamsudin @ Samad Bin Kassim (Resolution 6)		
7	Authority to Issue Shares pursuant to Section 132D of the Companies Act, 1965 (Resolution 7)		
8	Proposed Renewal of Share Buy-Back Authority of Up to 10% of the Issued and Paid-Up Share Capital of the Company (Resolution 8)		

* Strike out whichever not applicable.

As witness my/our hand this .... day of 2016

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.*
2. *In respect of deposited securities, only members whose names appear in the Record of Depositors on 14 April 2016 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 (2) 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.*

FOLD THIS FLAP FOR SEALING

FOLD HERE

Affix stamp

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

FOLD HERE

Century®

the **power** to move forward

www.century.com.my

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

century.com.my

m.facebook.com/centurymalaysia/

International Freight Logistics Network

Certificate No.: KLR 0404141

OH&S SYSTEM
SIRIM
CERTIFIED TO OHSAS 18001:2007
CERT. NO: SR0695

ROAD TRAFFIC SAFETY
SIRIM
CERTIFIED TO RTS 39001:2012
CERT. NO: RTS 0003

QUALITY SYSTEM
SIRIM
Certified to Good Distribution Practice for Medical Devices
(MDA/RR NO. 1: July 2013)
Cert. No. : GDP 0128

Printed on eco-friendly paper