



CENTURY LOGISTICS HOLDINGS BERHAD (424341-A)

Interim report on unaudited consolidated results for the financial period ended 30 June 2014

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE QUARTER ENDED 30 JUNE 2014

	-----Individual quarter-----		-----Cumulative quarter-----	
	Current year quarter 30.06.2014 RM'000	Preceding year corresponding quarter 30.06.2013 RM'000	Current year to date 30.06.2014 RM'000	Preceding year corresponding period 30.06.2013 RM'000
Revenue	71,045	56,458	140,112	111,059
Direct operating expenses	<u>(51,173)</u>	<u>(39,063)</u>	<u>(100,910)</u>	<u>(76,331)</u>
Gross profit	19,872	17,395	39,202	34,728
Net other operating expenses	<u>(10,736)</u>	<u>(12,639)</u>	<u>(20,821)</u>	<u>(23,610)</u>
Results from operating activities	9,136	4,756	18,381	11,118
Net finance costs	<u>(794)</u>	<u>(827)</u>	<u>(1,582)</u>	<u>(1,662)</u>
Profit before taxation	8,342	3,929	16,799	9,456
Taxation	<u>(3,521)</u>	<u>(1,787)</u>	<u>(5,615)</u>	<u>(3,481)</u>
Profit for the period	<u>4,821</u>	<u>2,142</u>	<u>11,184</u>	<u>5,975</u>
Other comprehensive income				
Foreign currency translation differences for foreign operations	<u>(60)</u>	<u>42</u>	<u>(130)</u>	<u>294</u>
Other comprehensive income for the period	<u>(60)</u>	<u>42</u>	<u>(130)</u>	<u>294</u>
Total comprehensive income for the period	<u>4,761</u>	<u>2,184</u>	<u>11,054</u>	<u>6,269</u>
Profit attributable to:				
Equity holders of the Company	4,797	2,631	11,121	7,076
Non-controlling interests	<u>24</u>	<u>(489)</u>	<u>63</u>	<u>(1,101)</u>
Profit for the period	<u>4,821</u>	<u>2,142</u>	<u>11,184</u>	<u>5,975</u>
Total comprehensive income attributable to:				
Equity holders of the Company	4,737	2,673	10,991	7,370
Non-controlling interests	<u>24</u>	<u>(489)</u>	<u>63</u>	<u>(1,101)</u>
Total comprehensive income for the period	<u>4,761</u>	<u>2,184</u>	<u>11,054</u>	<u>6,269</u>
Earnings per share attributable to equity holders of the Company:				
Basic (sen)	<u>3.97</u>	<u>2.25</u>	<u>9.19</u>	<u>6.22</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 30 June 2014

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2014

	As at end of current quarter 30.06.2014 RM'000	As at preceding financial year end 31.12.2013 RM'000
ASSETS		
Non-current Assets		
Property, plant and equipment	160,803	170,254
Investment property	81,000	81,000
Other investments	619	822
Goodwill on consolidation	3,005	3,005
	<u>245,427</u>	<u>255,081</u>
Current Assets		
Inventories	-	603
Receivables	76,948	112,813
Cash and bank balances	57,886	38,086
	<u>134,834</u>	<u>151,502</u>
Non current assets held for sale	8,012	28,454
	<u>388,273</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	138,524	132,372
	<u>258,730</u>	<u>252,578</u>
Non-controlling Interests	847	1,190
Total Equity	<u>259,577</u>	<u>253,768</u>
Non-current Liabilities		
Borrowings	55,146	70,291
Payables	2,287	4,574
Deferred taxation	9,618	9,618
	<u>67,051</u>	<u>84,483</u>
Current Liabilities		
Borrowings	18,044	16,564
Payables	43,601	80,222
	<u>61,645</u>	<u>96,786</u>
Total Liabilities	<u>128,696</u>	<u>181,269</u>
TOTAL EQUITY AND LIABILITIES	<u>388,273</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 30 JUNE 2014

	Current year to date 30.06.2014 RM'000	Preceding year corresponding period 30.06.2013 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the year	11,184	5,975
Adjustments:		
Non-Cash Items	12,526	12,004
Non-Operating Items	<u>(3,794)</u>	<u>(293)</u>
Operating profit before working capital changes	19,916	17,686
Movement in working capital:		
Net change in current assets	24,453	(1,166)
Net change in current liabilities	<u>(29,228)</u>	<u>10,656</u>
Cash generated from operations	15,141	27,176
Tax Paid	<u>(3,834)</u>	<u>(1,572)</u>
Net cash generated from operating activities	<u>11,307</u>	<u>25,604</u>
CASH FLOWS FROM / (USED IN) INVESTING ACTIVITIES		
Acquisition of investment	-	(500)
Interest received	562	213
Disposal of property, plant and equipment	30,975	1,110
Disposal of investment	1,861	-
Purchase of property, plant and equipment	<u>(4,255)</u>	<u>(31,602)</u>
Net cash from / (used) in investing activities	<u>29,143</u>	<u>(30,779)</u>
CASH FLOWS (USED IN) / FROM FINANCING ACTIVITIES		
Net proceeds from issuance of shares	-	26,244
Dividend paid to equity holders	(4,839)	(4,672)
Proceeds from borrowings	5,168	25,315
Repayment of borrowings	(18,835)	(19,500)
Purchase of own shares	-	(1,492)
Interest paid	<u>(2,144)</u>	<u>(1,875)</u>
Net cash (used in) / from financing activities	<u>(20,650)</u>	<u>24,020</u>
Net increase in cash and cash equivalents	19,800	18,845
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><u>57,886</u></u>	<u><u>39,773</u></u>
Cash and cash equivalents at the end of the financial period comprise the following :		
Cash on hand and at banks	4,634	8,510
Deposits with licensed banks	<u>53,252</u>	<u>31,263</u>
	<u><u>57,886</u></u>	<u><u>39,773</u></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.

CENTURY LOGISTICS HOLDINGS BERHAD (424341-A)

Interim report on unaudited consolidated results for the financial period ended 30 June 2014

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 2014

	← Attributable to Equity Holders of the Company →				Non-controlling Total Interests RM'000	Total Equity RM'000	
	← Non-distributable →	Distributable					
	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	252,578	1,190	253,768
Disposal of subsidiary company	-	-	-	-	-	(406)	(406)
Total comprehensive income for the period	-	-	(130)	11,121	10,991	63	11,054
Dividends paid	-	-	-	(4,839)	(4,839)	-	(4,839)
As at 30 June 2014	122,064	-	(1,939)	138,605	258,730	847	259,577
As at preceding year corresponding 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

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 during the financial quarter under review.

8. Dividend Paid

On 28 May 2014, the Company paid a single tier final dividend of 4.0 sen per share in respect of the financial year ending 31 December 2013, amounting to RM4.839 million.

CENTURY LOGISTICS HOLDINGS BERHAD (424341-A)

Interim report on unaudited consolidated results for the financial period ended 30 June 2014

9. Segmental Reporting

Analysis of the Group's revenue and results for period ended 30 June 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	127,726	12,386	-	140,112
Inter-segment sales	<u>851</u>	<u>-</u>	<u>(851)</u>	<u>-</u>
Total revenue	<u>128,577</u>	<u>12,386</u>	<u>(851)</u>	<u>140,112</u>
Profit				
Segment results	16,782	1,609	(10)	18,381
Net finance costs				<u>(1,582)</u>
Profit from ordinary activities before taxation				16,799
Taxation				<u>(5,615)</u>
Profit from ordinary activities after taxation				11,184
Non-controlling interests				<u>(63)</u>
Net profit for the period				<u>11,121</u>

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>97,808</u>	<u>14,994</u>	<u>(1,743)</u>	<u>111,059</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>7,076</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 RM3.6 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 30 June 2014, the Group's revenue and pre-tax profit were RM71.045 million and RM8.342 million respectively, compared to revenue and pre-tax profit of RM56.458 million and RM3.929 million respectively for the corresponding period in the previous financial year. The increase in revenue and pre-tax profit by 25.8% and 112.3% 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 30 June 2014, the Group reported revenue and pre-tax profit of RM71.045 million and RM8.342 million respectively, compared to revenue and pre-tax profit of RM69.067 million and RM8.457 million respectively for the preceding quarter. The increase in revenue by 2.9% was due to higher activities of the procurement logistics services segment. However, the decrease in pre-tax profit by 1.4% was due to a gain on disposal of a subsidiary in the preceding quarter.

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 30.06.2014 RM'000	Preceding year corresponding quarter 30.06.2013 RM'000	Current year to date 30.06.2014 RM'000	Preceding year corresponding period 30.06.2013 RM'000
Provision for taxation	<u>3,521</u>	<u>1,787</u>	<u>5,615</u>	<u>3,481</u>

Included in taxation for the current quarter are Thai taxes totalling Thai Baht 13.76 million (RM1.374 million) relating to the disposal of the property in Rojana Industrial Park, Ayutthaya Province, Thailand.

CENTURY LOGISTICS HOLDINGS BERHAD (424341-A)

Interim report on unaudited consolidated results for the financial period ended 30 June 2014

20. Note to the Statement of Comprehensive Income

	-----Individual quarter-----		-----Cumulative quarter-----	
	Current year quarter 30.06.2014 RM'000	Preceding year corresponding quarter 30.06.2013 RM'000	Current year to date 30.06.2014 RM'000	Preceding year corresponding period 30.06.2013 RM'000
Interest income	323	152	562	213
Interest expenses	(1,117)	(979)	(2,144)	(1,875)
Depreciation and amortisation	(2,820)	(3,117)	(5,600)	(6,366)
Provision for and write off of receivables	463	101	338	(104)
Foreign exchange gain / (loss)	(124)	(617)	87	(77)
Gain / (loss) on disposal of quoted or unquoted investments or properties	2,431	(27)	3,952	301
Reversal / (Impairment) of assets	(165)	21	(203)	(5)
Other income including investment income (excluding items disclosed above)	196	8	323	49

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

21. Status of Corporate Proposal

On 10 July 2014, the Company proposed to undertake the following proposals:

(i) Proposed bonus issue of up to 61,032,148 new ordinary shares of RM1.00 each in the Company (“Century Share(s)”) (“Bonus Share(s)”) to be credited as fully paid-up on the basis of one (1) Bonus Share for every two (2) existing Century Shares held on an entitlement date to be determined later (“Proposed Bonus Issue”);

(ii) Proposed share split involving the subdivision of one (1) Century Share (existing and Bonus Shares) held on the entitlement date after the Proposed Bonus Issue into two (2) ordinary shares of RM0.50 each in the Company (“Proposed Share Split”); and

(iii) Proposed amendments to the Memorandum and Articles of Association of the Company to facilitate the Proposed Share Split.

22. Group's Borrowings and Debt Securities

	As at 30.06.2014 RM'000	As at 31.12.2013 RM'000
Short Term - Secured		
- Term Loans	15,859	11,040
- Foreign Term Loan	-	3,184
- Hire Purchase	2,185	2,340
	<u>18,044</u>	<u>16,564</u>
Long Term - Secured		
- Term Loans	50,913	57,459
- Foreign Term Loan	-	9,369
- Hire Purchase	4,233	3,463
	<u>55,146</u>	<u>70,291</u>
	<u>73,190</u>	<u>86,855</u>

Borrowings denominated in foreign currency:

Term loan - Nil (31.12.2013 : Thai Baht 125,550,355) - 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.

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 ("Plaintiff's Claim").

On 5 May 2014 the Defendant filed an application to strike out the Plaintiff's Claim and the said application was dismissed by the High Court on 17 July 2014 ("Decision"). On 25 July 2014 the Defendant filed an appeal to the Court of Appeal against the Decision and is now waiting for the hearing date (in relation to the aforesaid appeal) to be fixed by the Court of Appeal.

This matter has been fixed for Case Management on 15 August 2014.

25. Realised and unrealised earnings or losses disclosure

	As at 30.06.2014 RM'000	As at 31.12.2013 RM'000
Total retained earnings of the Company and its subsidiaries		
- Realised	131,014	124,202
- Unrealised	(3,106)	(2,720)
Add: Consolidation adjustments	<u>10,697</u>	<u>10,841</u>
Total group retained earnings as per consolidated accounts	<u><u>138,605</u></u>	<u><u>132,323</u></u>

26. Dividend

The Board of Directors declares a single tier interim cash dividend of 5.0 sen per ordinary share in respect of the financial year ending 31 December 2014.

27. Earnings Per Share

	-----Individual quarter-----		-----Cumulative quarter-----	
	Current year quarter 30.06.2014 RM'000	Preceding year corresponding quarter 30.06.2013 RM'000	Current year to date 30.06.2014 RM'000	Preceding year corresponding period 30.06.2013 RM'000
Net profit attributable to equity holders of the Company	<u>4,797</u>	<u>2,631</u>	<u>11,121</u>	<u>7,076</u>
Weighted average number of ordinary shares in issue	<u>120,980</u>	<u>116,799</u>	<u>120,980</u>	<u>113,787</u>
Basic earnings per share (sen)	3.97	2.25	9.19	6.22

By Order of the Board of Directors

Company Secretary

Kuala Lumpur
14 August 2014