



CENTURY LOGISTICS HOLDINGS BERHAD (424341-A)

Interim report on unaudited consolidated results for the financial period ended 31 March 2014

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE QUARTER ENDED 31 MARCH 2014

	-----Individual quarter-----		-----Cumulative quarter-----	
	Current year quarter 31.03.2014 RM'000	Preceding year corresponding quarter 31.03.2013 RM'000	Current year to date 31.03.2014 RM'000	Preceding year corresponding period 31.03.2013 RM'000
Revenue	69,067	54,601	69,067	54,601
Direct operating expenses	<u>(49,737)</u>	<u>(37,268)</u>	<u>(49,737)</u>	<u>(37,268)</u>
Gross profit	19,330	17,333	19,330	17,333
Net other operating expenses	<u>(10,085)</u>	<u>(10,971)</u>	<u>(10,085)</u>	<u>(10,971)</u>
Results from operating activities	9,245	6,362	9,245	6,362
Net finance costs	<u>(788)</u>	<u>(835)</u>	<u>(788)</u>	<u>(835)</u>
Profit before taxation	8,457	5,527	8,457	5,527
Taxation	<u>(2,094)</u>	<u>(1,694)</u>	<u>(2,094)</u>	<u>(1,694)</u>
Profit for the period	<u>6,363</u>	<u>3,833</u>	<u>6,363</u>	<u>3,833</u>
Other comprehensive income				
Foreign currency translation differences for foreign operations	<u>(70)</u>	<u>252</u>	<u>(70)</u>	<u>252</u>
Other comprehensive income for the period	<u>(70)</u>	<u>252</u>	<u>(70)</u>	<u>252</u>
Total comprehensive income for the period	<u>6,293</u>	<u>4,085</u>	<u>6,293</u>	<u>4,085</u>
Profit attributable to:				
Equity holders of the Company	6,324	4,445	6,324	4,445
Non-controlling interests	<u>39</u>	<u>(612)</u>	<u>39</u>	<u>(612)</u>
Profit for the period	<u>6,363</u>	<u>3,833</u>	<u>6,363</u>	<u>3,833</u>
Total comprehensive income attributable to:				
Equity holders of the Company	6,254	4,697	6,254	4,697
Non-controlling interests	<u>39</u>	<u>(612)</u>	<u>39</u>	<u>(612)</u>
Total comprehensive income for the period	<u>6,293</u>	<u>4,085</u>	<u>6,293</u>	<u>4,085</u>
Earnings per share attributable to equity holders of the Company:				
Basic (sen)	<u>5.23</u>	<u>4.01</u>	<u>5.23</u>	<u>4.01</u>

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the Year Ended 31 December 2013.

CENTURY LOGISTICS HOLDINGS BERHAD (424341-A)

Interim report on unaudited consolidated results for the financial period ended 31 March 2014

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2014

	As at end of current quarter 31.03.2014 RM'000	As at preceding financial year end 31.12.2013 RM'000
ASSETS		
Non-current Assets		
Property, plant and equipment	170,508	170,254
Investment property	81,000	81,000
Other investments	783	822
Goodwill on consolidation	3,005	3,005
	<u>255,296</u>	<u>255,081</u>
Current Assets		
Inventories	-	603
Receivables	74,183	112,813
Cash and bank balances	56,468	38,086
	<u>130,651</u>	<u>151,502</u>
Non current assets held for sale	28,340	28,454
	<u>414,287</u>	<u>435,037</u>
TOTAL ASSETS		
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	122,064	122,064
Treasury shares	(1,858)	(1,858)
Reserves	138,626	132,372
	<u>258,832</u>	<u>252,578</u>
Non-controlling Interests	824	1,190
Total Equity	<u>259,656</u>	<u>253,768</u>
Non-current Liabilities		
Borrowings	66,301	70,291
Payables	4,574	4,574
Deferred taxation	9,618	9,618
	<u>80,493</u>	<u>84,483</u>
Current Liabilities		
Borrowings	20,310	16,564
Payables	53,828	80,222
	<u>74,138</u>	<u>96,786</u>
Total Liabilities	<u>154,631</u>	<u>181,269</u>
TOTAL EQUITY AND LIABILITIES	<u>414,287</u>	<u>435,037</u>
Net assets per share attributable to ordinary equity holders of the Company (RM)	2.14	2.09

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the Year Ended 31 December 2013.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 MARCH 2014

	Current year to date 31.03.2014 RM'000	Preceding year corresponding period 31.03.2013 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the year	6,363	3,833
Adjustments:		
Non-Cash Items	5,829	6,115
Non-Operating Items	<u>(1,550)</u>	<u>(856)</u>
Operating profit before working capital changes	10,642	9,092
Movement in working capital:		
Net change in current assets	26,673	(9,307)
Net change in current liabilities	<u>(15,715)</u>	<u>9,866</u>
Cash generated from operations	21,600	9,651
Tax Paid	<u>(1,201)</u>	<u>(149)</u>
Net cash generated from operating activities	<u>20,399</u>	<u>9,502</u>
CASH FLOWS USED IN INVESTING ACTIVITIES		
Interest received	239	60
Disposal of property, plant and equipment	352	895
Disposal of investment	1,856	-
Purchase of property, plant and equipment	<u>(3,172)</u>	<u>(11,087)</u>
Net cash used in investing activities	<u>(725)</u>	<u>(10,132)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Net proceeds from issuance of shares	-	26,244
Proceeds from borrowings	3,833	3,390
Repayment of borrowings	(4,098)	(14,826)
Purchase of own shares	-	(1,492)
Interest paid	<u>(1,027)</u>	<u>(895)</u>
Net cash (used in)/from financing activities	<u>(1,292)</u>	<u>12,421</u>
Net increase in cash and cash equivalents	18,382	11,791
Cash and cash equivalents at beginning of the period	<u>38,086</u>	<u>20,928</u>
Cash and cash equivalents at end of the period	<u>56,468</u>	<u>32,719</u>
Cash and cash equivalents at the end of the financial period comprise the following :		
Cash on hand and at banks	18,750	8,459
Deposits with licensed banks	<u>37,718</u>	<u>24,260</u>
	<u>56,468</u>	<u>32,719</u>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Report for the Year Ended 31 December 2013.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MARCH 2014

	Attributable to Equity Holders of the Company				Non-controlling Interests RM'000	Total Equity RM'000
	Issued Capital RM'000	Share Premium Reserve RM'000	Other Reserves RM'000	Retained Earnings RM'000		
As at end of current quarter						
As at 1 January 2014	122,064	-	(1,809)	132,323	1,190	253,768
Disposal of subsidiary company	-	-	-	-	(405)	(405)
Total comprehensive income for the period	-	-	(70)	6,324	39	6,293
As at 31 March 2014	122,064	-	(1,879)	138,647	824	259,656
As at preceding year corresponding quarter						
As at 1 January 2013	95,820	801	(6,690)	128,854	2,172	220,957
Issuance of shares	26,244	-	-	-	-	26,244
Purchase of treasury shares	-	-	(1,492)	-	-	(1,492)
Exercise of warrants	-	1,312	(1,312)	-	-	-
Total comprehensive income for the period	-	-	252	4,445	(612)	4,085
As at 31 March 2013	122,064	2,113	(9,242)	133,299	1,560	249,794

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the Year Ended 31 December 2013.

Notes To The Financial Statements

1. Basis of Preparation

The interim financial statements are unaudited and have been prepared in accordance with the requirements of MFRS 134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad. The interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2013.

These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2013.

2. Significant Accounting Policies

The Group has adopted the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the provisions of the Companies Act, 1965 in Malaysia for accounting period beginning on 1 January 2014. As disclosed in the Group's annual financial statements for the financial year ended 31 December 2013, the following are new/revised accounting standards effective for annual periods beginning on or after 1 January 2014.

IC Int. 21	Levies
Amendments to MFRS 10	Investment Entities
Amendments to MFRS 12	Investment Entities
Amendments to MFRS 127	Investment Entities
Amendments to MFRS 132	Financial Instruments: Presentation (Amendments relating to Offsetting Financial Assets and Financial Liabilities)
Amendments to MFRS 136	Impairment of Assets (Amendments relating to Recoverable Amounts Disclosure for Non-Financial Assets)
Amendments to MFRS 139	Financial Instruments: Recognition and Measurement (Amendments relating to Novation of Derivatives and Continuation of Hedge Accounting)

3. Auditors' Report on Preceding Annual Financial Statements

The auditors' report of the Group's annual financial statements for the financial year ended 31 December 2013 was not qualified.

4. Seasonal or Cyclical Factors

The business operations of the Group are not significantly affected by any seasonal or cyclical factors.

5. Unusual Items

There were no unusual items affecting assets, liabilities, equity, net income or cash flows in the financial quarter under review.

6. Changes in Estimates

There was no change in estimates of amounts reported in prior interim periods that had a material effect in the current reporting quarter.

7. Changes in Debt and Equity Securities

There was no issuance or repayment of debt or equity securities, share cancellations and resale of treasury shares for the financial quarter under review.

8. Dividend Paid

No dividend was paid in the financial quarter under review.

CENTURY LOGISTICS HOLDINGS BERHAD (424341-A)

Interim report on unaudited consolidated results for the financial period ended 31 March 2014

9. Segmental Reporting

Analysis of the Group's revenue and results for period ended 31 March 2014 is as follows:

	Total Logistics Services RM'000	Procurement Logistics Services RM'000	Consolidation Adjustment RM'000	Group Results RM'000
Revenue				
External sales	63,922	5,145	-	69,067
Inter-segment sales	339	-	(339)	-
Total revenue	<u>64,261</u>	<u>5,145</u>	<u>(339)</u>	<u>69,067</u>
Profit				
Segment results	9,000	238	7	9,245
Net finance costs				<u>(788)</u>
Profit from ordinary activities before taxation				8,457
Taxation				<u>(2,094)</u>
Profit from ordinary activities after taxation				6,363
Non-controlling interests				<u>(39)</u>
Net profit for the period				<u>6,324</u>

Analysis of the Group's revenue and results for period ended 31 March 2013 is as follows:

	Total Logistics Services RM'000	Procurement Logistics Services RM'000	Consolidation Adjustment RM'000	Group Results RM'000
Revenue				
External sales	47,748	6,853	-	54,601
Inter-segment sales	805	-	(805)	-
Total revenue	<u>48,553</u>	<u>6,853</u>	<u>(805)</u>	<u>54,601</u>
Profit				
Segment results	4,121	2,265	(24)	6,362
Net finance costs				<u>(835)</u>
Profit from ordinary activities before taxation				5,527
Taxation				<u>(1,694)</u>
Profit from ordinary activities after taxation				3,833
Non-controlling interests				<u>612</u>
Net profit for the period				<u>4,445</u>

10. Valuation of Property, Plant and Equipment

The Group's property, plant and equipment are stated at cost. There is no policy of regular revaluation of its property, plant and equipment as at the end of the financial period under review.

11. Material Events Subsequent to the End of the Interim Period

There were no material events subsequent to the end of the interim period.

CENTURY LOGISTICS HOLDINGS BERHAD (424341-A)

Interim report on unaudited consolidated results for the financial period ended 31 March 2014

12. Changes in Composition of the Group

On 24 February 2014, a subsidiary company, Century Logistics Sdn. Bhd. ("CLSB"), entered into a share sale agreement with a third party to dispose of its entire 51% equity interest in Storewell Realty Sdn. Bhd. ("SRSB") for a cash consideration of RM7.9 million.

On 28 March 2014, CLSB received the balance consideration amounting to RM7.1 million from the purchaser. As a result, SRSB ceased to be a subsidiary of Century.

13. Capital Commitments

As at the end of the reporting quarter, the Group has approved and contracted for capital commitments of RM4.3 million in respect of property, plant and equipment.

14. Changes in Contingent Liabilities

There were no changes in contingent liabilities since the last annual balance sheet as at 31 December 2013.

15. Review of Performance

For the financial quarter ended 31 March 2014, the Group's revenue and pre-tax profit were RM69.067 million and RM8.457 million respectively, compared to revenue and pre-tax profit of RM54.601 million and RM5.527 million respectively for the corresponding period in the previous financial year. The increase in revenue and pre-tax profit by 26.5% and 53.0% respectively were mainly due to the higher activities of the total logistics services segment.

16. Comparison with Immediate Preceding Quarter's Results

For the financial quarter ended 31 March 2014, the Group reported revenue and pre-tax profit of RM69.067 million and RM8.457 million respectively, compared to revenue and pre-tax profit of RM74.001 million and RM9.937 million respectively for the preceding quarter. The decrease in revenue and pre-tax profit by 6.7% and 14.9% respectively were due to the lower activities of the procurement logistics services segment.

17. Prospects for the Current Financial Year

The Group remains confident of its business model and expects to perform well in the current financial year. The Group is aware of the domestic inflationary pressures and strives to maintain cost efficiencies, while focusing on providing value-added logistics solutions.

18. Profit Forecast

There was no profit forecast announced in relation to the financial quarter under review.

19. Taxation

	-----Individual quarter-----		-----Cumulative quarter-----	
	Current year quarter 31.03.2014 RM'000	Preceding year corresponding quarter 31.03.2013 RM'000	Current year to date 31.03.2014 RM'000	Preceding year corresponding period 31.03.2013 RM'000
Provision for taxation	<u>2,094</u>	<u>1,694</u>	<u>2,094</u>	<u>1,694</u>

CENTURY LOGISTICS HOLDINGS BERHAD (424341-A)

Interim report on unaudited consolidated results for the financial period ended 31 March 2014

20. Note to the Statement of Comprehensive Income

	-----Individual quarter-----		-----Cumulative quarter-----	
	Current year quarter 31.03.2014 RM'000	Preceding year corresponding quarter 31.03.2013 RM'000	Current year to date 31.03.2014 RM'000	Preceding year corresponding period 31.03.2013 RM'000
Interest income	239	60	239	60
Interest expenses	(1,027)	(895)	(1,027)	(895)
Depreciation and amortisation	(2,780)	(3,226)	(2,780)	(3,226)
Provision for and write off of receivables	(125)	(207)	(125)	(207)
Foreign exchange gain	211	540	211	540
Gain on disposal of quoted or unquoted investments or properties	1,521	328	1,521	328
Impairment of assets	(38)	(26)	(38)	(26)
Other income including investment income (excluding items disclosed above)	127	41	127	41

There were no exceptional items or derivatives during the period under review.

21. Status of Corporate Proposal

There was no corporate proposal announced but not completed as at the date of this report.

22. Group's Borrowings and Debt Securities

	As at 31.03.2014 RM'000	As at 31.12.2013 RM'000
Short Term - Unsecured		
- Revolving Credit	2,000	-
Short Term - Secured		
- Term Loans	13,078	11,040
- Foreign Term Loan	3,189	3,184
- Hire Purchase	2,043	2,340
	<u>20,310</u>	<u>16,564</u>
Long Term - Secured		
- Term Loans	54,932	57,459
- Foreign Term Loan	8,306	9,369
- Hire Purchase	3,063	3,463
	<u>66,301</u>	<u>70,291</u>
	<u>86,611</u>	<u>86,855</u>
Borrowings denominated in foreign currency:		
Term loan - Thai Baht 114,789,244 (31.12.2013 : Thai Baht 125,550,355)	11,495	12,553

23. Off Balance Sheet Financial Instruments

The Group does not have any financial instruments with off balance sheet risk, the latest practicable date which is not earlier than 7 days from the date of this quarterly report.

24. Material Litigation

Save as disclosed below, the Group is not presently engaged in any material litigation, claim or arbitration, either as plaintiff or defendant and the Directors do not have any knowledge of any proceedings pending or threatened against the Group or any fact likely to give rise to any proceedings which may materially affect the financial position or business of the Group.

Century Total Logistics Sdn Bhd ("CTLSB"), a wholly-owned subsidiary of the Company, had on 25 February 2014 received a writ of summons and statement of claim from Messrs. Tay & Partners in respect of a claim made by SCA Hygiene Malaysia Sdn. Bhd. ("SCA") against CTLSB allegedly for breach of contract by CTLSB.

As a result of the alleged breach of contract by CTLSB, SCA claims against CTLSB for damages of RM5,745,600, other loss and damage, interest and costs.

The Case Management was held on 20 March 2014 and the striking out application by CTLSB was subsequently fixed for hearing on 16 May 2014.

25. Realised and unrealised earnings or losses disclosure

	As at 31.03.2014 RM'000	As at 31.12.2013 RM'000
Total retained earnings of the Company and its subsidiaries		
- Realised	130,579	124,202
- Unrealised	(2,669)	(2,720)
Add: Consolidation adjustments	<u>10,737</u>	<u>10,841</u>
Total group retained earnings as per consolidated accounts	<u><u>138,647</u></u>	<u><u>132,323</u></u>

26. Dividend

The Board does not recommend any dividend in respect of the reporting quarter and financial year-to-date.

27. Earnings Per Share

	-----Individual quarter-----		-----Cumulative quarter-----	
	Current year quarter 31.03.2014 RM'000	Preceding year corresponding quarter 31.03.2013 RM'000	Current year to date 31.03.2014 RM'000	Preceding year corresponding period 31.03.2013 RM'000
Net profit attributable to equity holders of the Company	<u>6,324</u>	<u>4,445</u>	<u>6,324</u>	<u>4,445</u>
Weighted average number of ordinary shares in issue	<u>120,980</u>	<u>110,776</u>	<u>120,980</u>	<u>110,776</u>
Basic earnings per share (sen)	5.23	4.01	5.23	4.01

By Order of the Board of Directors

Company Secretary

Kuala Lumpur

15 May 2014