



CENTURY LOGISTICS HOLDINGS BERHAD (424341-A)

Interim report on unaudited consolidated results for the financial period ended 31 December 2013

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE QUARTER ENDED 31 DECEMBER 2013

	-----Individual quarter-----		-----Cumulative quarter-----	
	Current year quarter 31.12.2013 RM'000	Preceding year corresponding quarter 31.12.2012 RM'000	Current year to date 31.12.2013 RM'000	Preceding year corresponding period 31.12.2012 RM'000
Revenue	74,001	64,104	255,813	256,853
Direct operating expenses	<u>(51,135)</u>	<u>(45,027)</u>	<u>(176,618)</u>	<u>(184,747)</u>
Gross profit	22,866	19,077	79,195	72,106
Net other operating expenses	<u>(12,350)</u>	<u>(10,179)</u>	<u>(48,819)</u>	<u>(43,990)</u>
Results from operating activities	10,516	8,898	30,376	28,116
Net finance costs	<u>(579)</u>	<u>(934)</u>	<u>(3,168)</u>	<u>(3,255)</u>
Profit before taxation	9,937	7,964	27,208	24,861
Taxation	<u>(105)</u>	<u>(2,225)</u>	<u>(5,638)</u>	<u>(8,475)</u>
Profit for the period	<u>9,832</u>	<u>5,739</u>	<u>21,570</u>	<u>16,386</u>
Other comprehensive income				
Foreign currency translation differences for foreign operations	<u>(41)</u>	<u>(48)</u>	<u>333</u>	<u>(128)</u>
Other comprehensive income for the period	<u>(41)</u>	<u>(48)</u>	<u>333</u>	<u>(128)</u>
Total comprehensive income for the period	<u>9,791</u>	<u>5,691</u>	<u>21,903</u>	<u>16,258</u>
Profit attributable to:				
Equity holders of the Company	9,875	5,910	22,552	17,614
Non-controlling interests	<u>(43)</u>	<u>(171)</u>	<u>(982)</u>	<u>(1,228)</u>
Profit for the period	<u>9,832</u>	<u>5,739</u>	<u>21,570</u>	<u>16,386</u>
Total comprehensive income attributable to:				
Equity holders of the Company	9,834	5,862	22,885	17,486
Non-controlling interests	<u>(43)</u>	<u>(171)</u>	<u>(982)</u>	<u>(1,228)</u>
Total comprehensive income for the period	<u>9,791</u>	<u>5,691</u>	<u>21,903</u>	<u>16,258</u>
Earnings per share attributable to equity holders of the Company:				
Basic (sen)	<u>8.22</u>	<u>6.58</u>	<u>19.42</u>	<u>20.39</u>
Diluted (sen)	<u>8.22</u>	<u>5.83</u>	<u>19.42</u>	<u>17.98</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 31 DECEMBER 2013

	As at end of current quarter 31.12.2013 RM'000	As at preceding financial year end 31.12.2012 RM'000
ASSETS		
Non-current Assets		
Property, plant and equipment	198,708	244,001
Investment property	81,000	-
Deferred tax asset	-	122
Other investments	822	381
Goodwill on consolidation	3,005	3,730
	<u>283,535</u>	<u>248,234</u>
Current Assets		
Inventories	603	-
Receivables	112,813	102,233
Cash and bank balances	38,086	20,928
	<u>151,502</u>	<u>123,161</u>
TOTAL ASSETS	<u>435,037</u>	<u>371,395</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	122,064	95,820
Treasury shares	(1,858)	(7,280)
Reserves	132,371	130,245
	<u>252,577</u>	<u>218,785</u>
Non-controlling Interests	<u>1,190</u>	<u>2,172</u>
Total Equity	<u>253,767</u>	<u>220,957</u>
Non-current Liabilities		
Borrowings	70,425	54,777
Payables	4,574	9,148
Deferred taxation	9,791	9,803
	<u>84,790</u>	<u>73,728</u>
Current Liabilities		
Borrowings	16,431	26,736
Payables	80,049	49,974
	<u>96,480</u>	<u>76,710</u>
Total Liabilities	<u>181,270</u>	<u>150,438</u>
TOTAL EQUITY AND LIABILITIES	<u>435,037</u>	<u>371,395</u>
Net assets per share attributable to ordinary equity holders of the Company (RM)	2.09	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 31 DECEMBER 2013

	Current year to date 31.12.2013 RM'000	Preceding year corresponding period 31.12.2012 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the year	21,570	16,386
Adjustments:		
Non-Cash Items	26,655	23,915
Non-Operating Items	<u>(5,485)</u>	<u>(885)</u>
Operating profit before working capital changes	42,740	39,416
Movement in working capital:		
Net change in current assets	(15,566)	17,790
Net change in current liabilities	<u>23,549</u>	<u>(22,599)</u>
Cash generated from operations	50,723	34,607
Tax Paid	<u>(4,014)</u>	<u>(7,797)</u>
Net cash generated from operating activities	<u>46,709</u>	<u>26,810</u>
CASH FLOWS USED IN INVESTING ACTIVITIES		
Dividend received	-	270
Acquisition of investment	(500)	-
Interest received	918	625
Disposal of property, plant and equipment	11,451	1,260
Disposal of investment	-	1,624
Adjustment to equity due to increase of stake in subsidiary	-	(62)
Purchase of property, plant and equipment	<u>(47,846)</u>	<u>(45,502)</u>
Net cash used in investing activities	<u>(35,977)</u>	<u>(41,785)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Net proceeds from issuance of shares	26,244	11,684
Subscription of shares in existing subsidiary company by non-controlling interests	-	1,715
Dividend paid to equity holders	(12,971)	(9,730)
Proceeds from borrowings	37,636	29,286
Repayment of borrowings	(38,031)	(14,417)
Purchase of own shares	(2,366)	(1,370)
Interest paid	<u>(4,086)</u>	<u>(3,880)</u>
Net cash generated from financing activities	<u>6,426</u>	<u>13,288</u>
Net increase/(decrease) in cash and cash equivalents	17,158	(1,687)
Cash and cash equivalents at beginning of the period	<u>20,928</u>	<u>22,615</u>
Cash and cash equivalents at end of the period	<u>38,086</u>	<u>20,928</u>
Cash and cash equivalents at the end of the financial period comprise the following :		
Cash on hand and at banks	10,408	9,995
Deposits with licensed banks	<u>27,678</u>	<u>10,933</u>
	<u>38,086</u>	<u>20,928</u>

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 31 DECEMBER 2013

	Attributable to Equity Holders of the Company					Non-controlling Interests RM'000	Total Equity RM'000
	Issued Capital RM'000	Non-distributable		Distributable Retained Earnings RM'000	Total RM'000		
Share Premium Reserve RM'000		Other Reserves 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	-	-	(2,366)	-	(2,366)	-	(2,366)
Exercise of warrants	-	1,312	(1,312)	-	-	-	-
Transfer to retained earnings upon lapse of warrants	-	-	438	(438)	-	-	-
Total comprehensive income for the period	-	-	333	22,552	22,885	(982)	21,903
Dividend in shares	-	(2,113)	7,788	(5,675)	-	-	-
Dividends paid	-	-	-	(12,971)	(12,971)	-	(12,971)
As at 31 December 2013	122,064	-	(1,809)	132,322	252,577	1,190	253,767
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	11,684	-	-	-	11,684	-	11,684
Subscription of shares in existing subsidiary company by non-controlling interests	-	-	-	-	-	1,715	1,715
Purchase of treasury shares	-	-	(1,370)	-	(1,370)	-	(1,370)
Exercise of warrants	-	584	(584)	-	-	-	-
Acquisition of non-controlling interests in a subsidiary company	-	-	-	-	-	(4)	(4)
Total comprehensive income for the period	-	-	(128)	17,614	17,486	(1,228)	16,258
Dividends paid	-	-	-	(9,730)	(9,730)	-	(9,730)
As at 31 December 2012	95,820	801	(6,690)	128,854	218,785	2,172	220,957

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

Amendments to MFRSs contained in the document entitled Annual Improvements 2009-2011 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 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, except that on 3 Oct 2013, an amount of RM2,113,194 and RM5,674,807 standing to the credit of the share premium and retained profit account respectively were applied in paying up in full 4,669,746 ordinary shares of RM1.00 each, which were allotted and distributed as fully paid to existing shareholders on the basis of one (1) treasury share for every twenty-five (25) existing ordinary shares of RM1.00 each held in the Company.

8. Dividend Paid

On 3 October 2013, the Company paid a single tier interim dividend of 4.0 sen per share in respect of the financial year ending 31 December 2013, amounting to RM4.67 million. Subsequently on 27 December 2013, the Company paid a second single tier interim dividend of 3.0 sen per share in respect of the financial year ending 31 December 2013, amounting to RM3.63 million.

9. Segmental Reporting

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
Revenue				
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>
Profit				
Segment results	38,274	8,391	(16,289)	30,376
Net finance costs				<u>(3,168)</u>
Profit from ordinary activities before taxation				27,208
Taxation				<u>(5,638)</u>
Profit from ordinary activities after taxation				21,570
Non-controlling interests				<u>982</u>
Net profit for the period				<u>22,552</u>

Analysis of the Group's revenue and results for period ended 31 December 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	223,526	33,327	-	256,853
Inter-segment sales	<u>3,820</u>	<u>-</u>	<u>(3,820)</u>	<u>-</u>
Total revenue	<u>227,346</u>	<u>33,327</u>	<u>(3,820)</u>	<u>256,853</u>
Profit				
Segment results	29,312	8,861	(10,057)	28,116
Net finance costs				<u>(3,255)</u>
Profit from ordinary activities before taxation				24,861
Taxation				<u>(8,475)</u>
Profit from ordinary activities after taxation				16,386
Non-controlling interests				<u>1,228</u>
Net profit for the period				<u>17,614</u>

10. Valuation of Property, Plant and Equipment and Investment Property

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 RM10.581 million.

11. Material Events Subsequent to the End of the Interim Period

On 24 February 2014, Century Logistics Sdn. Bhd., a wholly-owned subsidiary of the Company, entered into a Share Sale Agreement with Brightberry Sdn. Bhd. ("Brightberry") to dispose 459,000 ordinary shares of RM1.00 each in the capital of Storewell Realty Sdn. Bhd. ("Storewell"), representing 51% of the equity interest in Storewell to Brightberry, for a total cash consideration of RM7.90 million.

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 RM27.8 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 31 December 2013, the Group's revenue and pre-tax profit were RM74.001 million and RM9.937 million respectively, compared to revenue and pre-tax profit of RM64.104 million and RM7.964 million respectively for the corresponding period in the previous financial year. The increase in revenue by 15.4% was mainly due to the increased activities of the total logistics services segment. The increase in pre-tax profit by 24.8% was due to the gain on revaluation of investment property amounting to RM10.581 million. There was a loss on disposal of vessel amounting to RM4.820 million and provision for doubtful debts from a debtor amounting to RM2.729 million.

16. Comparison with Immediate Preceding Quarter's Results

For the financial quarter ended 31 December 2013, the Group reported revenue and pre-tax profit of RM74.001 million and RM9.937 million respectively, compared to revenue and pre-tax profit of RM70.753 million and RM7.815 million respectively for the preceding quarter. The increase in revenue and pre-tax profit by 4.6% and 27.2% respectively were due to the reasons mentioned in Note 15 above.

17. Prospects for the Next Financial Year

The Group remains confident of its business model and expects to perform well in the financial year ending 31 December 2014. 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 31.12.2013 RM'000	Preceding year corresponding quarter 31.12.2012 RM'000	Current year to date 31.12.2013 RM'000	Preceding year corresponding period 31.12.2012 RM'000
Provision for taxation	839	1,584	5,528	7,811
Deferred taxation	(734)	641	110	664
	<u>105</u>	<u>2,225</u>	<u>5,638</u>	<u>8,475</u>

The lower provision for taxation during the current financial quarter was mainly due to the claim of reinvestment allowance by a subsidiary amounting to RM1.4 million.

20. Note to the Statement of Comprehensive Income

	-----Individual quarter-----		-----Cumulative quarter-----	
	Current year quarter 31.12.2013 RM'000	Preceding year corresponding quarter 31.12.2012 RM'000	Current year to date 31.12.2013 RM'000	Preceding year corresponding period 31.12.2012 RM'000
Interest income	500	128	918	625
Interest expenses	(1,080)	(1,062)	(4,086)	(3,880)
Depreciation and amortisation	(2,911)	(3,243)	(12,268)	(12,270)
Provision for and write off of inventories	-	(120)	-	(120)
Provision for and write off of receivables	(2,910)	402	(3,968)	253
Foreign exchange gain/(loss)	(673)	174	(755)	24
Gain/(loss) on disposal of quoted or unquoted investments or properties	(4,830)	830	(4,538)	793
Reversal / (Impairment) of assets	(33)	(6)	(60)	171
Revaluation gain on investment property	10,581	-	10,581	-
Other income including investment income (excluding items disclosed above)	92	2,389	340	2,841

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 31.12.2013 RM'000	As at 31.12.2012 RM'000
Short Term - Unsecured		
- Revolving Credit	-	10,000
Short Term - Secured		
- Term Loans	10,907	9,291
- Foreign Term Loan	3,184	5,077
- Hire Purchase	2,340	2,368
	<u>16,431</u>	<u>26,736</u>
Long Term - Secured		
- Term Loans	57,593	33,864
- Foreign Term Loan	9,369	18,230
- Hire Purchase	3,463	2,683
	<u>70,425</u>	<u>54,777</u>
	<u>86,856</u>	<u>81,513</u>
Borrowings denominated in foreign currency:		
Term loan - (31.12.2013 : THB125,550,355) (31.12.2012 : THB153,171,606)	12,553	14,855
Term loan - (31.12.2013 : NIL) (31.12.2012 : USD2,826,250)	-	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

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.

Century Total Logistics Sdn Bhd ("CTL SB"), a wholly-owned subsidiary of the Company, had on 25 February 2014 received a letter from Messrs. Tay & Partners enclosing the following documents:

- a) a sealed writ of summons dated 20 February 2014 ("Writ");
- b) a sealed statement of claim dated 20 February 2014 ("SOC"); and
- c) a letter from Kuala Lumpur High Court dated 21 February 2014.

The Writ and SOC are in respect of a claim made by SCA Hygiene Malaysia Sdn. Bhd. ("SCA") against CTL SB allegedly for breach of contract by CTL SB.

As a result of the alleged breach of contract by CTL SB, SCA claims against CTL SB for the following:

- a) payment of damages of RM5,745,600.00;
- b) an order that damages for other loss and damages suffered by SCA as a result of the alleged breach of contract by CTL SB be assessed by the registrar of the High Court of Malaya ("High Court") and be paid by CTL SB to SCA;
- c) payment of interest on the damages of RM5,745,600.00 and damages for other loss and damages as assessed by the High Court pursuant to paragraph (b) above;
- d) costs; and
- e) such further or other relief as the High Court deems just and fit to grant.

The High Court has fixed the aforesaid matter for Case Management on 20 March 2014.

The Company is now seeking legal advice on the aforesaid matter.

25. Realised and unrealised earnings or losses disclosure

	As at 31.12.2013 RM'000	As at 31.12.2012 RM'000
Total retained earnings of the Company and its subsidiaries		
- Realised	124,375	131,956
- Unrealised	(2,894)	(9,250)
Add: Consolidation adjustments	<u>10,841</u>	<u>6,148</u>
Total group retained earnings as per consolidated accounts	<u><u>132,322</u></u>	<u><u>128,854</u></u>

26. Dividend

The Board of Directors recommend a single tier final dividend of 4.0 sen per share in respect of the financial year ended 31 December 2013, subject to the approval of the shareholders at the forthcoming Annual General Meeting. The dividend for the financial year ended 31 December 2013 totals 11.0 sen per share.

The Company had on 3 October 2013 and 27 December 2013, paid single tier interim dividends of 4.0 sen per share and 3.0 sen per share respectively. This is in addition to the interim share dividend of one (1) treasury share for every twenty-five (25) existing ordinary shares held in the Company, which was distributed on 3 October 2013.

CENTURY LOGISTICS HOLDINGS BERHAD (424341-A)

Interim report on unaudited consolidated results for the financial period ended 31 December 2013

27. Earnings Per Share

	-----Individual quarter-----		-----Cumulative quarter-----	
	Current year quarter 31.12.2013 RM'000	Preceding year corresponding quarter 31.12.2012 RM'000	Current year to date 31.12.2013 RM'000	Preceding year corresponding period 31.12.2012 RM'000
Net profit attributable to equity holders of the Company	<u>9,875</u>	<u>5,910</u>	<u>22,552</u>	<u>17,614</u>
Weighted average number of ordinary shares in issue	120,202	89,778	116,119	86,375
Effect on dilution of warrants	-	11,573	-	11,573
Weighted average number of ordinary shares (diluted)	<u>120,202</u>	<u>101,351</u>	<u>116,119</u>	<u>97,948</u>
Basic earnings per share (sen)	8.22	6.58	19.42	20.39
Diluted earnings per share (sen)	8.22	5.83	19.42	17.98

By Order of the Board of Directors

Company Secretary

Kuala Lumpur
27 February 2014