



CENTURY LOGISTICS HOLDINGS BERHAD (424341-A)

Interim report on unaudited consolidated results for the financial period ended 31 March 2015

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE QUARTER ENDED 31 MARCH 2015

	-----Individual quarter-----		-----Cumulative quarter-----	
	Current year quarter 31.03.2015 RM'000	Preceding year corresponding quarter 31.03.2014 RM'000	Current year to date 31.03.2015 RM'000	Preceding year corresponding period 31.03.2014 RM'000
Revenue	71,917	69,067	71,917	69,067
Direct operating expenses	<u>(50,878)</u>	<u>(49,737)</u>	<u>(50,878)</u>	<u>(49,737)</u>
Gross profit	21,039	19,330	21,039	19,330
Net other operating expenses	<u>(10,564)</u>	<u>(10,085)</u>	<u>(10,564)</u>	<u>(10,085)</u>
Results from operating activities	10,475	9,245	10,475	9,245
Net finance costs	<u>(803)</u>	<u>(788)</u>	<u>(803)</u>	<u>(788)</u>
Profit before taxation	9,672	8,457	9,672	8,457
Taxation	<u>(2,163)</u>	<u>(2,094)</u>	<u>(2,163)</u>	<u>(2,094)</u>
Profit for the period	<u>7,509</u>	<u>6,363</u>	<u>7,509</u>	<u>6,363</u>
Other comprehensive income				
Foreign currency translation differences for foreign operations	<u>347</u>	<u>(70)</u>	<u>347</u>	<u>(70)</u>
Other comprehensive income for the period	<u>347</u>	<u>(70)</u>	<u>347</u>	<u>(70)</u>
Total comprehensive income for the period	<u>7,856</u>	<u>6,293</u>	<u>7,856</u>	<u>6,293</u>
Profit attributable to:				
Equity holders of the Company	7,473	6,324	7,473	6,324
Non-controlling interests	<u>36</u>	<u>39</u>	<u>36</u>	<u>39</u>
Profit for the period	<u>7,509</u>	<u>6,363</u>	<u>7,509</u>	<u>6,363</u>
Total comprehensive income attributable to:				
Equity holders of the Company	7,820	6,254	7,820	6,254
Non-controlling interests	<u>36</u>	<u>39</u>	<u>36</u>	<u>39</u>
Total comprehensive income for the period	<u>7,856</u>	<u>6,293</u>	<u>7,856</u>	<u>6,293</u>
Earnings per share attributable to equity holders of the Company:				
Basic (sen)	<u>2.04</u>	<u>1.74</u>	<u>2.04</u>	<u>1.74</u>
Diluted (sen)	<u>2.04</u>	<u>Not applicable</u>	<u>2.04</u>	<u>Not applicable</u>

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the Year Ended 31 December 2014.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2015

	As at end of current quarter 31.03.2015 RM'000	As at preceding financial year end 31.12.2014 RM'000
ASSETS		
Non-current Assets		
Property, plant and equipment	198,397	158,665
Investment property	83,500	83,500
Other investments	354	352
Goodwill on consolidation	1,443	1,443
	<u>283,694</u>	<u>243,960</u>
Current Assets		
Inventories	1,776	913
Receivables	69,669	93,450
Cash and bank balances	58,492	71,044
	<u>129,937</u>	<u>165,407</u>
TOTAL ASSETS	<u><u>413,631</u></u>	<u><u>409,367</u></u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	183,190	183,096
Reserves	95,257	87,418
	<u>278,447</u>	<u>270,514</u>
Non-controlling Interests	969	933
Total Equity	<u>279,416</u>	<u>271,447</u>
Non-current Liabilities		
Borrowings	74,867	49,771
Deferred taxation	8,846	9,299
	<u>83,713</u>	<u>59,070</u>
Current Liabilities		
Borrowings	18,214	20,901
Payables	32,288	57,949
	<u>50,502</u>	<u>78,850</u>
Total Liabilities	<u>134,215</u>	<u>137,920</u>
TOTAL EQUITY AND LIABILITIES	<u><u>413,631</u></u>	<u><u>409,367</u></u>
Net assets per share attributable to ordinary equity holders of the Company (RM)	0.76	0.74

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the Year Ended 31 December 2014.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 MARCH 2015

	Current year to date 31.03.2015 RM'000	Preceding year corresponding period 31.03.2014 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the year	7,509	6,363
Adjustments:		
Non-Cash Items	5,534	5,829
Non-Operating Items	175	(1,550)
Operating profit before working capital changes	13,218	10,642
Movement in working capital:		
Net change in current assets	22,875	26,673
Net change in current liabilities	(25,418)	(15,715)
Cash generated from operations	10,675	21,600
Tax Paid	(2,879)	(1,201)
Net cash generated from operating activities	7,796	20,399
CASH FLOWS USED IN INVESTING ACTIVITIES		
Interest received	282	239
Disposal of property, plant and equipment	175	352
Disposal of investment	-	1,856
Purchase of property, plant and equipment	(42,242)	(3,172)
Net cash used in investing activities	(41,785)	(725)
CASH FLOWS FROM / (USED IN) FINANCING ACTIVITIES		
Net proceeds from issuance of shares	113	-
Proceeds from borrowings	34,589	3,833
Repayment of borrowings	(12,180)	(4,098)
Interest paid	(1,085)	(1,027)
Net cash from / (used in) financing activities	21,437	(1,292)
Net (decrease) / increase in cash and cash equivalents	(12,552)	18,382
Cash and cash equivalents at beginning of the period	71,044	38,086
Cash and cash equivalents at end of the period	58,492	56,468
Cash and cash equivalents at the end of the financial period comprise the following :		
Cash on hand and at banks	3,245	18,750
Deposits with financial institutions	55,247	37,718
	58,492	56,468

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Report for the Year Ended 31 December 2014.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MARCH 2015

	← Attributable to Equity Holders of the Company →				Non-controlling Total Interests RM'000	Total Equity RM'000	
	← Non-distributable →	Distributable					
	Share Premium Reserve RM'000	Other Reserves RM'000	Retained Earnings RM'000				
	Issued Capital RM'000						
As at end of current quarter							
As at 1 January 2015	183,096	-	442	86,976	270,514	933	271,447
Exercise of share options	94	19	-	-	113	-	113
Total comprehensive income for the period	-	-	347	7,473	7,820	36	7,856
As at 31 March 2015	183,190	19	789	94,449	278,447	969	279,416
As at preceding year corresponding quarter							
As at 1 January 2014	122,064	-	(1,809)	132,323	252,578	1,190	253,768
Disposal of subsidiary company	-	-	-	-	-	(405)	(405)
Total comprehensive income for the period	-	-	(70)	6,324	6,254	39	6,293
As at 31 March 2014	122,064	-	(1,879)	138,647	258,832	824	259,656

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the Year Ended 31 December 2014.

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 2014.

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 2014.

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 2015. As disclosed in the Group's annual financial statements for the financial year ended 31 December 2014, the following are new/revised accounting standards effective for annual periods beginning on or after 1 January 2015.

Amendments to MFRS 119	Defined Benefit Plan: Employee Contribution
Amendments to MFRSs	Annual Improvements to MFRSs 2010 - 2012 Cycle
Amendments to MFRSs	Annual Improvements to MFRSs 2011 - 2013 Cycle

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 2014 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 during the financial quarter under review, except that the Company issued 188,000 new ordinary shares of RM0.50 each at exercise price of RM0.60 per share for cash pursuant to the Employees' Share Option Scheme ("ESOS") of the Company.

8. Dividend Paid

No dividend was paid in the financial quarter under review.

9. Segmental Reporting

Analysis of the Group's revenue and results for period ended 31 March 2015 is as follows:

	Total Logistics Services RM'000	Procurement Logistics Services RM'000	Consolidation Adjustment RM'000	Group Results RM'000
Revenue				
External sales	60,793	11,124	-	71,917
Inter-segment sales	508	-	(508)	-
Total revenue	<u>61,301</u>	<u>11,124</u>	<u>(508)</u>	<u>71,917</u>
Profit				
Segment results	8,064	2,411	-	10,475
Net finance costs				<u>(803)</u>
Profit from ordinary activities before taxation				9,672
Taxation				<u>(2,163)</u>
Profit from ordinary activities after taxation				7,509
Non-controlling interests				<u>(36)</u>
Net profit for the period				<u>7,473</u>

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>

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.

12. Changes in Composition of the Group

There were no major changes in the composition of the Group during the current financial period under review.

13. Capital Commitments

As at the end of the reporting quarter, the Group has approved and contracted for capital commitments of RM9.511 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 2014.

15. Review of Performance

For the financial quarter ended 31 March 2015, the Group's revenue and pre-tax profit were RM71.917 million and RM9.672 million respectively, compared to revenue and pre-tax profit of RM69.067 million and RM8.457 million respectively for the corresponding period in the previous financial year. The increase in revenue and pre-tax profit by 4.1% and 14.4% respectively were mainly due to the higher activities of the procurement logistics services segment. However, the performance of the total logistics services segment was affected by lower activities prior to the commencement of Goods and Services Tax on 1 April 2015.

16. Comparison with Immediate Preceding Quarter's Results

For the financial quarter ended 31 March 2015, the Group reported revenue and pre-tax profit of RM71.917 million and RM9.672 million respectively, compared to revenue and pre-tax profit of RM65.687 million and RM18.411 million respectively for the preceding quarter. The increase in revenue by 9.5% was mainly due to the reasons disclosed in Note 15 above. However, the decrease in pre-tax profit by 47.5% was mainly due to the gain on disposal of property, plant and equipment and gain on revaluation of investment property in the preceding quarter.

17. Prospects for the Current Financial Year

Despite the weaker global and uncertain economic climate due largely to the dip in oil prices, the Group remains confident of its performance in the current financial year. This confidence stems from the successful business model which the Group has put in place that focuses on providing value added logistics solutions, while maintaining cost efficiencies.

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 31.03.2015 RM'000	Preceding year corresponding quarter 31.03.2014 RM'000	Current year to date 31.03.2015 RM'000	Preceding year corresponding period 31.03.2014 RM'000
Provision for taxation	2,617	2,094	2,617	2,094
Deferred taxation	(454)	-	(454)	-
	<u>2,163</u>	<u>2,094</u>	<u>2,163</u>	<u>2,094</u>

20. Note to the Statement of Comprehensive Income

	-----Individual quarter-----		-----Cumulative quarter-----	
	Current year quarter 31.03.2015 RM'000	Preceding year corresponding quarter 31.03.2014 RM'000	Current year to date 31.03.2015 RM'000	Preceding year corresponding period 31.03.2014 RM'000
Interest income	282	239	282	239
Interest expenses	(1,085)	(1,027)	(1,085)	(1,027)
Depreciation and amortisation	(2,508)	(2,780)	(2,508)	(2,780)
Provision for and write off of receivables	(60)	(125)	(60)	(125)
Foreign exchange gain	1,325	211	1,325	211
Gain on disposal of quoted or unquoted investments or properties	173	1,521	173	1,521
Reversal / (Impairment) of assets	3	(38)	3	(38)
Other income including investment income (excluding items disclosed above)	73	127	73	127

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 31.03.2015 RM'000	As at 31.12.2014 RM'000
Short Term - Secured		
- Term Loans	15,659	18,547
- Hire Purchase	<u>2,555</u>	<u>2,354</u>
	<u>18,214</u>	<u>20,901</u>
Long Term - Secured		
- Term Loans	69,377	44,655
- Hire Purchase	<u>5,490</u>	<u>5,116</u>
	<u>74,867</u>	<u>49,771</u>
	<u><u>93,081</u></u>	<u><u>70,672</u></u>

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.

On 20 February 2014, SCA Hygiene Malaysia Sdn Bhd ("Plaintiff") brought an action against Century Total Logistics Sdn Bhd ("Defendant") allegedly for breach of contract relating to the provision of logistics services by the Defendant. As a result of the alleged breach of contract by the Defendant, the Plaintiff claims against the Defendant for damage of RM5,745,600, other loss and damage, interest and costs.

On 27 March 2015, the Learned Judge allowed the parties' application for an adjournment for the trial fixed on 1, 2, 6, 8 and 9 April 2015, pending the disposal of the parties' application to re-amend their respective pleadings. The re-amendment applications were fixed for hearing on 24 April 2015 and trial has been fixed on 28 May 2015.

25. Realised and unrealised earnings or losses disclosure

	As at 31.03.2015 RM'000	As at 31.12.2014 RM'000
Total retained earnings of the Company and its subsidiaries		
- Realised	91,440	85,059
- Unrealised	4,274	3,146
Add: Consolidation adjustments	<u>(1,265)</u>	<u>(1,229)</u>
Total group retained earnings as per consolidated accounts	<u><u>94,449</u></u>	<u><u>86,976</u></u>

26. Dividend

The Board of Directors declares a single tier interim dividend of 1.0 sen per ordinary share in respect of the financial year ending 31 December 2015.

27. Earnings Per Share

	-----Individual quarter-----		-----Cumulative quarter-----	
	Current year quarter 31.03.2015 RM'000	Preceding year corresponding quarter 31.03.2014 RM'000	Current year to date 31.03.2015 RM'000	Preceding year corresponding period 31.03.2014 RM'000
Net profit attributable to equity holders of the Company	7,473	6,324	7,473	6,324
Add : After tax effect of interest on ESOS	<u>36</u>	<u>-</u>	<u>36</u>	<u>-</u>
	<u>7,509</u>	<u>6,324</u>	<u>7,509</u>	<u>6,324</u>
Weighted average number of ordinary shares in issue	366,224	364,025	366,342	364,025
Effect on dilution of ESOS	<u>2,312</u>	<u>-</u>	<u>2,312</u>	<u>-</u>
Weighted average number of ordinary shares (diluted)	<u>368,536</u>	<u>364,025</u>	<u>368,654</u>	<u>364,025</u>
Basic earnings per share (sen)	2.04	1.74	2.04	1.74
Diluted earnings per share (sen)	2.04	Not applicable	2.04	Not applicable

The weighted average number of ordinary shares in issue during the financial period ended 31 March 2014 has been adjusted as if the proportionate change in the number of ordinary shares arising from the bonus issue and share split exercises in October 2014 had taken place at the beginning of the earliest period for which the earnings per share is presented.

By Order of the Board of Directors

Company Secretary

Kuala Lumpur
14 May 2015