



CENTURY LOGISTICS HOLDINGS BERHAD (424341-A)

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

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

	-----Individual quarter-----		-----Cumulative quarter-----	
	Current year quarter 30.09.2014 RM'000	Preceding year corresponding quarter 30.09.2013 RM'000	Current year to date 30.09.2014 RM'000	Preceding year corresponding period 30.09.2013 RM'000
Revenue	69,433	70,753	209,545	181,812
Direct operating expenses	<u>(49,752)</u>	<u>(49,152)</u>	<u>(150,662)</u>	<u>(125,483)</u>
Gross profit	19,681	21,601	58,883	56,329
Net other operating expenses	<u>(11,876)</u>	<u>(12,859)</u>	<u>(32,697)</u>	<u>(36,469)</u>
Results from operating activities	7,805	8,742	26,186	19,860
Net finance costs	<u>(576)</u>	<u>(927)</u>	<u>(2,158)</u>	<u>(2,589)</u>
Profit before taxation	7,229	7,815	24,028	17,271
Taxation	<u>(2,088)</u>	<u>(2,052)</u>	<u>(7,703)</u>	<u>(5,533)</u>
Profit for the period	<u>5,141</u>	<u>5,763</u>	<u>16,325</u>	<u>11,738</u>
Other comprehensive income				
Foreign currency translation differences for foreign operations	<u>146</u>	<u>80</u>	<u>16</u>	<u>374</u>
Other comprehensive income for the period	<u>146</u>	<u>80</u>	<u>16</u>	<u>374</u>
Total comprehensive income for the period	<u>5,287</u>	<u>5,843</u>	<u>16,341</u>	<u>12,112</u>
Profit attributable to:				
Equity holders of the Company	5,128	5,601	16,249	12,677
Non-controlling interests	<u>13</u>	<u>162</u>	<u>76</u>	<u>(939)</u>
Profit for the period	<u>5,141</u>	<u>5,763</u>	<u>16,325</u>	<u>11,738</u>
Total comprehensive income attributable to:				
Equity holders of the Company	5,274	5,681	16,265	13,051
Non-controlling interests	<u>13</u>	<u>162</u>	<u>76</u>	<u>(939)</u>
Total comprehensive income for the period	<u>5,287</u>	<u>5,843</u>	<u>16,341</u>	<u>12,112</u>
Earnings per share attributable to equity holders of the Company:				
Basic (sen)	<u>4.20</u>	<u>4.80</u>	<u>13.31</u>	<u>11.05</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 September 2014

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2014

	As at end of current quarter 30.09.2014 RM'000	As at preceding financial year end 31.12.2013 RM'000
ASSETS		
Non-current Assets		
Property, plant and equipment	160,781	170,254
Investment property	81,000	81,000
Other investments	476	822
Goodwill on consolidation	3,005	3,005
	<u>245,262</u>	<u>255,081</u>
Current Assets		
Inventories	-	603
Receivables	73,332	112,813
Cash and bank balances	62,835	38,086
	<u>136,167</u>	<u>151,502</u>
Non current assets held for sale	7,972	28,454
	<u>389,401</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)
Reserves	138,359	132,372
	<u>260,423</u>	<u>252,578</u>
Non-controlling Interests	890	1,190
Total Equity	<u>261,313</u>	<u>253,768</u>
Non-current Liabilities		
Borrowings	52,043	70,291
Payables	2,287	4,574
Deferred taxation	10,997	9,618
	<u>65,327</u>	<u>84,483</u>
Current Liabilities		
Borrowings	20,536	16,564
Payables	42,225	80,222
	<u>62,761</u>	<u>96,786</u>
Total Liabilities	<u>128,088</u>	<u>181,269</u>
TOTAL EQUITY AND LIABILITIES	<u>389,401</u>	<u>435,037</u>
Net assets per share attributable to ordinary equity holders of the Company (RM)	2.13	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 SEPTEMBER 2014

	Current year to date 30.09.2014 RM'000	Preceding year corresponding period 30.09.2013 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the year	16,325	11,738
Adjustments:		
Non-Cash Items	18,027	19,163
Non-Operating Items	<u>(3,744)</u>	<u>(152)</u>
Operating profit before working capital changes	30,608	30,749
Movement in working capital:		
Net change in current assets	27,857	2,546
Net change in current liabilities	<u>(28,879)</u>	<u>1,835</u>
Cash generated from operations	29,586	35,130
Tax Paid	<u>(6,183)</u>	<u>(3,916)</u>
Net cash generated from operating activities	<u>23,403</u>	<u>31,214</u>
CASH FLOWS FROM / (USED IN) INVESTING ACTIVITIES		
Acquisition of investment	-	(500)
Interest received	907	418
Disposal of property, plant and equipment	31,139	1,112
Disposal of investment	2,092	-
Proceeds from disposal of treasury shares	2,522	-
Purchase of property, plant and equipment	<u>(7,059)</u>	<u>(33,996)</u>
Net cash from / (used) in investing activities	<u>29,601</u>	<u>(32,966)</u>
CASH FLOWS (USED IN) / FROM FINANCING ACTIVITIES		
Net proceeds from issuance of shares	-	26,244
Subscription of shares in existing subsidiary company by non-controlling interests	30	-
Dividend paid to equity holders	(10,942)	(4,672)
Proceeds from borrowings	8,092	27,822
Repayment of borrowings	(22,370)	(23,848)
Purchase of own shares	-	(2,367)
Interest paid	<u>(3,065)</u>	<u>(3,006)</u>
Net cash (used in) / from financing activities	<u>(28,255)</u>	<u>20,173</u>
Net increase in cash and cash equivalents	24,749	18,421
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>62,835</u>	<u>39,349</u>
Cash and cash equivalents at the end of the financial period comprise the following :		
Cash on hand and at banks	12,413	11,474
Deposits with licensed banks	<u>50,422</u>	<u>27,875</u>
	<u>62,835</u>	<u>39,349</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.

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

	← Attributable to Equity Holders of the Company →				Non-controlling Total Interests RM'000	Total Equity RM'000	
	← Issued Capital RM'000	← Non-distributable Share Premium Reserve RM'000	→ Other Reserves RM'000	→ Distributable 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
Subscription of shares in existing subsidiary company by non-controlling interests	-	-	-	-	-	30	30
Disposal of subsidiary company	-	-	-	-	-	(406)	(406)
Disposal of treasury shares	-	-	1,858	-	1,858	-	1,858
Gain on disposal of treasury shares	-	664	-	-	664	-	664
Total comprehensive income for the period	-	-	16	16,249	16,265	76	16,341
Dividends paid	-	-	-	(10,942)	(10,942)	-	(10,942)
As at 30 September 2014	122,064	664	65	137,630	260,423	890	261,313
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	-	-	(2,367)	-	(2,367)	-	(2,367)
Exercise of warrants	-	1,312	(1,312)	-	-	-	-
Transfer to retained earnings upon lapse of warrants	-	-	(18)	18	-	-	-
Total comprehensive income for the period	-	-	374	12,677	13,051	(939)	12,112
Dividends paid	-	-	-	(4,672)	(4,672)	-	(4,672)
As at 30 September 2013	122,064	2,113	(10,013)	136,877	251,041	1,233	252,274

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, except the Company sold 1,083,974 ordinary shares of RM1.00 each held as treasury shares in the open market at an average price of RM2.33 per share.

8. Dividend Paid

On 12 Sept 2014, the Company paid a single tier dividend of 5.0 sen per share in respect of the financial year ending 31 December 2014, amounting to RM6.103 million.

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9. Segmental Reporting

Analysis of the Group's revenue and results for period ended 30 September 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	188,737	20,808	-	209,545
Inter-segment sales	<u>1,471</u>	<u>-</u>	<u>(1,471)</u>	<u>-</u>
Total revenue	<u>190,208</u>	<u>20,808</u>	<u>(1,471)</u>	<u>209,545</u>
Profit				
Segment results	22,637	3,565	(16)	26,186
Net finance costs				<u>(2,158)</u>
Profit from ordinary activities before taxation				24,028
Taxation				<u>(7,703)</u>
Profit from ordinary activities after taxation				16,325
Non-controlling interests				<u>(76)</u>
Net profit for the period				<u>16,249</u>

Analysis of the Group's revenue and results for period ended 30 September 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	157,648	24,164	-	181,812
Inter-segment sales	<u>2,908</u>	<u>-</u>	<u>(2,908)</u>	<u>-</u>
Total revenue	<u>160,556</u>	<u>24,164</u>	<u>(2,908)</u>	<u>181,812</u>
Profit				
Segment results	22,800	7,126	(10,066)	19,860
Net finance costs				<u>(2,589)</u>
Profit from ordinary activities before taxation				17,271
Taxation				<u>(5,533)</u>
Profit from ordinary activities after taxation				11,738
Non-controlling interests				<u>939</u>
Net profit for the period				<u>12,677</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

Save as disclosed in Note 21, there were no material events subsequent to the end of the interim period.

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12. Changes in Composition of the Group

On 8 August 2014, Century Logistics Sdn. Bhd., a wholly-owned subsidiary of the Company, had acquired 70,000 ordinary shares of RM1.00 each representing 70% of the total issued and paid-up share capital of Rainbow DMS Sdn. Bhd.

13. Capital Commitments

As at the end of the reporting quarter, the Group has approved and contracted for capital commitments of RM3.264 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 September 2014, the Group's revenue and pre-tax profit were RM69.433 million and RM7.229 million respectively, compared to revenue and pre-tax profit of RM70.753 million and RM7.815 million respectively for the corresponding period in the previous financial year. Revenue and pre-tax profit decreased marginally by 1.9% and 7.5% due to lower activities from the total logistics services segment.

16. Comparison with Immediate Preceding Quarter's Results

For the financial quarter ended 30 September 2014, the Group reported revenue and pre-tax profit of RM69.433 million and RM7.229 million respectively, compared to revenue and pre-tax profit of RM71.045 million and RM8.342 million respectively for the preceding quarter. The decrease in revenue by 2.3% and pre-tax profit by 13.3% were due to lower activities from the total 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 30.09.2014 RM'000	Preceding year corresponding quarter 30.09.2013 RM'000	Current year to date 30.09.2014 RM'000	Preceding year corresponding period 30.09.2013 RM'000
Provision for taxation	709	2,052	6,324	4,689
Deferred taxation	1,379	-	1,379	844
	<u>2,088</u>	<u>2,052</u>	<u>7,703</u>	<u>5,533</u>

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20. Note to the Statement of Comprehensive Income

	-----Individual quarter-----		-----Cumulative quarter-----	
	Current year quarter 30.09.2014 RM'000	Preceding year corresponding quarter 30.09.2013 RM'000	Current year to date 30.09.2014 RM'000	Preceding year corresponding period 30.09.2013 RM'000
Interest income	345	206	907	418
Interest expenses	(921)	(1,132)	(3,065)	(3,006)
Depreciation and amortisation	(2,710)	(2,991)	(8,310)	(9,357)
Provision for and write off of receivables	(103)	(953)	235	(1,057)
Foreign exchange gain / (loss)	459	(5)	546	(82)
Gain / (loss) on disposal of quoted or unquoted investments or properties	105	(9)	4,057	291
Reversal / (Impairment) of assets	25	(22)	(178)	(27)
Other income including investment income (excluding items disclosed above)	204	199	527	248

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

21. Status of Corporate Proposal

On 10 July 2014, the Company announced the following proposals:

- (i) 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 ("Bonus Issue");
- (ii) Share split involving the subdivision of one (1) Century Share (existing and Bonus Shares) held on the entitlement date after the Bonus Issue into two (2) ordinary shares of RM0.50 each in the Company ("Share Split"); and
- (iii) Amendments to the Memorandum and Articles of Association of the Company to facilitate the Share Split.

The Bonus Issue and Share Split were completed on 9 October 2014 following the listing of and quotation for the Bonus Shares and Subdivided Shares on the Main Market of Bursa Malaysia Securities Berhad.

22. Group's Borrowings and Debt Securities

	As at 30.09.2014 RM'000	As at 31.12.2013 RM'000
Short Term - Secured		
- Term Loans	18,030	11,040
- Foreign Term Loan	-	3,184
- Hire Purchase	2,506	2,340
	<u>20,536</u>	<u>16,564</u>
Long Term - Secured		
- Term Loans	46,266	57,459
- Foreign Term Loan	-	9,369
- Hire Purchase	5,777	3,463
	<u>52,043</u>	<u>70,291</u>
	<u>72,579</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. On 23 September 2014, the Kuala Lumpur High Court has allowed the Defendant's application to stay all proceedings in the High Court, pending the Defendant's appeal to the Court of Appeal against the High Court's decision in dismissing the Defendant's application to strike out the Plaintiff's claim. However, the Court of Appeal dismissed the Defendant's appeal with costs in the cause during the hearing on 18 November 2014. Following the dismissal of the Defendant's appeal, the High Court has on 20 November 2014, fixed the suit for further case management on 9 December 2014, pending the Plaintiff filing an application for leave to amend their Statement of Claim.

25. Realised and unrealised earnings or losses disclosure

	As at 30.09.2014 RM'000	As at 31.12.2013 RM'000
Total retained earnings of the Company and its subsidiaries		
- Realised	129,393	124,202
- Unrealised	(2,441)	(2,720)
Add: Consolidation adjustments	<u>10,678</u>	<u>10,841</u>
Total group retained earnings as per consolidated accounts	<u><u>137,630</u></u>	<u><u>132,323</u></u>

26. Dividend

The Board of Directors declares a single tier interim dividend of 2.0 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 30.09.2014 RM'000	Preceding year corresponding quarter 30.09.2013 RM'000	Current year to date 30.09.2014 RM'000	Preceding year corresponding period 30.09.2013 RM'000
Net profit attributable to equity holders of the Company	<u>5,128</u>	<u>5,601</u>	<u>16,249</u>	<u>12,677</u>
Weighted average number of ordinary shares in issue	<u>122,064</u>	<u>116,700</u>	<u>122,064</u>	<u>114,758</u>
Basic earnings per share (sen)	4.20	4.80	13.31	11.05

By Order of the Board of Directors

Company Secretary

Kuala Lumpur
20 November 2014