(716241-X)

COMPLETE LOGISTIC SERVICES BERHAD

Annual Report

2008

COMPLETE LOGISTIC SERVICES BERHAD (716241-X)

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COMPLETE LOGISTIC SERVICES BERHAD

No.25,Jalan Berangan, 42000 Port Klang, Selangor Darul Ehsan. Tel: (603) 3168 0757 Fax: (603) 3167 1145 E-mail: info@complete-group.com

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Corporate Information

BOARD OF DIRECTORS
Tan Sri Dato' Seri Dr Ting Chew Peh
(Independent Non-Executive Chairman)

Tan Sri Dato' Seri Law Hieng Ding
(Independent Non-Executive Director)

Law Hee Ling
(Managing Director)

Lim Kok Onn
(Executive Director)

Hoo Mee Lien
(Executive Director)

Chia Kah Ying
(Executive Director)

AUDIT COMMITTEE
Chairman
Tan Sri Dato' Seri Dr Ting Chew Peh

Members
Tan Sri Dato' Seri Law Hieng Ding
Chia Kah Ying

REMUNERATION COMMITTEE
Chairman
Tan Sri Dato' Seri Dr Ting Chew Peh

Members
Tan Sri Dato' Seri Law Hieng Ding
Law Hee Ling

NOMINATION COMMITTEE
Chairman
Tan Sri Dato' Seri Dr Ting Chew Peh

Members
Tan Sri Dato' Seri Law Hieng Ding
Lim Kok Onn

COMPANY SECRETARIES
Chia Ong Leong (MIA 4797)
Chia Kia Hock (LS 1825)

REGISTERED OFFICE
No. 82F Jalan Pulasan
41000 Klang
Selangor Darul Ehsan
Tel: 603-3371 4725
Fax: 603-3372 4128

HEAD OFFICE
No. 25 Jalan Berangan
42000 Port Klang
Selangor Darul Ehsan
Tel: 603-3168 0757
Fax: 603-3167 1145

AUDITORS
BDO Binder (AF 0206)
12th Floor
Menara Uni.Asia
1008 Jalan Sultan Ismail
50250 Kuala Lumpur
Tel: 603-2616 2888
Fax: 603-2616 3190

PRINCIPAL BANKER
EON Bank Berhad (92351-V)

SHARE REGISTRAR
MIDF Consultancy and Corporate Services
Sendirian Berhad (11324-H)
Level 8 Menara MIDF
82 Jalan Raja Chulan
50200 Kuala Lumpur
Tel: 603-2173 8888
Fax: 603-2173 8677

STOCK EXCHANGE LISTING
Bursa Malaysia Securities Berhad
Main Board

Corporate Structure

(716241-X)

COMPLETE LOGISTIC SERVICES BERHAD

Bagai Pertama Sdn Bhd (545483-A)
100% Shipowner/provision of marine transportation services

Complete Container Services Sdn Bhd (543015-W)
100% Shipowner/provision of marine transportation services

Complete Logistic Specialists Sdn Bhd (445588-V)
100% Total logistic services provider

Complete Marine Services Sdn Bhd (490761-A)
100% Shipowner/provision of marine transportation services

Complete Shipping Sdn Bhd (471084-X)
100% Shipowner/provision of marine transportation services

Complete Transport Services Sdn Bhd (545866-U)
100% Lorry and trucking services

Complete Tug & Barge Sdn Bhd (527808-A)
100% Shipowner/provision of marine transportation services

Dolphin Shipping Agency Sdn Bhd (507526-A)
100% Trading of freight

Island Network Sdn Bhd (466999-W)
100% General trading

Island Network Shipbuilders Sdn Bhd (514505-U)
100% Dormant since incorporation

Malsuria Logistics Sdn Bhd (463630-M)
100% Shipowner/provision of marine transportation services

Malsuria (M) Sdn Bhd (234248-P)
100% Shipowner/provision of marine transportation services

Malsuria Tanker Services Sdn Bhd (376604-H)
100% Shipowner/provision of marine transportation services

Praslin Express Limited
50% Provision of ferry services

Sierra Jaya Sdn Bhd (266651-P)
100% Shipowner/provision of marine transportation services

Profile of Directors

Tan Sri Dato' Seri Dr Ting Chew Peh
Independent Non-Executive Chairman

Malaysian, aged 65, was appointed to our Board on 2 July 2007. Tan Sri graduated with a degree in Malay Studies from University of Malaya in 1970 and then obtained his Master of Science in Sociology from University of London, 1972. Subsequently he obtained his Doctorate in Philosophy in Sociology from University of Warwick, England in 1976.

Tan Sri started his career as a lecturer in the Faculty of Social Sciences and Humanities at Universiti Kebangsaan Malaysia from 1974 to 1980. He was subsequently promoted and served as an Associate Professor of the said Faculty until 1987. In 1987, Tan Sri ventured into politics with his election as Member of Parliament for Gopeng Constituency, Perak, which he held until February 2008. He previously served as the Parliamentary Secretary of the Ministry of Health (1988-1989), Deputy Minister in the Prime Minister's Department (1989-1990), Minister of Housing and Local Government (1990-1999), Chairman of Port Klang Authority (2000-2004) and Secretary-General of Malaysian Chinese Association (MCA) (1990-2005).

Tan Sri is the Chairman of the Audit Committee, Remuneration Committee and Nomination Committee. There is no conflict of interest with the Company.

Tan Sri currently also sits on the Boards of Pan Malaysia Corporation Berhad, Pan Malaysia Capital Berhad, Puncak Niaga Holdings Berhad, Hua Yang Berhad and Johan Holdings Berhad.

Tan Sri Dato' Seri Law Hieng Ding
Independent Non-Executive Director

Malaysian, aged 73, was appointed to our Board on 2 July 2007. Tan Sri graduated from Nanyang University in 1960 with a Bachelor's degree of Commerce in Accountancy and Banking.

He joined the Sarawak United People's Party ("SUPP") in the 1960s and was elected one of the councillors for Sibu Urban District Council from 1964 to 1981. He also served as the Chairman of Sibu Urban District Council from 1978 to 1981. He was elected as Member of Parliament for the constituency of Sarikei in 1982, a position which he held for 6 consecutive terms.

Between 1976 to 1987 He served as the Parliament Secretary at two ministries in Malaysia, namely, the Ministry of Housing and Local Government in 1976 and then the Ministry of Science, Technology and Environment ("MOSTE") from 1976 to 1987. Subsequently, he was appointed as Federal Deputy Minister of MOSTE where he served for 2 terms from 1987 to 1990, after which he was appointed as Minister of MOSTE from 1990 to 2004.

Tan Sri is a member of the Audit Committee, Remuneration Committee and Nomination Committee. There is no conflict of interest with the Company. He does not hold directorship in other public companies.

Law Hee Ling
Managing Director

Malaysian, aged 43, is the Managing Director and founder of our Group. He is a substantial shareholder of the Company.

He was appointed to our Board on 30 October 2006. Mr Law is a businessman with over 20 years of experience in the shipping industry. He started his career with Leong Shen Shipping (M) Sdn Bhd ("LSSM") in 1983 where he was involved in various functions of the company, including operations, marketing and finance. He was later promoted to General Manager of LSSM in 1985, but left in 1988 to start his own logistics agency business. Thereafter, he ventured into marine transportation services in 1995. Since then, he has grown our fleet of vessels and expanded our Group's business activities to cover marine transportation services, logistics operations and general trading. He is responsible for the overall management and operations of our Group, with primary focus on our marine transportation services segment.

Mr Law is a member of our Remuneration Committee. There is no conflict of interest with the company except for those transaction disclosed in note 30 to the Financial Statements and the circular for the recurrent related party transactions. He does not hold directorship in other public companies.

Lim Kok Onn
Executive Director

Malaysian, aged 54, was appointed to our Board on 30 October 2006. Mr Lim graduated with a Bachelor of Social Science (Economics) from University of Waikato, New Zealand in 1977 and a Master in Business Studies (Marketing) from Massey University, New Zealand in 1980.

He started his career in 1981 as Planning Executive, Plantation Division, with Multi-Purpose Holding Berhad and later promoted to Assistant Manager, Marketing in 1985. He left the company in 1989 to join Pacidunia Sdn Bhd as Manager, where he was involved in general trading for the company's overseas businesses. In 1997, he left Pacidunia Sdn Bhd for AJC Dagang Sdn Bhd, a company dealing in commodities trading such as dried cocoa beans and rubber, as Director. He joined Island Network Sdn Bhd, a subsidiary of our Group, in 1998 as Director and is responsible for the general trading businesses of our Group.

Mr Lim is a member of our Nomination Committee. There is no conflict of interest with the company except for those transaction disclosed in note 30 to the Financial Statements and the circular for the recurrent related party transactions. He does not hold directorship in other public companies.

Hoo Mee Lien
Executive Director

Malaysian, aged 46, was appointed to our Board on 2 July 2007. She is a substantial shareholder of the Company. Ms Hoo obtained a Diploma in Private Secretarial Course from Stamford College, Malaysia in 1981. Ms Hoo has gained invaluable experience and knowledge in the shipping industry through her involvement in the industry for over the past 20 years.

She started as stenographer in Benline Sdn Bhd in 1982 and subsequently left in 1984 to join as Marketing Executive in Rollen Growell Sdn Bhd. In 1986, she left Rollen Growell Sdn Bhd to join Titimas Shipping Sdn Bhd as Marketing Manager and appointed as Director in Oceanteam Shipping Agencies Sdn Bhd in 1995. She joined Complete Logistic Specialists Sdn Bhd, a subsidiary of our Group in 1997 as Director and is responsible for the overall marketing functions and daily operations of our logistics and freight trading operations

There is no conflict of interest with the Company. She does not hold directorship in other public companies.

Chia Kah Ying
Executive Director

Malaysian, aged 40, was appointed to our Board on 2 July 2007. She is a Certified Public Accountant of the Malaysian Institute of Certified Public Accountants.

She started her career with Ernst & Young, Malaysia in 1993 and left in 1997. In 1998, she joined Nilai Inland Port Sdn Bhd as Assistant Accountant and later promoted to Accountant in 1999. In 2003, she left Nilai Inland Port Sdn Bhd and joined Gugusan Peremba Sdn Bhd as Finance Manager.

Ms Chia is a member of our Audit Committee. There is no conflict of interest with the Company. She does not hold directorship in other public companies.

ADDITIONAL INFORMATION ON BOARD OF DIRECTORS

1. Family relationship with directors and/or substantial shareholders

None of the directors of the Company have any family relationship with the other directors and/or substantial shareholders of the Company.

2. Convictions for offences

None of the directors of the Company have been convicted for offences within the past 10 years other than traffic offences, if any.

3. Attendance at Board Meetings

The Board of Directors' attendance record at Board meetings held during the financial year ended 31 March 2008 can be found on page 9 of this Annual Report.

Chairman's Statement

Dear Shareholders,

On behalf of the Board of Directors, I am pleased to present the Annual Report and Financial Statements of Complete Logistic Services Berhad ("CLSB") and its subsidiaries ("Group") for the financial year ended 31 March 2008.

OPERATION OVERVIEW

The Malaysian economy registered a growth of 6.3% in 2007 against 5.9% for 2006. The creditable growth is driven primarily by strong "Pump Priming" public spending complemented by robust domestic consumption. Domestic oriented industries in particular resource based industries that benefited from the commodity price boom have created favourable demand for freight and logistics services within Malaysia as well as to neighbouring ASEAN nations.

On the overseas front, robust resort and general construction boom in the Island Nations of the South West Indian Ocean region and the resultant demands for building materials have favourably benefitted the Group in its general trading and marine freight business activities. The unceasing surge in crude oil prices has impacted almost every facet of the world's economy and unfortunately we have also not been spared. Despite it being a challenging period for the financial year under review where we have witnessed all round volatility in the crude oil, commodities as well as almost every aspect of the raw materials markets, including basic food prices, and the threatening world financial turbulence caused by the United States sub-prime crisis, our Company and its Group reported a commendable set of financial results.

FINANCIAL PERFORMANCE

For the financial year ended 31 March 2008, the Group registered a profit after tax of RM18.09 million, on a turnover of RM123.95 million.

Profit after tax and revenue achieved for the preceding financial year 2007 (refer to note 8 of the 2008 Audited Financial Statements) stood at RM13.71 million (before taking into account the excess of the Group's interest in the net fair value of subsidiaries' identifiable assets and liabilities over the cost of investment of RM33,228,518) and RM105.5 million respectively. Overall, the Group recorded a profit after tax and revenue growth of RM4.38 million (31.9%) and RM18.45 (17.5%) respectively for the financial year under review over the preceding financial year.

DIVIDENDS

The basic earning per share achieved by the Group for the financial year under review amounts to 15.7 sen per ordinary share of RM0.50 each. In line with our policy to recommend dividends to allow shareholders to participate in the profits as well as to leave adequate reserves for future growth, the Board of Directors is pleased to recommend a final tax exempt dividend of 3.0 sen per share, making a total tax exempt dividend of 8.0 sen per share in respect of the financial year ended 31 March 2008.

CORPORATE DEVELOPMENT

During the financial year under review, the Group has purchased two (2) used cargo (container fitted) vessels from Europe. The two vessels costing a total of approximately US$7.4 million are sisters ship with 6,150 dwt each. They have since been deployed in the later part of the fourth quarter of our financial year. Their contribution to the Group's financial result will only be significant in the next financial year ending 31 March 2009.

PROSPECTS

Since the beginning of 2008, we have witnessed the relentless spiralling of crude oil prices hitting a dizzying height of around US$148 per barrel in July 2008. This inflation risk plus the threat of a recession in the United States have created grave concern to the world's economies.

As a consequence, the Malaysian Institute of Economic Research (MIER) has on 17 July 2008 revised its Malaysian Gross Domestic Product (GDP) growth rate for 2008, downwards to 4.6% from an earlier projection of 5.4% against the actual rate of 6.3% achieved for the whole year 2007.

While the volatility of crude oil prices could impact on the performance of the Group, the Management is proactively engaged with suppliers and customers to minimise the impact of such volatility. Barring any substantial prolong changes in the global economic scenario, the Group is cautiously optimistic of achieving a better performance for the coming financial year.

CORPORATE SOCIAL RESPONSIBILITY

The Group acknowledges its corporate social responsibility in the social environment it operates in. During the year, the following activities were undertaken :-

1. **Environmental**
   - recycling of paper based products
   - banning of smoking in the offices

2. **Human Resources**
   Conducting in house training programmes and external skill enhancement programmes for employees;

3. **Social / Community**
   Cash donations to welfare organisations.

APPRECIATION

On behalf of the Board of Directors, I would like to extend to the management team and employees, my utmost gratitude for their diligence, dedication and commitment to the Group.

To my colleagues on the Board, my sincere appreciation for their invaluable experience, indepth knowledge and critical support and guidance at our Board meetings.

To our shareholders, my profound thanks for their loyalty and belief in us. We hope that our recommendation for the dividend payout for the financial year, 31 March 2008 is an appropriate remunerative reward for your confidence in us.

Tan Sri Dato' Seri Dr Ting Chew Peh
(Independent Non-Executive Chairman)
Date: 13 August 2008

Corporate Governance Statement

The Board of Directors ("Board") of Complete Logistic Services Berhad ("the Company") remains committed towards ensuring that the highest standard of corporate governance is maintained throughout the Company and its subsidiaries ("the Group"). Hence, the Board is fully dedicated to continuously evaluating the Group's corporate governance practices and procedures with a view to ensure the principles and best practices in corporate governance as promulgated by the Malaysian Code on Corporate Governance ("the Code") is applied and adhered to in the best interests of stakeholders. The Board is pleased to report to the shareholders the manner in which the Group has applied the principles and complied with the best practices of the Code during the financial year.

THE BOARD OF DIRECTORS

Composition and Balance

The Company is led by an effective and experienced 6 member Board, comprising 4 Executive Directors and 2 independent Non-Executive Directors. This composition satisfied the Bursa Malaysia Securities Berhad ("Bursa") Listing Requirements that requires at least 2 Directors or 1/3 of the Board whichever is higher, are Independent Directors. The profiles of the members of the Board are set out on pages 4 to 5 of this Annual Report.

The Executive Directors are primarily responsible for the implementation of policies and decisions of the Board, overseeing the Group's operations and developing the Group's business strategies.

The role of the Independent Non-Executive Directors is to provide objective and independent judgement to the decision making of the Board and as such, provide an effective check and balance to the Board's decision making process.

The Board composition brings together an extensive group of experienced Directors from diverse backgrounds that have a wide range of skills and experience in areas relevant to managing and directing the Group's operations.

Duties and Responsibilities

The main focus of the Board is on the overall strategic leadership, identification and management of principal risks and, development and control of the Group. The Board has delegated specific responsibilities to Board Committees, all of which discharge the duties and responsibilities within their respective Terms of Reference.

The roles of the Chairman and Group Managing Director are clearly distinct to ensure that there is a balance of power and authority. The Chairman is primarily responsible for the effective and efficient conduct and working of the Board and ensuring that members have timely access to relevant information, whilst the Group Managing Director is responsible for the daily management of the Group's operations and implementation of the policies and strategies adopted by the Board.

Board Meetings

For the financial year ended 31 March 2008 and since its listing on Bursa on 30 August 2007, the Board met 3 times, where they deliberated and considered matters relating to the Group's financial performance, investments, corporate development, strategic issues and business plan. The meeting attendance records of the Directors who held office are set out below:

Name of Director	No. of Meetings Attended
Tan Sri Dato' Seri Dr. Ting Chew Peh	3
Tan Sri Dato' Seri Law Hieng Ding	3
Law Hee Ling	3
Lim Kok Onn	3
Hoo Mee Lien	3
Chia Kah Ying	3

Board meetings are structured with a pre-set agenda which encompass all aspects of matters under discussion. The Board papers are circulated to directors in advance of the Board meetings for their deliberation. All meetings of the Board are duly recorded in the Board Minutes

Senior Management may be invited to attend these meetings to explain and clarify matters tabled.

In furtherance of their duties, the Board has unrestricted access to any information pertaining to the Group as well as to the advice and services of the Company Secretary and independent professional adviser whenever appropriate, at the Group's expense.

DIRECTORS' REMUNERATION

The number of Directors of the Company whose total remuneration falls within the following bands during the financial year ended 31 March 2008 are as follows:

	Number of Directors		
Remuneration Band	**Executive**	**Non-Executive**	**Total**
RM50,000 and below	-	2	2
RM50,001 to RM100,000	2	-	2
RM200,001 to RM300,000	-	-	-
RM300,001 to RM400,000	2	-	2
RM400,001 to RM500,000	-	-	-
RM500,001 to RM600,000	-	-	-
Total	**4**	**2**	**6**

Details of individual Director's Remuneration are not disclosed in this report as the Board considers that the above Remuneration disclosures by band and analysis between Executive and Non-Executive Directors satisfies the accountability and transparency aspects of the Code.

SHAREHOLDERS

Shareholders and Investors Relations

The Board acknowledges the importance of accountability to the shareholders. Timely releases of the financial results on a quarterly basis, press releases and announcements provide an overview of the Group's performance and operations to its shareholders.

Information disseminated to the investment community is in accordance with Bursa disclosure rules and regulations. The Board has taken steps to ensure that no market sensitive information is disclosed to any party prior to making an official announcement to Bursa.

During the year, the Executive Directors and Senior Management held regular dialogues and briefings with existing and prospective investors and analysts to keep them updated on various announcements relating to the Group's financial performance, business developments and pertinent issues.

Annual General Meeting

The Annual General Meeting ("AGM") is the principal platform for dialogue with the shareholders. At the AGM, the Board presents the progress and performance of the Group and provide shareholders the opportunity to raise questions pertaining to business issues, concerns and operations in general.

ACCOUNTABILITY AND AUDIT

Financial Reporting

In presenting the annual financial statements and quarterly announcements to shareholders, the Directors aim to ensure that the financial statements and quarterly announcements are prepared in accordance with the Companies Act, 1965 and applicable approved accounting standards so as to offer a balanced and comprehensive assessment of the Group's financial position and prospects.

A Responsibility Statement by the Directors is set out on page 16 of this Annual Report.

Internal Control

The Group's Statement on Internal Control is set out on page 15 of the Annual Report to provide an overview on the state of internal control throughout the year.

An in-house internal audit department will be established to commence their assignments in the next financial year. The internal audit function will assist the Board and the Audit Committee in providing independent assessment on the adequacy, efficiency and effectiveness of the Group's internal control system. The internal auditor reports directly to the Audit Committee independent from the management of the Group.

Relationship with Auditors

The role of the Board in relation to the external auditors is explained in the Audit Committee Report set out on pages 13 to 14 of the Annual Report.

Appointment and Re-election of Directors

Any new appointments to the Board will require deliberation by the full Board guided with formal recommendations by the Nomination Committee. Board members who are appointed by the Board are subject to retirement at the first Annual General Meeting ("AGM") of the Company subsequent to their appointment. Article 95 of the Company's Articles of Association also provide that at least one-third (1/3) of the Directors shall retire by rotation at each AGM and that all Directors shall retire once every three (3) years. A retiring Director shall be eligible for re-election.

Directors over seventy (70) years of age are required to submit themselves for re-appointment annually in accordance with Section 129(6) of the Companies Act, 1965.

Directors' Training

All the Directors of the Company have attended and successfully completed the Mandatory Accreditation Programme as prescribed by Bursa Securities.

The Directors will continue to undergo relevant training programmes to further enhance their skills and knowledge and to keep abreast with relevant changes in laws, regulations and the business environment.

BOARD COMMITTEES

Apart form the Audit Committee, there are two other additional committees established to assist the Board in execution of its responsibilities. Details of the Board committees are as follows:

Nomination Committee

The Nomination Committee comprises 2 independent non executive directors and one executive director as follows:

Tan Sri Dato'Seri Dr. Ting Chew Peh	(Chairman, Independent Non Executive Director)
Tan Sri Dato' Seri Law Hieng Ding	(Independent Non Executive Director)
Lim Kok Onn	(Executive Director)

The Nomination Committee is empowered by the Board of Directors and its terms of reference is to assist the Board of Directors in its responsibilities in nominating new Directors to the Board and Board Committees. The Committee also reviews the Board of Directors composition and balance as well as considering the Board of Directors' succession planning.

The Board considers that the current mix of skills and experiences of its members is sufficient for the discharge of its duties and responsibilities effectively.

The Nomination Committee met twice (2) during the financial year, attended by all its members.

Remuneration Committee

The Remuneration Committee comprises 2 independent non executive directors and one executive director as follows:

Tan Sri Dato'Seri Dr. Ting Chew Peh	(Chairman, Independent Non Executive Director)
Tan Sri Dato' Seri Law Hieng Ding	(Independent Non Executive Director)
Law Hee Ling	(Executive Director)

The Remuneration Committee is responsible for recommending to the Board the framework for the remuneration package of each Executive Director. Remuneration packages are structured such as to attract, retain and motivate the Directors, and are reflective of the Director's experience and level of responsibilities.

None of the Executive Directors participate in any way in determining their individual remuneration. The remuneration of the Executive Directors are reviewed annually. The remuneration and entitlements of the Non-Executive Directors are decided by the Board as a whole.

The Remuneration Committee met three (3) times during the financial year, attended by all its members.

DIRECTORS' REMUNERATION

Details of remuneration of Directors of the Company during the financial year ended 31 March 2008 are as follows:

Total Remuneration

	Executive Directors (RM'000)	Non-Executive Directors (RM'000)	Total (RM'000)
Salary	599,000	-	599,000
Bonus	141,000	-	141,000
Fees	-	18,000	18,000
Benefits-in-kind	107,975	-	107,975
Total	847,975	18,000	865,975

Audit Committee Report

The Board of Directors ("the Board) of Complete Logistic Services Berhad ("the Company") is pleased to present the Audit Committee ("the Committee") Report for the financial year ended 31 March 2008.

TERMS OF REFERENCE

Composition

The members of the Committee and the attendance record of each member at the 3 meetings held during the financial year ended 31 March 2008 since its listing on the Main Board of Bursa Malaysia Securities Berhad on 30 August 2007 are as follows:-

Name of Member	No. of Meetings Attended
Tan Sri Dato'Seri Dr. Ting Chew Peh	3
Tan Sri Dato' Seri Law Hieng Ding	3
Chia Kah Ying	3

The Committee, appointed from amongst the Board, shall comprise:

(a) no fewer than 3 members;
(b) a majority of members being Independent Non-Executive Directors;
(c) an Independent Non-Executive Director to act as the Chairman of the Committee; and
(d) at least one member of the Audit Committee:-
  (i) must be a member of the Malaysian Institute of Accountants; or
  (ii) if not a member of the Malaysian Institute of Accountant, must have at least 3 years' working experience and:-
    - must have passed the examinations specified in Part I of the 1st Schedule of the Accountants Act 1967; or
    - must be a member of one of the associations of accountants specified in Part II of the 1st Schedule of the Accountants Act 1967; or
  (iii) fulfils such other requirements as prescribed by Bursa.

No Alternate Director shall be appointed as a member of the Committee.

Meetings

The Committee meeting shall be held not less than 4 times a year. The Chairman of the committee may call a meeting of the Committee if requested by the internal or external auditors.

The Company Secretary shall be responsible for drawing up the agenda and circulating it to the Committee members prior to each meeting and shall be responsible for recording the minutes of meetings of the Committee, and circulating them to the members.

The Committee may, at its discretion, invite Executive Directors (non-members), members of management, auditors and representatives of the auditors to attend the Committee's meetings.

The Committee is authorised by the Board to perform the following:

(a) Investigate any activity within its terms of reference;
(b) seek any information it requires from the internal and external auditors, and any employee. All employees are directed to co-operate with any request made by the Committee;
(c) have direct communication channels with the external auditors and independent professionals carrying out the internal audit function;
(d) obtain external, legal or other independent professional advice and to secure the attendance of external parties with relevant experience and expertise, at the Group's expense if it considers necessary, in discharging its duties; and
(e) be able to convene meeting with the external auditors, the internal auditors or both, excluding the attendance of other directors and employees, where deemed necessary.

Functions and Responsibilities

The functions and duties of the Committee shall be to:

(a) consider the appointment and re-appointment of the external auditors, the audit fees and any questions of their resignation or dismissal;
(b) ensure the effectiveness of the internal control system and in particular review the internal audit reports and external auditors' management letters and management's response;
(c) discuss with the internal and external auditors, their scope, procedures, audit results and reports;
(d) review and report to the Board the following:
    (i) the audit plan;
    (ii) the evaluation of the system of internal control;
    (iii) the auditors' reports:
    (iv) the assistance and co-operation given by the employees of the Group to the auditors;
    (v) the performance of internal audit function;
    (vi) the quarterly results and year end financial statements, prior to the approval by the Board, focusing particularly on:
        • changes in or implementation of major accounting policy;
        • significant or unusual events;
        • compliance with accounting standards and other legal requirements; and
        • accuracy and adequacy of the disclosure of information essential to a fair and full presentation of the financial affairs of the Group;
    (vii) any related party transaction and conflict of interest situation that may arise within the Company and its subsidiaries ("the Group") including any transaction, procedure or course of conduct that raises questions of management integrity; and
    (viii) any letter of resignation from the external auditors and whether there is any reason to believe that the external auditors are not suitable for re-appointment.
(e) promptly report to Bursa on any matter reported to the Board which has not been satisfactorily resolved resulting in a breach of the Listing Requirements;
(f) submit to the Board a report on the summary of activities of the Committee in the discharge of its function and responsibilities in respect of each financial year; and
(g) perform such other functions and duties as may be agreed to by the Committee and the Board.

SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE

The following activities were undertaken by the Committee during the financial year:

(a) ensure the principal risks of the Group are identified and assessed on a periodic basis;
(b) reviewed the adequacy of the scope and coverage of audit plans proposed by auditors and approved the audit plans for audit execution;
(c) reviewed the external auditors' reports in relation to their financial audit and resolved the accounting issues arising from the audits conducted;
(d) reviewed the Group's quarterly unaudited and annual audited results and recommended to the Board for approval prior to its release to Bursa Securities;
(e) reviewed the year-end audited financial statements, the audit planning memorandum and management letter issued by the external auditors;
(f) reviewed the audit findings, recommendations for improvement and corrective action taken by Management on the audit findings; and
(g) considered and recommended to the Board for approval on the audit fees payable to the external auditors.

SUMMARY OF ACTIVITIES OF THE INTERNAL AUDIT FUNCTION

The Board acknowledges that an independent internal audit function is essential to obtain the necessary level of assurance with respect to the effectiveness of the system of internal control. During the financial year, the Board has yet to establish an internal audit function. As a mitigating factor, the management personnel are responsible in monitoring and evaluating the overall internal control and operations of the Group. The Board affirms that there were no material impact or losses on the Group's financial performance or operations during the current financial year.

An in-house internal audit department will be established to commence their assignments in the next financial year. The internal auditor will report directly to the Audit Committee.

Statement on Internal Control

The Board of Directors of Complete Logistic Services Berhad ("the Board") is pleased to provide the following statement of internal control pursuant to Paragraph 15.27(b) of the Listing Requirements of Bursa Malaysia Securities Berhad and has been prepared in accordance with the Statement on Internal Control: Guidance for Directors of Public Listed Companies.

RESPONSIBILITY

The Board affirms its overall responsibility for the establishment of an appropriate system of internal control with regular reviews to ensure its adequacy and integrity to safeguard shareholders' investments and Group's assets. In view of the limitations that are inherent in any system of internal control, such systems are designed to minimise and manage rather than to eliminate risk of failure to achieve Group's business objectives.

KEY PROCESSES

During the financial year under review, the Board has in place an on-going process for the identification, evaluation and management of significant risks faced by the Group. It covers periodic reviews and monitors the effectiveness of the Group's system of internal control, compliance with laws, rules and regulations and adaptation for business environmental changes.

INTERNAL AUDIT FUNCTION

The Board acknowledges that an independent internal audit function is essential to obtain the necessary level of assurance with respect to the effetiveness of the system of internal control. During the financial year, the Board has yet to establish an internal audit function. As a mitigating factor, the management personnel are responsible in monitoring and evaluating the overall internal control and operations of the Group. The Board affirms that there were no material impact or losses on the Group's financial performance or operations during the current financial year.

An in-house internal audit department will be established to commence their assignments in the next financial year. The internal auditor will report directly to the Audit Committee.

KEY ELEMENTS OF INTERNAL CONTROL

The key elements of the Group's internal control system include:

1. An organisation structure with clearly defined lines of responsibility and authority limits;

2. Financial results are reviewed quarterly by the Board and the Audit Committee;

3. Effective reporting system to ensure timely generation of financial information for management review and decision; and

4. Adequate insurance coverage of major assets are in place to prevent material losses to the Group against any mishap.

CONCLUSION

The Board remains committed towards operating a sound system of internal control and has recognised that the system must continuously evolve to support the Group's operations and business environment. As such, the Board will put in place appropriate action plans to further enhance and strengthen the Group's internal control environment.

Directors' Responsibility Statement

The Directors are required by the Companies Act, 1965 ("the Act") to prepare financial statements which give a true and fair view of the state of affairs of the Company and of the Group at the end of the financial year and of their results and cash flows in accordance with the provisions of the Act and applicable approved accounting standards in Malaysia.

In preparing the financial statements for financial year ended 31 March 2008, the Directors have considered and applied appropriate accounting policies and approved accounting standards on a consistent basis and made judgment and estimates that are reasonable and prudent.

The Directors are responsible for ensuring that proper accounting records are kept in accordance with the Act. The Directors also have overall responsibility in taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

This Statement is made in accordance with a resolution of the Board of Directors dated 23 July 2008.

Additional Compliance Information

The following disclosures are made pursuant to the Listing Requirements of Bursa Malaysia Securities Berhad **("Bursa")**:-

Corporate Proposals

(1) In conjunction with and as an integral part of the listing of and quotation for the entire issued and paid-up share capital of the Company on the Main Board of Bursa ("Listing"), the Company undertook a listing scheme which was approved by the Securities Commission on 30 March 2007 and 5 July 2007 as well as the Ministry of International Trade and Industry on 26 February 2007 and 28 June 2007. The Company undertook a public issue of 12,000,000 new ordinary shares of RM0.50 each at an issue price of RM1.00 per ordinary share, resulting in the issued and paid-up share capital of the Company being increased from RM54,000,000 comprising 108,000,000 ordinary shares of RM0.50 each to RM60,000,000 comprising 120,000,000 ordinary shares of RM0.50 each.

All of the above share issues were completed during the financial year prior to the Listing and the Company was listed on the Main Board of Bursa on 30 August 2007.

(2) On 1 October 2007, the Company acquired 50% of issued and paid-up share capital of Praslin Express Limited (formerly known as Praslin Express (Proprietary) Limited), a company incorporated under the Companies Act 1972 of Seychelles comprising 50 ordinary shares of Seychelles Rupee (SCR) 1,000 each from a Director of the Company for the total cash consideration of RM1,000.

Utilization of IPO Proceeds

Purpose	Proposed Utilization RM'000	Actual Utilization As At 31 March 2008 RM'000	Intended Timeframe for Utilization	Deviation RM'000	Deviation %	Remark
Part finance purchase of vessel	5,000	5,000	12 months from listing date	-	0%	
Working capital	5,000	5,000	12 months from listing date	-	0%	
Listing expenses	2,000	1,675	6 months from listing date	325	16%	Note (i)
	12,000	**11,675**		**325**		

Note (i) To be utilized as working capital.

Share Buyback

The Company did not have a scheme to buy back its own shares during the financial year ended 31 March 2008.

The Board of Directors had on 23 July 2008 announced to Bursa that the Company proposed to seek its shareholders' mandate to purchase the Company's own ordinary shares of RM0.50 each ("CLSB Shares") at any time up to ten per centum (10%) of the issued and paid-up share capital of the Company at an Extraordinary General Meeting to be held on 5 September 2008.

Options, Warrants and Convertible Securities

The Company did not issue any options, warrants or convertible securities in the financial year under review or in previous financial years.

American Depository Receipt ("ADR") or Global Depository Receipt ("GDR")

The Company did not sponsor any ADR or GDR programme.

Share Option Scheme for Employees

The Company did not have any share option scheme for employees.

Sanctions / Penalties

No sanctions or penalties were imposed on the Company and its subsidiaries, directors or management by the relevant regulatory bodies.

Non-Audit Fees

There was no non-audit fees paid/payable to the external auditors' firm during the financial year ended 31 March 2008.

Deviation in Results

The Group has exceeded the revenue and profit forecast as disclosed in the Prospectus dated 14 August 2007 for the financial year ended 31 March 2008 of which the details are as follows:

The variance between the audited results and forecast results are as follows:

	Financial Year Ended 31.03.08			
	Audited RM'000	Forecast RM'000	Variance RM'000	%
Revenue	123,949	111,793	12,156	10.87
Profit after taxation (PAT)	18,092	16,263	1,829	11.25

(a) Higher revenue was achieved as compared to the forecast mainly attributable to the higher sales volume generated by the trading and total logistic sectors.

(b) Higher PAT achieved by the Group was in line with the higher revenue achieved. The main segments that contributed to the higher PAT are marine transportation, total logistics and trading of freight.

There was no variance by more than 10% between the audited results for the year and the unaudited results that were announced.

Profit guarantee

No profit guarantee was issued by the Company.

Material Contracts

There were no material contracts of the Company and its subsidiaries involving directors and major shareholders, either still subsisting as at 31 March 2008 or entered into since the end of the previous financial year.

Corporate Social Responsibility

The Company and its subsidiaries have made cash donations to welfare organisations.

Financial Statements

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DIRECTORS' REPORT

The Directors have pleasure in submitting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 March 2008.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The principal activities of the subsidiaries are set out in Note 8 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

RESULTS

	Group RM	Company RM
Profit for the financial year	18,092,390	11,998,250
Attributable to:		
Equity holders of the Company	18,092,390	11,998,250
Minority interest	-	-
	18,092,390	11,998,250

DIVIDENDS

Dividends paid since the end of the previous financial year were as follows:

	RM
Interim tax exempt dividend of 5 sen per share in respect of financial year ended 31 March 2008 was paid on 31 January 2008	6,000,000

The Directors propose a final tax exempt dividend of 3 sen per share amounting to RM3,600,000 in respect of the financial year ended 31 March 2008, subject to the approval of members at the forthcoming Annual General Meeting.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the financial statements.

ISSUE OF SHARES AND DEBENTURES

In conjunction with and as an integral part of the listing of and quotation for the entire issued and paid-up share capital of the Company on the Main Board of Bursa Malaysia Securities Berhad ("Listing"), the Company undertook a listing scheme which was approved by the Securities Commission on 30 March 2007 and 5 July 2007 as well as the Ministry of International Trade and Industry on 26 February 2007 and 28 June 2007, involving the following:

ISSUE OF SHARES AND DEBENTURES (continued)

Bonus issue

The Company undertook a bonus issue of 26,017,353 new ordinary shares of RM1.00 each to the existing shareholders of the Company on the basis of approximately 92.97 new ordinary shares of RM1.00 each in the Company for every one hundred (100) existing ordinary shares of RM1.00 each held in the Company by way of capitalising the retained profits and share premium of RM25,692,876 and RM324,477 respectively.

Following the said bonus issue, the issued and paid-up share capital of the Company was increased from RM27,982,647 comprising 27,982,647 ordinary shares of RM1.00 each to RM54,000,000 comprising 54,000,000 ordinary shares of RM1.00 each.

Share split

Subsequent to the aforesaid bonus issue, the Company implemented a share split exercise involving the subdivision of one (1) existing ordinary share of RM1.00 each in the Company into two (2) ordinary shares of RM0.50 each, resulting in the issued and paid-up share capital of the Company of RM54,000,000 comprising 54,000,000 ordinary shares of RM1.00 each being subdivided into 108,000,000 ordinary shares of RM0.50 each.

Public issue

In conjunction with the Listing, the Company undertook a public issue of 12,000,000 new ordinary shares of RM0.50 each at an issue price of RM1.00 per ordinary share, resulting in the issued and paid-up share capital of the Company being increased from RM54,000,000 comprising 108,000,000 ordinary shares of RM0.50 each to RM60,000,000 comprising 120,000,000 ordinary shares of RM0.50 each.

All of the above share issues were completed during the financial year prior to the Listing and the Company was listed on the Main Board of Bursa Malaysia Securities Berhad on 30 August 2007.

All the new ordinary shares issued rank pari passu in all respect with the then existing ordinary shares of the Company.

There were no issues of debentures during the financial year.

OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued shares of the Company during the financial year.

DIRECTORS

The Directors who held office since the date of the last report are:

Tan Sri Dato' Seri Dr. Ting Chew Peh	(Appointed on 2 July 2007)
Tan Sri Dato' Seri Law Hieng Ding	(Appointed on 2 July 2007)
Law Hee Ling	
Lim Kok Onn	
Hoo Mee Lien	(Appointed on 2 July 2007)
Chia Kah Ying	(Appointed on 2 July 2007)

In accordance with Article 95 of the Company's Articles of Association, Law Hee Ling and Lim Kok Onn retire at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election.

Tan Sri Dato' Seri Law Hieng Ding being over seventy years of age, retires in accordance with Section 129 of the Companies Act, 1965 and offers himself for re-appointment in accordance with Section 129(6) of the said Act to hold office until the conclusion of the next Annual General Meeting of the Company.

DIRECTORS' INTEREST

The Directors holding office at the end of the financial year and their beneficial interests in the ordinary shares of the Company and its related corporations during the financial year ended 31 March 2008 as recorded in the Register of Directors' Shareholdings kept by the Company under Section 134 of the Companies Act, 1965 were as follows:

	----- Number of ordinary shares of RM1.00 each -----			
	Balance as at 1.4.2007	**Bought**	**Sold**	**Balance before share split**
Shares in the Company				
Direct interest				
Law Hee Ling	20,443,783	19,007,417	-	39,451,200
Lim Kok Onn	714,443	664,307	-	1,378,750
Hoo Mee Lien	1,561,730	1,452,070	-	3,013,800
Chia Kah Ying	30,000	27,900	-	57,900
Indirect interest				
Law Hee Ling	982,870	913,880	-	1,896,750

	----- Number of ordinary shares of RM0.50 each -----			
	Balance after share split	**Bought**	**Sold**	**Balance as at 31.3.2008**
Shares in the Company				
Direct interest				
Tan Sri Dato' Seri Law Hieng Ding	-	2,000	-	2,000
Law Hee Ling	78,902,400	-	(30,668,000)	48,234,400
Lim Kok Onn	2,757,500	375,000	-	3,132,500
Hoo Mee Lien	6,027,600	750,000	-	6,777,600
Chia Kah Ying	115,800	375,000	-	490,800
Indirect interest				
Tan Sri Dato' Seri Dr. Ting Chew Peh	-	100,000	-	100,000
Law Hee Ling	3,793,500	-	-	3,793,500

By virtue of his interest in the shares of the Company, Law Hee Ling is also deemed to be interested in the shares of all the subsidiaries to the extent the Company has an interest.

DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the Directors have received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of emoluments received and receivable by the Directors as shown in the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

There were no arrangements during and at the end of the financial year, to which the Company is a party, which had the object of enabling Directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY:

(I) AS AT THE END OF THE FINANCIAL YEAR

(a) Before the income statements and balance sheets of the Group and of the Company were made out, the Directors took reasonable steps:

(i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and have satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and

(ii) to ensure that any current assets which were unlikely to realise their book values in the ordinary course of business had been written down to their estimated realisable values.

(b) In the opinion of the Directors, the results of the operations of the Group and the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

(II) FROM THE END OF THE FINANCIAL YEAR TO THE DATE OF THIS REPORT

(c) The Directors are not aware of any circumstances:

(i) which would render the amount written off for bad debts or the amount of provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any material extent; or

(ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; and

(iii) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

(d) In the opinion of the Directors:

(i) there has not arisen any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made; and

(ii) no contingent or other liability has become enforceable, or is likely to become enforceable, within the period of twelve months after the end of the financial year, which will or may affect the ability of the Group or of the Company to meet their obligations as and when they fall due.

(III) AS AT THE DATE OF THIS REPORT

(e) There are no charges on the assets of the Group and of the Company which have arisen since the end of the financial year to secure the liabilities of any other person.

(f) There are no contingent liabilities of the Group and of the Company which have arisen since the end of the financial year.

(g) The Directors are not aware of any circumstances not otherwise dealt with in the report or financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

The significant events during the financial year are disclosed in Note 32 to the financial statements.

AUDITORS

The auditors, BDO Binder, have expressed their willingness to continue in office.

Signed on behalf of the Board in accordance with a resolution of the Directors.

....	....
Law Hee Ling	Lim Kok Onn
Director	Director

Kuala Lumpur
23 July 2008

STATEMENT BY DIRECTORS

In the opinion of the Directors, the financial statements set out on pages 28 to 68 have been drawn up in accordance with applicable approved Financial Reporting Standards in Malaysia and the provisions of Companies Act, 1965 so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 March 2008 and of their results of operations of the Group and of the Company and of the cash flows of the Group and of the Company for the financial year then ended.

On behalf of the Board,

....	....
Law Hee Ling	Lim Kok Onn
Director	Director

Kuala Lumpur
23 July 2008

STATUTORY DECLARATION

I, Chia Kah Ying, being the Director primarily responsible for the financial management of Complete Logistic Services Berhad, do solemnly and sincerely declare that the financial statements set out on pages 28 to 68 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly	)
declared by the abovenamed at	)
Kuala Lumpur in the	)
Federal Territory on	)
23 July 2008	)

Before me:

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF COMPLETE LOGISTIC SERVICES BERHAD

We have audited the financial statements of Complete Logistic Services Berhad, which comprise the balance sheets as at 31 March 2008 of the Group and of the Company, and the income statements, statements of changes in equity and cash flow statements of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 28 to 68.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting polices used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 March 2008 and of their financial performance and cash flows for the year then ended.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:

(a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries have been properly kept in accordance with the provisions of the Act.

(b) We are satisfied that the accounts of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.

(c) Our audit reports on the accounts of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

BDO Binder
AF : 0206
Chartered Accountants

Gan Hock Soon
2853/07/10 (J)
Partner

Kuala Lumpur
23 July 2008

BALANCE SHEETS
AS AT 31 MARCH 2008

	NOTE	Group 2008 RM	Group 2007 RM	Company 2008 RM	Company 2007 RM
ASSETS					
Non-current assets					
Property, plant and equipment	7	72,524,360	46,816,553	4,228	-
Investments in subsidiaries	8	-	-	50,397,316	43,631,260
Investment in an associate	9	16,334	-	1,000	-
		72,540,694	46,816,553	50,402,544	43,631,260
Current assets					
Inventories	10	931,812	2,890,223	-	-
Trade and other receivables	11	30,433,952	31,726,883	32,055,224	26,313,022
Tax recoverable		27,669	8,343	1,841	-
Fixed deposits with licensed banks	12	12,337,845	6,215,437	10,188,515	-
Cash and bank balances		4,913,638	2,825,745	307,282	44,593
		48,644,916	43,666,631	42,552,862	26,357,615
TOTAL ASSETS		121,185,610	90,483,184	92,955,406	69,988,875
EQUITY AND LIABILITIES					
Share capital	13	60,000,000	27,982,647	60,000,000	27,982,647
Retained profits	14	27,896,037	41,496,523	6,477,857	26,172,483
Other reserves	15	4,322,095	324,477	26,415,569	15,648,615
TOTAL EQUITY		92,218,132	69,803,647	92,893,426	69,803,745
Non-current and deferred liabilities					
Borrowings (secured)	16	3,625,636	5,726,888	-	-
Deferred tax liabilities	18	139,138	143,056	-	-
		3,764,774	5,869,944	-	-
Current liabilities					
Trade and other payables	19	10,898,528	9,831,470	61,980	185,130
Borrowings (secured)	16	13,730,610	4,353,440	-	-
Tax liabilities		573,566	624,683	-	-
		25,202,704	14,809,593	61,980	185,130
TOTAL LIABILITIES		28,967,478	20,679,537	61,980	185,130
TOTAL EQUITY AND LIABILITIES		121,185,610	90,483,184	92,955,406	69,988,875

The attached notes form an integral part of the financial statements.

INCOME STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2008

		Group		Company	
		2008	2007	2008	2007
	NOTE	RM	RM	RM	RM
Revenue	20	123,949,462	66,420,906	12,600,000	26,250,000
Cost of sales	21	(100,331,708)	(54,559,777)	-	-
Gross profit		23,617,754	11,861,129	12,600,000	26,250,000
Other income		1,023,719	444,757	247,068	488
Excess of the Group's interest in the net fair value of subsidiaries' identifiable assets and liabilities over the cost of investment		-	33,228,518	-	-
Marketing and distribution costs		(454,669)	(253,666)	-	-
Administration expenses		(1,814,582)	(774,101)	-	-
Other expenses		(1,964,510)	(1,300,451)	(83,027)	(25,255)
Finance costs		(616,667)	(466,160)	-	-
Share of results of an associate		18,614	-	-	-
Profit before tax	22	19,809,659	42,740,026	12,764,041	26,225,233
Tax expense	23	(1,717,269)	(1,190,753)	(765,791)	-
Profit for the financial year		18,092,390	41,549,273	11,998,250	26,225,233
Attributable to:					
Equity holders of the Company		18,092,390	41,549,273		
Minority interest		-	-		
		18,092,390	41,549,273		
Basic earnings per ordinary share (sen):	24				
- including excess of the Group's interest in the net fair value of subsidiaries' assets and liabilities over the cost of investment		15.7	65.9		

The attached notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2008

Group	Share capital RM	Distributable (Accumulated losses)/Retained profits RM	-----Non-Distributable----- Share premium RM	Exchange fluctuation reserve RM	Total RM
Balance at 31 March 2006	2	(52,750)	-	-	(52,748)
Profit for the financial year	-	41,549,273	-	-	41,549,273
Issue of shares	27,982,645	-	324,477	-	28,307,122
Balance at 31 March 2007	27,982,647	41,496,523	324,477	-	69,803,647
Profit for the financial year	-	18,092,390	-	-	18,092,390
Bonus issue	26,017,353	(25,692,876)	(324,477)	-	-
Issue of shares	6,000,000	-	6,000,000	-	12,000,000
Exchange differences recognised directly in equity	-	-	-	(3,280)	(3,280)
Listing expenses recognised directly in equity	-	-	(1,674,625)	-	(1,674,625)
Dividends (Note 25)	-	(6,000,000)	-	-	(6,000,000)
Balance at 31 March 2008	60,000,000	27,896,037	4,325,375	(3,280)	92,218,132

Company	Share capital RM	Distributable (Accumulated losses)/Retained profits RM	-----Non-Distributable----- Share premium RM	Fair value reserve RM	Total RM
Balance at 31 March 2006	2	(52,750)	-	-	(52,748)
Fair value gains from investments in subsidiaries accounted for as available-for-sale financial asset	-	-	-	15,324,138	15,324,138
Gains recognised directly in equity	-	-	-	15,324,138	15,324,138
Profit for the financial year	-	26,225,233	-	-	26,225,233
Total recognised income for the financial year	-	26,225,233	-	15,324,138	41,549,371
Issue of shares	27,982,645	-	324,477	-	28,307,122
Balance at 31 March 2007	27,982,647	26,172,483	324,477	15,324,138	69,803,745

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2008 (continued)

		Distributable	-----Non-Distributable-----		
	Share	Retained	Share	Fair value	
	capital	profits	premium	reserve	Total
Company	RM	RM	RM	RM	RM
Balance at 31 March 2007	27,982,647	26,172,483	324,477	15,324,138	69,803,745
Fair value gains from investments in subsidiaries accounted for as available-for-sale financial asset	-	-	-	6,766,056	6,766,056
Gains recognised directly in equity	-	-	-	6,766,056	6,766,056
Profit for the financial year	-	11,998,250	-	-	11,998,250
Total recognised income for the financial year	-	11,998,250	-	6,766,056	18,764,306
Bonus issue	26,017,353	(25,692,876)	(324,477)	-	-
Issue of shares	6,000,000	-	6,000,000	-	12,000,000
Listing expenses recognised directly in equity	-	-	(1,674,625)	-	(1,674,625)
Dividends (Note 25)	-	(6,000,000)	-	-	(6,000,000)
Balance at 31 March 2008	60,000,000	6,477,857	4,325,375	22,090,194	92,893,426

The attached notes form an integral part of the financial statements.

CASH FLOW STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2008

	Group		Company	
	2008	2007	2008	2007
	RM	RM	RM	RM
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax	19,809,659	42,740,026	12,764,041	26,225,233
Adjustments for:				
Allowance for impairment of trade receivables	130,027	85,857	-	-
Bad debts written off	-	116,974	-	-
Depreciation of property, plant and equipment	1,689,196	1,719,971	558	-
Property, plant and equipment written off	4,779	-	-	-
Tax exempt dividend income from subsidiaries	-	-	(12,600,000)	(26,250,000)
Gain on disposal of property, plant and equipment	(38,625)	(80,733)	-	-
Interest income	(533,993)	(113,607)	(247,068)	-
Interest expenses	616,667	466,160	-	-
Excess of the Group's interest in the net fair value of subsidiaries' identifiable assets and liabilities over the cost of investment	-	(33,228,518)	-	-
Share of results of an associate	(18,614)	-	-	-
Unrealised loss on foreign exchange	388,230	124,081	-	-
Operating profit/(loss) before working capital changes	22,047,326	11,830,211	(82,469)	(24,767)
Decrease/(Increase) in inventories	1,958,411	(1,545,733)	-	-
Increase in trade and other receivables	(69,967)	(8,617,562)	(17,000)	-
(Decrease)/Increase in trade and other payables	(592,157)	1,972,236	(71,900)	132,380
Cash generated from/(used in) operations	23,343,613	3,639,152	(171,369)	107,613
Tax paid	(1,792,542)	(733,617)	(52,632)	-
Net cash from/(used in) operating activities	21,551,071	2,905,535	(224,001)	107,613

	Group 2008 RM	Group 2007 RM	Company 2008 RM	Company 2007 RM
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of property, plant and equipment	(27,529,967)	(506,073)	(4,786)	-
Proceeds from disposal of property, plant and equipment	166,810	88,001	-	-
Acquisitions of subsidiaries, net of cash acquired (Note 26)	-	4,388,659	-	-
Dividend income received	-	-	11,885,000	26,250,000
Interest received	533,993	113,607	247,068	-
Net cash (used in)/from investing activities	(26,829,164)	4,084,194	12,127,282	26,250,000
CASH FLOWS FROM FINANCING ACTIVITIES				
Dividend paid	(6,000,000)	-	(6,000,000)	-
Advances to an associate	(11,322)	-	-	-
Advances to subsidiaries	-	-	(6,488,224)	(25,550,000)
Repayment of term loans	(2,455,360)	(1,011,493)	-	-
Repayment of hire-purchase creditors	-	(24,166)	-	-
(Repayment)/Drawdown of bankers' acceptances	(258,000)	2,258,000	-	-
Drawdown of term loan	9,973,260	-	-	-
Listing expenses paid	(911,603)	-	(911,603)	(763,022)
Advances/(Repayment to) from Directors	1,752,068	(276,635)	(52,250)	-
Proceeds from issuance of shares	12,000,000	-	12,000,000	-
Interest paid	(616,667)	(466,160)	-	-
Net cash from/(used in) financing activities	13,472,376	479,546	(1,452,077)	(26,313,022)
Net increase in cash and cash equivalents	8,194,283	7,469,275	10,451,204	44,591
Cash and cash equivalents at beginning of financial year	7,469,277	2	44,593	2
Cash and cash equivalents at end of financial year (Note 27)	15,663,560	7,469,277	10,495,797	44,593

The attached notes form an integral part of the financial statements.

1. CORPORATE INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia.

The registered office of the Company is located at 82-F, Jalan Pulasan, 41000 Klang, Selangor Darul Ehsan.

The principal place of business of the Company is located at No. 25, Jalan Berangan, 42000 Port Klang, Selangor Darul Ehsan.

The financial statements are presented in Ringgit Malaysia, which is the functional currency of the Company.

2. PRINCIPAL ACTIVITIES

The Company is an investment holding company. The principal activities of the subsidiaries are set out in Note 8. There have been no significant changes in the nature of these activities during the year.

3. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements of the Group and of the Company have been prepared in accordance with applicable approved Financial Reporting Standards in Malaysia and the provisions of the Companies Act, 1965.

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 Basis of accounting

The financial statements of the Group and of the Company have been prepared under the historical cost convention unless otherwise indicated in the significant accounting policies.

The preparation of financial statements requires the Directors to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses and disclosure of contingent assets and contingent liabilities. In addition, the Directors are also required to exercise their judgement in the process of applying the accounting policies. The areas involving such judgements, estimates and assumptions are disclosed in Note 6 to the financial statements. Although these estimates and assumptions are based on the Directors' best knowledge of events and actions, actual results could differ from those estimates.

4.2 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and all its subsidiaries made up to the end of the financial year using the purchase method of accounting.

Under the purchase method of accounting, the cost of business combination is measured at the aggregate of fair values at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued plus any costs directly attributable to the business combination.

At the acquisition date, the cost of business combination is allocated to identifiable assets, liabilities and contingent liabilities in the business combination which are measured initially at their fair values at the acquisition date. The excess of the cost of business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities is recognised as goodwill. If the cost of business combination is less than the interest in the net fair value of the identifiable assets, liabilities and contingent liabilities, the Group will:

(a) reassess the identification and measurement of the acquiree's identifiable assets, liabilities and contingent liabilities and the measurement of the cost of the combination; and

4. SIGNIFICANT ACCOUNTING POLICIES

4.2 Basis of consolidation (continued)

(b) recognised immediately in profit or loss any excess remaining after that reassessment.

Subsidiaries are consolidated from the acquisition date, which is the date on which the Group effectively obtains control, until the date in which the Group ceases to control the subsidiaries.

Intragroup balances, transactions and unrealised gains and losses on intragroup transactions are eliminated in full. Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. If a subsidiary uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to its financial statements in preparing the consolidated financial statements.

The gain or loss on disposal of a subsidiary, which is the difference between the net disposal proceeds and the Group's share of its net assets as of the date of disposal including the carrying amount of goodwill, if any, and the cumulative amount of any exchange differences that relate to the subsidiary, is recognised in the consolidated financial statements.

Minority interest is that portion of the profit or loss and net assets of a subsidiary attributable to equity interests that are not owned, directly or indirectly through subsidiaries, by the Group. It is measured at the minority's share of the fair value of the subsidiaries' identifiable assets and liabilities at the acquisition date and the minority's share of changes in the subsidiaries' equity since that date.

Where losses applicable to the minority in a subsidiary exceed the minority interest in the equity of that subsidiary, the excess and any further losses applicable to the minority are allocated against the Group's interest except to the extent that the minority has a binding obligation and is able to make additional investment to cover the losses. If the subsidiary subsequently report profits, such profits are allocated to the Group's interest until the minority's share of losses previously absorbed by the Group has been recovered.

Minority interest is presented in the consolidated balance sheet within equity and is presented in the consolidated statement of changes in equity separately from equity attributable to equity holders of the Company.

Minority interest in the results of the Group is presented in the consolidated income statement as an allocation of the total profit or loss for the year between minority interest and equity holders of the Company.

4.3 Property, plant and equipment and depreciation

All items of property, plant and equipment are initially measured at cost. Cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that the future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in the income statement as incurred. Cost also comprises the initial estimate of dismantling and removing the item and restoring the site on which it is located for which the Group is obligated to incur when the item is acquired.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item and which have different useful lives, are depreciated separately.

After initial recognition, property, plant and equipment are stated at cost less any accumulated depreciation and any accumulated impairment losses.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.3 Property, plant and equipment and depreciation (continued)

Depreciation is calculated to write off the cost of the assets to their residual values on a straight line basis over their estimated useful lives. The principal depreciation periods and rates are as follows:

Buildings	50 years
Containers	10%
Office equipment	10% - 20%
Motor vehicles	20%
Plant and machinery	10%
Tug boat and barge	50 years
Vessels	50 years
Vessel equipment	10%

Freehold land is not depreciated.

At each balance sheet date, the carrying amount of an item of property, plant and equipment is assessed for impairment when events or changes in circumstances indicate that its carrying amount may not be recoverable.

The residual values, useful lives and depreciation method are reviewed at each financial year end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

The carrying amount of an item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any, and the carrying amount is included in profit or loss.

4.4 Investments

(a) Subsidiaries

A subsidiary is an entity in which the Group and the Company has power to control the financial and operating policies so as to obtain benefits from its activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group has such power over another entity.

When separate financial statements are prepared by the Company, investments in subsidiaries that are not classified as held for sale (or included in a disposal group that is classified as held for sale) shall be accounted for at fair value in accordance with FRS 139: Financial Instruments – Recognition and Measurement.

Investments in subsidiaries are eliminated on consolidation. On disposal of such an investment, the difference between the net disposal proceeds and its carrying amount is included in profit or loss.

(b) Associates

An associate is any entity over which the Group and the Company has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

In the Company's separate financial statements, an investment in associate that is not classified as held for sale (or included in a disposal group that is classified as held for sale) shall be accounted for at fair value in accordance with FRS 139: Financial Instruments – Recognition and Measurement.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.4 Investments (continued)

(b) Associates (continued)

An investment in associate is accounted for in the consolidated financial statements using the equity method of accounting. The investment in associate in the consolidated balance sheet is initially recognised at cost and adjusted thereafter for the post acquisition change in the Group's share of net assets of the investment.

The interest in the associate is the carrying amount of the investment in the associate under the equity method together with any long-term interest that, in substance, form part of the Group's net interest in the associate.

The Group' share of the profit or loss of the associate during the financial year is included in the consolidated financial statements, after adjustments to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases. Distributions received from the associate reduce the carrying amount of the investment. Adjustments to the carrying amount may also be necessary for changes in the Group's proportionate interest in the associate arising from changes in the associate's equity that have not been recognised in the associates' profit or loss. Such changes include those arising from the revaluation of property, plant and equipment and from foreign exchange translation differences. The Group's share of those changes is recognised directly in equity of the Group.

When the Group's share of losses in the associate equals or exceeds its interest in the associate, the carrying amounting of that interest is reduced to nil and the Group does not recognise further losses unless it has incurred legal or constructive obligations or made payments on its behalf.

The most recent available financial statements of the associate are used by the Group in applying the equity method. Where the reporting dates of the financial statements are not coterminous, the share of results is arrived at using the latest audited financial statements for which the difference in reporting dates is no more than three months. Adjustments are made for the effects of any significant transactions or events that occur between the intervening period.

Upon disposal of an investment in associate, the difference between the net disposal proceeds and its carrying amount is included in profit or loss.

4.5 Impairment of non-financial assets

The carrying amount of assets, except for financial assets (the financial assets in this context do not include investments in subsidiaries and associates) and inventories, are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

The recoverable amount of an asset is estimated for an individual asset. Where it is not probable to estimate the recoverable amount of the individual asset, the impairment test is carried out on the cash generating unit (CGU) to which the asset belongs. The recoverable amount of an asset or CGU is the higher of its fair value less cost to sell and its value in use.

In estimating the value in use, the estimated future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the future cash flow estimates have not been adjusted. An impairment loss is recognised immediately in the profit or loss when the carrying amount of the asset or the CGU exceeds the recoverable amount of the asset or the CGU.

An impairment loss is reversed if and only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. An impairment loss is only reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Such reversals are recognised as income immediately in the income statements.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.6 Inventories

Inventories are stated at the lower of cost and net realisable value.

Cost is determined using the first-in, first-out formula. The cost of trading goods comprises all costs of purchase plus the cost of bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

4.7 Financial instruments

4.7.1 Financial instruments recognised on the balance sheets

Financial instruments are recognised on the balance sheet when the Group has become a party to the contractual provisions of the instrument.

Financial instruments are classified as financial assets, financial liabilities, equity, or derivatives in accordance with the substance of the contractual arrangement. Interest, dividends, losses and gains relating to a financial instrument or a component that is a financial liability shall be recognised as income or expense in profit or loss. Distribution to holders of an equity instrument is debited directly to equity, net of any related tax effect. Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle on a net basis or to realise the asset and settle the liability simultaneously.

4.7.2 Classification

The Group classifies its financial assets in the following categories: held-to-maturity investments, financial assets at fair value through profit or loss, loans and receivables, and available-for-sale financial assets. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this classification at every reporting date, with the exception that the designation of financial assets at fair value through profit or loss is not revocable.

(a) Held-to-maturity investments

Held-to-maturity are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group's management has the positive intention and ability to hold to maturity. Held-to-maturity investments are carried at amortised cost.

During the year, the Group did not hold any investments in this category.

(b) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are also classified as held for trading unless they are designated as hedges. Assets in this category are classified as current assets.

Realised and unrealised gains and losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are included in the income statement in the period in which they arise.

During the year, the Group did not hold any financial assets in this category.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.7 Financial instruments (continued)

4.7.2 Classification (continued)

(c) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets as trade and other receivables.

(d) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months after the balance sheet date. Unrealised gains and losses arising from changes in fair value of the investment are recognised directly in the fair value reserve within equity. Realised gains and losses arising from changes in fair value are included in the income statements.

4.7.3 Recognition and derecognition

Purchases and sales of investments are recognised on trade date – the date on which the Group commits to purchase or sell the asset. Investments are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

4.7.4 Initial measurement

Financial assets are initially recognised at fair value plus transaction costs except for financial assets at fair value through profit or loss, which are recognised at fair value.

4.7.5 Subsequent measurement

Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method.

Realised and unrealised gains and losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' investment category are included in the income statement in the period in which they arise. Unrealised gains and losses arising from changes in the fair value of investments classified as available-for-sale are recognised in the fair value reserve within equity. When investments classified as available-for-sale are sold or impaired, the accumulated fair value adjustments in the fair value reserve within equity are included in the income statement.

4.7.6 Determination of fair value

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. The fair values of quoted financial assets are based on current bid prices. If the market for a financial asset is not active, the Group establishes fair value by using various techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, option pricing models refined to reflect the issuer's specific circumstances and others, where appropriate.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.7 Financial instruments (continued)

4.7.7 Impairment of financial assets

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity investment classified as available-for-sale, a significant or prolonged decline in the fair value of the investment below its cost is considered in determining whether the investments are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from the fair value reserve within equity and recognised in the income statement. Impairment losses recognised in the income statement on equity investments are not reversed through the income statement, until the equity investments are disposed of.

If there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of the asset shall be reduced either directly or through use of an allowance account. The amount of the loss shall be recognised in profit or loss.

4.7.8 Financial instruments not recognised on the balance sheets

There were no financial instruments not recognised on the balance sheets.

4.8 Financial assets

(a) Receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment. An allowance for impairment of receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables.

(b) Cash and cash equivalents

Cash and cash equivalents comprise bank balances and cash, deposits with financial institutions and other short term, highly liquid investments that are readily convertible to known amounts of cash with insignificant risk of changes in value. For the purpose of the cash flow statement, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

4.9 Financial liabilities

(a) Payables

Liabilities for trade and other payables, including amounts owing to associates and related parties, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

(b) Interest bearing loans and borrowings

All loans and borrowings are recognised initially at fair value of the consideration received, net of directly attributable transaction cost incurred, and are subsequently stated at amortised cost. Any difference between the proceeds (net of transaction cost) and the redemption value is recognised in the income statement over the period of the loans and borrowings using the effective interest method.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.10 Equity instruments

Ordinary shares are recorded at the nominal value and proceeds in excess of the nominal value of shares issued, if any, are accounted for as share premium. Both ordinary shares and share premium are classified as equity. Transaction costs of an equity transaction are accounted for as a deduction from equity, net of any related income tax benefit. Otherwise, they are charged to the income statement.

Dividends to shareholders are recognised in equity in the period in which they are declared.

4.11 Derivatives

The Group seeks to manage its risks associated with fluctuations in foreign-currency denominated receivables, payables, debt, firm commitments and anticipated transactions and to some extent planned transactions primarily by monitoring its exposure to foreign currency exchange rate risks. The methods being employed include non-derivative contracts, which would not qualify for hedge accounting treatment under FRS 139. As such, derivative financial instruments are recorded at fair value on the consolidated balance sheets, either as other current financial assets or other current financial liabilities, and changes in fair values are charged to net income/(loss).

4.12 Borrowing costs

Borrowing cost that are directly attributable to the acquisition, construction or production of a qualifying asset is capitalised as part of the cost of the asset until when substantially all the activities necessary to prepare the asset for its intended use or sale are complete, after which such expense is charged to the income statement. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. Capitalisation of borrowing cost is suspended during extended periods in which active development is interrupted.

The amount of borrowing costs eligible for capitalisation is the actual borrowing costs incurred on the borrowing during the period less any investment income on the temporary investment of the borrowing.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

4.13 Income taxes

Income taxes include all domestic taxes on taxable profit. Taxes in the income statement comprises current tax and deferred tax, if any.

(a) Current tax

Current tax is the amount of income taxes payable or receivable in respect of the taxable profit or loss for a period.

Current tax for the current and prior periods is measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that have been enacted or substantially enacted by the balance sheet date.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.13 Income taxes (continued)

(b) Deferred tax

Deferred tax is recognised in full using the liability method on temporary differences arising between the carrying amount of an asset or liability in the balance sheet and its tax base.

Deferred tax is recognised for all temporary differences, unless the deferred tax arises from goodwill or the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of transaction, affects neither accounting profit nor taxable profit.

A deferred tax asset is recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amount of a deferred tax asset is reviewed at each balance sheet date. If it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilised, the carrying amount of the deferred tax asset will be reduced accordingly. When it becomes probable that sufficient taxable profit will be available, such reductions will be reversed to the extent of the taxable profit.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same taxation authority.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantially enacted by the balance sheet date.

4.14 Employee benefits

4.14.1 Short term employee benefits

Wages, salaries, social security contributions, paid annual leave, paid sick leave, bonuses and non-monetary benefits are recognised as an expense in the year when employees have rendered their services to the Group.

Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

Bonuses are recognised as an expense when there is a present, legal or constructive obligation to make such payments, as a result of past events and when a reliable estimate can be made of the amount of the obligation.

4.14.2 Defined contribution plans

The Company and subsidiaries incorporated in Malaysia make contributions to a statutory provident fund and recognise the contribution payable:

(a) after deducting contributions already paid as liability; and

(b) as an expense in the year in which the employees render their services.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.15 Foreign currencies

4.15.1 Functional and presentation currency

The separate financial statements of each entity in the Group are measured using the functional currency which is the currency of the primary economic environment in which the entity operates. The consolidated financial statements are presented in Ringgit Malaysia (RM), which is also the Company's functional currency.

4.15.2 Foreign currency transactions and translations

A foreign currency transaction is recorded, on initial recognition in the functional currency, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At each balance sheet date, foreign currency monetary items are translated using the closing rates.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements are recognised in profit or loss in the period in which they arise except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges.

4.16 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable net of discounts and rebates.

Revenue is recognised to the extent that it is probable that the economic benefits associated with the transaction will flow to the Group and the amount of revenue and the cost incurred or to be incurred in respect of the transaction can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

(a) Revenue from sale of goods

Revenue is recognised when significant risk and rewards of ownership of the goods has been transferred to the customer and where the Group retains neither continuing managerial involvement over the goods, which coincides with delivery of goods and services and acceptance by customers.

(b) Revenue from rendering of services.

Revenue from logistics services is recognised upon services rendered.

(c) Dividend income

Divided income is recognised when the Company's rights to receive payment is established.

(d) Interest income

Revenue is recognised as the interest accrues using the effective interest method unless collectibility is in doubt.

5. ADOPTION OF NEW FRS AND AMENDMENTS TO FRS

5.1 New FRS and amendment to FRS adopted

The following revised Financial Reporting Standards ("FRSs") effective for financial periods beginning on or after 1 January 2007 were adopted during the financial year:

FRS 6	Exploration for and Evaluation of Mineral Resources
FRS 117	Leases
Amendment to FRS 119_{2004}	Employee Benefits - Actuarial Gains and Losses, Group Plans and Disclosures
FRS 124	Related Party Disclosures

FRS 6, FRS 117 and Amendment to FRS 119_{2004} are not applicable to the Group's and the Company's operations.

The adoption of FRS 124 does not have any material impact to the Group and the Company other than additional disclosure on key management personnel remuneration and disclosure on related party transactions in the financial statements.

5.2 FRS, amendments to FRS and IC Interpretations not adopted

(a) The Company has also not adopted the following FRS, amendments and IC Interpretations (effective for accounting periods beginning on or after 1 July 2007) that have been issued as at the date of authorisation of these financial statements but are not yet effective for the Company. The Directors do not anticipate that the application of these standards when they are effective will have a material impact on the results and the financial position of the Company:

FRS 107	Cash Flow Statements
FRS 111	Construction Contracts
FRS 112	Income Taxes
FRS 118	Revenue
FRS 120	Accounting for Government Grants and Disclosure of Government Assistance
Amendment to FRS 121	The Effects to Changes in Foreign Exchange Rates – Net Investment in a Foreign Operation
FRS 134	Interim Financial Reporting
FRS 137	Provisions, Contingent Liabilities and Contingent Assets
IC Interpretation 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities
IC Interpretation 2	Members' Shares in Co-operative Entities and Similar Instruments
IC Interpretation 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
IC Interpretation 6	Liabilities arising from Participating in a Specific Market – Waste Electrical and Electronic Equipment
IC Interpretation 7	Applying the Restatement Approach under FRS 129_{2004}2004 - Financial Reporting in Hyperinflationary Economies
IC Interpretation 8	Scope of FRS 2

The Group and the Company will apply these FRSs from financial years beginning on 1 April 2008. The IC Interpretations are not relevant to the Group's and the Company's operations.

(b) Framework for the Preparation and Presentation of Financial Statements ("Framework") which is effective for annual periods beginning on or after 1 July 2007

The Framework sets out the concepts that underlie the preparation and presentation of financial statements for external users. It is not an MASB approved accounting standard and hence does not define standards for any particular measurement or disclosure issue. The Group and the Company will apply this Framework for its annual period beginning 1 April 2008.

6. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

(a) Critical judgements made in applying accounting policies

There are no critical judgements made by the management in the process of applying the Group's and the Company's accounting policies that have significant effect on the amount recognised in these financial statements.

(b) Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next year are discussed below:

(i) Income taxes and deferred tax

Judgement is required in determining the capital allowances and deductibility of certain expenses when estimating the provision for income taxes. There were transactions during the ordinary course of business for which the ultimate tax determination is uncertain. The Company recognises liabilities based on estimation of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax, if any, in the periods in which the outcome is known.

(ii) Depreciation of property, plant and equipment

The costs of the vessels, and tug boat and barge are depreciated to their residual values on a straight line basis over the assets' useful lives. Management estimates the useful lives of these assets to be fifty (50) years. These are common life expectancies applied in the shipping industry. Regular and proper maintenance on these assets could impact their economic useful lives and the residual values, therefore future depreciation charges could be revised.

(iii) The Group has no major concentration of credit risk as at 31 March 2008 except for trade receivables amounting to RM7,269,119 (2007: RM8,457,644) which has been outstanding for more than the credit terms granted. There were subsequent receipts of approximately RM3.6 million (2007: RM4.8 million) from these trade receivables after the balance sheet date. In addition, the Group is also owing to one of the trade receivables totaling to RM767,010 (2007: RM2.1 million). The Directors believe that there is no credit risk on the remaining trade receivables based on the Group's historical experience in their collections. Accordingly, no additional provision for impairment of trade receivables is made for these trade receivables. However, where the amount is not recoverable or not fully recoverable, the amount not recoverable will have an impact on the income statement. Other than mentioned earlier, the Group has no significant concentration of credit risk. The maximum exposures of credit risk to other receivables are represented by their carrying amounts in the balance sheet.

(iv) The methods and assumptions used by the management to determine fair values of financial instruments are as follows:

(aa) The carrying amounts of financial assets and liabilities maturing within 12 months approximate their fair values due to the relatively short term maturity of these financial instruments.

(bb) In respect of long-term borrowings, the carrying amounts approximate fair value as they are on floating rates and reprice to market interest rates for liabilities with similar risk profiles.

(cc) The fair value of the investments in subsidiaries is measured at the Company's interest in the fair values of the subsidiaries' assets less liabilities at the balance sheet date. The fair value of the subsidiaries' vessels are arrived at based on the comparison method of valuation.

7. PROPERTY, PLANT AND EQUIPMENT

Group 2008	At 1.4.2007 RM	Additions RM	Disposals RM	Written off RM	Depreciation charge for the year RM	At 31.3.2008 RM
Carrying amount						
Building	-	303,560	-	-	(1,265)	302,295
Containers	1,669,050	-	(50,078)	-	(211,243)	1,407,729
Freehold land	-	296,440	-	-	-	296,440
Office equipment	214,004	69,602	(3,107)	(4,779)	(61,248)	214,472
Motor vehicles	536,236	74,615	(75,000)	-	(200,790)	335,061
Plant and machinery	485,494	-	-	-	(87,029)	398,465
Tug boat and barge	1,658,409	-	-	-	(26,827)	1,631,582
Vessels	41,968,437	26,725,539	-	-	(1,067,571)	67,626,405
Vessel equipment	284,923	60,211	-	-	(33,223)	311,911
	46,816,553	27,529,967	(128,185)	(4,779)	(1,689,196)	72,524,360

	At 31.3.2008		
	Cost RM	Accumulated depreciation RM	Carrying amount RM
Carrying amount			
Building	303,560	(1,265)	302,295
Containers	1,830,163	(422,434)	1,407,729
Freehold land	296,440	-	296,440
Office equipment	326,301	(111,829)	214,472
Motor vehicles	654,072	(319,011)	335,061
Plant and machinery	572,521	(174,056)	398,465
Tug boat and barge	1,687,500	(55,918)	1,631,582
Vessels	69,788,039	(2,161,634)	67,626,405
Vessel equipment	377,459	(65,548)	311,911
	75,836,055	(3,311,695)	72,524,360

Group 2007	At 1.4.2006 RM	Acquisitions of subsidiaries RM	Additions RM	Disposals RM	Depreciation charge for the year RM	At 31.3.2007 RM
Carrying amount						
Containers	-	1,830,390	69,635	(7,264)	(223,711)	1,669,050
Office equipment	-	220,808	53,733	-	(60,537)	214,004
Motor vehicles	-	586,515	142,942	(4)	(193,217)	536,236
Plant and machinery	-	472,174	100,347	-	(87,027)	485,494
Tug boat and barge	-	1,687,500	-	-	(29,091)	1,658,409
Vessels	-	43,062,500	-	-	(1,094,063)	41,968,437
Vessel equipment	-	177,832	139,416	-	(32,325)	284,923
	-	48,037,719	506,073	(7,268)	(1,719,971)	46,816,553

7. PROPERTY, PLANT AND EQUIPMENT (continued)

	At 31.3.2007 Cost RM	At 31.3.2007 Accumulated depreciation RM	At 31.3.2007 Carrying amount RM
Carrying amount			
Containers	1,892,761	(223,711)	1,669,050
Office equipment	4,786	(558)	4,228
Motor vehicles	729,453	(193,217)	536,236
Plant and machinery	572,521	(87,027)	485,494
Tug boat and barge	1,687,500	(29,091)	1,658,409
Vessels	43,062,500	(1,094,063)	41,968,437
Vessel equipment	317,248	(32,325)	284,923
	48,536,524	(1,719,971)	46,816,553

Vessels with a total carrying amount of RM29,473,972 (2007: RM16,583,182) have been pledged for banking facilities granted to certain subsidiaries (Note 17).

Company

2008	At 1.4.2007 RM	Additions RM	Depreciation charge for the year RM	At 31.3.2008 RM
Carrying amount				
Office equipment	-	4,786	(558)	4,228

	At 31.3.2008 Cost RM	At 31.3.2008 Accumulated depreciation RM	At 31.3.2008 Carrying amount RM
Carrying amount			
Office equipment	4,786	(558)	4,228

8. INVESTMENTS IN SUBSIDIARIES

	Company 2008 RM	Company 2007 RM
At fair value		
Available-for-sale financial asset - Unquoted shares		
At 1 April 2007/2006	43,631,260	-
Acquisitions of subsidiaries (Note 26)	-	28,307,122
Fair value gains transferred to equity (Note 15)	6,766,056	15,324,138
At 31 March 2008/2007	50,397,316	43,631,260

8. INVESTMENTS IN SUBSIDIARIES (continued)

The details of the subsidiaries are as follows:

Name of company	Country of incorporation	Effective interest 2008	Effective interest 2007	Principal activities
Bagai Pertama Sdn. Bhd.	Malaysia	100%	100%	Shipowner/provision of marine transportation services
Complete Container Services Sdn. Bhd.	Malaysia	100%	100%	Shipowner/provision of marine transportation services
Complete Logistic Specialists Sdn. Bhd.	Malaysia	100%	100%	Total logistics services provider
Complete Marine Services Sdn. Bhd.	Malaysia	100%	100%	Shipowner/provision of marine transportation services
Complete Shipping Sdn. Bhd.	Malaysia	100%	100%	Shipowner/provision of marine transportation services
Complete Tug & Barge Sdn. Bhd.	Malaysia	100%	100%	Shipowner/provision of marine transportation services
Complete Transport Services Sdn. Bhd.	Malaysia	100%	100%	Lorry and trucking services
Dolphin Shipping Agency Sdn. Bhd.	Malaysia	100%	100%	Trading of freight
Island Network Sdn. Bhd.	Malaysia	100%	100%	General trading
Malsuria Logistics Sdn. Bhd.	Malaysia	100%	100%	Shipowner/provision of marine transportation services
Malsuria (M) Sdn. Bhd.	Malaysia	100%	100%	Shipowner/provision of marine transportation services
Malsuria Tanker Services Sdn. Bhd.	Malaysia	100%	100%	Shipowner/provision of marine transportation services
Sierra Jaya Sdn. Bhd.	Malaysia	100%	100%	Shipowner/provision of marine transportation services
Subsidiary of Island Network Sdn. Bhd.				
Island Network Shipbuilders Sdn. Bhd.	Malaysia	100%	100%	Dormant since incorporation

In the previous financial year, the Company acquired the abovementioned subsidiaries for a total consideration of RM28,307,122 satisfied by an allotment of 27,982,645 new ordinary shares of RM1.00 each. The excess of the Group's interest in the net fair value of subsidiaries' identifiable assets and liabilities over the cost of investment of RM33,228,518 had been recognised as income in the consolidated income statement.

8. INVESTMENTS IN SUBSIDIARIES (continued)

If the acquisitions had occurred on 1 April 2006, the Group's revenue and profit for the previous financial year would have been RM105,495,652 and RM46,941,755 respectively.

The effect of these acquisitions on the financial results of the Group was as follows:

	2007 **RM**
Revenue	66,420,906
Cost of sales	(54,232,913)
Other income	444,269
Excess of the Group's interest in the net fair value of subsidiaries' identifiable assets and liabilities over the cost of investment	33,228,518
Marketing and distribution costs	(127,012)
Administration expenses	(1,225,347)
Other expenses	(1,277,468)
Finance costs	(466,160)
Profit before tax	42,764,793
Tax expense	(1,190,753)
Increase in Group's net profit	41,574,040

9. INVESTMENT IN AN ASSOCIATE

	Group		**Company**	
	2008 **RM**	**2007** **RM**	**2008** **RM**	**2007** **RM**
At fair value				
Available-for-sale financial asset - Unquoted shares				
At 1 April 2007/2006	-	-	-	-
Addition	1,000	-	1,000	-
Share of results of an associate	18,614	-	-	-
Exchange fluctuation reserve	(3,280)	-	-	-
At 31 March 2008/2007	16,334	-	1,000	-

9. INVESTMENT IN AN ASSOCIATE (continued)

The summarised financial information of the associate is as follows:

	2008 RM	2007 RM
Assets and liabilities		
Current assets	43,259	-
Total assets	43,259	-
Current liabilities	10,590	-
Total liabilities	10,590	-
Results		
Loss for the financial year	8,712	-
Share of results of an associate:		
Excess of the Group's interest in the net fair value of associate's identifiable assets and liabilities over the cost of investment	22,970	-
Share of loss of an associate	(4,356)	-
	18,614	-

The details of the associate is as follows:

Name of company	Country of incorporation	Effective interest 2008	Effective interest 2007	Principal activities
Praslin Express Limited	Seychelles	50%	-	Provision of ferry services

10. INVENTORIES

	Group 2008 RM	Group 2007 RM
At cost		
Trading goods	931,812	2,890,223

11. TRADE AND OTHER RECEIVABLES

	Group 2008 RM	Group 2007 RM	Company 2008 RM	Company 2007 RM
Trade receivables				
Third and related parties	29,744,365	29,411,615	-	-
Less: Allowance for impairment of trade receivables	(215,884)	(85,857)	-	-
	29,528,481	29,325,758	-	-
Other receivables, deposits and prepayments				
Amounts owing by subsidiaries	-	-	32,038,224	25,550,000
Amount owing by an associate	10,639	-	-	-
Other receivables	771,711	1,616,041	-	-
Deposits	30,263	18,263	2,000	-
Prepayments	92,858	766,821	15,000	763,022
	905,471	2,401,125	32,055,224	26,313,022
	30,433,952	31,726,883	32,055,224	26,313,022

(a) Trade receivables are non-interest bearing and the normal trade credit terms granted by the Group range from 3 to 4 months.

(b) Included in trade receivable is an amount of RM372,542 (2007: RM359,845) owing by companies in which certain Directors have interests.

(c) Included in other receivable is an amount of RM542,580 (2007: RM1,260,711) owing by companies in which certain Directors have interests.

(d) Amounts owing by subsidiaries represent advances which are unsecured, interest-free and are repayable within 12 months.

(e) Amount owing by an associate represents advances which are unsecured, interest-free and are repayable within 12 months.

12. FIXED DEPOSITS WITH LICENSED BANKS

Group

The fixed deposits of the Group have maturity periods ranging from 1 to 12 months.

Included in the fixed deposits is an amount of RM1,500,000 (2007: RM1,500,000) pledged to licensed banks as security for banking facilities granted to a subsidiary (Note 16).

13. SHARE CAPITAL

	Group and Company		
	Number of shares	Par value	RM
Authorised			
2008			
Balance as at 1 April 2007	100,000,000	1.00	100,000,000
Share split of 1 : 1	100,000,000	0.50	-
Balance as at 31 March 2008	200,000,000	0.50	100,000,000
2007			
Balance as at 1 April 2007/ 31 March 2008	100,000,000	1.00	100,000,000
Issued and fully paid			
2008			
Balance as at 1 April 2007	27,982,647	1.00	27,982,647
Bonus issue	26,017,353	1.00	26,017,353
Balance before share split	54,000,000	1.00	54,000,000
Share split of 1 : 1	54,000,000	0.50	-
	108,000,000	0.50	54,000,000
Issued during the financial year	12,000,000	0.50	6,000,000
Balance as at 31 March 2008	120,000,000	0.50	60,000,000
2007			
Balance as at 1 April 2006	2	1.00	2
Issued as consideration for the acquisitions of subsidiaries (Note 8)	27,982,645	1.00	27,982,645
Balance as at 31 March 2007	27,982,647	1.00	27,982,647

Bonus issue

The Company undertook a bonus issue of 26,017,353 new ordinary shares of RM1.00 each to the existing shareholders of the Company on the basis of approximately 92.97 new ordinary shares of RM1.00 each in the Company for every one hundred (100) existing ordinary shares of RM1.00 each held in the Company by way of capitalising the retained profits and share premium of RM25,692,876 and RM324,477 respectively.

Following the said bonus issue, the issued and paid-up share capital of the Company was increased from RM27,982,647 comprising 27,982,647 ordinary shares of RM1.00 each to RM54,000,000 comprising 54,000,000 ordinary shares of RM1.00 each.

13. SHARE CAPITAL (continued)

Share split

Subsequent to the aforesaid bonus issue, the Company implemented a share split exercise involving the subdivision of one (1) existing ordinary share of RM1.00 each in the Company into two (2) ordinary shares of RM0.50 each, resulting in the issued and paid-up share capital of the Company of RM54,000,000 comprising 54,000,000 ordinary shares of RM1.00 each being subdivided into 108,000,000 ordinary shares of RM0.50 each.

Public issue

In conjunction with the listing and quotation for the entire issued and fully paid-up share capital, the Company undertook a public issue of 12,000,000 new ordinary shares of RM0.50 each at an issue price of RM1.00 per ordinary share, resulting in the issued and paid-up share capital of the Company being increased from RM54,000,000 comprising 108,000,000 ordinary shares of RM0.50 each to RM60,000,000 comprising 120,000,000 ordinary shares of RM0.50 each.

All the new ordinary shares issued rank pari passu in all respect with the then existing ordinary shares of the Company.

14. RETAINED PROFITS

Company

Effective 1 January 2008, the Company is given the option to make an irrevocable election to move to a single tier system or continue to use its tax credit under Section 108 of the Income Tax Act, 1967 for the purpose of dividend distribution until the tax credit is fully utilised or latest by 31 December 2013. As a result, there are no longer any restrictions on the Company to frank the payment of dividends out of its entire retained profits as at balance sheet date.

15. OTHER RESERVES

	Group		Company	
	2008	2007	2008	2007
	RM	RM	RM	RM
Non-distributable				
Share premium	4,325,375	324,477	4,325,375	324,477
Exchange fluctuation reserve (3,280)	-	-	-	
Fair value reserve	-	-	22,090,194	15,324,138
	4,322,095	324,477	26,415,569	15,648,615

The fair value reserve represents fair value gains arising from the changes in value of the Company's investments in subsidiaries which has been accounted for as an available-for-sale financial asset (Note 8).

16. BORROWINGS (SECURED)

	Group 2008 RM	Group 2007 RM
Non-current liabilities		
Term loans (Note 17)	3,625,636	5,726,888
Current liabilities		
Bank overdraft	87,923	71,905
Bankers' acceptances	2,000,000	2,258,000
Term loans (Note 17)	11,642,687	2,023,535
	13,730,610	4,353,440
Total borrowings	17,356,246	10,080,328

The maturity profile and exposure to the interest rate risk of the borrowings are disclosed in Note 29(a)(iv).

Bank overdraft and bankers' acceptances are secured by:

(a) a facility agreement as principal instrument;
(b) a corporate guarantee from Malsuria Holdings Sdn. Bhd., a company in which certain Directors have interests;
(c) a joint and several guarantee by certain Directors; and
(d) a fixed deposit of a subsidiary (Note 12).

The bank overdraft is charged at an interest of 1.50% per annum above the bank's base lending rate.

The bankers' acceptances are charged at an interest of 1.50% per annum on the face value of each banker acceptance plus the prevailing discount rate at time of transaction.

17. TERM LOANS (SECURED)

	Group 2008 RM	Group 2007 RM
Term loan I	1,756,064	2,650,574
Term loan II	3,978,905	5,099,849
Term loan III	9,533,354	-
	15,268,323	7,750,423
Repayable as follows:		
Current liabilities (Note 16)	11,642,687	2,023,535
Non-current liabilities (Note 16)	3,625,636	5,726,888
	15,268,323	7,750,423

17. TERM LOANS (SECURED) (continued)

Term loan I and term loan II are secured by:

(a) a facility agreement as principal instrument;
(b) a corporate guarantee from Malsuria Holdings Sdn. Bhd., a company in which certain Directors have interests;
(c) a joint and several guarantee by certain Directors;
(d) a statutory mortgage over 2 vessels of certain subsidiaries;
(e) a debenture incorporating fixed charge for RM6 million over a vessel of a subsidiary; and
(f) a legal assignment of marine insurance policy over a vessel of a subsidiary.

Both term loans are charged at 4.18% per annum for the 1st year effective from the date of offer, 5.00% per annum for the 2nd year and thereafter at 1.25% per annum above the bank's base lending rate.

Term loan III represents a bridging loan which is to be settled by March 2008 and is secured by fixed deposits of RM10 million provided by a Director. It has been subsequently restructured into a term loan in April 2008 and is secured by:

(a) a facility agreement as principal instrument;
(b) a corporate guarantee from the Company;
(c) a statutory mortgage over a vessel of a subsidiary;
(d) a debenture incorporating fixed charge for RM10 million over a vessel of a subsidiary; and
(e) a legal assignment of marine insurance policy over a vessel of a subsidiary.

The term loan III is charged at 4.18% per annum for the 1st year effective from the date of offer, 5.00% per annum for the 2nd year and thereafter at 1.00% per annum above the bank's base lending rate.

The maturities of term loans are disclosed in Note 29(a)(iv) to the financial statements.

18. DEFERRED TAX LIABILITIES

(a) The movements of the deferred tax liabilities of the Group during the year are as follows:

	Group	
	2008	**2007**
	RM	**RM**
At 1 April 2007/2006	143,056	-
Arising from acquisitions of subsidiaries (Note 26)	-	92,995
Recognised in the income statement (Note 23)	(3,918)	50,061
At 31 March 2008/2007	139,138	143,056

The deferred tax liabilities represent the excess of capital allowances over corresponding depreciation.

18. DEFERRED TAX LIABILITIES (continued)

(b) The amounts of temporary differences for which no deferred tax assets have been recognised are as follows:

	Group	
	2008 RM	2007 RM
Unabsorbed tax losses	1,790,819	226,847
Unutilised capital allowances	8,070	8,070
	1,798,889	234,917

Deferred tax assets are not recognised in respect of these items as it is not probable that taxable profit of certain subsidiaries will be available against which these deductible temporary differences can be utilised.

19. TRADE AND OTHER PAYABLES

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Trade payables				
Third and related parties	8,212,337	8,815,926	-	-
Other payables				
Other payables	476,039	494,475	48,180	120,080
Accruals	251,369	315,354	12,800	12,800
Amounts owing to Directors	1,958,783	205,715	1,000	52,250
	2,686,191	1,015,544	61,980	185,130
	10,898,528	9,831,470	61,980	185,130

(a) Trade payables are non-interest bearing and the normal trade credit terms granted to the Group range from 3 to 4 months.

(b) Included in trade payables is an amount of RM683,400 (2007: RM123,888) owing to companies in which certain Directors have interests.

(c) Amounts owing to Directors represent advances and payments made on behalf which are unsecured, interest-free and payable within 12 months.

20. REVENUE

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Sales of goods	45,840,687	23,896,565	-	-
Rendering of services	78,108,775	42,524,341	-	-
Dividend income from subsidiaries	-	-	12,600,000	26,250,000
	123,949,462	66,420,906	12,600,000	26,250,000

21. COST OF SALES

	Group 2008 RM	Group 2007 RM
Inventories sold	42,925,425	21,538,340
Services rendered	57,406,283	33,021,437
	100,331,708	54,559,777

22. PROFIT BEFORE TAX

Profit before tax is arrived at after charging:

	Group 2008 RM	Group 2007 RM	Company 2008 RM	Company 2007 RM
Allowance for impairment of trade receivables	130,027	85,857	-	-
Auditors' remuneration				
- current year	72,500	65,650	12,000	12,000
- over provision in prior years	(4,500)	(18,100)	-	-
Bad debts written off	-	116,974	-	-
Depreciation of property, plant and equipment (Note 7)	1,689,196	1,719,971	558	-
Directors' remuneration:				
- fees	18,000	-	18,000	-
- other emoluments	847,975	339,227	-	-
Finance charges for letter of credits	21,238	-	-	-
Interest expenses on:				
- bank overdraft	5,519	3,314	-	-
- term loans	524,882	392,698	-	-
- hire-purchase	-	9,357	-	-
- bankers' acceptances	64,561	60,079	-	-
- others	467	712	-	-
Property, plant and equipment written off	4,779	-	-	-
Realised loss on foreign exchange	430,294	379,955	-	-
Rental of premises	31,200	20,900	-	-
Unrealised loss on foreign exchange	388,230	124,081	-	-

And crediting:

	Group 2008 RM	Group 2007 RM	Company 2008 RM	Company 2007 RM
Dividend income from subsidiaries	-	-	12,600,000	26,250,000
Gain on disposal of property, plant and equipment	38,625	80,733	-	-
Interest income from:				
- fixed deposits	428,101	92,662	233,153	-
- others	105,892	20,945	13,915	488
Excess of the Group's interest in the net fair value of subsidiaries' identifiable assets and liabilities over the cost of investment	-	33,228,518	-	-

23. TAX EXPENSE

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Current tax expense	1,704,290	1,089,397	765,659	-
Deferred tax (Note 18)	(8,067)	30,183	-	-
	1,696,223	1,119,580	765,659	-
Under provision in prior year:				
- Current tax expense	16,897	51,295	132	-
- Deferred tax (Note 18)	4,149	19,878	-	-
	21,046	71,173	132	-
	1,717,269	1,190,753	765,791	-

Current tax expense is calculated at the statutory tax rate of 26% (2007: 27%) of the estimated assessable profit for the year. The statutory tax rate of 26% will be reduced to 25% for year of assessment 2009. The computation of deferred tax as at 31 March 2008 has reflected this change.

The numerical reconciliations between the average effective tax rate and the applicable tax rate of the Group and of the Company are as follows:

	Group		Company	
	2008 %	2007 %	2008 %	2007 %
Applicable tax rate	26.00	27.00	26.00	27.00
Tax effects in respect of:				
Non-allowable expenses	3.39	2.00	0.07	0.03
Reduction in statutory tax rate on chargeable income up to RM500,000 for certain subsidiaries	(0.70)	(0.29)	-	-
Tax rate adjustment on deferred tax	(0.02)	(0.01)	-	-
Deferred tax assets not recognised	0.26	(0.04)	(0.01)	-
Non-taxable income	(0.03)	(4.41)	-	-
Tax-exempt income	(20.34)	(21.63)	(20.06)	(27.03)
	8.56	2.62	6.00	-
Under provision of tax expense in prior year	0.09	0.12	-	-
Under provision of deferred tax in prior year	0.02	0.05	-	-
Average effective tax rate	8.67	2.79	6.00	-

Subject to the agreement of the Inland Revenue Board, certain subsidiaries have unutilised capital allowances and unabsorbed tax losses of approximately RM8,070 (2007: RM8,070) and RM1,790,819 (2007: RM226,847) respectively which are available for offset against their future taxable profits.

24. EARNINGS PER ORDINARY SHARE

Group

(a) Basic

The basic earnings per ordinary share has been calculated based on the consolidated profit for the year attributable to the equity holders of the Company divided by the weighted average number of ordinary shares in issue during the financial year. The basic earnings per share is calculated considering the bonus issues and the share split of one (1) ordinary share of RM1.00 each into 2 ordinary shares of RM0.50 each during the financial year as disclosed in Note 13 to the financial statements. The preceding year comparative figures have been adjusted accordingly.

	2008	**2007**
Consolidated profit for the financial year (RM)	18,092,390	41,549,273
Weighted average number of ordinary shares	115,016,393	63,000,005
Basic earnings per ordinary shares (sen)	15.7	65.9

(b) Diluted

The diluted earnings per ordinary share is not disclosed as there is no dilutive potential ordinary share.

25. DIVIDEND

	2008 Group and Company	
	Dividend per share sen	**Amount of dividend RM**
Interim tax exempt dividend in respect of financial year ended 31 March 2008 was paid on 31 January 2008	5.00	6,000,000

A final tax exempt dividend in respect of the financial year ended 31 March 2008 of 3 sen per ordinary share amounting to RM3,600,000 has been proposed by the Directors after the balance sheet date for shareholders' approval at the forthcoming Annual General Meeting. The financial statements for the current financial year do not reflect this proposed dividend. This dividend, if approved by shareholders, will be accounted for as an appropriation of retained earnings in the financial year ending 31 March 2009.

26. ACQUISITIONS OF SUBSIDIARIES

In the previous financial year, the Company acquired the subsidiaries as disclosed in Note 8. The effect of the acquisitions on the cash flow position of the Group was as follows:

	2007	
	Fair value recognised on acquisition RM	**Acquiree's carrying amount RM**
Property, plant and equipment (Note 7)	48,037,719	20,629,419
Inventories	1,344,490	1,344,490
Trade receivables	21,697,875	21,697,875
Other receivables, deposits and prepayments	1,588,752	1,588,752
Amount owing by the holding company	149,606	149,606
Fixed deposits *	2,022,776	2,022,776
Cash and bank balances	3,865,883	3,865,883
Trade payables	(6,773,900)	(6,773,900)
Other payables and accruals	(861,559)	(861,559)
Amounts owing to former directors	(430,100)	(430,100)
Amount owing to a former subsidiary	(17,560)	(17,560)
Bank borrowings	(8,786,082)	(8,786,082)
Tax liabilities	(209,265)	(209,265)
Deferred tax liabilities (Note 18)	(92,995)	(92,995)
Total net assets	61,535,640	34,127,340
Less: Minority interest	-	
Group's share of net assets	61,535,640	
Less: Excess of the Group's interest in the net fair value of subsidiaries' identifiable assets and liabilities over the cost of investment	(33,228,518)	
Cost of investments in subsidiaries (Note 8)	28,307,122	
Less: Discharged by issuance of shares	(28,307,122)	
	-	
Less: Cash and cash equivalents of the subsidiaries acquired	(4,388,659)	
Cash flow on acquisitions, net of cash and cash equivalents acquired	4,388,659	

** Included are fixed deposits pledged of RM1,500,000.*

27. CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the cash flow statements comprise the following balance sheet amounts:

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Fixed deposits with licensed banks	12,337,845	6,215,437	10,188,515	-
Cash and bank balances	4,913,638	2,825,745	307,282	44,593
Bank overdraft (Note 16)	(87,923)	(71,905)	-	-
	17,163,560	8,969,277	10,495,797	44,593
Less: Fixed deposits pledged to licensed banks (Note 12)	(1,500,000)	(1,500,000)	-	-
	15,663,560	7,469,277	10,495,797	44,593

28. EMPLOYEE BENEFITS

	Group	
	2008 RM	2007 RM
Wages, salaries and bonuses	4,039,803	2,796,092
Contributions to defined contribution plan	256,180	142,150
Social security contributions	17,823	14,329
Other benefits	579,150	368,887
	4,892,956	3,321,458

29. FINANCIAL INSTRUMENTS

(a) Financial risk management objectives and policies

The operations of the Group are subject to a variety of financial risks, including credit risk, foreign currency risk, interest rate risk and liquidity and cash flow risk. The Group's overall financial risk management objective is to ensure that the Group creates value for its shareholders while minimising potential adverse effects on the financial performance of the Group. Various risk management policies are in placed to control and manage risks associated with financial instruments. It is, and has been throughout the period under review, the Group's policy that no trading or speculation in financial instruments shall be undertaken. The Board reviews and agrees on policies for managing each of these risks and they are summarised below:

(i) Liquidity and cash flow risks

The Group is actively managing its operating cash flow to suit the debt maturity profile so as to ensure all commitments and funding needs are met. As part of the overall liquidity management, it is the Group's policy to ensure continuity in servicing its cash obligations in the future by way of measures and forecasts of its cash commitments and to maintain sufficient levels of cash or cash equivalents to meet its working capital requirements. In addition, the Group also maintains sufficient credit facilities for contingent funding requirements of the working capital.

29. FINANCIAL INSTRUMENTS (continued)

(a) Financial risk management objectives and policies (continued)

(ii) Credit risk

Credit risk is the potential risk of financial loss from the failure of a customer or counter party to settle their financial and contractual obligations to the Group, as and when they fall due.

Exposure to credit risk is monitored by the management on an on-going basis.

In respect of the cash and bank balances and fixed deposits placed with major financial institutions, the Directors believe that the possibility of non-performance by these financial institutions is remote on the basis of their financial strength.

At balance sheet date, the Company has significant exposures to amount due from subsidiaries but there were no significant concentrations of credit risk for the Group except as disclosed in Note 6(b)(iii) to the financial statements. The maximum exposure of credit risk is represented by the carrying amount of each financial asset.

(iii) Foreign currency exchange risk

The Group is subject to foreign exchange fluctuations through the overseas sales of finished goods denominated in foreign currency.

It is not the Group and the Company's policies to enter into foreign exchange contract in managing its foreign exchange risk.

The financial assets and liabilities of the Group that are not denominated in their functional currency are as follows:

	Group	
	2008	**2007**
	RM	**RM**
Cash and bank balances		
US Dollar	399,718	198,680
Trade receivables		
US Dollar	7,075,501	5,291,231
Singapore Dollar	58,242	121,135
Trade payables		
US Dollar	1,254,572	348,956
Singapore Dollar	7,941	54,374

(iv) Interest rate risk

The Group's exposure to market risk for changes in interest rates relates primarily to the Group's bank borrowings and fixed deposits placed with licensed banks. The Group does not use derivative financial instruments to hedge its risk.

29. FINANCIAL INSTRUMENTS (continued)

(a) Financial risk management objectives and policies (continued)

(iv) Interest rate risk (continued)

The following table set out the carrying amounts, the average effective interest rates ("AEIR") as at the balance sheet date and the remaining maturities of the Group's financial instruments that is exposed to interest rate risk:

Group	AEIR %	Within 1 year RM	1 - 2 years RM	2 – 3 Years RM	3 - 4 years RM	4 - 5 years RM	More than 5 years RM	Total RM
2008								
Fixed rate								
Fixed deposits with licensed banks	3.40	12,337,845	-	-	-	-	-	12,337,845
Floating rate								
Bankers' acceptances	4.91	(2,000,000)	-	-	-	-	-	(2,000,000)
Bank overdraft	8.25	(87,923)	-	-	-	-	-	(87,923)
Term loans	5.96	(11,642,687)	(2,007,660)	(1,323,242)	(294,734)	-	-	(15,268,323)
2007								
Fixed rate								
Fixed deposits with licensed banks	3.26	6,215,437	-	-	-	-	-	6,215,437
Floating rate								
Bankers' acceptances	3.62	(2,258,000)	-	-	-	-	-	(2,258,000)
Bank overdraft	8.25	(71,905)	-	-	-	-	-	(71,905)
Term loans	5.49	(2,023,535)	(2,110,059)	(2,006,648)	(1,323,881)	(286,300)	-	(7,750,423)

(b) Fair values

The carrying amounts of the financial assets and liabilities of the Group and of the Company as at the balance sheet date approximate their fair values except those disclosed otherwise in the financial statements.

30. RELATED PARTIES TRANSACTIONS

(a) Identities of related parties

Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

The Company has controlling related party relationship with its direct and indirect subsidiaries.

(b) In addition to the transactions detailed elsewhere in the financial statements, the Group and the Company had the following transactions with related parties during the financial year:

	Group	
	2008 RM	2007 RM
Companies in which certain Directors have interests:		
Revenue from services rendered	354,697	368,125
Rental expense payable	(31,200)	(31,200)
Container haulage service charges payable	(1,406,135)	(22,634)
Tanker and lorry transport service charges payable	(297,308)	(185,794)

The related party transactions described above were carried out on negotiated terms and conditions.

31. SEGMENT REPORTING

(a) Business segments

Segment information is presented in respect of the Group's business segments, which is based on the Group's management and internal reporting structure.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items mainly comprise interest-earning assets and revenue, interest-bearing borrowings and finance costs.

Segment capital expenditure is the total cost incurred during the period to acquire segment assets that are expected to be used for more than one (1) period.

Inter-segment pricing is determined based on negotiated terms.

The Group's operations comprise the following business segments:

Marine : Provision of marine transportation services

Trading : Trading of goods

Logistics : Total logistic services provider

Others : Lorry and trucking services, trading of freight and investment holding

31. SEGMENT REPORTING (continued)

(a) Business segments (continued)

2008	Marine RM	Trading RM	Logistics RM	Others RM	Elimination RM	Total RM
Revenue						
External segment revenue	30,949,768	45,840,687	35,228,709	11,930,298	-	123,949,462
Inter-segment revenue	13,994,923	55,430	-	13,704,010	(27,754,363)	-
	44,944,691	45,896,117	35,228,709	25,634,308	(27,754,363)	123,949,462
Results						
Segment results	16,011,400	1,302,135	2,273,913	13,642,332	(13,356,061)	19,873,719
Finance costs						(616,667)
Interest income						533,993
Share of results of an associate						18,614
Profit before tax						19,809,659
Tax expense						(1,717,269)
Profit after tax						18,092,390

2007	Marine RM	Trading RM	Logistics RM	Others RM	Elimination RM	Total RM
Revenue						
External segment revenue	19,888,095	23,896,565	17,074,003	5,562,243	-	66,420,906
Inter-segment revenue	7,069,300	-	7,242	26,710,664	(33,787,206)	-
	26,957,395	23,896,565	17,081,245	32,272,907	(33,787,206)	66,420,906
Results						
Segment results	8,210,389	1,596,714	616,097	26,521,376	(27,080,515)	9,864,061
Finance costs						(466,160)
Interest income						113,607
Excess of the Group's interest in the net fair value of subsidiaries' identifiable assets and liabilities over the cost of investment						33,228,518
Profit before tax						42,740,026
Tax expense						(1,190,753)
Profit after tax						41,549,273

31. SEGMENT REPORTING (continued)

(a) Business segments (continued)

2008	Marine RM	Trading RM	Logistics RM	Others RM	Elimination RM	Total RM
Other information						
Segment assets	68,889,233	22,421,721	10,713,675	97,201,710	(78,068,398)	121,157,941
Tax recoverable						27,669
Total assets						121,185,610
Segment liabilities	41,399,133	17,326,603	3,693,432	1,987,500	(53,508,140)	10,898,528
Deferred tax liabilities						139,138
Tax liabilities						573,566
Borrowings						17,356,246
Total liabilities						28,967,478
Capital expenditure	26,816,718	83,665	614,630	14,954	-	27,529,967
Depreciation	1,446,926	116,329	76,141	49,800	-	1,689,196
Other non-cash income	-	-	(1,625)	(38,218)	(22,970)	(62,813)
Other non-cash expenses	3,732	356,522	131,074	32,926	-	524,254

2007	Marine RM	Trading RM	Logistics RM	Others RM	Elimination RM	Total RM
Other information						
Segment assets	43,698,080	14,773,437	11,118,390	57,832,004	(36,947,070)	90,474,841
Tax recoverable						8,343
Total assets						90,483,184
Segment liabilities	28,730,199	8,578,335	5,811,055	1,929,514	(35,217,633)	9,831,470
Deferred tax liabilities						143,056
Tax liabilities						624,683
Borrowings						10,080,328
Total liabilities						20,679,537
Capital expenditure	256,948	177,602	71,045	478	-	506,073
Depreciation	1,472,100	79,656	95,504	72,711	-	1,719,971
Other non-cash income	(737)	-	-	(79,996)	(33,228,518)	(33,309,251)
Other non-cash expenses	43,403	124,081	144,448	14,980	-	326,912

31. SEGMENT REPORTING (continued)

(b) Geographical segments

In determining the geographical segments of the Group, revenue is based on the geographical location of customers. Segment assets and capital expenditure are based on the geographical location of assets. The composition of each geographical segment is as follows:

South-East Asia : Marine, logistics and others

South-West Indian Ocean : Trading of goods

2008	**Revenue RM**	**Segment assets RM**	**Capital expenditure RM**
South-East Asia	78,108,775	98,763,889	27,446,302
South-West Indian Ocean	45,840,687	22,421,721	83,665
	123,949,462	121,185,610	27,529,967
2007			
South-East Asia	42,524,341	75,709,747	328,471
South-West Indian Ocean	23,896,565	14,773,437	177,602
	66,420,906	90,483,184	506,073

32. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

(a) During the financial year, as part of the listing of and quotation for the entire issued and fully paid-up share capital of the Company on the Main Board of Bursa Malaysia Securities Berhad, the Company undertook a listing scheme which was approved by the Securities Commission on 30 March 2007 and 5 July 2007 as well as the Ministry of International Trade and Industry ("MITI") on 26 February 2007 and 28 June 2007, involving the following;

(i) Bonus issue, share split and public issue

During the financial year, the Company undertook a bonus issue, share split and public issue as disclosed in Note 13 to the financial statements.

(ii) Offer for sale

A Director, Mr. Law Hee Ling, a substantial shareholder of the Company, offered for sale an aggregate of 30,668,000 ordinary shares of RM0.50 each in the Company by way of private placement to Bumiputera investors approved by the MITI at an offer price of RM1.00 per ordinary share.

(b) The Company was listed on the Main Board of Bursa Malaysia Securities Berhad on 30 August 2007.

(c) On 1 October 2007, the Company acquired the 50% of issued and paid-up share capital of Praslin Express Limited (formerly known as Praslin Express (Proprietary) Limited), a company incorporated under the Companies Act 1972 of Seychelles comprising 50 ordinary shares of Seychelles Rupee (SCR) 1,000 each from a Director of the Company for a total cash consideration of RM1,000.

33. COMPARATIVE FIGURES

The following comparative figures have been restated to conform with the current financial year's presentation.

	As previously reported RM	As restated RM
Income statement		
Group		
Cost of sales	54,232,913	54,559,777
Marketing and distribution costs	127,012	253,666
Administration expenses	1,250,602	774,101
Other expenses	1,277,468	1,300,451
Company		
Administration expenses	25,255	-
Other expenses	-	25,255

34. AUTHORISATION FOR ISSUE OF FINANCIAL STATEMENTS

These financial statements were authorised for issue in accordance with a resolution by the Board of Directors on 23 July 2008.

ANALYSIS BY SIZE OF SHAREHOLDINGS
AS AT 18 JULY 2008

Authorised Share Capital	:	RM100,000,000.00
Issued and Paid Up Share Capital	:	RM60,000,000.00
Class of Shares	:	Ordinary shares of RM0.50 each
Voting Rights	:	1 vote per share

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares	% of Shares
Less than 100	5	0.35	106	-
100 - 1,000	262	18.26	244,394	0.20
1,001 - 10,000	782	54.49	3,826,700	3.19
10,001 - 100,000	311	21.67	10,705,300	8.92
100,001 - less than 5% of the shares	72	5.02	41,011,500	34.18
5% and above of Issued shares	3	0.21	64,212,000	53.51
	1,435	**100.00**	**120,000,000**	**100.00**

DIRECTORS' SHAREHOLDINGS

No.	Name	Direct Interest	% of Shares	Indirect Interest	% of Shares
1	Tan Sri Dato' Seri Dr Ting Chew Peh	-	-	100,000	0.08
2	Tan Sri Dato' Seri Law Hieng Ding	2,000	-	-	-
3	Law Hee Ling	48,234,400	40.19	3,793,500	3.16
4	Lim Kok Onn	3,132,500	2.61	-	-
5	Hoo Mee Lien	6,777,600	5.65	-	-
6	Chia Kah Ying	490,800	0.41	-	-

SUBSTANTIAL SHAREHOLDERS

No.	Name	Direct Interest	% of Shares	Indirect Interest	% of Shares
1	Law Hee Ling	48,234,400	40.19	3,793,500	3.16
2	EB Nominees (Tempatan) Sendirian Berhad (For Kamarudin Bin Mohd Zain)	9,200,000	7.67	-	-
3	Hoo Mee Lien	6,777,600	5.65	-	-

ANALYSIS BY SIZE OF SHAREHOLDINGS
AS AT 18 JULY 2008 (cont'd)

Top Thirty (30) Largest Shareholders

NO	NAME	S/HOLDINGS	%
1	LAW HEE LING	48,234,400	40.19
2	EB NOMINEES (TEMPATAN) SENDIRIAN BERHAD (FOR KAMARUDIN BIN MOHD ZAIN)	9,200,000	7.67
3	HOO MEE LIEN	6,777,600	5.65
4	LIM LAY FONG	3,793,500	3.16
5	LIM KOK ONN	3,132,500	2.61
6	LEMBAGA TABUNG HAJI	2,776,300	2.31
7	AMCORPGROUP BERHAD	2,381,000	1.98
8	CHANDRA SEKARAN A/L SUBRAYAN	2,313,800	1.93
9	MALAYSIA NOMINEES (TEMPATAN) SENDIRIAN BERHAD (FOR GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD)	2,230,000	1.86
10	MALAYSIA NOMINEES (TEMPATAN) SENDIRIAN BERHAD (FOR OVERSEAS ASSURANCE CORPORATION (MALAYSIA) BERHAD)	1,487,100	1.24
11	CHANDRA SEKARAN A/L SUBRAYAN	1,347,500	1.12
12	AFFIN NOMINEES (TEMPATAN) SDN BHD (FOR CHOW SHEP PHENG)	1,322,000	1.10
13	TAN MEE LEY	1,011,000	0.84
14	SIN SIEW WAH	1,000,000	0.83
15	KUNTUM ENTERPRISES SDN BHD	988,900	0.82
16	MALAYSIA NOMINEES (TEMPATAN) SENDIRIAN BERHAD (FOR GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD)	878,000	0.73
17	LOH CHOOI FUN	700,000	0.58
18	TAN KOK SING	646,700	0.54
19	TIONG HEW PING	641,900	0.53
20	MALAYSIA NOMINEES (TEMPATAN) SENDIRIAN BERHAD FOR (FOR GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD)	587,200	0.49
21	TAN CHOON LEONG	585,900	0.49
22	TANG TECK PO	582,100	0.49
23	MALAYSIA NOMINEES (TEMPATAN) SENDIRIAN BERHAD (FOR OVERSEAS ASSURANCE CORPORATION (MALAYSIA) BERHAD)	526,300	0.44
24	PFM CAPITAL SDN BHD	525,000	0.44
25	TENG CHU LEN	517,000	0.43
26	CHIA KAH YING	490,800	0.41
27	TAN CHOON LEONG	460,100	0.38
28	AFFIN NOMINEES (TEMPATAN) SDN BHD (FOR DING CHIEW LENG)	439,000	0.37
29	AFFIN NOMINEES (TEMPATAN) SDN BHD (FOR SIM AH LEN)	429,000	0.36
30	LAU PIK	420,600	0.35
		96,425,200	80.35

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Third (3rd) Annual General Meeting of Complete Logistic Services Berhad will be held at the Crystal Room, Level 1, Crystal Crown Hotel, 217 Persiaran Raja Muda Musa, 42000 Port Klang, Selangor Darul Ehsan on Friday, 5 September, 2008 at 10.00 a.m for the following purposes:-

AS ORDINARY BUSINESS

1. To receive and adopt the audited financial statements for the financial year ended 31 March 2008 and the Reports of the Directors and Auditors thereon; **(Resolution 1)**

2. To approve the payment of a final tax exempt dividend of 3 sen per share in respect of the financial year ended 31 March 2008; **(Resolution 2)**

3. To approve the payment of Directors' fees of RM 18,000 for the financial year ended 31 March 2008; (2007-NIL) **(Resolution 3)**

4. To re-elect the following Directors retiring pursuant to Article 95 of the Company's Articles of Association:-

   Law Hee Ling **(Resolution 4)**
   Lim Kok Onn **(Resolution 5)**

5. To re-appoint Tan Sri Dato' Seri Law Hieng Ding as a Director of the Company to hold office until the conclusion of the next Annual General Meeting of the Company pursuant to Section 129(6) of the Companies Act, 1965; **(Resolution 6)**

6. To re-appoint BDO Binder as Auditors for the ensuing year and to authorise the Directors to fix their remuneration; **(Resolution 7)**

AS SPECIAL BUSINESS

7. To consider and, if though fit, pass the following Ordinary Resolution:-

   AUTHORITY TO ISSUE SHARES

   '**THAT** pursuant to Section 132D of the Companies Act, 1965, the Directors be and they are hereby authorised to issue shares in the Company at any time until the conclusion of the next Annual General Meeting and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit provided that the aggregate number of shares to be issued does not exceed 10 per centum of the issued share capital of the Company for the time being, subject always to the approval of all the relevant regulatory bodies being obtained for such allotment and issue"; and **(Resolution 8)**

8. To transact any other business of the Company for which due notice shall have been given.

Notice of Book Closure For Payment of Dividend

NOTICE IS HEREBY GIVEN that the register of members will be closed on 8 September 2008 to determine shareholders' entitlement to the dividend payment. The final tax exempt dividend of 3 sen per share for the financial year ended 31 March 2008, if approved at the forthcoming Annual General Meeting to be held on 5 September 2008, will be paid on 22 September 2008 to shareholders whose names appear in the register of members and record of depositors on 8 September 2008.

A depositor shall qualify for entitlement only in respect of:

A. Shares transferred into the Depositor's Securities Account before 4.00 p.m. on 8 September 2008 in respect of ordinary transfers;

B. Shares bought on the Bursa Malaysia Securities Berhad on a cum entitlement basis according to the rules of the Bursa Malaysia Securities Berhad.

By Order of the Board
Complete Logistic Services Berhad

Chia Ong Leong (MIA 4797)
Chia Kia Hock (LS1825)
Company Secretaries

Klang, Selangor Darul Ehsan
13 August 2008

Notes:

1. A member of the Company entitled to attend and vote at this meeting is entitled to appoint not more than two (2) proxies to attend this meeting and vote in his stead. Where a holder appoints two (2) proxies to attend and vote at the same meeting, such appointment shall be invalid unless he specified the proportion of his shareholdings to be represented by each proxy.

   A proxy may but need not be a member of the Company.

2. The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing or if the appointor is a corporation either under its common seal or under the hand of an officer or attorney duly authorised in writing.

3. The instrument appointing a proxy together with the power of attorney or other authority, if any, under which it is signed or a certified copy thereof, shall be deposited at Registered Office of the Company at No. 82F, Jalan Pulasan, 41000 Klang, Selangor Darul Ehsan, not less that forty-eight (48) hours before the time set for holding this meeting or at any adjournment thereof.

Explanatory Note On the Special Business

1. The proposed Ordinary Resolution 8, if passed, will empower the Directors of the Company, from the date of the Third Annual General Meeting, to issue shares in the Company up to and not exceeding in total ten per centum (10%) of the issued share capital of the Company for the time being for such purposes as they consider would be in the best interest of the Company. This authority, unless revoked or varied at a general meeting, will expire at the next Annual General Meeting of the Company.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

1. Details of the following Directors who are standing for either re-election or re-appointment in Agenda 4 and 5 of the Notice of the Third Annual General Meeting are set out in the Profile of Directors appearing on pages 4 and 5 of this Annual Report.

   (i) Law Hee Ling
   (ii) Lim Kok Onn
   (iii) Tan Sri Dato' Seri Law Hieng Ding

2. Details of attendance of Directors at Board Meeting.

   Three (3) Board meetings were held since the Company was listed on the Main Board of Bursa Malaysia Securities Berhad on 30 August 2007 to the financial year ended 31 March 2008. Details of attendance of Directors are as follows:

Director	No. of Meeting attending
Tan Sri Dato' Seri Dr Ting Chew Peh	3/3
Tan Sri Dato' Seri Law Hieng Ding	3/3
Law Hee Ling	3/3
Lim Kok Onn	3/3
Hoo Mee Lien	3/3
Chia Kah Ying	3/3

3. Place, date and time of Board Meeting.

   All the Board Meetings were held at 25 Jalan Berangan, 42000 Port Klang.

Date	Time
28.08.2007	1.00 p.m.
23.11.2007	12.30 noon
27.02.2008	11.30 a.m.

Notes

CLS (716241-X)

COMPLETE LOGISTIC SERVICES BERHAD

FORM OF PROXY

Number of Shares held	
CDS Account No.	

I/We____NRIC/Company No. ____________________of

____

being a member /member of Complete Logistic Services Berhad, hereby appoint______________________________

____

of ____
or failing him/her, the Chairman of Meeting as my/our proxy to attend and vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held at the Crystal Room, Level 1, Crystal Crown Hotel, 217 Persiaran Raja Muda Musa, 42000 Port Klang, Selangor Darul Ehsan on Friday, 5 September, 2008 at 10.00 a.m. or at any adjournment thereof.

My/our proxy is to vote on the resolution as indicated by an "X" in the appropriate spaces below. If this form is returned without any indication as to how the proxy shall vote, the proxy shall vote or abstain as he/she thinks fit.

ORDINARY BUSINESS		**FOR**	**AGAINST**
1. Adoption of Financial Statements and Reports	Resolution 1		
2. Declaration of Dividend	Resolution 2		
3. Approval of Directors' Fees	Resolution 3		
4. Re-election of Directors under Article 95			
(i) Law Hee Ling	Resolution 4		
(ii) Lim Kok Onn	Resolution 5		
5. Re-appointment of Director under S129(6)			
Tan Sri Dato' Seri Law Hieng Ding	Resolution 6		
6. Re-appointment of Messrs BDO Binder as the Company's Auditors for the ensuing year	Resolution 7		
SPECIAL BUSINESS			
7. Approval for Directors to allot and issue shares	Resolution 8		

Dated this____________day of_________________2008

____
Signature /common seal of shareholder

Notes:

1. A member of the Company entitled to attend and vote at this meeting is entitled to appoint not more than two (2) proxies to attend this meeting and vote in his stead. Where a holder appoints two (2) proxies to attend and vote at the same meeting, such appointment shall be invalid unless he specified the proportion of his shareholdings to be represented by each proxy. A proxy may but need not be a member of the Company.

2. The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing or if the appointor is a corporation either under its common seal or under the hand of an officer or attorney duly authorised in writing.

3. The instrument appointing a proxy together with the power of attorney or other authority, if any, under which it is signed or a certified copy thereof, shall be deposited at Registered Office of the Company at No. 82F, Jalan Pulasan, 41000 Klang, Selangor Darul Ehsan, not less that forty-eight (48) hours before the time set for holding this meeting or at any adjournment thereof.

Explanatory Note On the Special Business

1. The proposed Ordinary Resolution 8, if passed, will empower the Directors of the Company, from the date of the Third Annual General Meeting, to issue shares in the Company up to and not exceeding in total ten per centum (10%) of the issued share capital of the Company for the time being for such purposes as they consider would be in the best interest of the Company. This authority, unless revoked or varied at a general meeting, will expire at the next Annual General Meeting of the Company.

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Affix
stamp

THE COMPANY SECRETARIES
COMPLETE LOGISTIC SERVICES BERHAD
NO. 82F JALAN PULASAN
41000 KLANG
SELANGOR DARUL EHSAN

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