



**CENTURY LOGISTICS HOLDINGS BERHAD (424341-A)**

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

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

	-----Individual quarter-----		-----Cumulative quarter-----	
	Current year quarter 31.12.2014 RM'000	Preceding year corresponding quarter 31.12.2013 RM'000	Current year to date 31.12.2014 RM'000	Preceding year corresponding period 31.12.2013 RM'000
Revenue	65,687	74,001	275,232	255,813
Direct operating expenses	<u>(46,304)</u>	<u>(51,135)</u>	<u>(196,966)</u>	<u>(176,618)</u>
Gross profit	19,383	22,866	78,266	79,195
Net other operating expenses	<u>(415)</u>	<u>(12,349)</u>	<u>(33,112)</u>	<u>(48,818)</u>
Results from operating activities	18,968	10,517	45,154	30,377
Net finance costs	<u>(554)</u>	<u>(579)</u>	<u>(2,712)</u>	<u>(3,168)</u>
Profit before taxation	18,414	9,938	42,442	27,209
Taxation	<u>(1,331)</u>	<u>(105)</u>	<u>(9,034)</u>	<u>(5,638)</u>
Profit for the period	<u>17,083</u>	<u>9,833</u>	<u>33,408</u>	<u>21,571</u>
Other comprehensive income				
Foreign currency translation differences for foreign operations	<u>377</u>	<u>(41)</u>	<u>393</u>	<u>333</u>
Other comprehensive income for the period	<u>377</u>	<u>(41)</u>	<u>393</u>	<u>333</u>
Total comprehensive income for the period	<u>17,460</u>	<u>9,792</u>	<u>33,801</u>	<u>21,904</u>
Profit attributable to:				
Equity holders of the Company	17,041	9,876	33,290	22,553
Non-controlling interests	<u>42</u>	<u>(43)</u>	<u>118</u>	<u>(982)</u>
Profit for the period	<u>17,083</u>	<u>9,833</u>	<u>33,408</u>	<u>21,571</u>
Total comprehensive income attributable to:				
Equity holders of the Company	17,418	9,835	33,683	22,886
Non-controlling interests	<u>42</u>	<u>(43)</u>	<u>118</u>	<u>(982)</u>
Total comprehensive income for the period	<u>17,460</u>	<u>9,792</u>	<u>33,801</u>	<u>21,904</u>
Earnings per share attributable to equity holders of the Company:				
Basic (sen)	<u>4.65</u>	<u>2.94</u>	<u>9.12</u>	<u>6.87</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.

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2014**

	As at end of current quarter 31.12.2014 RM'000	As at preceding financial year end 31.12.2013 RM'000
<b>ASSETS</b>		
<b>Non-current Assets</b>		
Property, plant and equipment	158,665	170,254
Investment property	83,500	81,000
Other investments	352	822
Goodwill on consolidation	1,443	3,005
	<u>243,960</u>	<u>255,081</u>
<b>Current Assets</b>		
Inventories	913	603
Receivables	93,427	112,813
Cash and bank balances	71,044	38,086
	<u>165,384</u>	<u>151,502</u>
Non current assets held for sale	-	28,454
	<u>409,344</u>	<u>435,037</u>
<b>TOTAL ASSETS</b>		
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the Company</b>		
Share capital	183,096	122,064
Treasury shares	-	(1,858)
Reserves	87,421	132,372
	<u>270,517</u>	<u>252,578</u>
<b>Non-controlling Interests</b>	933	1,190
<b>Total Equity</b>	<u>271,450</u>	<u>253,768</u>
<b>Non-current Liabilities</b>		
Borrowings	49,771	70,291
Payables	-	4,574
Deferred taxation	9,299	9,618
	<u>59,070</u>	<u>84,483</u>
<b>Current Liabilities</b>		
Borrowings	20,901	16,564
Payables	57,923	80,222
	<u>78,824</u>	<u>96,786</u>
<b>Total Liabilities</b>	<u>137,894</u>	<u>181,269</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>409,344</u>	<u>435,037</u>
Net assets per share attributable to ordinary equity holders of the Company (RM)	0.74	2.09

Based on 366,192,890 ordinary shares of RM0.50 each

(31.12.2013 : 122,064,297 ordinary shares of RM1.00 each)

**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 DECEMBER 2014**

	Current year to date 31.12.2014 RM'000	Preceding year corresponding period 31.12.2013 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit for the year	33,408	21,571
Adjustments:		
Non-Cash Items	23,386	25,882
Non-Operating Items	<u>(17,113)</u>	<u>(5,026)</u>
Operating profit before working capital changes	39,681	42,427
Movement in working capital:		
Net change in current assets	6,627	(15,372)
Net change in current liabilities	<u>(6,717)</u>	<u>28,329</u>
Cash generated from operations	39,591	55,384
Tax Paid	<u>(8,634)</u>	<u>(3,264)</u>
Net cash generated from operating activities	<u>30,957</u>	<u>52,120</u>
<b>CASH FLOWS FROM / (USED IN) INVESTING ACTIVITIES</b>		
Dividend received	12	-
Acquisition of investment	-	(500)
Interest received	1,270	918
Disposal of property, plant and equipment	48,180	11,493
Disposal of investment	384	-
Proceeds from disposal of subsidiary companies	1,627	-
Purchase of property, plant and equipment	<u>(8,519)</u>	<u>(54,652)</u>
Net cash from / (used) in investing activities	<u>42,954</u>	<u>(42,741)</u>
<b>CASH FLOWS (USED IN) / FROM FINANCING ACTIVITIES</b>		
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	(18,266)	(12,971)
Proceeds from disposal of treasury shares	2,522	-
Proceeds from borrowings	6,015	37,636
Repayment of borrowings	(27,272)	(36,678)
Purchase of own shares	-	(2,366)
Interest paid	<u>(3,982)</u>	<u>(4,086)</u>
Net cash (used in) / from financing activities	<u>(40,953)</u>	<u>7,779</u>
Net increase in cash and cash equivalents	32,958	17,158
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>71,044</u>	<u>38,086</u>
Cash and cash equivalents at the end of the financial period comprise the following :		
Cash on hand and at banks	22,020	10,408
Deposits with financial institutions	<u>49,024</u>	<u>27,678</u>
	<u>71,044</u>	<u>38,086</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 DECEMBER 2014**

	← Attributable to Equity Holders of the Company →						
	← Non-distributable	Share Premium	Other	Distributable			
	Issued Capital	Reserve	Reserves	Retained	Non-controlling	Interests	Total
	RM'000	RM'000	RM'000	Earnings	Total	RM'000	Equity
				RM'000	RM'000		RM'000
<b>As at end of current quarter</b>							
As at 1 January 2014	122,064	-	(1,809)	132,323	252,578	1,190	253,768
Capitalisation for bonus issue	61,032	(664)	-	(60,368)	-	-	-
Subscription of shares in existing subsidiary company by non-controlling interests	-	-	-	-	-	30	30
Disposal of subsidiary company	-	-	-	-	-	(405)	(405)
Disposal of treasury shares	-	664	1,858	-	2,522	-	2,522
Total comprehensive income for the period	-	-	393	33,290	33,683	118	33,801
Dividends paid	-	-	-	(18,266)	(18,266)	-	(18,266)
As at 31 December 2014	183,096	-	442	86,979	270,517	933	271,450
<b>As at preceding year corresponding quarter</b>							
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	-	-	(2,366)	-	(2,366)	-	(2,366)
Exercise of warrants	-	1,312	(1,312)	-	-	-	-
Transfer to retained earnings upon expiry of warrants	-	-	438	(438)	-	-	-
Total comprehensive income for the period	-	-	333	22,553	22,886	(982)	21,904
Distribution of share dividend	-	(2,113)	7,788	(5,675)	-	-	-
Dividends paid	-	-	-	(12,971)	(12,971)	-	(12,971)
As at 31 December 2013	122,064	-	(1,809)	132,323	252,578	1,190	253,768

**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 changes in debt or equity securities during the financial quarter under review, except the Company issued 61,032,148 bonus shares on the basis of one (1) bonus share for every two (2) existing Century shares by way of capitalisation of RM61.032 million from the Company's retained earnings and share premium ("Bonus Issue") and a 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.

### **8. Dividend Paid**

On 19 December 2014, the Company paid a single tier dividend of 2.0 sen per share in respect of the financial year ending 31 December 2014, amounting to RM7.324 million.

**9. Segmental Reporting**

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

	Total Logistics Services RM'000	Procurement Logistics Services RM'000	Consolidation Adjustment RM'000	Group Results RM'000
<b>Revenue</b>				
External sales	247,236	27,996	-	275,232
Inter-segment sales	<u>2,360</u>	<u>-</u>	<u>(2,360)</u>	<u>-</u>
Total revenue	<u>249,596</u>	<u>27,996</u>	<u>(2,360)</u>	<u>275,232</u>
<b>Profit</b>				
Segment results	42,310	5,184	(2,340)	45,154
Net finance costs				<u>(2,712)</u>
Profit from ordinary activities before taxation				42,442
Taxation				<u>(9,034)</u>
Profit from ordinary activities after taxation				33,408
Non-controlling interests				<u>(118)</u>
Net profit for the period				<u>33,290</u>

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

	Total Logistics Services RM'000	Procurement Logistics Services RM'000	Consolidation Adjustment RM'000	Group Results RM'000
<b>Revenue</b>				
External sales	222,961	32,852	-	255,813
Inter-segment sales	<u>3,764</u>	<u>-</u>	<u>(3,764)</u>	<u>-</u>
Total revenue	<u>226,725</u>	<u>32,852</u>	<u>(3,764)</u>	<u>255,813</u>
<b>Profit</b>				
Segment results	38,274	8,392	(16,289)	30,377
Net finance costs				<u>(3,168)</u>
Profit from ordinary activities before taxation				27,209
Taxation				<u>(5,638)</u>
Profit from ordinary activities after taxation				21,571
Non-controlling interests				<u>982</u>
Net profit for the period				<u>22,553</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. The Group's investment property is reported at fair value with a revaluation gain of RM2.500 million.

**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.

**12. Changes in Composition of the Group**

On 31 December 2014, Century Logistics Sdn. Bhd. ("CLSB"), a wholly-owned subsidiary of the Company had disposed 114,986 ordinary shares of Indian Rupee ("INR") 10 each in the capital of Expo Century Logistics Pvt. Ltd. ("ECL"), representing 51% of the equity interest of ECL, for a total cash consideration of INR883,092 (equivalent to RM49,025 received). The proceeds from the disposal was received on 5 January 2015.

On the same date, CLSB had disposed 2,550,000 ordinary shares of RM1.00 each in the capital of Century Onsys Sdn. Bhd. ("COSB"), representing 51% of the equity interest of COSB, for a total cash consideration of RM1.00.

**13. Capital Commitments**

As at the end of the reporting quarter, the Group has approved and contracted for capital commitments of RM43.084 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 December 2014, the Group's revenue and pre-tax profit were RM65.687 million and RM18.414 million respectively, compared to revenue and pre-tax profit of RM74.001 million and RM9.938 million respectively for the corresponding period in the previous financial year. The decrease in revenue by 11.2% was mainly due to the lower activities of the total logistics services segment. However, the increase in pre-tax profit by 85.3% was mainly due to gain on disposal of property, plant and equipment and gain on revaluation of investment property in the current quarter.

**16. Comparison with Immediate Preceding Quarter's Results**

For the financial quarter ended 31 December 2014, the Group reported revenue and pre-tax profit of RM65.687 million and RM18.414 million respectively, compared to revenue and pre-tax profit of RM69.433 million and RM7.229 million respectively for the preceding quarter. The decrease in revenue by 5.4% was mainly due to the lower activities of the total logistics services segment. However, the increase in pre-tax profit by 154.7% was mainly due to the reasons disclosed in Note 15 above.

**17. Prospects for the Next Financial Year**

Despite the weaker global and regional economic climate due largely to the dip in oil prices, the Group remains confident of its performance in the financial year ending 31 December 2015. This confidence stems from the successful business model which the Group has put in place; a model 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 31.12.2014 RM'000	Preceding year corresponding quarter 31.12.2013 RM'000	Current year to date 31.12.2014 RM'000	Preceding year corresponding period 31.12.2013 RM'000
Provision for taxation	3,029	1,012	9,353	5,701
Deferred taxation	(1,698)	(907)	(319)	(63)
	<u>1,331</u>	<u>105</u>	<u>9,034</u>	<u>5,638</u>

**20. Note to the Statement of Comprehensive Income**

	-----Individual quarter-----		-----Cumulative quarter-----	
	Current year quarter 31.12.2014 RM'000	Preceding year corresponding quarter 31.12.2013 RM'000	Current year to date 31.12.2014 RM'000	Preceding year corresponding period 31.12.2013 RM'000
Interest income	363	500	1,270	918
Interest expenses	(917)	(1,080)	(3,982)	(4,086)
Depreciation and amortisation	(1,726)	(2,911)	(10,036)	(12,268)
Provision for and write off of receivables	737	(2,910)	972	(3,968)
Foreign exchange gain / (loss)	908	(673)	1,454	(755)
Gain / (loss) on disposal of quoted or unquoted investments or properties	10,648	(4,830)	14,705	(4,538)
Impairment of goodwill	(1,562)	(725)	(1,562)	(725)
Impairment of assets	(1,860)	(33)	(2,038)	(60)
Revaluation gain on investment property	2,500	10,581	2,500	10,581
Other income including investment income (excluding items disclosed above)	14	92	541	340

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

**21. Status of Corporate Proposal**

On 8 January 2015, the Company implemented an Employee's Share Option Scheme ("ESOS") of up to 15% of the issued and paid-up share capital (excluding treasury shares) of the Company for eligible directors and executive employees of the Company and its subsidiary companies who fulfill the criteria of eligibility as stipulated in the by-laws governing the ESOS.

**22. Group's Borrowings and Debt Securities**

	As at 31.12.2014 RM'000	As at 31.12.2013 RM'000
Short Term - Secured		
- Term Loans	18,547	11,040
- Foreign Term Loan	-	3,184
- Hire Purchase	2,354	2,340
	<u>20,901</u>	<u>16,564</u>
Long Term - Secured		
- Term Loans	44,655	57,459
- Foreign Term Loan	-	9,369
- Hire Purchase	5,116	3,463
	<u>49,771</u>	<u>70,291</u>
	<u>70,672</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 ("the Application").

On 9 December 2014, the Plaintiff informed the High Court that they have filed an application for leave to amend the Application. As the Defendant intends to oppose the Application, the High Court allowed the Plaintiff to amend the application on 5 February 2015. The Defendant will therefore file their Amended Statement of Defence accordingly. Case management is fixed on 6 March 2015 for parties to finalise and file Common Bundle of Documents, Issues to be tried, Summary of Cases, Lists of Witnesses, Agreed Facts and Witness Statements. The matter was fixed for trial on 1, 2, 6, 8 and 9 April 2015.

**25. Realised and unrealised earnings or losses disclosure**

	As at 31.12.2014 RM'000	As at 31.12.2013 RM'000
Total retained earnings of the Company and its subsidiaries		
- Realised	85,062	124,202
- Unrealised	3,146	(2,720)
Add: Consolidation adjustments	<u>(1,229)</u>	<u>10,841</u>
Total group retained earnings as per consolidated accounts	<u>86,979</u>	<u>132,323</u>

**26. Dividend**

The Board of Directors recommend a single tier final dividend of 1.0 sen per ordinary share of RM0.50 each in respect of the financial year ended 31 December 2014, subject to the approval of the shareholders at the forthcoming Annual General Meeting.

The Company had on 12 September 2014 and 19 December 2014, paid single tier interim dividends of 5.0 sen per ordinary share of RM1.00 each (before the bonus issue and share split as mentioned in Note 7) and 2.0 sen per ordinary share of RM0.50 each (after the bonus issue and share split as mentioned in Note 7) respectively, in respect of the financial year ended 31 December 2014.

**27. Earnings Per Share**

	-----Individual quarter-----		-----Cumulative quarter-----	
	Current year quarter 31.12.2014 RM'000	Preceding year corresponding quarter 31.12.2013 RM'000	Current year to date 31.12.2014 RM'000	Preceding year corresponding period 31.12.2013 RM'000
Net profit attributable to equity holders of the Company	<u>17,041</u>	<u>9,876</u>	<u>33,290</u>	<u>22,553</u>
Weighted average number of ordinary shares in issue	<u>366,193</u>	<u>336,224</u>	<u>365,019</u>	<u>328,059</u>
Basic earnings per share (sen)	4.65	2.94	9.12	6.87

Weighted average number of ordinary shares in issue in financial year ended 31 December 2013 has been adjusted as if the proportionate change in the number of ordinary shares arising from the bonus issue and share split exercises in the current financial year ended 31 December 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