



Century Logistics wants RM500m turnover in two to three years

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SHAH ALAM: Century Logistics Holdings Bhd, an integrated logistics services provider, expects RM500 million turnover in two to three years from RM300 million in 2015, primarily driven by its existing core businesses and mergers and acquisitions (M&As) activity.

"We are trying to achieve RM500 million turnover target for the next 2 to 3 years. This year we target RM300 million," its managing director Steven Teow Choo Hing told reporters after its EGM here yesterday.

He said the group is currently looking at organic growth, specifically its freight forwarding site, as well as acquisitions of businesses and investments into assets such as industrial landbank.

Teow revealed that the group is currently in talks with a local company involved in document management services, without setting a time frame for its acquisition & merger plans.

"There is a verbal acceptance, now we are talking on the price," he said.

"We like their IP (intellectual property). So, we don't want to reinvent the wheel and go organic. We hope to take the IP, and with the networking that we have, it will form a win-win or mutual benefit partnership," Teow added, noting that the M&A will be made via internal generated funds.

"We have actually park aside funds for any good acquisition," said its finance director Edwin Yeap, who explained that the group has between RM60 million and RM70 million of cash balance.

Meanwhile, Teow noted that the current environment of low oil prices favours its transportation business, due to low operation costs, whereby the group's storage services also benefits if the oil prices went up.

"When they (customers) buy high and sell low, they rather hold (products), and when they hold we enjoy the storage. While we enjoy the storage part, we don't enjoy the movement (transportation) part. That is how it affects us, realistically."

The group provides floating storage and transshipment services for international oil trading companies and procurement logistics services to electrical and electronics customers.

It is also involved in supply chain management and ship-to-ship (STS) transfer for fuel oil traders, including services for floating storage units (FSU) within the port limits of Port of Tanjung Pelepas and Pasir Gudang in Johor.

For the first nine months ended Sept 30, 2014, Century Logistics posted a net profit of RM16.25 million, an increase of 27.5% from RM12.68 million a year ago.

The group registered revenue of RM209.54 million for the same period, up from RM181.81 million for the same period in 2013.