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CENTURY LOGISTICS HOLDINGS BERHAD (424341-A)
Incorporated in Malaysia

CIRCULAR TO SHAREHOLDERS

IN RELATION TO

PART A

**PROPOSED NEW SHAREHOLDERS’ MANDATE FOR RECURRENT
RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE**

PART B

**SHARE BUY-BACK STATEMENT IN RELATION TO THE PROPOSED RENEWAL OF
SHARE BUY-BACK AUTHORITY**

The Notice of Annual General Meeting to be held at Function Room 8, Mezzanine Floor, Setia City Convention Centre, No 1, Jalan Setia Dagang AG U13/AG, Setia Alam Seksyen U13, 40170 Shah Alam, Selangor Darul Ehsan on Friday, 21 April 2017 at 10.00 a.m. or any adjournment thereof, for the purpose of considering the abovementioned proposals, is enclosed in the Annual Report 2016 of the Company. A Proxy Form is also enclosed therein, which you are urged to complete and deposit at the Registered Office of the Company not later than forty-eight (48) hours before the time of the Company’s Annual General Meeting. The lodging of the Proxy Form will not preclude you from attending and voting in person at the meeting should you subsequently wish to do so.

Last date and time for lodging the Proxy Form : 19 April 2017 at 10.00 a.m.

Date and time of Annual General Meeting : 21 April 2017 at 10.00 a.m.

This Circular is dated 30 March 2017

DEFINITIONS

In this Circular, the following abbreviations shall have the following meanings unless otherwise stated:

“Act”	:	Companies Act, 2016 as may be amended from time to time
“AGM”	:	Annual General Meeting
“Board”	:	The Board of Directors of the Company
“Bursa Securities”	:	Bursa Malaysia Securities Berhad (635998-W)
“Century” or “Company”	:	Century Logistics Holdings Berhad (424341-A)
“Century Group” or “Group”	:	Century and its subsidiary companies
“CJ Logistics”	:	CJ Logistics Corporation (incorporated in Korea)
“CJ Asia”	:	CJ Korea Express Asia Pte Ltd (incorporated in Singapore)
“CJ Malaysia”	:	CJ Korea Express Malaysia Sdn Bhd (416149-W)
“CTL”	:	Century Total Logistics Sdn Bhd (419234-V), a wholly owned subsidiary of Century
“Director(s)”	:	Shall have the meaning given in Section 2(1) of the Capital Markets and Services Act 2007 and includes any person who is or was within the preceding six (6) months from the date on which the terms of the transactions were agreed upon, a director of the Company or any of its subsidiary or holding company or a chief executive officer of the Company, its subsidiary or holding company
“EC Services”	:	EC Services Enterprise Sdn Bhd (586393-4)
“Listing Requirements”	:	Main Market Listing Requirements of Bursa Securities including any amendments thereto that may be made from time to time
“Major Shareholder(s)”	:	A person who has an interest or interests in one or more voting shares in the Company and the nominal amount of that share, or the aggregate of the nominal amounts of those shares, is: (a) equal to or more than 10% of the aggregate of the nominal amounts of all the voting shares in the Company; or (b) equal to or more than 5% of the aggregate of the nominal amounts of all the voting shares in the Company where such person is the largest shareholder of the Company. This includes any person who is or was within the preceding six (6) months of the date on which the terms of the transaction were agreed upon a Major Shareholder of the Company, or any other company which is its subsidiary or holding company. For the purposes of this definition, “interest in shares” shall have the meaning given in Section 8 of the Act
“Person(s) Connected”	:	Person(s) connected with a Director or Major Shareholder(s) as defined under Paragraph 1.01 of the Listing Requirements
“Proposed New RPT Mandate(s)”	:	Proposed new shareholders’ mandate(s) for recurrent related party transactions of a revenue or trading nature
“Proposed Share Buy-Back”	:	Proposed renewal of share buy-back authority to purchase Shares of up to 10% of the share capital of Century
“Recurrent Related Party Transactions” or “RRPTs”	:	Transactions entered into by the Company and/or its subsidiary companies involving the interest, direct or indirect, of Related Parties involving recurrent transactions of a revenue or trading nature which are necessary for daily operations and are in the ordinary course of business of the Group
“Related Parties”	:	A director, major shareholder or person connected with such director or major shareholder of Century

“Rule”	:	Rules on Take-Overs, Mergers and Compulsory Acquisitions 2016 as amended from time-to-time and any re-enactment thereof
“RM” and “sen”	:	Ringgit Malaysia and sen respectively
“Share(s)”	:	Ordinary share(s) in Century
Substantial Shareholder(s)	:	A person who has an interest or interests in one or more voting shares in the Company and the number or the aggregate number of such shares is not less than 5% of the total number of all the voting shares included in the Company as defined under Section 136 of the Act

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PART A

LETTER TO SHAREHOLDERS PERTAINING TO THE PROPOSED NEW RPT MANDATES



CENTURY LOGISTICS HOLDINGS BERHAD (424341-A)
Incorporated in Malaysia

Registered Office:
Level 7, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
Damansara Heights
50490 Kuala Lumpur

30 March 2017

BOARD OF DIRECTORS

Datuk Lee Say Tshin (*Independent Non-Executive Chairman*)
Teow Choo Hing (*Managing Director*)
Yeap Khoo Soon Edwin (*Executive Director*)
Lee Jae Jin (*Non-Independent Non-Executive Director*)
Cheong Joon Kyo (*Non-Independent Non-Executive Director*)
Ahn Jae Ho (*Non-Independent Non-Executive Director*)
Lee Eui Sung (*Non-Independent Non-Executive Director*)
Saryani Binti Che Ab Rahman (*Independent Non-Executive Director*)
Winston Tan Kheng Huang (*Independent Non-Executive Director*)

To: The Shareholders of Century

Dear Sir/Madam

LETTER TO SHAREHOLDERS PERTAINING TO THE PROPOSED NEW RPT MANDATES

1. INTRODUCTION

The purpose of this Circular is to provide you with details of the Proposed New RPT Mandates, and to seek your approval in respect of the resolution pertaining to the Proposed New RPT Mandates to be tabled at the forthcoming Twentieth AGM of our Company.

Accordingly, the Board had on 21 February 2017 announced the Company's intention to seek your approval for the Proposed New RPT Mandates.

2. PROPOSED NEW RPT MANDATES FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

2.1 Details Of the Proposed New RPT Mandates

Under Paragraph 10.09(2) of the Listing Requirements, a listed issuer may seek its shareholders' mandate in respect of RRPTs, subject to the following:

- (i) The transactions are in the ordinary course of business and are on terms not more favourable to the Related Parties than those generally available to the public and not to the detriment of minority shareholders;
- (ii) The shareholders' mandate is subject to annual renewal and disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year where, in relation to a listed issuer with share capital of RM60.0 million and above:

- (a) the consideration, value of the assets, capital outlay or costs of the aggregated transactions is equal to or exceeds RM1,000,000; or
- (b) any one of the percentage ratios or such aggregated transactions is equal to or exceeds 1.0%,
whichever is the higher;
- (iii) the listed issuer's circular to shareholder for the shareholders' mandate includes the information as may be prescribed by Bursa Securities. The draft circular must be submitted to Bursa Securities together with a checklist showing compliances with such information;
- (iv) In a meeting to obtain shareholders' mandate, the interested Director(s), interested Major Shareholder(s) or interested Person(s) Connected with the Director(s) or Major Shareholder(s), and where it involves the interest of an interested Person Connected with a Director or Major Shareholders, such Director or Major Shareholder must not vote on the resolution approve the transactions. An interested Director or interested Major Shareholder must ensure that Persons Connected with him abstain from voting on the resolution approving the transactions; and
- (v) The listed issuer immediately announces to Bursa Securities when the actual value of RRPT entered into by the listed issuer exceeds the estimated value of the RRPT disclosed in the Circular by 10% or more and must include the information as may be prescribed by Bursa Securities in its announcement.

The Proposed New RPT Mandates are subject to annual renewal and shall only continue to be in force until the earliest of the following :

- (i) the conclusion of the next AGM of the Company following the forthcoming AGM at which the Proposed New RPT Mandates were passed, at which time it will lapse, unless by resolution passed at the meeting, the authority is renewed;
- (ii) the expiration of the period within which the next AGM after that date is required to be held pursuant to Section 340(2) of the Act, (but shall not extend to such extension as may be allowed pursuant to Section 340(4)); or
- (iii) revoked or varied by resolution passed by the shareholders in general meeting, whichever is earlier.

Century is principally engaged as an investment holding company while the principal activities of its subsidiaries are as follows :

Name of Subsidiary	Principal Activities	Effective Equity Interest (%)
Century Total Logistics Sdn Bhd	Total logistics provider	100
Century Advance Technology Sdn Bhd	Procurement logistics services	100
Century Logistics Sdn Bhd	Investment holding	100
Stowell (M) Sdn Bhd	Bonded warehousing	100
Century Forwarding Agency Sdn Bhd	Freight forwarding and shipping agency	70
Century DMS Sdn Bhd	Data management solutions	70
Century LED Sdn Bhd	Dormant	100
Century Logistics (Johore) Sdn Bhd	Dormant	100
Century Logistics (Sarawak) Sdn Bhd	Dormant	100
Century Logistics (S'pore) Pte Ltd, Singapore	Dormant	100
Century-YES Logistics (Yichun) Co. Ltd, China	Dormant	75

The Proposed New RPT Mandates would apply to transactions with Related Parties comprising Directors and / or Major Shareholders of the Company and / or Persons Connected with such Directors and / or Major Shareholders and includes any person who is or was within the preceding six (6) months of the date on which the terms of the transactions were agreed upon, a Director or Major Shareholder of the Company or any other company which is its subsidiary.

Such Related Parties are as described below:

Major Shareholders and Persons Connected with them:

Related Parties	Principal Activities / Roles	Nature of Relationships
CJ Logistics	Land and marine transportation, stevedoring, warehousing	Holding company of CJ Asia
CJ Asia	Investment holding and providing total logistics solution	A Major Shareholder of Century, holds 30.96% of Century and 100% of CJ Malaysia
CJ Malaysia	Investment holding and providing total logistics solution	A wholly owned subsidiary company of CJ Asia and has 49% equity interest in EC Services
EC Services	Providing transport, haulage and cleaning services	A subsidiary of CJ Malaysia
Lee Jae Jin	Head of Global Business Unit, Senior Executive Vice President of CJ Logistics	Director of Century
Cheong Joon Kyo	Chief Financial Officer, Head of Management Support Unit, Senior Vice President of CJ Logistics	Director of Century
Ahn Jae Ho	Head of Strategy Planning Division, Vice President of CJ Logistics	Director of Century
Lee Eui Sung	Managing Director of CJ Malaysia	Director of Century, CJ Malaysia and EC Services

2.2 Nature of Recurrent Related Party Transactions

The direct and indirect interests of the interested directors and shareholders in Century as at 13 March 2017 are as follows:

Interested Shareholders of Century	<----- Direct ----->		<----- Indirect ---->	
	No. of Shares	%	No. of Shares	%
CJ Asia	120,544,236	30.96	-	-

Approvals for the following RRPTs are being sought at the forthcoming AGM:

PROPOSED NEW RPT MANDATES

Related Party	Nature of Income Transaction	Estimated Values from forthcoming AGM to the next AGM RM'000
CJ Malaysia	Provision of logistics services by CTL	8,000
EC Services	Provision of logistics services by CTL	2,000
	Total	10,000

Nature of Cost Transaction

CJ Malaysia	Provision of logistics and consultancy services to CTL	8,000
CJ Asia	Provision of IT services to CTL	2,000
	Total	<u>10,000</u>

2.3 Rationale for and benefits of the Proposed New RPT Mandates

The Proposed New RPT Mandates sought will enable the Group, in view of the time-sensitive, confidential and frequent nature of such RRPTs, to enter into transactions as detailed under Section 2.2 above in the ordinary course of business without having to make immediate announcements and to convene separate general meetings of the Company to seek shareholders' approval on transactions with the Related Parties pursuant to the financial limits imposed by Bursa Securities under Paragraph 10.08. This will substantially reduce the administrative time and costs of convening such meetings without compromising the corporate objectives of Century.

The provision and procurement of services between CJ Malaysia, EC Services and CJ Asia with Century will result in synergy to operate more efficiently and effectively, given the environment Century is operating in. To this end, better customer service can be provided by pooling the shared resources and thus deriving strategic alliances in other geographical locations, resulting in mutually wider serviceable network. The provision and procurement of logistics services are priced competitively and are carried out on ordinary commercial terms and entered into at arm's length, which are not more favourable to the Related Parties than those generally available to the public and are also not to the detriment of the minority shareholders.

Amount Due and Owing Under Recurrent Related Party Transactions

As at 31 December 2016, there was no amount due and owing to the Group under the RRPTs which exceeded the credit terms. As such, the disclosures required under Paragraph 16A and 16B in Annexure PN12-A of the Listing Requirements are not applicable.

2.4 Review Procedures

The RRPTs are conducted at arm's length and on normal commercial terms consistent with the Century Group's normal business practices and policies, and are not to the detriment of the minority shareholders. The Management of the Century Group will only enter into transactions with the Related Parties after taking into consideration of the pricing, level of service and other related factors such as the availability of resources and personnel. These considerations shall be determined by market forces, under similar commercial terms for transactions with third parties. All RRPTs will be tabled at the Audit Committee meeting for review, in conjunction with the procedures set out in Section 2.5 below.

The Management will endeavour that at least two (2) other contemporaneous transactions with unrelated third parties for similar products/services and/or quantities will be used as comparison, wherever possible, to determine whether the price and terms offered to/by the related parties are fair and reasonable and comparable to those offered to/by other unrelated parties for the same or substantially similar type of products/services and/or quantities. In the event that quotation or comparative pricing from unrelated third parties cannot be obtained, the transaction price will be determined by the Century Group based on those offered by/to other unrelated parties for the same or substantially similar type of transaction to ensure that the RRPT is not detrimental to the Century Group.

The thresholds for the approval of RRPTs within the Century Group are as follows:-

- (i) For RRPTs up to the prescribed threshold of the Listing Requirements of RM1 million or 1% of the applicable percentage ratio, the RRPTs will be reviewed by the Executive Director and approved by the Managing Director.

- (ii) For RRPTs exceeding the prescribed threshold of the Listing Requirements of RM1 million or 1% of the applicable percentage ratio, the RRPTs will be reviewed by the Audit Committee and approved by the Board.

Abstention of voting on matters related to the Proposed New RPT Mandates will be required in the case of interested Directors and/or Major Shareholders (direct or indirect). Furthermore, an interested Director or Major Shareholder must ensure that persons connected with him abstain from voting, deliberating or approving the relevant resolution of the Proposed New RPT Mandates.

Interested Directors will also have to abstain from deliberating and voting at Board Meetings in respect of the RRPTs in which they possess interest. To achieve transparency, disclosures are made in the Annual Report 2016 of the Company of the actual aggregated value of the transactions during the financial year.

2.5 Statement by the Audit Committee

The Audit Committee, having seen and reviewed the procedures for RRPTs, is of the view that the existing guidelines and review procedures for RRPTs are sufficient to ensure that such transactions are carried out at arm's length and on normal commercial terms, which are not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders. In addition, the Audit Committee is of the view that the Century Group has in place adequate procedures and processes to monitor, track and identify RRPTs in a timely and orderly manner, and such procedures and processes are reviewed on a yearly basis or whenever the need arises.

The Audit Committee has the overall responsibility of determining whether the procedures for reviewing all such transactions are appropriate and may in its absolute discretion deem fit, delegate this responsibility to any individual within the Company. The Audit Committee shall have the discretion to request for additional limits or procedures to be imposed or complied with, if it considers such a request to be appropriate. In that respect, such limits or procedures may be implemented without the approval of shareholders, provided that they are more stringent than the existing limits or procedures. If it is determined that the current guidelines and procedures are inadequate to ensure that:

- (i) The RRPTs are conducted at arm's length and on normal commercial terms which are not more favourable to related parties than to those generally available to the public; or
- (ii) Such transactions are not to the detriment of the minority shareholders of the Company or prejudicial to the interests of the shareholders,

a fresh shareholders' mandate based on new guidelines and procedures will have to be obtained.

2.6 Existing Recurrent Related Party Transactions

The actual values transacted for each RRPT from the date on 1 March 2016 up to 13 March 2017, before the latest practicable date prior to printing of this Circular, are as follows:

Related Party	Nature of Income Transaction	Actual Value from 1 March 2016 to 13 March 2017 RM'000
CJ Malaysia	Provision of logistics services by CTL	105 =====
	Nature of Cost Transaction	
CJ Malaysia	Provision of logistics and consultancy services to CTL	413 =====

3. APPROVAL REQUIRED

The Proposed New RPT Mandates are conditional upon the approval from the shareholders of Century being obtained at the forthcoming AGM.

4. DIRECTORS' AND MAJOR SHAREHOLDERS' INTERESTS

Save as disclosed below, none of the other Directors or Major Shareholders or Persons Connected to them have any interest, direct or indirect, in the Proposed New RPT Mandates.

CJ Asia, being the interested Major Shareholder, will abstain from voting in respect of its direct or indirect shareholdings on the resolution for the Proposed New RPT Mandates as listed in Section 2.1 of this Circular.

Lee Jae Jin, Cheong Joon Kyo, Ahn Jae Ho and Lee Eui Sung who are the Non-Independent Non-Executive Directors of the Company, being persons nominated and appointed by CJ Logistics, are deemed interested in the Proposed New RPT Mandates.

Lee Jae Jin, Cheong Joon Kyo, Ahn Jae Ho and Lee Eui Sung have abstained and will continue to abstain from all deliberations and voting in the Proposed New RPT Mandates at Board Meetings and will abstain from voting in respect of their direct and indirect shareholdings pertaining to the Proposed New RPT Mandates at the forthcoming AGM.

The interested Directors and interested Major Shareholder have undertaken to ensure that Persons Connected to them will abstain from voting in respect of their direct and indirect shareholdings in the resolution pertaining to the Proposed New RPT Mandates at the forthcoming AGM.

5. DIRECTORS' RECOMMENDATION

The Board (save for Lee Jae Jin, Cheong Joon Kyo, Ahn Jae Ho and Lee Eui Sung) is of the opinion that the Proposed New RPT Mandates is in the best interest of the Company as well as the shareholders of Century. Consequently, your Board, recommends that you vote in favour of the resolutions pertaining to the Proposed RPT Mandates to be tabled at the forthcoming AGM.

6. ANNUAL GENERAL MEETING

The Twentieth AGM, will be held at Function Room 8, Mezzanine Floor, Setia City Convention Centre, No 1, Jalan Setia Dagang AG U13/AG, Setia Alam Seksyen U13, 40170 Shah Alam, Selangor Darul Ehsan on Friday, 21 April 2017 at 10:00 a.m., for the purpose of considering and, if thought fit, passing the ordinary resolution to give effect to the Proposed New RPT Mandates.

If you are unable to attend and vote in person at our forthcoming AGM, you are requested to complete and return the enclosed Form of Proxy set out in the Annual Report 2016 of the Company in accordance with the instructions therein as soon as possible so as to arrive at the office of the Share Registrar, Securities Services (Holdings) Sdn. Bhd. of Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan not less than 48 hours before the time fixed for our AGM or any adjournment thereof. The lodging of the Form of Proxy will not preclude you from attending and voting in person at our AGM should you subsequently wish to do so. The last day and time for you to lodge the Form of Proxy is on Wednesday, 19 April 2017 at 10:00 a.m.

7. FURTHER INFORMATION

You are requested to refer to the enclosed Appendix I for further information.

Yours faithfully

For and on behalf of the Board of Directors of
CENTURY LOGISTICS HOLDINGS BERHAD

DATUK LEE SAY TSHIN

Independent Non-Executive Chairman

PART B

**SHARE BUY-BACK STATEMENT IN RELATION TO THE PROPOSED RENEWAL OF SHARE
BUY-BACK AUTHORITY**



CENTURY LOGISTICS HOLDINGS BERHAD (424341-A)
Incorporated in Malaysia

SHARE BUY-BACK STATEMENT IN RELATION TO THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

1. INTRODUCTION

On 21 February 2017, the Company had announced its intention to seek your approval for the renewal of authority to purchase up to 10% of the total numbers of issued shares of Century.

The purpose of this Statement is to set out the details of the Proposed Share Buy-Back and to seek your approval for the relevant resolution to be tabled at the forthcoming AGM.

2. RATIONALE FOR THE PROPOSED SHARE BUY-BACK

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

As at 13 March 2017, the total number of issued shares of Century is RM194,651,945 comprising 389,303,890 Shares. The Proposed Share Buy-Back will enable the Company to purchase up to a maximum of 40,208,300 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 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 2016, the retained earnings account stood at RM13,860 million.

4. 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.

4.1 Directors' Shareholdings

The proforma effect of the Proposed Share Buy-Back on the shareholdings of the Directors of Century as at 13 March 2017 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 13 March 2017		After Proposed Share Buy-Back	
	<-----Direct-----> No of Shares 000	<-----Indirect-----> % 000	<-----Direct-----> No of Shares 000	<-----Indirect-----> % 000
Teow Choo Hing	43,724	11.24	43,724	12.48
Yeap Khoo Soon Edwin	3,860	0.99	3,860	1.10
			2,224*	0.63
			-	-

Scenario II: Assuming that the maximum unexercised ESOS vested for 2015 to 2018 are exercised

	As at 13 March 2017		After Exercise of ESOS		After Proposed Share Buy-Back	
	<-----Direct-----> No of Shares 000	<-----Indirect-----> % 000	<-----Direct-----> No of Shares 000	<-----Indirect-----> % 000	<-----Direct-----> No of Shares 000	<-----Indirect-----> % 000
Teow Choo Hing	43,724	11.24	44,804	11.14	40,804	12.38
Yeap Khoo Soon Edwin	3,860	0.99	5,580	1.39	5,580	1.54
			2,224*	0.57	2,224*	0.55
			-	-	-	-
					2,224*	0.61

Note:

*Deemed interested through his wife

4.2 Major Shareholders' Shareholdings

The proforma effect of the Proposed Share Buy-Back on the shareholdings of the major shareholders in Century as at 13 March 2017 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 13 March 2017		After Proposed Share Buy-Back	
	<-----Direct----->	<-----Indirect----->	<-----Direct----->	<-----Indirect----->
	No of Shares 000	%	No of Shares 000	%
CJ Asia	120,544	30.96	120,544	34.40
Teow Choo Hing	43,724	11.24	43,724	12.48
			2,224*	2,224*
		0.57		0.63

Scenario II: Assuming that the maximum unexercised ESOS vested for 2015 to 2018 are exercised

	As at 13 March 2017		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	%
CJ Asia	120,544	30.96	120,544	29.98	120,544	33.31
Teow Choo Hing	43,724	11.24	44,804	11.14	44,804	12.38
			2,224*	0.57	2,224*	0.55
						0.61

Note:

* Deemed interested through his wife

5. 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 and that the repayment will not have a material effect on the Group's cash-flows.

6. POTENTIAL ADVANTAGES AND DISADVANTAGES

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

- (a) allows the Company to take preventive measures against speculation particularly when the Shares are undervalued which would in turn stabilise the Company's market price and hence, enhance investors' confidence;
- (b) allows the Company flexibility in achieving the desired capital structure, in terms of debt and equity composition and the size of equity; and
- (c) if the treasury shares are distributed as dividends, it may then serve to reward the shareholders.

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

- (a) any purchase of the Company's own Shares will reduce available financial resources and may result in the Group foregoing better investment opportunities that may emerge in the future; and
- (b) as any purchase of the Company's own Shares can only be made out of retained profits and share premium, it may result in the reduction of financial resources available for distribution to the shareholders in the immediate future.

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

7. FINANCIAL EFFECTS

7.1 Share Capital

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

The Proposed Share Buy-Back will not have any effect on the total number of issued shares 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 total number of issued shares 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 13 March 2017 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 2018 are exercised

	Scenario I No. of shares	Scenario II No. of shares
Existing as at 13 March 2017	389,303,890	389,303,890
To be issued pursuant to the exercise of ESOS	-	12,780,000
	<hr/>	<hr/>
	389,303,890	402,083,890
Cancellation of Shares purchased pursuant to the Proposed Share Buy-Back	(38,930,300)	(40,208,300)
	<hr/>	<hr/>
	350,373,590	361,875,590
	<hr/>	<hr/>

7.2 Earnings

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

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

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

7.3 Net Assets (“NA”)

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

- **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.

- **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 2016, a total interim dividend of 3.0 sen per Share were paid. In addition, a final dividend of 0.5 sen per Share 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 RULE

As at 13 March 2017, CJ Asia, holds 30.96% of the voting shares of the Company. In the event that the Proposed Share Buy-Back is carried out, the holdings of CJ Asia may increase above 33%.

Pursuant to the Rule, CJ Asia 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 the Rule, subject to CJ Asia complying with certain conditions, if the obligation is triggered as a result of action outside their direct participation. CJ Asia intends to apply for waiver in the event that the Rule is triggered.

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 2016.

10. PUBLIC SHAREHOLDING SPREAD

Based on the Record of Depositors of Century as at 13 March 2017, the public shareholding spread of the Company was 56.2%. 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.

This Statement is dated 30 March 2017.

FURTHER INFORMATION

1. DIRECTORS' RESPONSIBILITY

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

2. MATERIAL CONTRACTS

Save as disclosed below, there are no contracts which are material (not being contracts entered into in the ordinary course of business) which have been entered into by the Century Group within two (2) years immediately preceding the date of this Circular:

Sale and Purchase Agreement dated 7 May 2015, between Century Total Logistics Sdn Bhd, a wholly-owned subsidiary of Century and Top Glove Properties Sdn Bhd, for the disposal of a commercial land held under title no. H.S.(D) 293019, Lot PT 32307, Mukim Of Bukit Raja, District of Petaling, State of Selangor Darul Ehsan measuring 6,070.3 square metres, for a cash consideration amounting to RM20,255,450.00.

3. MATERIAL LITIGATION

The Century Group is not presently engaged whether as plaintiff or defendant in any material litigation, claims and arbitration, which has a material effect on the business/ financial position of the Century Group and the Directors do not know of any proceedings pending or threatened or of any fact likely to give rise to any proceedings which might materially and adversely affect the position or business of the Century Group.

4. DOCUMENTS FOR INSPECTION

Copies of the following documents will be available for inspection at the Registered Office of Century at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, during normal business hours from the date of this Circular to the date of the AGM:

- (a) Memorandum and Articles of Association of Century;
- (b) Audited accounts of the Century Group for the past three (3) financial years ended 31 December 2016; and
- (c) The material contract referred to in Section 2 above.