



CENTURY LOGISTICS HOLDINGS BERHAD (424341-A)

Interim report on unaudited consolidated results for the financial period ended 30 June 2013

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE QUARTER ENDED 30 JUNE 2013

	-----Individual quarter-----		-----Cumulative quarter-----	
	Current year quarter 30.06.2013 RM'000	Preceding year corresponding quarter 30.06.2012 RM'000	Current year to date 30.06.2013 RM'000	Preceding year corresponding period 30.06.2012 RM'000
Revenue	56,458	66,322	111,059	131,648
Direct operating expenses	<u>(39,063)</u>	<u>(49,431)</u>	<u>(76,331)</u>	<u>(97,647)</u>
Gross profit	17,395	16,891	34,728	34,001
Net other operating expenses	<u>(12,639)</u>	<u>(11,044)</u>	<u>(23,610)</u>	<u>(22,277)</u>
Results from operating activities	4,756	5,847	11,118	11,724
Net finance costs	<u>(827)</u>	<u>(743)</u>	<u>(1,662)</u>	<u>(1,560)</u>
Profit before taxation	3,929	5,104	9,456	10,164
Taxation	<u>(1,787)</u>	<u>(2,306)</u>	<u>(3,481)</u>	<u>(3,734)</u>
Profit for the period	<u>2,142</u>	<u>2,798</u>	<u>5,975</u>	<u>6,430</u>
Other comprehensive income				
Foreign currency translation differences for foreign operations	<u>42</u>	<u>176</u>	<u>294</u>	<u>109</u>
Other comprehensive income for the period	<u>42</u>	<u>176</u>	<u>294</u>	<u>109</u>
Total comprehensive income for the period	<u>2,184</u>	<u>2,974</u>	<u>6,269</u>	<u>6,539</u>
Profit attributable to:				
Equity holders of the Company	2,631	3,438	7,076	7,737
Non-controlling interests	<u>(489)</u>	<u>(640)</u>	<u>(1,101)</u>	<u>(1,307)</u>
Profit for the period	<u>2,142</u>	<u>2,798</u>	<u>5,975</u>	<u>6,430</u>
Total comprehensive income attributable to:				
Equity holders of the Company	2,673	3,614	7,370	7,846
Non-controlling interests	<u>(489)</u>	<u>(640)</u>	<u>(1,101)</u>	<u>(1,307)</u>
Total comprehensive income for the period	<u>2,184</u>	<u>2,974</u>	<u>6,269</u>	<u>6,539</u>
Earnings per share attributable to equity holders of the Company:				
Basic (sen)	<u>2.25</u>	<u>3.96</u>	<u>6.22</u>	<u>9.23</u>
Diluted (sen)	<u>2.25</u>	<u>3.67</u>	<u>6.22</u>	<u>8.54</u>

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Financial Report for the Year Ended 31 December 2012.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2013

	As at end of current quarter 30.06.2013 RM'000	As at preceding financial year end 31.12.2012 RM'000
ASSETS		
Non-current Assets		
Property, plant and equipment	205,302	244,001
Investment property	68,724	-
Deferred tax asset	122	122
Other investments	876	381
Goodwill on consolidation	3,730	3,730
	<u>278,754</u>	<u>248,234</u>
Current Assets		
Receivables	102,931	102,233
Cash and bank balances	39,773	20,928
	<u>142,704</u>	<u>123,161</u>
TOTAL ASSETS	<u><u>421,458</u></u>	<u><u>371,395</u></u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	122,064	95,820
Treasury shares	(8,773)	(7,280)
Reserves	132,944	130,245
	<u>246,235</u>	<u>218,785</u>
Non-controlling Interests	<u>1,071</u>	<u>2,172</u>
Total Equity	<u>247,306</u>	<u>220,957</u>
Non-current Liabilities		
Borrowings	75,225	54,777
Payables	6,861	9,148
Deferred taxation	10,647	9,803
	<u>92,733</u>	<u>73,728</u>
Current Liabilities		
Borrowings	17,459	26,736
Payables	63,960	49,974
	<u>81,419</u>	<u>76,710</u>
Total Liabilities	<u>174,152</u>	<u>150,438</u>
TOTAL EQUITY AND LIABILITIES	<u><u>421,458</u></u>	<u><u>371,395</u></u>
Net assets per share attributable to ordinary equity holders of the Company (RM)	2.11	2.39

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Financial Report for the Year Ended 31 December 2012.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 JUNE 2013

	Current year to date 30.06.2013 RM'000	Preceding year corresponding period 30.06.2012 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the year	5,975	6,430
Adjustments:		
Non-Cash Items	12,004	11,296
Non-Operating Items	(293)	(19)
Operating profit before working capital changes	17,686	17,707
Movement in working capital:		
Net change in current assets	(1,166)	3,305
Net change in current liabilities	10,656	(15,715)
Cash generated from operations	27,176	5,297
Tax Paid	(1,572)	(4,115)
Net cash generated from operating activities	25,604	1,182
CASH FLOWS USED IN INVESTING ACTIVITIES		
Dividend received	-	210
Acquisition of investment	(500)	(4)
Interest received	213	329
Disposal of property, plant and equipment	1,110	111
Subscription of shares in existing subsidiary company by non-controlling interests	-	1,715
Purchase of property, plant and equipment	(31,602)	(3,060)
Net cash used in investing activities	(30,779)	(699)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net proceeds from issuance of shares	26,244	7,426
Dividend paid to equity holders	(4,672)	(6,148)
Proceeds from borrowings	25,315	11,443
Repayment of borrowings	(19,500)	(6,341)
Purchase of own shares	(1,492)	(243)
Interest paid	(1,875)	(1,888)
Net cash generated from financing activities	24,020	4,249
Net increase in cash and cash equivalents	18,845	4,732
Cash and cash equivalents at beginning of the period	20,928	22,615
Cash and cash equivalents at end of the period	39,773	27,347
Cash and cash equivalents at the end of the financial period comprise the following :		
Cash on hand and at banks	8,510	8,199
Deposits with licensed banks	31,263	19,148
	39,773	27,347

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Financial Report for the Year Ended 31 December 2012.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 2013

	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	Distributable Retained Earnings RM'000			
As at end of current quarter							
As at 1 January 2013	95,820	801	(6,690)	128,854	218,785	2,172	220,957
Issuance of shares	26,244	-	-	-	26,244	-	26,244
Purchase of treasury shares	-	-	(1,492)	-	(1,492)	-	(1,492)
Exercise of warrants	-	1,312	(1,312)	-	-	-	-
Transfer to retained earnings upon lapse of warrants	-	-	(18)	18	-	-	-
Total comprehensive income for the period	-	-	294	7,076	7,370	(1,101)	6,269
Dividends paid	-	-	-	(4,672)	(4,672)	-	(4,672)
As at 30 June 2013	122,064	2,113	(9,218)	131,276	246,235	1,071	247,306
As at preceding year corresponding quarter							
As at 1 January 2012	84,136	217	(4,608)	120,970	200,715	1,689	202,404
Issuance of shares	7,426	-	-	-	7,426	-	7,426
Subscription of shares in existing subsidiary company by non-controlling interests	-	-	-	-	-	1,715	1,715
Purchase of treasury shares	-	-	(243)	-	(243)	-	(243)
Exercise of warrants	-	371	(371)	-	-	-	-
Acquisition of non-controlling interests in a subsidiary company	-	-	-	-	-	(4)	(4)
Total comprehensive income for the period	-	-	109	7,737	7,846	(1,307)	6,539
Dividends paid	-	-	-	(6,148)	(6,148)	-	(6,148)
As at 30 June 2012	91,562	588	(5,113)	122,559	209,596	2,093	211,689

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the Year Ended 31 December 2012.

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 2012.

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 2012.

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 2013. As disclosed in the Group's annual financial statements for the financial year ended 31 December 2012, the following are new/revised accounting standards effective for annual periods beginning on or after 1 January 2013.

MFRS 7	Financial Instruments: Disclosures (Amendments relating to Disclosures - Offsetting Financial Assets and Liabilities)
MFRS 10	Consolidated Financial Statements
MFRS 10	Consolidated Financial Statements (Amendments relating to Transition Guidance)
MFRS 11	Joint Arrangements
MFRS 11	Joint Arrangements (Amendments relating to Transition Guidance)
MFRS 12	Disclosures of Interests in Other Entities
MFRS 12	Disclosures of Interest in Other Entities (Amendments relating to Transition Guidance)
MFRS 13	Fair Value Measurement
MFRS 119	Employee Benefits (IAS 19 as amended by IASB in June 2011)
MFRS 127	Separate Financial Statements (IAS 27 as amended by IASB in May 2011)
MFRS 128	Investments in Associates and Joint Ventures (IAS 28 as amended by IASB in May 2011)
IC Int. 20	Stripping costs in the Production Phase of a Surface Mine

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 2012 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

On 27 May 2013, the Company paid a single tier final dividend of 4.0 sen per share in respect of the financial year ending 31 December 2012, amounting to RM4.67 million.

9. Segmental Reporting

Analysis of the Group's revenue and results for period ended 30 June 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	96,065	14,994	-	111,059
Inter-segment sales	<u>1,743</u>	<u>-</u>	<u>(1,743)</u>	<u>-</u>
Total revenue	<u><u>97,808</u></u>	<u><u>14,994</u></u>	<u><u>(1,743)</u></u>	<u><u>111,059</u></u>
Profit				
Segment results	6,777	4,390	(49)	11,118
Net finance costs				<u>(1,662)</u>
Profit from ordinary activities before taxation				9,456
Taxation				<u>(3,481)</u>
Profit from ordinary activities after taxation				5,975
Non-controlling interests				<u>1,101</u>
Net profit for the period				<u><u>7,076</u></u>

Analysis of the Group's revenue and results for period ended 30 June 2012 is as follows:

	Total Logistics Services RM'000	Procurement Logistics Services RM'000	Consolidation Adjustment RM'000	Group Results RM'000
Revenue				
External sales	112,764	18,884	-	131,648
Inter-segment sales	<u>1,714</u>	<u>-</u>	<u>(1,714)</u>	<u>-</u>
Total revenue	<u><u>114,478</u></u>	<u><u>18,884</u></u>	<u><u>(1,714)</u></u>	<u><u>131,648</u></u>
Profit				
Segment results	7,275	4,556	(107)	11,724
Net finance costs				<u>(1,560)</u>
Profit from ordinary activities before taxation				10,164
Taxation				<u>(3,734)</u>
Profit from ordinary activities after taxation				6,430
Non-controlling interests				<u>1,307</u>
Net profit for the period				<u><u>7,737</u></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 RM35.3 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 2012.

15. Review of Performance

For the financial quarter ended 30 June 2013, the Group's revenue and pre-tax profit were RM56.458 million and RM3.929 million respectively, compared to revenue and pre-tax profit of RM66.322 million and RM5.104 million respectively for the corresponding period in the previous financial year. The decrease in revenue and pre-tax profit by 14.9% and 23.0% respectively were mainly due to the reduced overall performance of the Group.

16. Comparison with Immediate Preceding Quarter's Results

For the financial quarter ended 30 June 2013, the Group reported revenue and pre-tax profit of RM56.458 million and RM3.929 million respectively, compared to revenue and pre-tax profit of RM54.601 million and RM5.527 million respectively for the preceding quarter. The increase in revenue by 3.4% was mainly due to the increase in procurement logistics activities. However, the decrease in pre-tax profit by 28.9% was mainly due to the unrealised foreign exchange loss recognised in the quarter.

17. Prospects for the Current Financial Year

The Group remains confident of its business model and expects to perform satisfactorily in the current financial year.

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 30.06.2013 RM'000	Preceding year corresponding quarter 30.06.2012 RM'000	Current year to date 30.06.2013 RM'000	Preceding year corresponding period 30.06.2012 RM'000
Provision for taxation	943	2,306	2,637	3,734
Deferred taxation	844	-	844	-
	<u>1,787</u>	<u>2,306</u>	<u>3,481</u>	<u>3,734</u>

20. Note to the Statement of Comprehensive Income

	-----Individual quarter-----		-----Cumulative quarter-----	
	Current year quarter 30.06.2013 RM'000	Preceding year corresponding quarter 30.06.2012 RM'000	Current year to date 30.06.2013 RM'000	Preceding year corresponding period 30.06.2012 RM'000
Interest income	152	182	212	328
Interest expenses	(979)	(925)	(1,874)	(1,888)
Depreciation and amortisation	(3,117)	(2,887)	(6,366)	(5,970)
Provision for and write off of receivables	101	173	(104)	(17)
Foreign exchange gain/(loss)	(617)	(355)	(77)	(194)
Gain/(loss) on disposal of quoted or unquoted investments or properties	(27)	23	301	97
Reversal / (Impairment) of assets	21	(41)	(5)	70
Other income including investment income (excluding items disclosed above)	8	302	49	422

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 30.06.2013 RM'000	As at 31.12.2012 RM'000
Short Term - Unsecured		
- Revolving Credit	-	10,000
Short Term - Secured		
- Term Loans	9,292	9,291
- Foreign Term Loan	5,329	5,077
- Hire Purchase	2,838	2,368
	<u>17,459</u>	<u>26,736</u>
Long Term - Secured		
- Term Loans	54,534	33,864
- Foreign Term Loan	16,566	18,230
- Hire Purchase	4,125	2,683
	<u>75,225</u>	<u>54,777</u>
	<u>92,684</u>	<u>81,513</u>
Borrowings denominated in foreign currency:		
Term loan - Thai Baht 138,247,611	14,024	14,855
Term loan - USD 2,493,750	7,871	8,452

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

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.

25. Realised and unrealised earnings or losses disclosure

	As at 30.06.2013 RM'000	As at 31.12.2012 RM'000
Total retained earnings of the Company and its subsidiaries		
- Realised	137,624	131,956
- Unrealised	(13,548)	(9,250)
Add: Consolidation adjustments	<u>7,200</u>	<u>6,148</u>
Total group retained earnings as per consolidated accounts	<u><u>131,276</u></u>	<u><u>128,854</u></u>

26. Dividend

The Board of Directors declares a single tier interim cash dividend of 4.0 sen per ordinary share in respect of the financial year ending 31 December 2013, as well as the distribution of one (1) treasury share for every twenty-five (25) ordinary shares held in the Company, fraction of a treasury share to be disregarded.

27. Earnings Per Share

	-----Individual quarter-----		-----Cumulative quarter-----	
	Current year quarter 30.06.2013 RM'000	Preceding year corresponding quarter 30.06.2012 RM'000	Current year to date 30.06.2013 RM'000	Preceding year corresponding period 30.06.2012 RM'000
Net profit attributable to equity holders of the Company	<u>2,631</u>	<u>3,438</u>	<u>7,076</u>	<u>7,737</u>
Weighted average number of ordinary shares in issue	116,799	86,890	113,787	83,853
Effect on dilution of warrants	-	6,713	-	6,713
Weighted average number of ordinary shares (diluted)	<u>116,799</u>	<u>93,603</u>	<u>113,787</u>	<u>90,566</u>
Basic earnings per share (sen)	2.25	3.96	6.22	9.23
Diluted earnings per share (sen)	2.25	3.67	6.22	8.54

By Order of the Board of Directors

Company Secretary

Kuala Lumpur
15 August 2013