



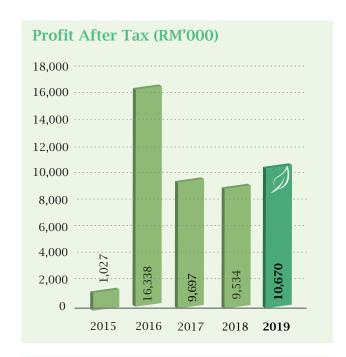
2019 Annual Report

5 Years Financial Highlights

	2015	2016	2017	2018	2019
Revenue (RM'000)	127,198	125,696	117,425	124,020	124,099
Profit After Tax (RM'000)	1,027	16,338	9,697	9,534	10,670
Shareholders' Equity (RM'000)	101,125	118,248	128,858	138,399	150,992
Net Assets Per Share (Sen)	84.0	97.0	105.0	112.0	122.0
Basic Earnings Per Ordinary Share (Sen)	0.8	13.3	7.8	7.6	8.6









14th

Annual General Meeting

PLACE

Nilai Inland Port, 1st Floor, PT 3907, Nilai Industrial Estate, 71800 Nilai, Negeri Sembilan Darul Khusus

TIME

Wednesday, 28 August 2019 at 11.00 a.m.

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PROXY FORM

CORPORATE INFORMATION

BOARD OF DIRECTORS

Dato' Dr Ibrahim Bin Ahmad (Non-Independent Non-Executive Chairman)

Law Hee Ling (Managing Director)

Chia Kah Ying (Executive Director)

Yet Kiong Siang (Independent Non-Executive Director)

Datuk Iskandar Bin Sarudin (Independent Non-Executive Director)

AUDIT COMMITTEE

CHAIRMAN Yet Kiong Siang

MEMBERS

Datuk Iskandar Bin Sarudin Dato' Dr Ibrahim Bin Ahmad

REMUNERATION COMMITEE

CHAIRMAN

Datuk Iskandar Bin Sarudin

MEMBERS

Yet Kiong Siang Law Hee Ling

NOMINATING COMMITEE

CHAIRMAN

Datuk Iskandar Bin Sarudin

MEMBERS

Yet Kiong Siang Dato' Dr Ibrahim Bin Ahmad

RISK MANAGEMENT COMMITTEE

CHAIRMAN

Yet Kiong Siang

MEMBERS

Datuk Iskandar Bin Sarudin Law Hee Ling

COMPANY SECRETARY

Chia Ong Leong (MIA 4797)

REGISTERED OFFICE

82-F, 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 Website: www.complete-group.com

SHARE REGISTRAR

Tricor Investor & Issuing House Services Sdn Bhd Unit 32-01, Level 32, Tower A Vertical Business Suite Avenue 3, Bangsar South No. 8, Jalan Kerinchi 59200 Kuala Lumpur Tel: +603-2783 9299

Fax: +603-2783 9222

AUDITORS

Crowe Malaysia PLT (LLP0018817-LCA & AF 1018) Level 16, Tower C Megan Avenue II 12, Jalan Yap Kwan Seng 50450 Kuala Lumpur Tel: +603-2788 9999

Fax: +603-2788 9998

STOCK EXCHANGE LISTING

Bursa Malaysia Securities Berhad Main Market

CORPORATE STRUCTURE



Bagai Pertama Sdn Bhd (545483-A) Dormant	100% Guper Properties Sdn Bhd (632797-D) Insurance agent
	Guper Resources Sdn Bhd (519580-A)
Complete Container Services Sdn Bhd (543015-W) Dormant	100% Investment holding
Complete Logistic Specialists Sdn Bhd (445588-V) Total logistic services provider	100% Island Network Sdn Bhd (466999-W) General trading
Complete Marine Services Sdn Bhd (490761-A) Shipowner and provision of marine transportation services	Malsuria Logistics Sdn Bhd (463630-M) Shipowner and provision of marine transportation services
Complete Shipping Sdn Bhd (471084-X) Dormant	Malsuria (M) Sdn Bhd (234248-P) Shipowner and provision of marine transportation services
100% Dolphin Shipping Agency Sdn Bhd (507526-A) Shipping agent for provision of freight services	Malsuria Tanker Services Sdn Bhd (376604-H) Shipowner and provision of marine transportation services
Ecocentre Sdn Bhd (832539-W) Processing and trading of rubber dust, trading of tyres, lubricants and related products and provision of tyres maintenance services	Pengangkutan Sekata Sdn Bhd (154036-К) Lorry transport operator
Gems Logistics Sdn Bhd (949999-H)	Dian Pahlawan Sdn Bhd (432061-W) Lorry transport operator
Guper Bonded Warehouse Sdn Bhd (1147401-H) (Formerly known as Guper Industrial Park Sdn Bhd) Dormant	Sin Hiap Hoe Trading & Transport Sdn Berhad (39285-T) Lorry transport operator
Guper Integrated Logistics Sdn Bhd (420531-V) Provision of total Logistic services with haulage, forwarding and	Sierra Jaya Sdn Bhd (266651-P) Shipowner and provision of marine transportation services
other associated services	Ultra Trinity Sdn Bhd (1069230-D) Investment holding

MANAGEMENT DISCUSSION & ANALYSIS

BUSINESS OVERVIEW

We are principally an investment holding company whilst the activities of our subsidiaries include provision of total logistics services that encompass the integration of both the shipping and land transportation. We provide a convenient one stop solution for our customer and our core activities are:

Logistics Segment

Our Logistics segment includes total logistic services which range from land transportation services such as container haulage, lorry transportation (tanker, bulk cargo, side curtain), custom brokerage & forwarding services to freight forwarding, project logistics and door to door delivery services.

Our land transportation services cover areas within Peninsular Malaysia and our hubs are located in Port Klang, Nilai, Jasin and Pasir Gudang. We are the owner and operator of Nilai Inland Port in Nilai, Negeri Sembilan.

Warehousing Segment

Our Warehousing segment provides storage of goods and other related handling services. Currently we have warehouses in Port Klang (Pulau Indah and Port Klang Free Zone), Nilai and Pasir Gudang.

Marine Segment

The Group presently owns and operates a fleet of 5 motorized vessels that provide marine transportation for general break-bulk/conventional cargoes and project cargoes that require total logistics or door to door handling. Our shipping routes cover Peninsular Malaysia, Sabah, Sarawak and Indonesia.

FINANCIAL PERFORMANCE

Financial Highlights	2019	2018	2017	2016	2015
Revenue (RM'000)	124,099	124,020	117,425	125,696	127,198
Profit After Tax (RM'000)	10,670	9,534	9,697	16,338	1,027
Basic Earnings					
Per Ordinary Share (Sen)	8.6	7.6	7.8	13.3	0.8
Total Assets (RM'000)	192,756	180,629	166,839	153,754	136,193
Cash and Cash Equivalents (RM'000)	25,060	11,826	9,062	21,738	15,949
Total Borrowings (RM'000)	18,236	18,243	16,269	20,521	15,950
Shareholders' Equity (RM'000)	150,992	138,399	128,858	118,248	101,125
Net Assets Per Share (Sen)	122	112	105	97	84
Debt/Equity Ratio	0.06	0.17	0.18	0.07	0.13

Comparison - Financial Year ("FY") 2019 / FY 2018

Financial Year Ended	31.03.2019 RM'000	31.03.2018 RM'000	Vari RM'000	ance %
Revenue Profit/(Loss) After Tax	124,099 10,670	124,020 9,534	79 1,136	0.06 11.92
Logistics Segment Revenue Profit After Tax	105,356 7,227	111,383 6,734	-6,027 493	-5.41 7.32
Warehousing Segment Revenue Profit After Tax	8,241 4,101	4,718 2,420	3,523 1,681	74.67 69.46
Marine Revenue Profit After Tax (Extracted from Note 32 of the Financial Statemen	16,842 1,449	14,526 733	2,316 716	15.94 97.68

MANAGEMENT DISCUSSION & ANALYSIS (continued)

In FY 2019, the revenue of the Group increased slightly by RM0.079 million (0.06%) as compared to FY 2018 but the profit after tax increased by RM1.136 million (11.92%).

The slight increase in the Group revenue was due to improved performance of the Warehousing and Marine segments which was being offset by the decrease in revenue in the Logistics segment. The profit after tax of the Group increased by RM1.136 million mainly contributed by the Warehousing, Marine and Logistics segment.

The Logistic segment recorded a decrease in revenue of RM6.027 million which was mainly contributed by the deteriorating business of the lorry transportation services comprising cargo lorry, side curtain lorry and tanker lorry while the haulage and freight trading businesses have shown improvement in business volume. With the above, the Logistics segment managed to generate slight improvement in its profit after tax by RM0.493 million.

With the new warehouses which was completed in the previous financial year, the Warehousing segment managed to generate a higher revenue of RM3.523 million and correspondingly generated a higher profit after tax of RM1.681 million.

The revenue of the Marine segment has improved by RM2.316 million and in line with that the profit after tax improved by RM0.716 million.

During the financial year, the addition in property, plant and equipment of the Group is mainly on construction of new warehouses through internally generated funds. A term loan of RM5.0 million was drawn down by a subsidiary during the financial year to part refinance the acquisition of a plot of land which was acquired by the said subsidiary through advances from the holding company.

OPERATING ACTIVITIES

Logistics Segment

During the financial year, the container haulage and freight trading business have experienced positive growth with both sectors recording an increase in revenue while we maintained the fleet size of our haulage business. Various steps have been taken to improve operational efficiencies in order to remain competitive in the business environment.

Our lorry transportation sector has performed negatively during the financial year mainly because the business of the cement industry, being the major contributor to the lorry transport revenue, has remained slow. Moreover, our operating costs have been escalating with fuel costs, maintenance costs and payroll costs taking the larger percentage of our revenue. Appropriate measures have been taken to strategize our fleet and some old non-productive lorries were disposed during the financial year.

Warehousing Segment

During the financial year, additional covered storage shed was built in Port Klang Free Zone which is adjacent to the existing warehouse. In Pulau Indah, another new warehouse is under construction and expected to be completed in the next financial year, this will contribute positively to the performance of the Group. On top of warehousing services, we also packaged our other logistic services to the customers of the Warehousing segment and this has contributed positively to our haulage and forwarding sectors.

Marine Segment

During the financial year, we maintained the fleet of the Marine segment and were able to achieve better performance comparing to the previous financial year.

MANAGEMENT DISCUSSION & ANALYSIS (continued)

ANTICIPATED KNOWN RISKS

Competition

The marine transportation and logistics services industry has moderate barriers to entry as evidenced by the large number of players in the market and hence, competition among the existing players is considerably high. However, our proven track record, in-depth industry knowledge and experience, skilled manpower, established process management, good business relationship with customers and coupled with our ability to deliver consistent quality services and to provide integrated logistics services would enable us to stay competitive.

Fuel Costs

Fuel costs form a significant portion of our total operating costs and hence, any drastic fluctuation in fuel costs would inevitably affect our financial performance. The financial impact of an increase in fuel costs may be ameliorated by passing the increased costs to our customers via fuel surcharge, except for confirmed fixed rates arrangement that has been agreed with customers. The Group will continuously review and negotiate new rates with shorter tenure with customers should the fuel price increases beyond our cost limit.

Credit risk

The Group's exposure to credit risk, or the risk of counterparties defaulting, arising from trade and other receivables. The Group manages its exposure to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis.

In the event of significant delay or default in payment by our major customers, it may adversely affect our financial position and our Group's results should there be any impairment made for the bad or doubtful debts. To mitigate the impact, we will continuously assess the credit standing of the customers, have in place a tight credit control system and take legal action if necessary.

FORWARD-LOOKING STATEMENT

Logistics Segment

We foresee that the lorry transportation sector will continue to suffer strong headwinds from the slow business market. We will continue to downsize our fleet through disposing older and less efficient lorries.

With the completion of new warehouse, we foresee that the customers from the Warehousing segment will also contribute positively to the haulage and forwarding sectors for their cargoes movement.

Warehousing Segment

The warehouse which is under construction during the financial year is expected to be completed in the next financial year and to contribute positively to the results of the Group. Current market conditions have illustrated a decrease in the demand for warehousing space. Comparatively, we see a growing trend in the demand for factory within the heavy industry land zones over a short period of time. Hence, our Board has plans to develop one of the existing vacant land in Pulau Indah into a factory to cater for the increasing demand for factories. Such development of factory will complement our existing land logistics segment and create a long-term sustainable model for our Group. We are also considering in investing into various strategic locations to purchase more industrial land for future business expansion.

Marine Segment

We foresee the Marine segment to remain tough in the year ahead and we are hopeful that the Government is able to reinstate the "Cabotage Policy" to safeguard the domestic shipping industry.

We are seeing increasing foreign equity participation in the local logistic businesses, competing with other local establishments making it a very competitive business. To remain resilient, our Board is also exploring various options, including collaboration or partnership with other establishments.

PROFILE OF DIRECTORS

DATO' DR IBRAHIM BIN AHMAD

Non-Independent Non-Executive Chairman *Malaysian, Male, Aged 63*

Dato' Dr Ibrahim was appointed to our Board on 1 June 2012. He is a substantial shareholder of the Company through his shareholdings in Pusaka Unggal Sdn Bhd. Dato' holds a Master Degree in Business Administration from the University of Western Sydney, Australia and obtained a Professional Doctorate in Business Administration, from Isle International University.

Prior to getting involved in the logistic industry, he held senior management positions in various international companies. He started his career in the logistic industry when he was appointed as the Chief Executive Officer of Port Klang Distribution Park Sdn Bhd ("PKDP"). From the performances and experience in PKDP, he was entrusted to initiate and develop Guper Integrated Logistics Sdn Bhd as its pioneer Chief Executive Officer.

Apart from his vast expertise, experience and exposure, he was appointed Chief Executive Officer, State Economic Development Corporation ("SEDC"), Negeri Sembilan, where he strategically repositioned the business, raised SEDC to a higher level, thus creating a differentiated value proposition to the stakeholder.

His experience extend across all levels of managements, strategic direction and business acumen. He held various positions, among them, Chairman of Logistics "Think Tank Group", under the Prime Minister's Department.

Dato' is a member of the Audit Committee. There is no conflict of interest with the Company except for those transactions disclosed on page 31 of this Report, note 31 to the Financial Statements and the circular on recurrent related party transactions.

LAW HEE LING Managing Director Malaysian, Male, Aged 54

Mr Law 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 35 years of experience in the shipping industry. He started his career in shipping in 1983 where he was exposed to all aspects of the shipping operations, marketing and finance. In 1988 he started his own logistics agency business and subsequently ventured into marine transportation services in 1995. Since then, he has 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.

Mr Law is a member of our Remuneration Committee and Risk Management Committee. There is no conflict of interest with the Company except for those transactions disclosed on page 31 of this Report, note 31 to the Financial Statements and the circular on recurrent related party transactions.

PROFILE OF DIRECTORS (continued)

CHIA KAH YING

Executive Director *Malaysian, Female, Aged 51*

Mdm Chia was appointed to our Board on 2 July 2007. She is a Certified Public Accountant with the Malaysian Institute of Certified Public Accountants.

She was with Ernst & Young, Malaysia between 1993 and 1997. In 1998 she joined the logistics industry and later joined our Group in 2006.

YET KIONG SIANG

Independent Non-Executive Director *Malaysian, Male, Aged 61*

Mr Yet was appointed to our Board on 23 January 2009. He is a Chartered Accountant with the Malaysian Institute of Accountants. He is also a member of the Association of Chartered Certified Accountants, Chartered Tax Institute of Malaysia and Institute of Internal Auditors of Malaysia.

Mr. Yet is the proprietor of an audit firm. He has over 30 years of experience in the fields of auditing, taxation and management consultancy.

Mr Yet is the Chairman of the Audit Committee and Risk Management Committee, and a member of the Remuneration Committee and Nomination Committee.

DATUK ISKANDAR BIN SARUDIN

Independent Non-Executive Director *Malaysian, Male, Aged 64*

Datuk Iskandar was appointed to our Board on 8 April 2015. Datuk Iskandar graduated from the University of Malaya with Bachelor of Arts (Hons.) Degree in Malay Studies.

Datuk Iskandar began his distinguished diplomatic career in the Administrative and Diplomatic Service of the Ministry of Foreign Affairs ("Ministry") in 1979 where he was appointed as the Assistant Secretary at the Asean National Secretariat. Datuk Iskandar had many interesting and challenging diplomatic assignments in his 35 years' service with the Ministry. He was tasked by the Ministry to establish the Malaysian Embassy in the Republic of Chile in 1991 and in Bosnia and Herzegovina in 1996. He was also the Deputy Secretary General of the Ministry and High Commissioner to Sri Lanka and Maldives, Ambassador to Philippines, prior to his posting as the Ambassador of Malaysia to the People's Republic of China in 2010. He was also the Ambassador of Malaysia to Mongolia concurrently accredited from Beijing (since March 2011). Datuk Iskandar retired from the Malaysia civil services in April 2015.

Datuk Iskandar is the Chairman of the Remuneration Committee and Nomination Committee, and a member of the Audit Committee and Risk Management Committee.

Datuk Iskandar currently also sits on the Board of Aeon Co. (M) Bhd and Eversendai Corporation Berhad.

PROFILE OF DIRECTORS (continued)

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. Conflict of Interest

Other than as disclosed above, none of the Directors of the Company have any conflict of interest with the Company.

3. Convictions for offences

None of the Directors of the Company have been convicted of any offences in the past five (5) years or been imposed on any public sanction or penalty by relevant regulatory bodies during the financial year, other than traffic offences, if any.

4. Attendance at Board Meetings

The Board of Directors' attendance record at Board meetings held during the financial year ended 31 March 2019 can be found on page 19 of this Report.

PROFILE OF KEY SENIOR MANAGEMENT

KOH SEN CHUN

General Manager - Haulage and Freight Trading Divisions Malaysian, Male, Aged 44.

Mr Koh started his career with Bendera Shipping Agencies Sdn Bhd as Sales Coordinator in 1992 and during the subsequent years, prior to joining our Group, he worked in a few shipping related services companies, namely, Lam Soon (M) Berhad, Kumpac Container Lines (M) Sdn Bhd, SL Freight System (M) Sdn Bhd and Simba Logistics (M) Sdn Bhd with primarily job functions on sales and marketing related activities

Mr Koh joined our Group in 2003 as the Marketing Manager of our subsidiary, Dolphin Shipping Sdn Bhd and was later promoted to director of the said subsidiary. In year 2014, he was appointed as General Manager of our subsidiary, Guper Integrated Logistics Sdn Bhd, in charge of the business development and operation of Nilai Inland Port.

LEON LAW LI YION

Manager - Procurement Malaysian, Male, Aged 26

Mr Leon was appointed as the Principal Officer of the Group in October 2018. He is a substantial shareholder of the Company. Leon graduated from Curtin University, Perth, Australia with Honours in Bachelor of Urban and Regional Planning focusing on Public Transportation Integration.

Leon joined the Group in March 2018 as a Management Trainee and was exposed to the various departments of the Group to gain knowledge of the overall business and operational activities. Leon was later appointed as the Personal Assistant to the Managing Director and also as the Procurement Manager managing and monitoring the procurement department of the Logistics Segment.

Leon is the son of Mr Law Hee Ling, the Managing Director of the Company. There is no conflict of interest with the Company except for those transactions disclosed on page 31 of this Report, note 31 to the Financial Statements and the circular on recurrent related party transactions.

Notes:

Saved as disclosed, none of the Key Senior Management has:

- 1. any family relationship with the other Directors and/or major shareholders of the Company;
- 2. any conflict of interest with the Company; and
- 3. been convicted of any offences in the past five (5) years or been imposed on any public sanction or penalty by relevant regulatory bodies during the financial year, other than traffic offences, if any.

SUSTAINABILITY STATEMENT

Sustainability in context

Complete Logistic Services Berhad ("Complete Logistic" or the "Company" or "CLSB") and its subsidiaries (the "Group") acknowledges that sustainability is an integral part of Complete Logistic's business philosophy and corporate culture. As such, Complete Logistic has embedded sustainability into its business to achieve a sustainable long-term growth and success while strive to enhance its efforts in the economic, environmental and social responsibilities initiatives.

Our priority is not only to maximise the shareholders' profitability but at the same time, through our sustainability strategies, we are giving back to our ecosystem and local communities, as well as safeguarding the welfare of our employees and communities engaged in our business operations.

This is our second year of sustainability reporting highlighting our sustainability efforts and provides an overview of the actions and measures we implemented in the financial year period from 1 April 2018 to 31 March 2019. Our Sustainability Statement for Financial Year 2019 ("FY2019") includes sustainability activities from our three core businesses covering logistics, marine and warehousing.

Sustainability Governance

The pre-requisite and key to a sustainable business is a strong sustainability governance structure. We understand that with a good structure and along with specific requirements and standards, that we have to meet, it will impact on how we manage our businesses, our decision making processes and actions across the Group.

Our sustainability governance structure involves the setting of strategies by the management, presented, deliberated and approved by the Board, and subsequently, operationalised by the Group's executives. The Board is responsible to integrate sustainability into the Group's business strategies and oversees the Group's sustainability performance. The Board is supported by the various heads of department and led by the Managing Director who oversees the implementation of the organisation's sustainability approach and ensures that key targets are being met.

Our sustainability governance structure is depicted as follows:



Stakeholder Engagement

In accordance with the Bursa Malaysia's Sustainability Reporting Guide, we define our stakeholders as any individuals, community and entities that may be impacted by Complete Logistic's business operations.

These stakeholders were identified through several discussions held with key senior management and the Board. The following table describes our stakeholders and how we engage with stakeholders:

No.	Stakeholders	Description	How we engage with stakeholders
1	Shareholders / Investors / Board of Directors	Shareholders and investors provide fund for the Group with the expectation for returns. Engagement with shareholders and investors is critical to enable them understand the Group's businesses, its strategies, future growth and expectation.	 Annual general Meetings Bursa Malaysia announcements Ongoing media releases
2.	Customers	Customers are interested in the quality of our services and also our financial stability. Engagement with customers is critical to maintain their confidence in the Group's ability to continuously provide quality service to them.	 Regular - daily through day-to-day engagement Correspondences Company's profile
3.	Financiers / banks / analysts	Financiers need assurance on the going concern of the Group in order to secure loan payment instalments and/or payment of loan upon maturity. The Group engages them through public information of its financial performance, including liquidity, as well as adherence to Bursa Malaysia's announcement requirements.	 Annual general Meetings Bursa Malaysia announcements
4.	Local authorities / Regulators / Government ministries	Authorities and government establish rules and regulation, which govern the Group operation. The Group engages with them to ensure it complies with the legislations.	 Compliance with rules and regulation Submission of reports required under regulations Regulatory compliance Briefings and trainings Periodic visits and inspections
5.	Suppliers	The Group operates with a number of products and services providers	 Emails and phone calls communication Regular – daily through day-to- day engagement
6.	Employees	Our people are key to our operation to achieve our business objectives. The Group objectives are to serve them well and provide them with conducive working environment enabling them to grow and prosper with the Group.	 Performance management Involvement in community activities Company annual Dinner / festival functions and celebrations Informal periodic departmental meetings Trainings and development

Material Sustainability Matters

Our sustainability framework is prepared and based on the guidelines issued by the Global Reporting Initiative ("GRI") Sustainability Reporting Standards applicable to our business. Material sustainability matters were identified based on its impact to the Group and to our stakeholders. The management held several discussions to ascertain the material sustainability matters.

A diagram below summarises an overview of the material subjects and their grouping under the main 3 sustainability pillars, namely, the Economic, Environmental and Social:



 Economic Presence and Performance



- · 3Rs of Sustainability
- · Energy
- · Effluents and waste
- Environmental compliance



- Occupational safety and health
- · Security
- · Training and education
- Diversity and Equal Employment

The details of our initiatives in managing each of these material sustainability matters are discussed in the subsequent sections of this Statement.

Economic

i) *Economic Presence and Performance* – Complete Logistic's financial sustainability is a key sustainability matter to ensure our long-term profitability and shareholders value are preserved and taking into account the interest of all stakeholders. Through local hiring, we endeavour to build long-term value for the stakeholders by maintaining strong financial results and providing benefits to the communities. Our financial results are discussed in details in the Management Discussion & Analysis of this Annual Report.

Environmental

- i) *3Rs of Sustainability* We have always instilled the spirit of using 3Rs in managing our waste. We believe that with consistent efforts on reducing wastages and practice of 3Rs Reduce, Recycle and Reuse, it will minimise impact to the environment.
- ii) **Energy** -CLSB most direct and significant environmental impact stems from the operation of our marine, logistics and warehouse divisions including our office buildings through the consumption of purchased electricity and through the use of diesel for vehicles.

Lighting offers one of the opportunities for reducing greenhouse gas emissions. We minimise the use of electricity through limited working hours and use of LED lights. Our yard in Nilai is using LED lights which will reduce our electricity consumption significantly in the future. In FY2019, total electricity usage of CLSB was RM335,493. (FY2018:RM365,517). Electricity usages were used at various locations such as the offices, yard, workshop and warehouses.

In managing its fleet of vehicles, CLSB has installed a system that monitors the fuel consumption and vehicle tracking system that will not only analyse the drivers' and vehicles performances but also the drivers' driving behavior which ultimately reduces the operation costs.

Logistics division: The main types of energy consumed by the logistics division are diesel and natural gas for their inland transport vehicles. In FY2019, CLSB's logistics division consumed 5,698,088 litres of diesel for its vehicles such as prime movers, forklift and side loaders (FY2018: 7,056,482 litres) and 1,207,972 litres of natural gas for its prime movers (FY2018: 1,491,066 litres).

Marine division: The main types of energy consumed by the marine division is marine gas oil. In FY2019, CLSB consumed 1,437,100 litres of marine gas oil for 5 vessels (FY2018: 1,513,300 litres, 5 vessels).

We believe that small initiatives can help to create a huge difference. The water used is regular pipe-supplied water from local municipal council i.e. Syabas (Selangor), Syarikat Air Negeri Sembilan (Negeri Sembilan) dan Ranhill SAJ Sdn Bhd (Johor). There were no leaking water pipes. In FY2019, total water consumption of CLSB was RM98,191 (FY2018: RM136,555).

iii) *Effluents and waste* – Marine and logistics: CLSB monitors any effluent and waste generated by its vessels through physical observation, tests any suspected leakages, effluent and waste around the vessels. Preventive actions are identified and controls are established to prevent any pollution and environmental hazards. We are happy to report that there are zero (0) spills in FY2019 and FY2018.

For Logistics: CLSB regularly review whether our Road Transport Act 1987 (RTA) standards are being strictly adhered to. The Road Transport Act 1987 requires that all commercial vehicles to undergo Routine Inspection at PUSPAKOM pevery half yearly or once a year depending on the age of the vehicles. Our vehicles have passed the PUSPAKOM tests on vehicle which meet the required legal and standard limits. One of the major inspection involves, measurement of smokes or gasses that emit from a vehicle's engine to ensure that the vehicles do not exceed the specified legal limits and the outcome reported that CLSB did not have any significant effluents.

iv) *Environmental Compliance* – Compliance with laws and regulations is always the highest priority for Complete Logistic. Our operations are in compliance with the relevant environmental rules and regulation. During FY2019, we are pleased to highlight that we have not been fined or penalised for any significant environmental violations by Department of Environment (FY2018: NIL).

Social

i. Occupational health and safety -

CLSB ensures that the safety practices applies in its operations. In doing so, CLSB provides workplaces that comply with all applicable occupational health and safety laws as well as internal and external standards, which expect all its employees and vendors to follow in their daily work routines.

In CLSB, the Supervisor briefing involves the supervisory and employee responsibilities regarding personal protective equipment (PPE) designed to protect employees from exposure from workplace hazards on the first day when the employees reporting to work. The basic briefing includes:

- a) Hazard assessment
- b) Responsibilites of the supervisors
- c) Responsibilities of the employees
- d) Equipment and accessories
- e) Clothing and footwear
- f) Cleaning and maintaining PPE
- g) Protective Apparel Testing
- h) Training

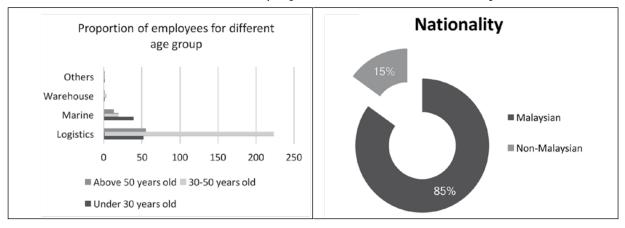
A Safety Committee is in place at the Group level that comprises of a combination of top management and representatives from every business unit. The Safety Committee is currently chaired by CLSB's Managing Director.

Work-related accidents are categorised into 'major' and 'minor' work-related accidents to enable swift responses and to accurately support our performance data on injury frequency rate for industrial accidents. Major work-related accidents are defined as accidents which cause employees to be on medical or hospitalised. No major incidents were reported in relation to the safety, health and environment in the FY2019.

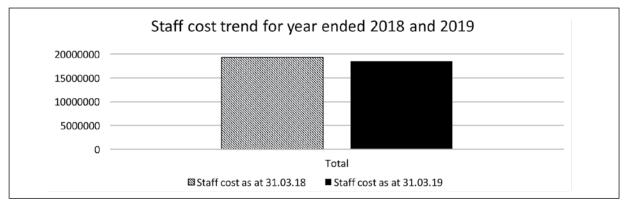
Warehouses are guarded by the outsourced service provider who are on day and night shift services. In FY2019, there was no break-in at the warehouses (FY2018: NIL)

- ii. *Training and education* Complete Logistic is committed to ensure our employees continue to develop their competencies and skills. As such, we continuously assess the training needs of our workforce, and provide the necessary trainings to relevant staff to enable them acquire the skills and knowledge to effectively and efficiently achieve our business objectives that projects can be delivered safely, in quality required and on-time. During FY2019, we completed 455 hours (FY2018: 417 hours) of training in the Logistics division only.
- iii. *Diversity and Equal Opportunity* The Group practiced equal employment opportunity without discriminating our candidates against their race, religion, age, gender, sexual orientation, gender identity and expression, ethnicity, national origin, religion, disability, pregnancy, political affiliation, protected genetic information or marital status. We do not differentiate between gender in terms of wages, promotions, rewards, and access to training. Our employment practices are equal to all applicants with due regards to diversity in skills, experience, age, ethnicity, and gender in the workplace.

Across the divisions, due to the nature of industry (e.g. marine and logistics) in CLSB, male employees accounted for 86% while the remaining 14% for women, were hired for employment in the operational divison workforce. However, women made up of the majority of 62% in office adminstration and customer services roles while the male only reported at 38% of the total office personnel.



Based on the staff cost trend for FY2018 and FY2019, it was noted that there was 4% reduction in total staff costs.



iv. Employees' Benefits

We believe that our employees are an important element of our corporate structure and enable us to ensure our long-term and sustainable business success. For this reason, our employees were feted at the CLSB Annual Dinner, providing opportunities for interaction and affinity amongst employees. On the same note, we have been organising badminton training exercises at the local municipal hall on a weekly basis, with the objective to create a platform for social interaction amongst the employees.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors ("Board") of Complete Logistic Services Berhad ("the Company") remains committed towards ensuring that high standard of corporate governance is maintained throughout the Company and its subsidiaries ("the Group"). Hence, the Board is fully dedicated to continuously evaluate 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 MCCG") are applied and adhered to in the best interests of the 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 MCCG during the financial year.

This overview statement is to be read together with the CG Report 2019 ("CG Report") of the Company which is available on the Company's website at www.complete-group.com. The detailed explanation on the application of the corporate governance practices are reported under the CG Report.

A. BOARD LEADERSHIP AND EFFECTIVENESS

Roles 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 key responsibilities of the Board include the following:

- · reviewing and approving the strategic corporate plan of the Group;
- · overseeing the conduct of the Group's business operations and performance;
- · identifying principal risks and ensuring the implementation of appropriate internal controls and mitigation measures;
- · reviewing the adequacy and integrity of the Group's internal controls system;
- ensuring succession planning for top management;
- · overseeing the development and implementation of a policy to enable effective communication with its shareholders and other stakeholders; and
- · approving new ventures, material acquisitions and disposals of undertakings and properties.

Separation of Roles of Chairman and Managing Director

The roles of the Chairman and 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 Managing Director is responsible for the daily management of the Group's operations and implementation of the policies and strategies adopted by the Board.

Chairman

The Chairman is a Non-Independent Non-Executive Director and the Board noted the recommendation of the MCCG that the board must comprise a majority of independent directors where the chairman of the board is not an independent director. The Board currently consists of two Executive Directors, one Non-Independent Non-Executive Director and two Independent Non-Executive Directors. However, the Board supports Dato' Dr Ibrahim Bin Ahmad's appointment as the Non-Independent Non-Executive Chairman of the Company as the Board was satisfied that the Chairman has continued to discharge his duties effectively and has extensive experience and detailed knowledge on the Group's business activities. The Board is of the opinion that the Non-Independent Non-Executive Chairman is capable of acting on behalf of shareholders and stakeholders in their best interest since he has significant relevant interest in the Company.

Company Secretary

The Company Secretary is responsible for ensuring that the Board's procedures and relevant laws and regulations are complied with and advising the Board on issues relating to corporate governance, compliance with laws, rules, procedures and regulatory requirements. The Company Secretary attends and ensures that all meetings of the Board and Board Committees are properly convened and proceedings are properly recorded.

Access to Information

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

Board Charter

The roles and responsibilities of the Board and the Board Committees are set out in the Board Charter which is accessible through the Company's website at http://www.complete-group.com.

The Board had adopted a Board Charter which serves as a primary reference for the Board of their duties and responsibilities as the Directors of the Company as well as the functions of Board Committees. The Board Charter is reviewed regularly to ensure it complies with legislations and best practices, and remains relevant and effective in light of the Board's objectives.

Code of Ethics and Conducts

The Group's Codes of Conduct and Ethics ("the Code") govern the standards of conduct and behaviour expected from the directors and officers in all aspects of the Group's operations and thus promotes the values of transparency, integrity, accountability and social responsibility.

Composition and Balance

The Company is currently led by an effective and experienced five (5) members Board, comprising two (2) Executive Directors, one (1) Non-Independent Non-Executive Director and two (2) Independent Non-Executive Directors. This composition complies with the Bursa Malaysia Securities Berhad ("Bursa") Listing Requirements that requires at least two (2) Directors or one third (1/3) of the Board whichever is higher, are Independent Directors. The profiles of the members of the Board are set out on pages 7 to 8 of this 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 provides an effective check and balance to the Board's decision making processes.

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.

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 Nominating Committee. Board members who are appointed by the Board are subject to retirement at the first AGM of the Company subsequent to their appointment. Article 95 of the Company's Articles of Association also provides 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.

Independent directors who had served a cumulative term exceeding nine (9) years are required to submit themselves for re-election annually and with justification from the Board.

Gender Diversity

The Board does not have gender diversity policies in place. The Board believes that the appointment of Board members should be based on experience, character, integrity and competence, regardless of gender. The Company currently has one (1) female director on its Board.

Tenure of Independent Director

The Board, noted the recommendations of the MCCG that the tenure of an independent director shall not exceed a cumulative term of nine (9) years. The Board must justify and seek shareholders' approval at general meeting if the Board intends to retain the Director as Independent Director. The tenure of all the Independent Non-Executive Directors have not exceeded cumulative term of nine (9) years except for Mr Yet Kiong Siang who was appointed to the Board on 23 Jan 2009. Mr Yet Kiong Siong has given notice that he wishes to retire at the forthcoming AGM.

Nominating Committee

The composition of the Nominating Committee is as follows:

Chairman

Datuk Iskandar Bin Sarudin (Independent Non-Executive Director)

Members

Yet Kiong Siang (Independent Non-Executive Director)
Dato' Dr Ibrahim Bin Ahmad (Non-Independent Non-Executive Chairman)

The Nominating 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 Committee considers that the current mix of skills and experience of its members is sufficient for the discharge of their duties and responsibilities effectively.

The Nominating Committee met once (1) during the financial year, attended by all its members.

Remuneration Committee

The composition of the Remuneration Committee is as follows:

Chairman

Datuk Iskandar Bin Sarudin (Independent Non-Executive Director)

Members

Yet Kiong Siang (Independent Non-Executive Director) Law Hee Ling (Managing 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 is reviewed annually. The remuneration and entitlements of the Independent Non-Executive Directors are decided by the Board as a whole.

The Remuneration Committee met once (1) during the financial year, attended by all its members.

Directors' Remuneration

The level of remuneration of the Directors is commensurate with the level of experience and responsibilities undertaken by them.

The detailed breakdown of remuneration on named basis, paid or payable to all Directors of the Company during the financial year ended 31 March 2019 is available on Practice 7.1 of CG Report.

The Board has chosen not to disclose the Senior Management remuneration on named basis as the Board was of the view that it would not be in its interest to make such detailed disclosure because of the competitive nature of the human resource market. The number of Senior Management's remuneration in bands of RM50,000 is available on Practice 7.2 of the CG Report.

Board Meetings

During the financial year ended 31 March 2019 the Board met five (5) 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	Designation	No.of Meetings Attended
Dato' Dr Ibrahim Bin Ahmad	Non-Independent Non-Executive Chairman	5/5
Law Hee Ling	Managing Director	5/5
Chia Kah Ying	Executive	5/5
Yet Kiong Siang	Independent Non-Executive	5/5
Datuk Iskandar Bin Sarudin	Independent Non-Executive	5/5

Place, date and time of Board Meetings

	Place of meeting	Date	Time
1.	Nilai Inland Port, PT 3907, Nilai Industrial Estate, 71800 Nilai.	28/05/2018	12.00 p.m.
2.	Nilai Inland Port, PT 3907, Nilai Industrial Estate, 71800 Nilai.	18/07/2018	11.30 a.m.
3.	Nilai Inland Port, PT 3907, Nilai Industrial Estate, 71800 Nilai.	27/08/2018	2.00 p.m.
4.	Nilai Inland Port, PT 3907, Nilai Industrial Estate, 71800 Nilai.	26/11/2018	12.00 p.m.
5.	Nilai Inland Port, PT 3907, Nilai Industrial Estate, 71800 Nilai.	25/02/2019	11.30 a.m.

Board meetings are structured with a pre-set agenda which encompasses all aspects of matters under discussion. The Board papers are circulated to the 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.

Directors' Training

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

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.

The training programmes attended by the Directors during the financial year are as follows:

Directors	Training/Seminar Attended		
Yet Kiong Siang	 Current Tax Development National Tax Conference 2018 Corporate Tax Issues for 2018 Corporate Governance Scordboard 2019 Budget Seminar Standard 1300 & How Does It Add Value to Your Organizaiton? 		
Datuk Iskandar Bin Sarudin	Advocacy Programme on CG Assessment Using the Revised Asean C Scorecard Methodology		
Dato' Dr Ibrahim Bin Ahmad	Advocacy Programme on CG Assessment (Malaysian PLCs)		
Law Hee Ling	> Sustainability Engagement Series		
Chia Kah Ying	 Sustainability Reporting Workshop for Practitioners Sustainability Engagement Series 2019 Budget Tax Conference 		

B. EFFECTIVE AUDIT AND RISK MANAGEMENT

Audit Committee

The Audit Committee ("AC") is chaired by an Independent Non-Executive Director. The Chairman of the AC is not the Chairman of the Board. The composition and summary of works of the AC are included in the AC Report of this Annual Report.

When considering the appointment of a former key audit partner as a member of the AC, the AC is mindful of the minimum two (2) years cooling off period best practice under the MCCG before appointing this partner as a member of the AC. There was no former key audit partner being appointed as a member of the AC.

The AC takes the overall responsibility to provide independent oversight of the Group's financial reporting, risk management and internal control system and ensure checks and balances within the Group, and to ensure financial statements comply with applicable financial reporting standards. The AC oversees and appraises the quality of the audits conducted both by the Group's internal and external auditors including reviewing their audit plans.

Collectively, the AC possess a wide range of necessary skills to discharge its duties. In order to strengthen the present financial literacy of each member and the ability to understand matters under the purview of the AC including the financial reporting process, all members of the AC will balance their participation in continuous professional development programmes on accounting and auditing standards, practices and rules in the future.

Relationship with Auditors

The role of the AC in relation to the external auditors is explained in the AC Report set out on pages 23 to 25 of this Report.

The Board, through the AC, has always maintained an appropriate and transparent relationship with the external auditors. The AC had assessed the external auditors' suitability, technical competence and independence. Being satisfied with the assessment, the AC recommended the re-appointment of the external auditors to the Board, upon which the shareholders' approval will be sought at the coming Annual General Meeting ("AGM").

Risk Management and Internal Control

The Board acknowledges its responsibility of maintaining a sound system of internal control and having an appropriate risk management system to mitigate the principal risks identified. The Group's Statement on Risk Management and Internal Control is set out on pages 26 to 28 of this Report to provide an overview on the state of internal control throughout the year.

During the financial year, the Group outsourced the internal audit unit to an independent professional firm to assist the Board and the AC in providing independent assessment of the adequacy, efficiency and effectiveness of the internal control system in the key activities within the Group. In relation to the internal audit function, having considered the Group's operational requirements, the Board is of the view that the Group current function is sufficient to meet its needs.

C. INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSAHIP WITH STAKEHOLDERS

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 2016 and applicable approved accounting standards so as to offer a balanced and comprehensive assessment of the Group's financial position and prospects.

A Statement of Directors' Responsibility is set out on page 29 of this Report.

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's 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.

Annual General Meeting

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

Notice of general meetings to shareholders will be issued at least twenty eight (28) days before the said meetings providing details of the agendas of meetings, shareholders' entitlement to attend the general meetings and their rights and procedures relating to the appointment of proxies.

This Statement is made in accordance with the resolution of the Board of Directors dated 18 July 2019.

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 2019.

TERMS OF REFERENCE

Composition

The Committee comprises two (2) Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director and the attendance records of each member at the five (5) meetings held during the financial year ended 31 March 2019 are as follows:-

Name	Designation	No. of Meetings Attended
Chairman Yet Kiong Siang	Independent Non-Executive	5/5
<i>Member</i> Datuk Iskandar Bin Sarudin Dato' Dr Ibrahim Bin Ahmad	Independent Non-Executive Non-Independent Non-Executive	5/5 5/5

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

- (a) no fewer than three (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 three (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 four (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 meetings.

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

- (a) investigate any activities within its Terms of Reference;
- (b) seek any information it requires from the internal and external auditors, and any employees. 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;

AUDIT COMMITTEE REPORT (continued)

- (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 responses;
- (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 matters reported to the Board which have 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 functions 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 were 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 audit 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;
- (e) reviewed the year-end audited financial statements, the audit planning memorandum and the 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;
- (g) considered and recommended to the Board for approval on the audit fees payable to the internal and external auditors;
- (h) reviewed the annual internal audit programme and plan;
- (i) reviewed the related party transactions entered into by the Group;

AUDIT COMMITTEE REPORT (continued)

- (j) reviewed the acquisition/disposal of property, plant and equipment; and
- (k) reviewed the allocation of options offered to the eligible employees to ensure compliance with the By-laws of the Shares Issuance Scheme.

SUMMARY OF ACTIVITIES OF THE INTERNAL AUDIT FUNCTION

The Group's internal audit function, which reports directly to the Audit Committee, is outsourced to Axcelasia Columbus Sdn Bhd. The Engagement Director is Mr Mah Siew Hoong who has diverse professional experience in internal audit, risk management and corporate governance advisory. He is a Chartered Member of the Institute of Internal Auditors Malaysia, a member of the Malaysian Institute of Accountants and a Fellow Member of the Association of Chartered Certified Accountants, United Kingdom. Mr. Mah is a Certified Internal Auditor (USA) and has a Certification in Risk Management Assurance (USA).

The number of staff deployed for the internal audit reviews ranges from 4 to 5 staff per visit including the Engagement Director. The staff involved in the internal audit reviews possesses professional qualifications and/or a university degree. Certain staff are members of the Institute of Internal Auditors Malaysia. The internal audit staff on the engagement are free from any relationships or conflict of interest, which could impair their objectivity and independence, and the internal audit reviews were conducted using a risk based approach and were guided by the International Professional Practice Framework.

During the financial year under review, a summary of the activities carried out by the internal audit function are as follows:

- (a) Prepared the risk based internal audit plan for the review and approval of the Audit Committee.
- (b) Carried out reviews in accordance with the risk based internal audit plan reviewed and approved by the Audit Committee. Details of the reviews carried out are as follows:

Entity	Business Processes
Pengangkutan Sekata Sdn Bhd and Guper Intergrated Logistics Sdn Bhd	· Procurement (Trade related)
Pengangkutan Sekata Sdn Bhd, Guper Intergrated Logistics Sdn Bhd and Complete Logistic Specialist Sdn Bhd	Financial Statement Close ProcessManagement Information System

Findings from the internal audit reviews conducted were discussed with Senior Management and subsequently presented, together with Management's response and proposed action plans, to the Audit Committee for their review and approval. The outsourced internal audit function also carries out follow up reviews and reports to the Audit Committee on the status of implementation of action plans committee by Management pursuant to the recommendations highlighted in the internal audit reports.

Notwithstanding the above, although a number of internal control deficiencies were identified during the internal audit reviews, none of the weaknesses have resulted in any material losses, contingencies or uncertainties that would require a separate disclosure in this annual report.

The total professional fees paid for the outsourcing of the internal audit function for the financial year ended 31 March 2019 was RM45,000.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Board of Directors of Complete Logistic Services Berhad ("the Board") is pleased to provide the following Statement on Risk Management and Internal Control pursuant to Paragraph 15.26(b) of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa") and as guided by the "Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers" ("the Guidelines") and Practice 9.1 and 9.2 of the Malaysian Code of Corporate Governance 2017 ("MCCG 2017").

RESPONSIBILITY

The Board affirms its overall responsibility for the establishment of a sound risk management framework and internal control system 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 risk management and internal control, such systems are designed to minimise and manage rather than to eliminate risk of failure to achieve the Group's business objectives.

The Board has received assurance from the Group Managing Director and Finance Director on 18 July 2019 that the Group's risk management and internal control system is operating adequately and effectively, in all material aspects.

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 risk management and internal control, compliance with laws, rules and regulations and adaptation for business environment changes.

KEY ELEMENTS OF RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

The key elements of the Group's risk management and internal control system that have been established to facilitate the proper conduct of the Group's businesses are described below:

1. Risk Management System

Risk Management is regarded by the Board to be an integral part of business operations. The Board is dedicated to strengthen the Group's risk management to manage its key business risks within the Group and to implement appropriate controls to manage these risks.

On 18 July 2018, the Board has set up a Risk Management Committee ("RMC"). The composition of the RMC is as follows:

Chairman

Mr Yet Kiong Siang (Independent Non-Executive Director)

Member

Datuk Iskandar Bin Sarudin (Independent Non-Executive Director) Law Hee Ling (Managing Director)

The Group Risk Management Framework and RMC terms of reference were deliberated at the RMC Meeting held on 26 November 2018 and approved by Board of Directors at the meeting held on 26 November 2018.

The Risk Team comprises of heads of department who perform risk assessments to identify, evaluate and manage the identified risks in relation to their areas of supervision and control. They are responsible to assess the changes to the existing and new risks and to determine the controls to manage the risks.

During the year under review, the Risk Team presented the risk register to the RMC at their meetings held on 26 November 2018 and 25 February 2019.

The above-mentioned risk management practices of the Group served as the on-going processes to identify, evaluate and manage significant risks for the year under review and up to the date of approval of this statement for inclusion in the annual report.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (continued)

2. Internal Control System

- (i) An organisation structure with clearly defined lines of responsibility;
- (ii) Financial results which are reviewed quarterly by the Audit Committee and approved by the Board:
- (iii) The Audit Committee reviews the internal and external audit findings and discusses with the Board on actions to be taken on issues identified:
- (iv) Effective reporting system to ensure timely generation of financial information for management review and decision; and
- (v) The Executive Directors are actively involved in the running of the Group's businesses and operations and report to the Board on significant matters that may affect the Group.

INTERNAL AUDIT FUNCTION

The Group's internal audit function assists the Board and Audit Committee by providing an independent assessment of the adequacy and effectiveness of the Group's internal control system. Further details of the internal audit function are set out in the Audit Committee Report on pages 23 to 25 of this Annual Report.

The Group's internal audit function, which reports directly to the Audit Committee, is outsourced to Axcelasia Columbus Sdn Bhd. The Engagement Director is Mr Mah Siew Hoong who has diverse professional experience in internal audit, risk management and corporate governance advisory. He is a Chartered Member of the Institute of Internal Auditors Malaysia, a member of the Malaysian Institute of Accountants and a Fellow Member of the Association of Chartered Certified Accountants, United Kingdom. Mr. Mah is a Certified Internal Auditor (USA) and has a Certification in Risk Management Assurance (USA).

The number of staff deployed for the internal audit reviews ranges from 4 to 5 staff per visit including the Engagement Director. The staff involved in the internal audit reviews possesses professional qualifications and/or a university degree. All of them are members of the Institute of Internal Auditors Malaysia. The internal audit staff on the engagement are free from any relationships or conflict of interest, which could impair their objectivity and independence, and the internal audit reviews were conducted using a risk-based approach and were guided by the International Professional Practice Framework.

During the financial year under review, a summary of the activities carried out by the internal audit function are as follows:

- (a) Prepared the risk based internal audit plan for the review and approval of the Audit Committee.
- (b) Carried out reviews in accordance with the risk based internal audit plan reviewed and approved by the Audit Committee. Details of the reviews carried out are as follows:

Entity	Business Processes
Pengangkutan Sekata Sdn Bhd and Guper Integrated Logistics Sdn Bhd	· Procurement (Trade related)
Pengangkutan Sekata Sdn Bhd, Guper Integrated Logistics Sdn Bhd and Complete Logistic Specialist Sdn Bhd	 Financial Statement Close Process Management Information System

Findings from the internal audit reviews conducted were discussed with Senior Management and subsequently presented, together with Management's response and proposed action plans, to the Audit Committee for their review and approval. The outsourced internal audit function also carried out follow up reviews and reports to the Audit Committee on the status of implementation of action plans committee by Management pursuant to the recommendations highlighted in the internal audit reports.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (continued)

Notwithstanding the above, although a number of internal control deficiencies were identified during the internal audit reviews, none of the weaknesses have resulted in any material losses, contingencies or uncertainties that would require a separate disclosure in this annual report.

The total professional fees paid for the outsourcing of the internal audit function for the financial year ended 31 March 2019 was RM45,000.

REVIEW OF THE STATEMENT BY THE EXTERNAL AUDITORS

Pursuant to Paragraph 15.23 of the Bursa's MMLR, the External Auditors have reviewed this Statement on Risk Management & Internal Control for inclusion in the 2019 Annual Report. Their review was performed in accordance with Malaysian Approved Standard on Assurance Engagements, ISAE 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information, and the guidance published in AAPG 3 (Revised 2015), Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report. Based on their review, nothing has come to their attention that causes them to believe that this statement is not prepared, in all material respect, in accordance with the disclosures required by paragraph 41 and 42 of the Statement on Risk Management and Internal Control: Directors of Listed Issuers and Practices 9.1 and 9.2 of the MCCG 2017 to be set out, nor is factual inaccurate.

CONCLUSION

The Board remains committed towards operating a sound risk management framework and internal control system and recognises 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 risk management and internal control environment.

For the financial year under review and up to the date of approval of this statement for inclusion in the 2019 Annual Report, the Board is satisfied with the adequacy and effectiveness of the Group's risk management and internal control system. There were no material losses that have arisen from any inadequacy or failure of the Group's system of internal control which require additional disclosure in the financial statements.

This Statement is made in accordance with the resolution of the Board of Directors dated 18 July 2019.

STATEMENT OF DIRECTORS' RESPONSIBILITY

The Directors are required by the Companies Act 2016 ("the Act") to prepare financial statements which give a true and fair view of the state of affairs of the Group and the Company 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 2019, 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 the Company, and to prevent and detect fraud and other irregularities.

This Statement is made in accordance with a resolution of the Board of Directors dated 18 July 2019.

ADDITIONAL COMPLIANCE INFORMATION

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

1. Utilisation of Proceeds

No proceeds were raised by the Company for any corporate exercise during the financial year.

2. Audit and Non-Audit Fees

The details of the audit and non-audit fees paid/payable for the financial year ended 31 March 2019 are as follows:

	Group RM	Company RM
Audit Fee Non-Audit Fee	200,000	30,000
Statement on Risk Management and Internal Control	5,000	5,000
	205,000	35,000

3. Deviation in Results

There was no variance by more than 10% between the audited results for the financial year ended 31 March 2019 and the unaudited results for the same financial year previously announced.

4. Profit Guarantee

No profit guarantee was issued by the Company.

5. Material Contracts

There was no material contracts of the Company and its subsidiaries, involving directors' and major shareholders' interests, either still subsisting at the end of the financial year or, if not then subsisting, entered into since the end of the previous financial year.

ADDITIONAL COMPLIANCE INFORMATION (continued)

6. Recurrent Related Party Transactions of Revenue or Trading Nature

Details of recurrent related party transactions entered into between the Company and its subsidiaries and related parties during the financial year ended 31 March 2019 pursuant to the Shareholders' Mandate obtained by the Company at the last Annual General Meeting held on 27 August 2018 are as follows:

	Transacting parties	Interested parties	Nature of relationship	Nature of transaction with CLSB Group	Aggregate value (RM'000)
1	ATE Technology Group Sdn Bhd ("ATE") and its subsidiaries ("ATE Group")	Law Hee Ling ("LHL") Dato' Dr Ibrahim Bin Ahmad ("DIA")	LHL [through his major shareholding in Dolphin Assets Sdn Bhd, ("DASB")] and DIA are the major shareholders of Keith Avenue Sdn Bhd, a major shareholder of ATE. LHL is a director of ATE and ATE Tech.	- Sales of spare parts by ATE Group.	1,130
2	East West Freight Services Sdn Bhd ("EWF")	LHL	LHL is a director and an indirect major shareholder of EWF through his major shareholdings in DASB, a major shareholder of EWF.	 Provision of logistics/ haulage/ freighting services to EWF. Provision of forwarding & related services by EWF. 	3,321 1,175 24
			shareholder of Ewr.	- Renting of office premise to EWF.	24
3	East West Logistics Sdn Bhd ("EWL")	LHL	LHL is an indirect major shareholder of EWL through his major shareholding in DASB, a major shareholder of EWL.	- Provision of warehousing & related services by EWL.	148
4	L.K.W. Enterprise Sdn Bhd ("LKW") and its subsidiaries ("LKW Group")	LHL	LHL is a director and indirect major shareholder of LKW through his major shareholding in DASB, a major shareholder of LKW. LKW is a major shareholder of UFA and LO.	- Provision of logistic services to LKW Group.	736
5	Marine Liferaft Service Centre Sdn Bhd ("MLSC")	DIA	DIA is a director and major shareholder of MLSC.	- Supply of fuel by MLSC.	4,692
6	SJA Freight Services Sdn Bhd ("SJA")	LHL DIA	LHL is an indirect major shareholder of SJA through his major shareholding in DASB, a major shareholder of SJA. Leon Law Li Yion, son of LHL, is a director of SJA.	 Provision of logistic services to SJA. Provision of forwarding/related services by SJA. 	2,859 135

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DIRECTORS' REPORT AS AT 31 MARCH 2019

DIRECTORS' REPORT

The Directors hereby submit their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 March 2019.

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 after tax	10,670,310	21,807,997
Attributable to: Owners of the Company Non-controlling interests	10,685,833 (15,523)	21,807,997
	10,670,310	21,807,997

DIVIDENDS

No dividend has been paid, declared or proposed by the Company since the end of the previous financial year. The Directors do not recommend the payment of any dividend in respect of the current financial year.

RESERVES AND PROVISIONS

All material transfers to or from reserves or provisions during the financial year are disclosed in the financial statements.

ISSUE OF SHARES AND DEBENTURES

During the financial year, there were no changes in the issued and paid-up share capital of the Company and there were no issues of debentures by the Company.

Relevant details on the issued share capital are disclosed in Note 13 to the financial statements.

TREASURY SHARES

During the financial year, there were no treasury shares being purchased, sold or cancelled by the Company. As at 31 March 2019, the Company held a total number of 319,300 treasury shares out of its 125,410,600 issued and fully paid-up ordinary shares at a carrying amount of RM131,249.

Relevant details on the treasury shares are disclosed in Note 16 to the financial statements.

DIRECTORS' REPORT (continued) AS AT 31 MARCH 2019

OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued shares of the Company during the financial year apart from the issue of options pursuant to the Share Issuance Scheme ("SIS").

In previous financial years, the Company granted share options to eligible directors and employees of the Group under the Share Issuance Scheme ("SIS") approved by the shareholders of the Company at the extraordinary general meeting held on 25 September 2013 to subscribe for a total of 6,400,000 ordinary shares at an exercise price of RM0.62 per share ("SIS 1"), out of which 204,000 (2018: 453,000) ordinary shares were forfeited during the financial year due to the resignations of directors and employees and a total of 1,834,400 (2018: 2,061,000) ordinary shares is exercisable at the end of the reporting period. On 27 June 2016, the Company has granted share options to eligible directors and employees of the Group under the SIS to subscribe for a total of 845,000 ordinary shares at an exercise price of RM0.68 per share ("SIS 2"), out of which 32,000 (2018: 12,000) ordinary shares were forfeited due to the resignations of employees and a total of 488,000 (2018: 520,000) ordinary shares is exercisable at the end of the reporting period. On 28 April 2017, the Company has granted share options to eligible directors and employees of the Group under the SIS to subscribe for a total of 1,055,000 ordinary shares at an exercise price of RM0.88 per share ("SIS 3"), out of which 85,000 (2018: 105,000) ordinary shares were forfeited due to the resignations of employees and a total of 865,000 (2018: 950,000) ordinary shares is exercisable at the end of the reporting period.

The salient features of the SIS are as follows:

- (a) Eligible directors and employees are those who have been confirmed in service on the date of offer;
- (b) The aggregate number of shares to be issued under the SIS shall not be more than 15% of the issued and paid-up share capital of the Company;
- (c) The SIS shall be in force for a period of 5 years from the first grant date and may be extended for a further 5 years at the discretion of the Board of Directors;
- (d) The option price shall not be at a discount of more than 10% from the 5- day weighted average market price of the shares of the Company preceding the date of offer;
- (e) An option holder may, in a particular year, exercise up to such maximum number of shares in the option certificate or as determined by the SIS Committee;
- (f) All new ordinary shares issued upon exercise of the share options granted under the SIS will rank pari passu in all respects with the existing ordinary shares of the Company; and
- (g) The share options granted to eligible Directors and employees will lapse when they are no longer in employment with the Group.

During the financial year, the Company has granted share options to eligible directors and employees of the Group under the SIS to subscribe for a total of 2,328,000 ordinary shares at an exercise price of RM0.55 per share ("SIS 4"), out of which a total of 62,000 ordinary shares was forfeited due to the resignations of employees and a total of 639,000 ordinary shares is exercisable at the end of the reporting period.

The share options granted are exercisable at any time from the date of offer up to the date of expiry on 18 November 2018 subject to a maximum percentage of 100% (2018: 70%) of the total number of share options granted in each year from the date of offer. Where the maximum percentage of the share options for a particular period is not fully exercised, the unexercised share options shall be carried forward to the next period and shall not be subject to the maximum percentage for the next period.

DIRECTORS' REPORT (continued) AS AT 31 MARCH 2019

OPTIONS GRANTED OVER UNISSUED SHARES (continued)

On 4 September 2018, the Board has approved to extend its existing SIS's tenure which is expiring on 18 November 2018 for another 5 years until 18 November 2023. These options are exercisable on the specified exercisable period and stated in the SIS By-Laws subject to the options being vested as follows:

	From 19.11.2018	From 1.4.2019	From 1.4.2020
SIS 1	20%	80%	_
SIS 2	-	50%	50%
SIS 3	-	50%	50%
SIS 4	100%	_	_

During the financial year, a total of 1,649,600 (2018: Nil) ordinary shares under the SIS was exercised and a total of 383,000 (2018: 570,000) ordinary shares under the SIS was forfeited by the eligible directors and employees of the Group.

Relevant details on the SIS are disclosed in Note 15 to the financial statements.

The Company has been granted exemption by the Companies Commission of Malaysia from having to disclose in this report the names of holders to whom options have been granted to subscribe for less than 90,000 ordinary shares. The option holders other than the Directors whose details are disclosed in the Directors' Interests, who were granted options to subscribe for 90,000 ordinary shares or more are as follows:

		Number of o	ptions over ord	inary shares	
	At 1.4.2018	Granted	Exercised	Forfeited	At 31.3.2019
Shares options of the Company					_
Catherine Tan Bee Shuen	52,000	50,000	(30,000)	-	72,000
Ching Lee Ting	66,000	66,000	(66,000)	-	66,000
Chong Weh Lian	74,000	75,000	(30,000)	-	119,000
Choo Kin San	50,000	30,000	(19,000)	-	61,000
Erwan Bin Sitam	34,000	20,000	(20,000)	-	34,000
Goh Wee Wee	46,000	60,000	(15,000)	-	91,000
Hanita Binti Yusof	16,000	16,000	(16,000)	-	16,000
Hong Chee Siong	60,000	30,000	-	-	90,000
Koh Sen Chun	110,000	110,000	(122,000)	-	98,000
Leong Kim Mok	112,000	-	-	(112,000)	-
Lim Wen Pei	62,000	62,000	(62,000)	-	62,000
Mardzita Binti Yahya	50,000	60,000	(30,000)	-	80,000
Mazilan Bin Ahmad	60,000	30,000	(30,000)	-	60,000
Md Lias Bin Yahya	30,000	30,000	(30,000)	-	30,000
Mohamad Helmi Bin Hashim	70,000	30,000	-	-	100,000
Nor Haidzan Binti Abd Halim	78,000	80,000	(50,000)	-	108,000
Noraini Binti Abd Aziz	60,000	45,000	(15,000)	-	90,000
Saadiah Binti Abdullah	34,000	34,000	(20,000)	-	48,000
Siow Ting Woon	62,000	62,000	-	(124,000)	-
Siti Fariza Binti Miskam	53,000	55,000	(40,000)	-	68,000
Suzi Hazlinna Binti Kamarudin	50,000	30,000	(30,000)	-	50,000
Suzilawati Binti Mohd Zain	27,000	27,000	(27,000)	-	27,000
Tan Peik Gee	-	200,000	(200,000)	-	-
Teo Shaw Ting	60,000	_	-	(60,000)	-
Wong Wei Seng	30,000	40,000	(40,000)	-	30,000
Woon Sheen Li	34,000	34,000	(34,000)	-	34,000
Yap Kai Yin	103,000	140,000	(145,600)	-	97,400
Yau Lian Yeow	50,000	-	-	(50,000)	-

DIRECTORS' REPORT (continued) AS AT 31 MARCH 2019

DIRECTORS

The names of directors of the Company who served during the financial year and up to the date of this report are as follows:

Law Hee Ling Chia Kah Ying Dato' Dr Ibrahim Bin Ahmad Yet Kiong Siang Datuk Iskandar Bin Sarudin

The names of directors of the Company's subsidiaries who served during the financial year and up to the date of this report, not including those directors mentioned above, are as follows:

Haniza Binti Ibrahim Koh Sen Chun Yau Lian Yeow

In accordance with Article 95 of the Company's Articles of Association, Dato' Dr Ibrahim Bin Ahmad and Yet Kiong Siang retire at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election.

DIRECTORS' INTERESTS

The Directors holding office at the end of the financial year and their beneficial interests in the shares and options over unissued shares of the Company and its related corporations during the financial year ended 31 March 2019 as recorded in the Register of Directors' Shareholdings kept by the Company under Section 59 of the Companies Act 2016 were as follows:

	N	Number of ordi	nary shares	
	At 1.4.2018	Bought	Sold	At 31.3.2019
Shares in the Company				
Direct interests:				
Dato' Dr Ibrahim Bin Ahmad	100,000	-	-	100,000
Chia Kah Ying	1,440,800	91,000	-	1,531,800
Law Hee Ling	13,794,500	-	-	13,794,500
Indirect interests:				
Dato' Dr Ibrahim Bin Ahmad	11,000,000	-	(2,000,000)	9,000,000
Law Hee Ling	48,019,200	7,710,000	-	55,729,200
	Number of o	ptions over un	issued ordina	ry shares
	At 1.4.2018	Granted	Exercised	At 31.3.2019
Shares options of the Company				
Dato' Dr Ibrahim Bin Ahmad	200,000	-	-	200,000
Chia Kah Ying	400,000	-	-	400,000
Law Hee Ling	400,000	-	-	400,000

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

The other Directors holding office at the end of the financial year had no interest in the shares and options over unissued shares of the Company and its related corporations during the financial year.

DIRECTORS' REPORT (continued) AS AT 31 MARCH 2019

DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the Directors have received or become entitled to receive any benefit (other than the benefits included in the aggregate amount of remuneration received or due and receivables by the Directors shown in the financial statements or the fixed salary of a full-time employee of the Company or related corporations) 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 other than those transactions disclosed in Note 31 to the financial statements.

There were no arrangements during and at the end of the financial year, to which the Group or the Company is a party, which had the object of enabling the Directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate apart from the issue of share options pursuant to the Share Issuance Scheme of the Company.

The details of the Directors' remuneration paid or payable to the Directors of the Company during the financial year are disclosed in Note 30 to the financial statements.

OTHER STATUTORY INFORMATION

(I) AS AT THE END OF THE FINANCIAL YEAR

- (a) Before the financial statements 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 allowance for impairment losses on receivables and have satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for impairment losses on receivables; 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 of 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 allowance for impairment losses in the financial statements of the Group and of the Company inadequate to any material extent;
 - (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 12 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.

DIRECTORS' REPORT (continued) AS AT 31 MARCH 2019

OTHER STATUTORY INFORMATION (continued)

(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.

INDEMNITY AND INSURANCE COST

During the financial year, the amount of indemnity coverage and insurance premium paid for the Directors of the Company were RM5,000,000 and RM9,000 respectively.

SUBSIDIARIES

The details of the Company's subsidiaries are disclosed in Note 8 to the financial statements.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

The significant events during the financial year are disclosed in Note 34 to the financial statements.

SIGNIFICANT EVENTS OCCURRING AFTER THE REPORTING PERIOD

The significant events occurring after the reporting period are disclosed in Note 35 to the financial statements.

AUDITORS

The auditors, Crowe Malaysia PLT (converted from a conventional partnership, Crowe Malaysia), have expressed their willingness to continue in office.

The details of the auditors' remuneration are disclosed in Note 26 to the financial statements.

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

Law Hee Ling Director Chia Kah Ying Director

18 July 2019

Kuala Lumpur

STATEMENT BY DIRECTORS PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

In the opinion of the Directors, the financial statements set out on pages 44 to 107 have been drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 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 2019 and of their financial performance and cash flows for the financial year then ended.

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Law Hee Ling Director Chia Kah Ying Director

18 July 2019

Kuala Lumpur

STATUTORY DECLARATION PURSUANT TO SECTION 251(1)(b) OF THE COMPANIES ACT 2016

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 44 to 107 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly)
declared by the abovenamed)
at Kuala Lumpur in the)
Federal Territory on)
18 July 2019)	

Chia Kah Ying

Before me:

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF COMPLETE LOGISTIC SERVICES BERHAD (Incorporated in Malaysia)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Complete Logistic Services Berhad, which comprise the statements of financial position as at 31 March 2019 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 44 to 107.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 March 2019, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws* (on *Professional Ethics, Conduct and Practice*) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significant in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Impairment assessment of trade receivables

Refer to Note 10 to the financial statements

Key Audit Matter

As of the reporting date, the Group's total trade receivables amounted to RM30 million is stated net of allowance for impairment of RM0.53 million. Trade receivables are major component of the financial position of the Group as it represent 50.3% of the Group's total asset . We focused on this area due to the magnitude of the amount involved and significant judgements are required to assess the allowance for impairment losses of trade receivables. The assessment on impairment of trade receivables involves significant management judgement, taking into consideration the age of the trade debts, historical payment patterns, existence of disputes and bad debt written off in the past.

How our audit addressed the Key Audit Matter

Our audit procedures included, among others:

- Reviewed ageing analysis of trade receivables and tested the reliability thereof;
- Reviewed subsequent cash collections for major trade receivables and overdue amounts;
- Tested samples of debtors to ascertain if the specific impairment has been recognised on a on a timely basis; and
- Assessed the key assumptions and inputs used in determining the historical loss rates that used to calculate the expected credit losses.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF COMPLETE LOGISTIC SERVICES BERHAD (continued) (Incorporated in Malaysia)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (continued)

Key Audit Matters (continued)

Impairment assessment of vessels

Refer to Note 7 to the financial statements

Key Audit Matter

As of the reporting date, vessels amounted to RM10.31 million. Management is required to perform impairment test of the cash generating unit ("CGU") whenever there is an indication that the CGU maybe impaired by comparing the carrying amount with its recoverable amount. Management had estimated the recoverable amount of the vessels based on its value in use (by preparing a discounted cash flows of the future cash flows expected to be derived from the vessels).

These assessments are significant to our audit as they had involved complex and subjective management judgement and is based on assumptions that are affected by expected future market and economic conditions.

How our audit addressed the Key Audit Matter

Our audit procedures included, among others:

- Reviewed management's estimate of the recoverable amount and tested the cash flows forecast for their accuracy;
- Evaluated the appropriateness and reasonableness of the key assumptions by considering prior budget accuracy, comparison to recent performance and our understanding of the business, trend analysis, and historical results;
- Performed sensitivity analysis over the key assumptions to understand the impact of changes; and
- Evaluated the appropriateness of the discount rate used to determine the present value of the cash flows and whether the rate used reflects the current market assessments of the time value of money.

Information Other than the Financial Statements and Auditors' Report Thereon

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF COMPLETE LOGISTIC SERVICES BERHAD (continued) (Incorporated in Malaysia)

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As a part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group
 and of the Company, including the disclosures, and whether the financial statements of the Group
 and of the Company represent the underlying transactions and events in a manner that achieves fair
 presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF COMPLETE LOGISTIC SERVICES BERHAD (continued) (Incorporated in Malaysia)

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 8 to the financial statements.

OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Crowe Malaysia PLT LLP0018817-LCA & AF 1018 Chartered Accountants

18 July 2019

Kuala Lumpur

Chan Kuan Chee 02271/10/2019 J Chartered Accountant

STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2019

Assets Non-current assets Property, plant and equipment Investments in subsidiaries 8			Gre	oup	Comp	oany
Non-current assets Property, plant and equipment Investments in subsidiaries Taylor T		Note	2019	2018	2019	2018
Property, plant and equipment Investments in subsidiaries 131,218,154 129,064,183 13,510 59,150,019 59,444,970 131,218,154 129,064,183 59,163,529 59,526,256 59,444,970 131,218,154 129,064,183 59,163,529 59,526,256 17,470,005 17,070 13,0742 14,130,742	Assets					
Current assets Inventories Inv	Property, plant and equipment		131,218,154	129,064,183		
Inventories			131,218,154	129,064,183	59,163,529	59,526,256
Trade and other receivables Tax recoverable Tax recoverable Cash and cash equivalents 11 25,660,485 11,281,243 1,281,244 1,281,243 1,281,244 1,281,244 1,281,241 1,281,244 1,281,244 1,281,241 1,281,244 1,281,244 1,281,245 1,281,244 1,281,245 1,281,244 1,281,245 1,281,244 1,281,245 1,281,244 1,281,244 1,281,241 1,281,244 1,281,241 1,281,241 1,281,241 1,281,241 1,281,241 1,281,241 1,281,241 1,281,241 1,281,241 1,281,241 1,281,241 1,281,241 1,281,						
Tax recoverable Cash and cash equivalents 491,826 25,060,485 1,281,243 11,826,009 7,488 10,919,241 6,767,779 61,7779 59,687,422 49,044,667 58,307,076 51,366,229 Non-current assets held for sale 12 1,849,998 2,519,777 - - Equity and liabilities 192,755,574 180,628,627 117,470,605 110,892,485 Equity attributable to owners of the Company Share capital 13 68,850,085 12,245,266 67,464,127 70,487,992 46,539,453 68,850,085 24,660,015 67,464,127 70,487,992 46,539,453 24,660,015 70,487,992 46,539,453 22,4660,015 578,380 13,249,983 1,028,390 13,249,983 578,380 13,249,983 1,028,390 13,249,983 578,380 13,249,983 1,028,390 13,249,983 578,380 13,249,983 1,028,390 13,249,983 1,028,390 13,249,983 1,028,390 13,249,983 1,028,390 13,249,983 1,028,390 13,249,983 1,028,390 13,249,983 1,028,390 13,249,983 1,028,390 13,249,983 1,028,390 13,249,983 1,028,390 13,249,983 1,028,390 13,249,983 1,028,390 13,249,983 1,028,390 13,249,983 1,028,390 13,249,983 1,028,390 13,249,983 1,028,390 13,249,983 1,028,390 13,249,983 1,028,390 13,249,983 1,028,390 13,249,983 <td< td=""><td></td><td></td><td></td><td></td><td>-</td><td>-</td></td<>					-	-
Cash and cash equivalents		10				
Sp.687,422 49,044,667 58,307,076 51,366,229		4.4				
Non-current assets held for sale 12	Cash and cash equivalents	11	25,060,485	11,826,009	10,919,241	6,167,779
Equity and liabilities Equity attributable to owners of the Company Share capital 13 68.850.085 15 1.028.390 (131,249) (131,2			59,687,422	49,044,667	58,307,076	51,366,229
Equity and liabilities Equity attributable to owners of the Company Share capital 13 68.850.085 70.487,992 46.539,453 24.660,015 24	Non-current assets held for sale	12	1,849,998	2,519,777	-	-
Equity attributable to owners of the Company Share capital 13 68,850,085 14 81,245,266 70,487,992 46,539,453 124,660,015 578,380 (131,249) (131,24			192,755,574	180,628,627	117,470,605	110,892,485
Total equity 151,783,665 139,205,946 116,286,679 92,571,273 Non-current liabilities Borrowings Deferred tax liabilities 20 20,202,605 18,891,596 Current liabilities Trade and other payables Borrowings 17 16,623,276 4,146,028 - 17 17,535,557 1,183,926 18,321,212 20,769,304 22,531,085 1,183,926 18,321,212 Total liabilities 40,971,909 41,422,681 1,183,926 18,321,212	of the Company Share capital Retained earnings Other reserves Treasury shares Shareholders' equity	14 15	81,245,266 1,028,390 (131,249) 150,992,492	70,487,992 578,380 (131,249) 138,399,250	46,539,453 1,028,390 (131,249)	24,660,015 578,380 (131,249)
Non-current liabilities Borrowings Deferred tax liabilities 20 17 14,089,513 6,113,092 5,644,211 - 20,202,605 18,891,596 Current liabilities Trade and other payables Borrowings Tax liabilities Tax liabilities Tax liabilities 17 14,089,513 6,113,092 5,644,211 - 1 16,623,276 4,146,028 4,995,528 - 20,769,304 22,531,085 1,183,926 18,321,212 40,971,909 41,422,681 1,183,926 18,321,212	G		791,173	806,696	-	-
Borrowings 17 14,089,513 13,247,385	Total equity		151,783,665	139,205,946	116,286,679	92,571,273
Current liabilities Trade and other payables 21 16,623,276 17,535,557 1,183,926 18,321,212 Borrowings 17 4,146,028 - - - - - Tax liabilities 20,769,304 22,531,085 1,183,926 18,321,212 Total liabilities 40,971,909 41,422,681 1,183,926 18,321,212	Borrowings					
Trade and other payables Borrowings Tax liabilities 21			20,202,605	18,891,596	-	-
Total liabilities 40,971,909 41,422,681 1,183,926 18,321,212	Borrowings				1,183,926	18,321,212
			20,769,304	22,531,085	1,183,926	18,321,212
Total equity and liabilities 192,755,574 180,628,627 117,470,605 110,892,485	Total liabilities		40,971,909	41,422,681	1,183,926	18,321,212
	Total equity and liabilities		192,755,574	180,628,627	117,470,605	110,892,485

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

		Gr	oup	Compa	ny
	Note	2019 RM	2018 RM	2019 RM	2018 RM
Revenue	24	124,099,035	124,020,458	23,958,000	84,000
Cost of sales	25	(101,536,575)	(102,858,311)	-	-
Gross profit		22,562,460	21,162,147	23,958,000	84,000
Other income		1,652,299	1,036,349	254,447	99,680
Marketing and distribution costs		(684,498)	(687,512)	-	-
Administrative expenses		(5,452,002)	(5,642,129)	(315,009)	(200,922)
Other expenses		(3,551,805)	(3,541,399)	(2,089,983)	(517,277)
Finance costs		(779,594)	(930,232)	-	-
Profit/(Loss) before tax	26	13,746,860	11,397,224	21,807,455	(534,519)
Tax (expense)/credit	27	(3,076,550)	(1,863,590)	542	1,023
Profit/(Loss) after tax Other comprehensive income		10,670,310	9,533,634	21,807,997	(533,496)
Total comprehensive income/(expe	enses)	10,670,310	9,533,634	21,807,997	(533,496)
Profit/(Loss) after tax attributable Owners of the Company Non-controlling interests	to:	10,685,833 (15,523)	9,414,594 119,040	21,807,997	(533,496)
		10,670,310	9,533,634	21,807,997	(533,496)
Total comprehensive income/(experimental total comprehensive income/	enses)	10.007.000	0.414.504	01 007 007	(500,400)
Owners of the Company		10,685,833	9,414,594	21,807,997	(533,496)
Non-controlling interests		(15,523) 10,670,310	119,040 9,533,634	21,807,997	(533,496)
Basic earnings per ordinary share (sen)	28	8.6	7.6		
Diluted earnings per ordinary share (sen)	28	8.5	7.6		

STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

		7	Attributable to owners of the Company	owners of t	he Company		1014	
Group	te	Share capital RM	Share option reserve RM	Treasury shares RM	Retained earnings RM	Total RM	non- controlling interests RM	Total equity RM
At 1 April 2017		67,464,127	451,736	(131,249)	61,073,398	128,858,012	687,656	129,545,668
Contributions by and distributions to owners of the Company:								
Share option expenses		ı	126,644	ı	I	126,644	ı	126,644
Profit after tax/Total comprehensive income	ı	1	1	1	9,414,594	9,414,594	119,040	9,533,634
At 31 March/1 April 2018		67,464,127	578,380	(131,249)	70,487,992	138,399,250	806,696	806,696 139,205,946
Contributions by and distributions to owners of the Company:								
Share option expenses		1	998,547	1	ı	998,547	ı	998,547
Exercise of Share Issuance Scheme option 13	8	1,385,958	(548,537)	1	71,441	908,862	1	908,862
Total transactions with owners		1,385,958	(548,537)	ı	71,441	908,862	ı	908,862
Profit after tax/Total comprehensive income		1	•	1	10,685,833	10,685,833	(15,523)	10,670,310
At 31 March 2019	•	68,850,085	1,028,390	(131,249)	81,245,266	150,992,492	791,173	791,173 151,783,665

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY (continued) FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

Company	Note	Share capital RM	Share option reserve RM	Treasury shares RM	Retained earnings RM	Total equity RM
At 1 April 2017 Contributions by and distributions to owners of the Company:		67,464,127	451,736	(131,249)	25,193,511	92,978,125
Share option expenses Loss after tax/Total comprehensive expenses	·	1 1	126,644	1 1	(533,496)	126,644 (533,496)
At 31 March/1 April 2018 Contributions by and distributions to owners of the Company:		67,464,127	578,380	(131,249)	24,660,015	92,571,273
Share option expenses	,	, ()	998,547	1	1 7	998,547
Exercise of Share Issuance Scheme option Profit after tax/Total comprehensive income		1,385,958	(548,537)	1 1	71,441	908,862 21,807,997
At 31 March 2019		68,850,085	1,028,390	(131,249)	46,539,453	116,286,679

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

		Gro	up	Compa	ny
	Note	2019 RM	2018 RM	2019 RM	2018 RM
Operating activities					
Profit/(Loss) before tax		13,746,860	11,397,224	21,807,455	(534,519)
Adjustments for:		.,,.	, ,	, ,	(,,
Depreciation of property, plant					
and equipment	7	7,389,619	7,391,488	67,776	67,776
Dividend income from					
subsidiaries	24	-	-	(23,874,000)	-
Impairment loss on:					
- investments in subsidiaries	8	-	-	294,951	-
- trade receivables	10	141,478	116,941	-	-
- amounts owing by subsidiaries	10	-	-	480,000	-
Interest expense		779,594	930,232	-	-
Interest income		(295, 113)	(133, 289)	(252,033)	(99,638)
Net (gain)/loss on disposal of					
property, plant and equipment		(572,597)	197,886	-	-
Net unrealised (gain)/loss on					
foreign exchange		(169,887)	97,496	-	-
Reversal of impairment loss on:					
- trade receivables	10	(25,445)	-	-	-
Share option expense		998,547	126,644	998,547	126,644
Operating profit/(loss) before					
working capital changes		21,993,056	20,124,622	(477,304)	(439,737)
Changes in working capital:					
Inventories		306,265	523,841	-	-
Trade and other receivables		1,723,957	(2,919,337)	-	-
Contract assets		(174,064)	-	-	-
Trade and other payables		(1,179,001)	1,991,737	51,420	8,035
Contract liabilities		266,720	-	-	-
Cash generated from/(used in)					
operations		22,936,934	19,720,863	(425,884)	(431,702)
Tax paid		(2,691,819)	(2,242,795)	60,762	(59,500)
Tax refunded		873,567	760,804		-
Net cash from/(used in)					
operating activities		21,118,681	18,238,872	(365,122)	(491,202)

STATEMENTS OF CASH FLOWS (continued) FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

		Gro	oup	Compa	any
	Note	2019 RM	2018 RM	2019 RM	2018 RM
Investing activities					
Dividend income received Interest received		295,113	133,289	23,874,000 252,033	99,638
Proceeds from disposal of property, plant and equipment		1,523,461	4,478,209	-	-
Purchase of property, plant and equipment	7	(9,824,675)	(21,129,764)	-	-
Advances to subsidiaries		-	-	(2,729,605)	(3,576,342)
Net cash (used in)/from investing activities		(8,006,101)	(16,518,266)	21,396,428	(3,476,704)
U					
Financing activities (Repayments to)/Advances					
from subsidiaries		-	-	(17, 188, 706)	6,875,000
Drawdown of term loans Interest paid		5,000,000 (779,594)	7,828,632 (932,174)	-	-
Proceeds from shares issued		908,862	(932,174)	908,862	_
Repayment of hire purchase		(82,456)	(315,959)	000,002	
Repayment of term loans		(4,797,636)	(4,974,389)	-	-
Net cash from/(used in) financing					
activities		249,176	1,606,110	(16,279,844)	6,875,000
Net changes in cash and cash					
equivalents		13,361,756	3,326,716	4,751,462	2,907,094
Cash and cash equivalents at the beginning of financial year		11,533,729	8,207,013	6,167,779	3,260,685
Cash and cash equivalents at the end of financial year	11	24,895,485	11,533,729	10,919,241	6,167,779

NOTES TO THE FINANCIAL STATEMENTS 31 MARCH 2019

1 CORPORATE INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and listed on the Main Market of Bursa Malaysia Securities Berhad.

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 ("RM"), which is the Company's functional currency.

The financial statements were authorised for issue in accordance with a resolution of the Board of Directors on 18 July 2019.

2 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.

3 BASIS OF PREPARATION

The financial statements of the Group and the Company are prepared in compliance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards ("IFRSs") and the requirements of the Companies Act 2016 in Malaysia.

4 SIGNIFICANT ACCOUNTING POLICIES

4.1 Basis of accounting

The financial statements of the Group and the Company have been prepared under the historical cost convention except as otherwise stated in the financial statements.

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, the actual results could differ from those estimates.

4.2 Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to the end of the reporting period.

A subsidiary is defined as a company in which the parent company has the power, directly or indirectly, to exercise control over its financial and operating policies so as to obtain benefits from its activities.

Subsidiaries are consolidated from the date on which control is transferred to the Group up to the effective date on which control ceases, as appropriate.

Intragroup transactions, balances, income and expenses are eliminated on consolidation. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group.

SIGNIFICANT ACCOUNTING POLICIES (continued)

4.2 Basis of consolidation (continued)

4

(a) Business combinations

Acquisitions of businesses are accounted for using the acquisition method. Under the acquisition method, the consideration transferred for acquisition of a subsidiary is the fair value of the assets transferred, liabilities incurred and the equity interests issued by the Group at the acquisition date. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs, other than the costs to issue debt or equity securities, are recognised in profit or loss when incurred.

In a business combination achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

Non-controlling interests in the acquiree may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets at the date of acquisition. The choice of measurement basis is made on a transaction-by-transaction basis.

(b) Non-controlling interests

Non-controlling interests are presented within equity in the consolidated statement of financial position, separately from the equity attributable to owners of the Company. Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

(c) Changes in ownership interests in subsidiaries without change of control

All changes in the parent's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of consideration paid or received is recognised directly in equity of the Group.

(d) Loss of control

Upon the loss of control of a subsidiary, the gain or loss on disposal is calculated as the difference between:

- (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest in the former subsidiary; and
- (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the former subsidiary and any non-controlling interests.

Amounts previously recognised in other comprehensive income in relation to the former subsidiary are accounted for in the same manner as would be required if the relevant assets or liabilities were disposed of (i.e. reclassified to profit or loss or transferred directly to retained profits). The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under MFRS 139 or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

31 March 2019 (continued)

4 SIGNIFICANT ACCOUNTING POLICIES (continued)

4.3 Property, plant and equipment and depreciation

All items of property, plant and equipment are initially measured at cost which includes expenditure that is directly attributable to the acquisition of the items. The cost of an item of property, plant and equipment is recognised as an asset if and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

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 the carrying amount of the replaced parts are derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss 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, if applicable.

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

Construction work- in- progress are stated at cost and will be transferred to the relevant category of long-term assets and depreciated accordingly when the assets are completed and ready for their intended use.

Freehold land and construction work-in-progress are not depreciated. Depreciation of other property, plant and equipment is computed on a straight-line basis over their estimated useful lives as follows:

Leasehold land	Lease terms
Buildings	2%
Containers	10%
Motor vehicles	20%
Office equipment	20%
Operating equipment	10%
Plant and machinery	10%
Vessel equipment	10%
Vessels	50 years

The carrying amounts of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. A writedown is made if the carrying amount exceeds the recoverable amount (see Note 4.7).

The residual values, useful lives and depreciation method are reviewed and adjusted if appropriate, at the end of each reporting period to ensure that the amounts, method and periods 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. If expectations differ from previous estimates, the changes are accounted for as a change in an accounting estimate.

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 SIGNIFICANT ACCOUNTING POLICIES (continued)

4.4 Leases and hire purchase

(a) Finance leases and hire purchase

Assets acquired under finance leases and hire purchase which transfer substantially all the risks and rewards of ownership to the Group are recognised initially at amounts equal to the fair value of the leased assets or, if lower, the present value of minimum lease payments, each determined at the inception of the lease. The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the leases, if this is practicable to determine; if not, the Group's incremental borrowing rate is used. Any initial direct costs incurred by the Group are added to the amount recognised as an asset. The assets are capitalised as property, plant and equipment and the corresponding obligations are treated as liabilities. The property, plant and equipment capitalised are depreciated on the same basis as owned assets.

The minimum lease payments are apportioned between the finance charges and the reduction of the outstanding liability. The finance charges are recognised in profit or loss over the period of the lease term so as to produce a constant periodic rate of interest on the remaining lease and hire purchase liabilities.

(b) Operating leases

A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

Lease payments under operating leases are recognised as an expense on a straight-line basis over the lease term.

4.5 Investments

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less any accumulated impairment losses. On the disposal of investment, the difference between net disposal proceeds and its carrying amount is included in profit or loss. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount.

Subsidiaries are entities over which the Group and the Company have the power to govern the financial and operating policies so as to obtain benefits from their activities.

Investments in subsidiaries are eliminated on consolidation.

4.6 Intangible assets - Goodwill

Goodwill is measured at cost less accumulated impairment losses, if any. The carrying value of goodwill is reviewed for impairment annually. The impairment value of goodwill is recognised immediately in profit or loss. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Under the acquisition method, any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interests recognised and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities at the date of acquisition is recorded as goodwill.

Where the latter amount exceeds the former, after reassessment, the excess represents a bargain purchase gain and is recognised as a gain in profit or loss.

31 March 2019 (continued)

4 SIGNIFICANT ACCOUNTING POLICIES (continued)

4.7 Impairment

(a) Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost, trade receivables and contract assets.

The expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument. The Group always recognises lifetime expected credit losses for trade receivables and contract assets using the simplified approach. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience and are adjusted for forward-looking information (including time value of money where appropriate).

For all other financial instruments, the Group recognises lifetime expected credit losses when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at fair value through other comprehensive income, for which the loss allowance is recognised in other comprehensive income and accumulated in the fair value reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

Accounting Policy Applied Until 31 March 2018

As disclosed in Note 36 to the financial statements, the Group has applied MFRS 9 retrospectively with cumulative financial impacts recognised in the opening consolidated statement of financial position on 1 April 2017 (date of initial application of MFRS 9) and hence, the comparative information of its financial instruments is not restated. As a result, the comparative information on the impairment of the Group's financial assets has been accounted for in accordance with its previous accounting policy as summarised below:-

(i) The Group assessed at the end of each reporting period whether there was objective evidence that a financial asset (or group of financial assets) was impaired. Impairment losses were incurred only if there was objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset and that event(s) had an impact on the estimated future cash flows of the financial asset (or group of financial assets) that could be reliably estimated. In the case of equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost was considered an indicator that the assets are impaired.

(b) Impairment of non-financial assets

The carrying values of assets, other than those to which MFRS 136 Impairment of Assets does not apply, are reviewed at the end of each reporting period for impairment when there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. When the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount and an impairment loss shall be recognised. The recoverable amount of the assets is the higher of the assets' fair value less costs to sell and their value-in-use, which is measured by reference to discounted future cash flows.

4 SIGNIFICANT ACCOUNTING POLICIES (continued)

4.7 Impairment (continued)

(b) Impairment of non-financial assets (continued)

An impairment loss is recognised in profit or loss immediately unless the asset is carried at its revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease to the extent of a previously recognised revaluation surplus for the same asset.

In respect of assets other than goodwill, and when there is a change in the estimates used to determine the recoverable amount, a subsequent increase in the recoverable amount of an asset is treated as a reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in profit or loss immediately, unless the asset is carried at its revalued amount, in which the reversal of the impairment loss is treated as revaluation increase.

4.8 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 spare parts, consumables and 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.

Where necessary, due allowance is made for all damaged, obsolete and slow-moving items.

4.9 Financial instruments

Financial assets and financial liabilities are recognised in the statements of financial position when the Group has become a party to the contractual provisions of the instruments.

Financial instruments are classified as financial assets, financial liabilities or equity instruments in accordance with the substance of the contractual arrangement and their definitions in MFRS 132. Interest, dividends, gains and losses relating to a financial instrument classified as a liability are reported as an expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity.

Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

A financial instrument is recognised initially at its fair value (other than trade receivables without significant financing component which are measured at transaction price as defined in MFRS 15 Revenue from Contracts with Customers at inception). Transaction costs that are directly attributable to the acquisition or issue of the financial instrument (other than a financial instrument at fair value through profit or loss) are added to/deducted from the fair value on initial recognition, as appropriate. Transaction costs on the financial instrument at fair value through profit or loss are recognised immediately in profit or loss.

Financial instruments recognised in the statements of financial position are disclosed in the individual policy statement associated with each item.

4.9.1 Financial assets

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value (through profit or loss, or other comprehensive income), depending on the classification of the financial assets.

31 March 2019 (continued)

4 SIGNIFICANT ACCOUNTING POLICIES (continued)

4.9 Financial instruments (continued)

4.9.1 Financial assets (continued)

Debt Instruments

(a) Amortised cost

The financial asset is held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest. Interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset. When the asset has subsequently become credit-impaired, the interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset.

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts), excluding expected credit losses, through the expected life of the financial asset or a shorter period (where appropriate).

(b) Fair value through other comprehensive income

The financial asset is held for both collecting contractual cash flows and selling the financial asset, where the asset's cash flows represent solely payments of principal and interest. Movements in the carrying amount are taken through other comprehensive income and accumulated in the fair value reserve, except for the recognition of impairment, interest income and foreign exchange difference which are recognised directly in profit or loss. Interest income is calculated using the effective interest rate method.

(c) Fair value through profit or loss

All other financial assets that do not meet the criteria for amortised cost or fair value through other comprehensive income are measured at fair value through profit or loss.

The Group reclassifies debt instruments when and only when its business model for managing those assets change.

Equity Instruments

All equity investments are subsequently measured at fair value with gains and losses recognised in profit or loss except where the Group has elected to present the subsequent changes in fair value in other comprehensive income and accumulated in the fair value reserve at initial recognition.

The designation at fair value through other comprehensive income is not permitted if the equity investment is either held for trading or is designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise.

Dividend income from this category of financial assets is recognised in profit or loss when the Group's right to receive payment is established unless the dividends clearly represent a recovery of part of the cost of the equity investments.

4.9.2 Financial liabilities

(a) Financial liabilities at fair value through profit or loss

Fair value through profit or loss category comprises financial liabilities that are either held for trading or are designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. The changes in fair value of these financial liabilities are recognised in profit or loss.

4 SIGNIFICANT ACCOUNTING POLICIES (continued)

4.9 Financial instruments (continued)

4.9.2 Financial liabilities

(b) Other financial liabilities

Other financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts), through the expected life of the financial liability or a shorter period (where appropriate).

4.9.3 Equity instruments

Equity instruments classified as equity are measured initially at cost and are not remeasured subsequently.

(a) Ordinary shares

Ordinary shares are classified as equity and recorded at the proceeds received, net of directly attributable transaction costs.

Dividends on ordinary shares are recognised as liabilities when approved for appropriation.

(b) Treasury shares

When the Company's own shares recognised as equity are bought back, the amount of the consideration paid, including all costs directly attributable, are recognised as a deduction from equity. Own shares purchased that are not subsequently cancelled are classified as treasury shares and are presented as a deduction from total equity. No gain or loss is recognised in profit or loss on the purchases, sales, issue or cancellation of treasury shares.

Where such shares are subsequently sold or reissued, any consideration received, net of any direct costs, is included in equity.

Where treasury shares are cancelled, their costs are transferred to retained earnings.

4.9.4 Derivative financial instruments

Derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in fair value on derivatives during the reporting period, other than those accounted for under hedge accounting, are recognised directly in profit or loss.

Any derivative embedded in a financial asset is not accounted for separately. Instead, the entire hybrid contract is classified and subsequently measured as either amortised cost or fair value as appropriate.

An embedded derivative is recognised separately from the host contract which is a financial liability as a derivative if, and only if, its risks and characteristics are not closely related to those of the host contract and the host contract is not measured at fair value through profit or loss.

31 March 2019 (continued)

4 SIGNIFICANT ACCOUNTING POLICIES (continued)

4.9 Financial instruments (continued)

4.9.5 Derecognition

A financial asset or part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. On derecognition of a financial asset measured at amortised cost, the difference between the carrying amount of the asset and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of a debt instrument classified as fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the fair value reserve is reclassified from equity to profit or loss. In contrast, there is no subsequent reclassification of the fair value reserve to profit or loss following the derecognition of an equity investment.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

4.9.6 Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specific debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantee contracts are recognised initially as liabilities at fair value, net of transaction costs. Subsequent to initial recognition, financial guarantee contracts are recognised as income in profit or loss over the period of the guarantee or, when there is no specific contractual period, recognised in profit or loss upon discharge of the guarantee. If the debtor fails to make payment relating to a financial guarantee contract when it is due and the Group, as the issuer, is required to reimburse the holder for the associated loss, the liability is measured at the higher of the amount of the credit loss determined in accordance with the expected credit loss model and the amount initially recognised less cumulative amortisation.

Accounting Policy Applied Until 31 March 2018

As disclosed in Note 36 to the financial statements, the Group has applied MFRS 9 retrospectively with cumulative financial impacts recognised in the opening consolidated statement of financial position on 1 April 2017 (date of initial application of MFRS 9) and hence, the comparative information of its financial instruments is not restated. As a result, the comparative information on the impairment of the Group's financial assets has been accounted for in accordance with its previous accounting policy as summarised below:-

- (i) Financial assets were designated at fair value through profit or loss when the financial asset was either held for trading or was designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. Derivatives were also classified as held for trading unless they were designated as hedges. Financial assets at fair value through profit or loss were stated at fair value at each reporting date with any gain or loss arising on remeasurement recognised in profit or loss.
- (ii) Non-derivative financial assets with fixed or determinable payments and fixed maturities that the management had the positive intention and ability to hold to maturity were classified as held-to-maturity. The held-to-maturity investments were measured at amortised cost using the effective interest method less any impairment loss, with interest income recognised in profit or loss on an effective yield basis.

4 SIGNIFICANT ACCOUNTING POLICIES (continued)

4.9 Financial instruments (continued)

4.9.6 Financial guarantee contracts

Accounting Policy Applied Until 31 March 2018 (continued)

- (iii) Unquoted trade receivables and other receivables with fixed or determinable payments were classified as loans and receivables financial assets, measured at amortised cost using the effective interest method, less any impairment loss. Interest income was recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.
- (iv) Available-for-sale financial assets were non-derivative financial assets not classified in any of the other categories. After initial recognition, available-for-sale financial assets were remeasured to fair value at each reporting date with any gain and loss recognised in other comprehensive income and accumulated in the fair value reserve, with the exception of impairment losses. On derecognition, the cumulative gain or loss previously accumulated in the fair value reserve was reclassified from equity into profit or loss. Interest income calculated for a debt instrument using the effective interest method was recognised in profit or loss. Investments in equity instruments whose fair value cannot be reliably measured were measured at cost less accumulated impairment losses, if any.

4.10 Contract asset and contract liability

A contract asset is recognised when the Group's right to consideration is conditional on something other than the passage of time. A contract asset is subject to impairment requirements of MFRS 9 Financial Instruments.

A contract liability is stated at cost and represents the obligation of the Group to transfer goods or services to a customer for which consideration has been received (or the amount is due) from the customers.

4.11 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits, and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value with original maturity periods of three months or less. For the purpose of the statement of cash flows, cash and cash equivalents are presented net of bank overdrafts.

4.12 Non-current assets held for sale

Non-current assets that are expected to be recovered primarily through sale rather than through continuing use are classified as held for sale. Immediately before classification as held for sale, the non-current assets are remeasured in accordance with the Group's accounting policies. Upon classification as held for sale, the non-current assets are not depreciated and are measured at the lower of their previous carrying amount and fair value less cost to sell. Any differences are recognised in profit or loss.

31 March 2019 (continued)

4 SIGNIFICANT ACCOUNTING POLICIES (continued)

4.13 Borrowing costs

Borrowing costs 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 profit or loss. 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.

4.14 Income taxes

Income taxes include all domestic and foreign taxes on taxable profit. Taxes in the statements of profit or loss comprise current tax and deferred tax.

(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 are 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 substantively enacted by the end of the reporting period.

(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 statement of financial position 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 the end of each reporting period. If it is no longer probable that sufficient taxable profits 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 profits will be available, such reductions will be reversed to the extent of the taxable profits.

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 will be recognised as income or expense and included in the profit or loss for the period unless the tax relates to items that are credited or charged, in the same or a different period, directly to equity, in which case the deferred tax will be charged or credited directly to equity.

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 substantively enacted by the end of the reporting period.

4 SIGNIFICANT ACCOUNTING POLICIES (continued)

4.15 Provisions

Provisions are recognised when there is a present obligation, legal or constructive, as a result of a past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the effect of the time value of money is material, the amount of a provision will be discounted to its present value at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision will be reversed.

Provisions are not recognised for future operating losses. If the Group has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision.

4.16 Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that an outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the financial statements, unless the probability of outflow of economic benefits is remote. When a change in the probability of an outflow occurs so that the outflow is probable, it will then be recognised as a provision.

4.17 Employee benefits

(a) 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 financial 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.

31 March 2019 (continued)

4 SIGNIFICANT ACCOUNTING POLICIES (continued)

4.17 Employee benefits (continued)

(b) Defined contribution plan

The Company and its subsidiaries incorporated in Malaysia make contributions to a statutory provident fund. The contributions are recognised as a liability after deducting any contribution already paid and as an expense in the period in which the employees render their services.

(c) Share-based payment transactions

At grant date, the fair value of options granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period in which the employees become unconditionally entitled to the options. The amount recognised as an expense is adjusted to reflect the actual number of share options that are expected to vest.

4.18 Foreign currencies

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia, which is the Company's functional and presentation currency.

(b) Foreign currency transactions and balances

Transactions in foreign currencies are converted into Ringgit Malaysia at rates of exchange ruling at the transaction dates. Monetary assets and liabilities in foreign currencies at the end of the reporting period are translated into Ringgit Malaysia at rates of exchange ruling at that date unless hedged by forward foreign exchange contracts, in which case the rates specified in such a forward contracts are used. All exchange differences arising from the settlement of foreign currency transactions and from the translation of foreign currency monetary assets and liabilities are included in profit or loss in the period in which they arise. Non-monetary items initially denominated in foreign currencies, which are carried at historical cost are translated using the historical rate as of the date of acquisition, and non-monetary items which are carried at fair value are translated using the exchange rate that existed when the values were determined for presentation currency purposes.

(c) Foreign operations

Financial statements of foreign operations are translated at exchange rates ruling at the end of the reporting period with respect to the assets and liabilities, and at exchange rates at the dates of the transactions with respect to the statement of profit or loss and other comprehensive income. All resulting translation differences are recognised as a separate component of equity.

In the consolidated financial statements, exchange differences arising from the translation of net investment in foreign operations are taken to equity. When a foreign operation is partially disposed of or sold, exchange differences that were recorded in equity are recognised in profit or loss as part of the gain or loss on disposal.

4 SIGNIFICANT ACCOUNTING POLICIES (continued)

4.19 Revenue recognition

Revenue is measured at its transaction price, being the amount of consideration which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, net of sales and service tax, returns, rebates and discounts.

The Group recognises revenue when it transfers control over a product or service to customer. An asset is transferred when the customer obtains control of that asset.

Depending on the substance of the contract, revenue is recognised when the performance obligation is satisfied, which may be at a point in time or over time. The Group transfers control of a good or service at a point in time unless one of the following overtime criteria is met:

- The customer simultaneously receives and consumes the benefits provided as the Group performs.
- The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.
- The Group's performance does not create an asset with an alternative use and the Group has an enforceable right to payment for performance completed to date.

(a) Sale of goods

Revenue from sale of goods is recognised when the Group has transferred control of the goods to the customer, being when the goods have been delivered to the customer and upon its acceptance. Following delivery, the customer has full discretion over the manner of distribution and price to sell the goods, and bears the risks of obsolescence and loss in relation to the goods.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

(b) Services

Revenue from logistics services is recognised over time in the period in which the services are rendered. For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided because the customer receives and uses the benefits simultaneously.

4.20 Revenue from other sources and other operating income

(a) Dividend income

Dividend income is recognised when the right to receive payment is established.

(b) Interest income

Interest income is recognised on an accrual basis using the effective interest method.

(c) Rental income

Rental income is accounted for on a straight-line method over the lease term.

31 March 2019 (continued)

4 SIGNIFICANT ACCOUNTING POLICIES (continued)

4.21 Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

4.22 Fair value measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using a valuation technique. The measurement assumes that the transaction takes place either in the principal market or in the absence of a principal market, in the most advantageous market. For non-financial asset, the fair value measurement takes into account a market's participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. However, this basis does not apply to share-based payment transactions.

For financial reporting purposes, the fair value measurements are analysed into level 1 to level 3 as follows:

- (a) Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liability that the entity can access at the measurement date;
- (b) Level 2: Inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and
- (c) Level 3: Inputs are unobservable inputs for the asset or liability.

The transfer of fair value between levels is determined as of the date of the event or change in circumstances that caused the transfer.

4.23 Earnings per ordinary share

Basic earnings per ordinary share is calculated by dividing the consolidated profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the reporting period, adjusted for own shares held.

Diluted earnings per ordinary share is determined by adjusting the consolidated profit or loss attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effect of all dilutive potential ordinary shares, which comprise share options granted to employees.

5 NEW ACCOUNTING STANDARDS AND INTERPRETATIONS

5.1 During the current financial year, the Group has adopted the following new accounting standards and interpretations (including the consequential amendments, if any):

Description

MFRS 9 Financial Instruments (IFRS 9 as issued by IASB in July 2014)

MFRS 15 Revenue from Contracts with Customers

IC Interpretation 22 Foreign Currency Transactions and Advance Consideration

Amendments to MFRS 2: Classification and Measurement of Share-based Payment Transactions Amendments to MFRS 4: Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts Amendments to MFRS 15: Effective Date of MFRS 15

Amendments to MFRS 15: Clarifications to MFRS 15 'Revenue from Contracts with Customers' Amendments to MFRS 140: Transfers of Investment Property

Annual Improvements to MFRS Standards 2014 – 2016 Cycles: Amendments to MFRS 1: Deletion of Short- term Exemptions for First- time Adopters and Amendments to MFRS 128: Measuring an Associate or Joint Venture at Fair Value

The adoption of the above accounting standards and interpretations (including the consequential amendments, if any) did not have any material impact on the Group's financial statements except as follows:

- (a) MFRS 9 introduces a new classification and measurement requirements for financial assets that reflects the business model in which the financial assets are managed and their cash flow characteristics. MFRS 9 contains 3 principal classification categories for financial assets i.e. measured at amortised cost, fair value through profit or loss, fair value through other comprehensive income and eliminates the previous categories of held to maturity, loans and receivables and available- for- sale financial assets. In addition, MFRS 9 replaces the 'incurred loss' model in MFRS 139 with the 'expected credit loss' model. This new impairment approach is forward-looking and eliminates the need for a trigger event to have occurred before credit losses are recognised.
- (b) MFRS 15 requires an entity to recognise revenue to depict the transfer of promised goods or services to customers for an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Revenue is recognised when a customer obtains control of goods or services, i.e. when the customer has the ability to direct the use of and obtain the benefits from the goods or services. In addition, more guidance has been added in MFRS 15 to deal with specific scenarios.
- 5.2 At the date of authorisation of these financial statements, the following accounting standards and interpretations (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board ("MASB") but are not yet effective and have not been adopted by the Group:

Description	Effective Date
MFRS 16 Leases	1 January 2019
MFRS 17 Insurance Contracts	1 January 2021
IC Interpretation 23 Uncertainty Over Income Tax Treatments	1 January 2019
Amendments to MFRS 3: Definition of a Business	1 January 2020
Amendment to MFRS 9: Prepayment Features with Negative Compensation	1 January 2019
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets	
between an Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 101 and MFRS 108: Definition of Material	1 January 2020
Amendments to MFRS 119: Plan Amendment, Curtailment or Settlement	1 January 2019
Amendments to MFRS 128: Long-term Interests in Associates and	
Joint Ventures	1 January 2019
Amendments to References to the Conceptual Framework in	
MFRS Standards	1 January 2020
Annual Improvements to MFRS Standards 2015 - 2017 Cycles	1 January 2019

31 March 2019 (continued)

5 NEW ACCOUNTING STANDARDS AND INTERPRETATIONS (continued)

The adoption of the above accounting standards and interpretations (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Group upon their initial application except as follows:

(a) MFRS 16 Leases

MFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and will replace the current guidance on lease accounting when it becomes effective. Under MFRS 16, the classification of leases as either finance leases or operating leases is eliminated for lessees. All lessees are required to recognise their leased assets and the related lease obligations in the statement of financial positon (with limited exceptions). The leased assets are subject to depreciation and the interest on lease liabilities are calculated using the effective interest method. The Group is currently assessing the financial impact that may arise from the adoption of this standard.

(b) Amendments to MFRS 9: Prepayment Features with Negative Compensation

Under MFRS 9, a debt instrument can be measured at amortised cost or at fair value through other comprehensive income, provided that the contractual cash flows are solely payments of principal and interest on the principal amount outstanding (the SPPI criterion) and the instrument is held within the appropriate business model for that classification. The amendments to MFRS 9 clarify that a financial asset passes the SPPI criterion regardless of the event or circumstance that causes the early termination of the contract and irrespective of which party pays or receives reasonable compensation for the early termination of the contract.

(c) Amendments to MFRS 119: Plan Amendment, Curtailment or Settlement

The amendments to MFRS 119 require an entity to use updated actuarial assumptions to determine current service cost and net interest for the remainder of the annual reporting period after the plan amendment, curtailment or settlement when the entity remeasures its net defined benefit liability (asset). The amendments will be applied prospectively of which the possible impacts upon its initial application cannot be reasonably determined at the moment.

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 effects on the amounts recognised in the financial statements other than as discussed below:

(i) Share-based payments

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity investments at the date at which they are granted. The estimating of the fair value requires determining the most appropriate valuation model for a grant of equity instruments, which is dependent on the terms and conditions of the grant. This also requires determining the most appropriate inputs to the valuation model including the expected life of the option volatility and dividend yield and making assumptions about them.

6 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

(b) Key sources of estimation of uncertainties

The key assumptions concerning the future and other key sources of estimation of uncertainties at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(i) Income tax and deferred tax

Judgement is required in determining the capital allowances and the 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 Group 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 are depreciated to their residual values on a straight-line basis over their useful lives. The management estimates their useful lives to be 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 residual values, therefore future depreciation charges could be revised.

(iii) Impairment of trade receivables and contract assets

The Group uses the simplified approach to estimate a lifetime expected credit loss allowance for all trade receivables and contract assets. The contract assets are grouped with trade receivables for impairment assessment because they have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group develops the expected loss rates based on the payment profiles of past sales and the corresponding historical credit losses, and adjusts for qualitative and quantitative reasonable and supportable forward-looking information. If the expectation is different from the estimation, such difference will impact the carrying values of trade receivables and contract assets. The carrying amounts of trade receivables and contract assets as at the reporting date are disclosed in Note 10 to the financial statements.

(iv) Impairment of non-trade receivables

The loss allowances for non-trade financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting appropriate inputs to the impairment calculation, based on the past payment trends, existing market conditions as well as forward-looking estimates at the end of each reporting period. The carrying amounts of other receivables and amounts owing by subsidiaries as at the reporting date are disclosed in Note 10 to the financial statements.

31 March 2019 (continued)

6 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

(b) Key sources of estimation of uncertainties

(v) Fair value of financial instruments

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

- The carrying amounts of financial assets and liabilities maturing within 12 months approximated their fair values due to the relatively short-term maturity of the financial instruments.
- In respect of long-term borrowings, the carrying amounts approximated their fair values as they are on floating rates and are repriced to market interest rates for liabilities with similar risk profiles.

(vi) Impairment of goodwill

Goodwill is tested for impairment annually and at other times when such indicators exist. This requires management to estimate the expected future cash flows of the cash-generating unit to which goodwill is allocated and to apply a suitable discount rate in order to determine the present value of those cash flows. The future cash flows are most sensitive to budgeted gross margins, growth rates estimated and discount rate used. If the expectation is different from the estimation, such difference will impact the carrying value of goodwill.

(vii) Write-down of inventories

Reviews are made periodically by management on damaged, obsolete and slow-moving inventories. These reviews require judgement and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories.

(viii) Impairment of property, plant and equipment

The Group determines whether its property, plant and equipment is impaired by evaluating the extent to which the recoverable amount of the asset is less than its carrying amount. This evaluation is subject to changes such as market performance, economic and political situation of the country. A variety of methods is used to determine the recoverable amount, such as valuation reports and discounted cash flows. For discounted cash flows, significant judgement is required in the estimation of the present value of future cash flows generated by the assets, which involve uncertainties and are significantly affected by assumptions used and judgements made regarding estimates of future cash flows and discount rates. The carrying amount of property, plant and equipment as at the reporting date is disclosed in Note 7 to the financial statements.

Group Carrying amount	At 1 April RM	Additions RM	Disposals RM	Reclassification RM	Classified as Held for Sale (Note 12) RM	Depreciation RM	At 31 March RM
2018/2019 Freehold land	13 386 549	,	,	,			13 386 549
Teetion dand Teasehold land	40 845 874					(513.355)	40.332.519
Buildings	34,518,043	2,769,520	1	1	ı	(959,714)	36,327,849
Motor vehicles	778,552	134,790	1	1	İ	(294,475)	618,867
Office equipment	391,275	140,804	1	•	1	(188,919)	343,160
Operating equipment	27,609,918	453,159	(281,085)	ı	1	(4,782,670)	22,999,322
Plant and machinery	339,611	1	1	,	1	(40,680)	298,931
Vessel equipment	354,394	74,152	1	1	1	(81,758)	346,788
Vessels	10,839,974	1	1	1	1	(528,048)	10,311,926
Construction work-in-progress	1	6,252,250	1	ı	1	1	6,252,250
	129,064,183	9,824,675	(281,085)	1	1	(7,389,619)	131,218,154
2017/2018 Freehold land	15,236,540	,	1		(1,849,998)	1	13,386,542
Leasehold land	35,610,616	5,748,614	1	,	ı	(513,356)	40,845,874
Buildings	16,600,155	1,460,684	1	17,044,937	1	(587,733)	34,518,043
Motor vehicles	1,019,096	215,000	(135,658)	1	ı	(319,886)	778,552
Office equipment	392,552	188,679	1		1	(189,956)	391,275
Operating equipment	30,143,364	3,338,577	(511,001)		1	(5,361,022)	27,609,918
Plant and machinery	380,292	1	1	1	1	(40,681)	339,611
Vessel equipment	389,146	57,111	(10,768)	1	ı	(81,095)	354,394
Vessels	15,826,180	1	(4,018,668)		(669,779)	(297,759)	10,839,974
Construction work-in-progress	6,923,838	10,121,099	•	(17,044,937)	•	•	ı
	122,521,779	21,129,764	(4,676,095)	1	(2,519,777)	(7,391,488)	129,064,183

31 March 2019 (continued)

7 PROPERTY, PLANT AND EQUIPMENT (continued)

Group	Cost RM	Accumulated depreciation RM	Accumulated impairment loss RM	Carrying amount RM
At 31.3.2019				
Freehold land	13,386,542	-	_	13,386,542
Leasehold land	42,074,174	(1,741,655)	-	40,332,519
Buildings	40,681,938	(3,714,089)	(640,000)	36,327,849
Motor vehicles	2,450,434	(1,831,567)	-	618,867
Office equipment	1,896,835	(1,553,675)	-	343,160
Operating equipment	73,855,088	(50,500,113)	(355,653)	22,999,322
Plant and machinery	1,092,923	(793,992)	-	298,931
Vessel equipment	1,128,120	(781, 332)	-	346,788
Vessels	21,079,553	(9,653,715)	(1,113,912)	10,311,926
Construction work-in-progress	6,252,250	-	-	6,252,250
	203,897,857	(70,570,138)	(2,109,565)	131,218,154
At 31.3.2018				
Freehold land	13,386,542	-	-	13,386,542
Leasehold land	42,074,174	(1,228,300)	-	40,845,874
Buildings	37,912,418	(2,754,375)	(640,000)	34,518,043
Motor vehicles	3,188,510	(2,409,958)	-	778,552
Office equipment	1,756,031	(1,364,756)	-	391,275
Operating equipment	78,347,455	(50,381,884)	(355,653)	27,609,918
Plant and machinery	1,092,923	(753,312)	-	339,611
Vessel equipment	1,053,968	(699,574)	-	354,394
Vessels	21,079,553	(9,125,667)	(1,113,912)	10,839,974
	199,891,574	(68,717,826)	(2,109,565)	129,064,183

(a) The property, plant and equipment acquired under hire purchase arrangements are as follows:

	2019 RM	2018 RM
Carrying amount		
Motor vehicles	-	20,410
Operating equipment	-	281,237
	-	301,647

Details of the terms and conditions of hire purchase arrangements are disclosed in Note 18.

7 PROPERTY, PLANT AND EQUIPMENT (continued)

(b) The following property, plant and equipment have been charged to licensed banks as disclosed in Note 19 for banking facilities granted to the Group:

	2019 RM	2018 RM
Carrying amount		
Leasehold land	27,394,822	27,802,204
Buildings	16,470,371	16,466,264
Operating equipment	717,528	2,770,582
	44,582,721	47,039,050

(c) The titles of certain freehold land and buildings are in the process of being registered in the Group's name by the relevant authority.

Company	At 1 April RM	Depreciation RM	At 31 March RM
2018/2019 Office equipment	81,286	(67,776)	13,510
2017/2018 Office equipment	149,062	(67,776)	81,286
	Cost RM	Accumulated depreciation RM	Carrying amount RM
At 31.3.2019 Office equipment		depreciation	amount

8 INVESTMENTS IN SUBSIDIARIES

Company	2019 2018 RM RM
Unquoted shares, at cost At 1 April 2018/2017 Impairment loss	59,444,970 59,444,970 (294,951) -
At 31 March	59,150,019 59,444,970

During the financial year, the Company has carried out a review of the recoverable amounts of its investments in certain subsidiaries that had been persistently making losses. A total impairment losses of RM294,951 (2018 - Nil), representing the write-down of the investments to their recoverable amounts, was recognised in "Other Expenses" line item of the statement of profit or loss and other comprehensive income.

31 March 2019 (continued)

8 INVESTMENTS IN SUBSIDIARIES (continued)

Details of the subsidiaries are as follows:

	Principal Place of usiness/Country of Incorporation	issued capita	ntage of d share al held parent 2018	Principal activities
Bagai Pertama Sdn. Bhd. #	Malaysia	100%	100%	Dormant
Complete Container Services Sdn. Bhd. #	Malaysia	100%	100%	Dormant
Complete Logistic Specialists Sdn. Bhd.	Malaysia	100%	100%	Total logistics services provider
Complete Marine Services Sdn. Bhd.	Malaysia	100%	100%	Shipowner and provision of marine transportation services
Complete Shipping Sdn. Bhd. #	Malaysia	100%	100%	Dormant
Dolphin Shipping Agency Sdn. Bhd.	Malaysia	100%	100%	Shipping agent for provision of freight services
Ecocentre Sdn. Bhd.	Malaysia	65%	65%	Processing and trading of rubber dust, trading of tyres, lubricants and related products and provision of tyres maintenance services
Gems Logistics Sdn. Bhd. #	Malaysia	100%	100%	Provision of warehousing services
Guper Bonded Warehouse Sdn. Bhd. (formerly known as Guper Industrial Park Sdn. Bhd.) #	Malaysia	100%	100%	Dormant
Guper Integrated Logistics Sdn. Bhd.	Malaysia	100%	100%	Provision of total logistic services with haulage, forwarding and other associated services
Guper Properties Sdn. Bhd. #	# Malaysia	100%	100%	Insurance agents
Guper Resources Sdn. Bhd. #	Malaysia	100%	100%	Investment holding
Island Network Sdn. Bhd.	Malaysia	100%	100%	General trading
Malsuria Logistics Sdn. Bhd.	Malaysia	100%	100%	Shipowner and provision of marine transportation services
Malsuria (M) Sdn. Bhd.	Malaysia	100%	100%	Shipowner and provision of marine transportation services
Malsuria Tanker Services Sdn. Bhd.	Malaysia	100%	100%	Shipowner and provision of marine transportation services

8 INVESTMENTS IN SUBSIDIARIES (continued)

Details of the subsidiaries are as follows: (continued)

Name of company	Principal Place of Business/Country of Incorporation	issue capit	ntage of d share al held parent 2018	Principal activities
Pengangkutan Sekata Sdn. Bhd.	Malaysia	100%	100%	Lorry transport operator
Sierra Jaya Sdn. Bhd.	Malaysia	100%	100%	Shipowner and provision of marine transportation services
Ultra Trinity Sdn. Bhd. #	Malaysia	100%	100%	Investment holding
Subsidiary of Pengangku	tan Sekata Sdn. Bhd.			
Dian Pahlawan Sdn. Bhd.	# Malaysia	100%	100%	Lorry transport operator
Sin Hiap Hoe Trading & Transport Sdn. Berhad #	Malaysia	100%	100%	Lorry transport operator

- # Not audited by Crowe Malaysia PLT (converted from a conventional partnership, Crowe Malaysia)
- (a) The non-controlling interests at the end of the reporting period comprise the following:

Group	2019 RM	2018 RM
Ecocentre Sdn. Bhd.	791,173	806,696

The summarised financial information (before intra-group elimination) for the subsidiary that has non-controlling interests that are material to the Group is as follows:

	Ecocentre Sdn. Bhd.		
	2019 RM	2018 RM	
At 31 March			
Non-current assets	1,382	6,844	
Current assets	2,337,602	4,609,222	
Current liabilities	(78,491)	(2,311,220)	
Net assets	2,260,493	2,304,846	
Financial year ended 31 March			
Revenue	1,287,715	9,354,320	
(Loss)/Profit after tax/Total comprehensive (expenses)/income Total comprehensive (expenses)/income attributable	(44,353)	340,112	
to non-controlling interests	(15,523)	119,040	
Net cash used in operating activities	(35,537)	(36,805)	
Net cash from investing activity	166	172	
Net cash from financing activity	62,251	-	

31 March 2019 (continued)

9 INVENTORIES

Group	2019 RM	2018 RM
Trading goods, at cost	244,972	551,237

None of the inventories is carried at net realisable values.

Inventories recognised as cost of sales are disclosed in Note 25.

10 TRADE AND OTHER RECEIVABLES

	Gro	oup	Company	
	2019 RM	2018 RM	2019 RM	2018 RM
Trade receivables				
Third parties	27,871,359	30,214,279	-	-
Related parties	2,662,810	2,807,788	-	-
Less: Impairment loss on third party receivables	(527,373)	(1,125,283)	-	-
	30,006,796	31,896,784	-	-
Other receivables				
Subsidiaries	-	-	47,843,347	45,113,742
Less: Impairment loss	-	-	(480,000)	-
	-	-	47,363,347	45,113,742
Other receivables	810,711	1,245,534	-	-
Contract assets	174,064	-	-	-
Deposits	1,629,569	1,057,754	2,000	2,000
Prepayments	1,268,999	1,186,106	15,000	15,000
	3,883,343	3,489,394	47,380,347	45,130,742
	33,890,139	35,386,178	47,380,347	45,130,742

- (a) Trade receivables are non-interest bearing and the normal trade credit terms granted by the Group range from 1 to 4 (2018: 1 to 4) months.
- (b) Movement of the impairment loss on third party receivables is as follows:

Group	2019 RM	2018 RM
At 1 April 2018/2017	(1,125,283)	(1,008,342)
Addition	(141,478)	(116,941)
Reversal	25,445	-
Written off	713,943	-
At 31 March	(527,373)	(1,125,283)

10 TRADE AND OTHER RECEIVABLES (continued)

- (c) Amounts owing by subsidiaries represent payments made on behalf, which are unsecured, interest-free and repayable on demand. During the financial year, an impairment loss on amounts owing by subsidiaries of RM480,000 was recognised in profit or loss.
- (d) Contract primarily relate to the Group's right to consideration for services performed but not yet billed as at the reporting period. The amount will be invoiced within 30 days. The changes to contract assets and contract liabilities during the financial year are as follows:

	Group		Company	
	2019 RM	2018 RM	2019 RM	2018 RM
Revenue recognised in profit or loss	124,099,035	124,020,458	23,958,000	84,000
Billings to customers	(124, 191, 691)	(124,020,458)	(23,958,000)	(84,000)
At 31 March	(92,656)	-	-	-
Represented by:				
Contract assets	174,064	-	-	-
Contract liabilities	(266,720)	-	-	-
	(92,656)	-	-	-

11 CASH AND CASH EQUIVALENTS

	Group		Company	
	2019 RM	2018 RM	2019 RM	2018 RM
Fixed deposits with licensed banks	165,000	165,000	-	_
Short-term investment	7,899,081	5,165,993	7,899,081	5,165,993
Cash and bank balances	16,996,404	6,495,016	3,020,160	1,001,786
As per statements of financial position	25,060,485	11,826,009	10,919,241	6,167,779
Fixed deposits pledged to licensed banks	(165,000)	(165,000)	-	-
Bank overdraft	-	(127,280)	-	-
As per statements of cash flows	24,895,485	11,533,729	10,919,241	6,167,779

- (a) Fixed deposits of the Group at the end of the reporting period have maturity periods ranging from 1 to 12 (2018: 1 to 12) months.
- (b) Effective interest rate of the fixed deposits of the Group is 3.10% (2018: 3.10%) per annum.
- (c) Short-term investment is an investment in cash fund which is designated as loans and receivables financial assets.

31 March 2019 (continued)

11 CASH AND CASH EQUIVALENTS (continued)

(d) The reconciliations of liabilities arising from financing activities are as follows:

Group	Term loan RM	Hire purchase RM	Total RM
At 1 April 2018 Changes in financing cash flows:	18,033,177	82,456	18,115,633
Proceeds from drawdown	5,000,000	-	5,000,000
Repayment of borrowing principal	(4,797,636)	(82,456)	(4,880,092)
Repayment of borrowing interests	(757,095)	(2,290)	(759,385)
	(554,731)	(84,746)	(639,477)
Non-cash change:			
Finance charges recognised in profit or loss	757,095	2,290	759,385
At 31 March 2019	18,235,541	-	18,235,541

12 NON-CURRENT ASSETS HELD FOR SALE

Group	2019 RM	2018 RM
At gross carrying amount: Freehold land	1,849,998	1,849,998
Vessel	-	783,942
	1,849,998	2,633,940
Less: Impairment loss on vessel	-	(114, 163)
Net carrying amount	1,849,998	2,519,777

On 13 November 2017, a subsidiary of the Company had entered into a Sale and Purchase Agreement to dispose of 2 adjoining parcels of a vacant freehold petrol station land that have been classified as assets held for sale and it remains committed to complete the sale. An extension period was required to complete the sale as the delay was beyond its control.

In the previous financial year, a subsidiary of the Company had entered into a Sale and Purchase Agreement to dispose of its vessel that had been classified as assets held for sale.

13 SHARE CAPITAL

	2019		2018	
Group and Company	Number of shares	RM	Number of shares	RM
Issued and fully paid-up: At 1 April 2018/2017 Issued during the financial year	123,761,000 1,649,600	67,464,127 1,385,958	123,761,000	67,464,127
At 31 March	125,410,600	68,850,085	123,761,000	67,464,127

14 RETAINED EARNINGS

Company

Under the single tier tax system, tax on the Company's profits is the final tax and accordingly, any dividends to the shareholders are not subject to tax.

15 OTHER RESERVES

	Grou	ıp	Compa	ny
	2019 RM	2018 RM	2019 RM	2018 RM
Non-distributable Share option reserve	1,028,390	578,380	1,028,390	578,380

Share option reserve

The share option reserve represents the equity-settled share options granted to directors and employees of the Group.

In previous financial years, the Company granted share options to eligible directors and employees of the Group under the Share Issuance Scheme ("SIS") approved by the shareholders of the Company at the extraordinary general meeting held on 25 September 2013 to subscribe for a total of 6,400,000 ordinary shares at an exercise price of RM0.62 per share ("SIS 1"), out of which 204,000 (2018: 453,000) ordinary shares were forfeited during the financial year due to the resignations of directors and employees and a total of 1,834,400 (2018: 2,061,000) ordinary shares was exercisable at the end of the reporting period. On 27 June 2016, the Company has granted share options to eligible directors and employees of the Group under the SIS to subscribe for a total of 845,000 ordinary shares at an exercise price of RM0.68 per share ("SIS 2"), out of which 32,000 (2018: 12,000) ordinary shares were forfeited due to the resignations of employees and a total of 488,000 (2018: 520,000) ordinary shares is exercisable at the end of the reporting period. On 28 April 2017, the Company has granted share options to eligible directors and employees of the Group under the SIS to subscribe for a total of 1,055,000 ordinary shares at an exercise price of RM0.88 per share ("SIS 3"), out of which 85,000 (2018: 105,000) ordinary shares were forfeited due to the resignations of employees and a total of 865,000 (2018: 950,000) ordinary shares was exercisable at the end of the reporting period.

During the financial year, the Company has granted share options to eligible directors and employees of the Group under the SIS to subscribe for a total of 2,328,000 ordinary shares at an exercise price of RM0.55 per share ("SIS 4"), out of which a total of 62,000 ordinary shares was forfeited due to the resignations of employees and a total of 639,000 ordinary shares was exercisable at the end of the reporting period.

31 March 2019 (continued)

15 OTHER RESERVES (continued)

Share option reserve (continued)

The share options granted are exercisable at any time from the date of offer up to the date of expiry on 18 November 2018 subject to a maximum percentage of 100% (2018: 70%) of the total number of share options granted in each year from the date of offer. Where the maximum percentage of the share options for a particular period is not fully exercised, the unexercised share options shall be carried forward to the next period and shall not be subject to the maximum percentage for the next period.

On 4 September 2018, the Board has approved to extend its existing SISs' tenure which is expiring on 18 November 2018 for another 5 years until 18 November 2023. These options are exercisable on the specified exercisable period and stated in the SIS By-Laws subject to the options being vested as follows:

	From 19.11.2018	From 1.4.2019	From 1.4.2020
SIS 1	20%	80%	-
SIS 2	-	50%	50%
SIS 3	-	50%	50%
SIS 4	100%	-	-

During the financial year, a total of 22,600 ordinary shares under the SIS 1 and 1,627,000 ordinary shares under the SIS 4 were exercised by the eligible directors and employees of the Group.

The number and weighted average exercise prices ("WAEP") of share options are as follows:

Commons	2019		2018	
Company	WAEP	Number of options	WAEP	Number of options
SIS 1				
Outstanding at 1 April 2018/2017	RM0.62	2,061,000	RM0.62	2,514,000
Exercised	RM0.62	(22,600)	RM0.62	-
Forfeited	RM0.62	(204,000)	RM0.62	(453,000)
Outstanding at 31 March	RM0.62	1,834,400	RM0.62	2,061,000
Exercisable at 31 March	RM0.62	1,834,400	RM0.62	2,061,000
SIS 2	DM0 00	700,000	DM0.00	700,000
Outstanding at 1 April 2018/2017	RM0.68	520,000	RM0.68	532,000
Forfeited	RM0.68	(32,000)	RM0.68	(12,000)
Outstanding at 31 March	RM0.68	488,000	RM0.68	520,000
Exercisable at 31 March	RM0.68	488,000	RM0.68	520,000

15 OTHER RESERVES (continued)

Share option reserve (continued)

The number and weighted average exercise prices ("WAEP") of share options are as follows:

	20	19	201	18
Company	WAEP	Number of options	WAEP	Number of options
SIS 3				
Outstanding at 1 April 2018/2017	RM0.88	950,000	-	-
Granted	RM0.88	-	RM0.88	1,055,000
Forfeited	RM0.88	(85,000)	RM0.88	(105,000)
Outstanding at 31 March	RM0.88	865,000	RM0.88	950,000
Exercisable at 31 March	RM0.88	865,000	RM0.88	950,000
SIS 4				
Granted	RM0.55	2,328,000	_	_
Exercised	RM0.55	(1,627,000)	_	_
Forfeited	RM0.55	(62,000)	-	-
Outstanding at 31 March	RM0.55	639,000	-	-
Exercisable at 31 March	RM0.55	639,000	-	-

The fair value of share options is measured using Black-Scholes model taking into account the following assumptions:

	SIS 1	SIS 2	SIS 3	SIS 4
Fair value at grant date	RM0.217	RM0.122	RM0.266	RM0.266
Exercise price	RM0.62	RM0.68	RM0.88	RM0.55
Share price at grant date	RM0.69	RM0.75	RM1.03	RM0.60
Weighted average share price	RM0.65	RM0.71	RM1.00	RM0.60
Expected life	5 years	874 days	569 days	76 days
Expected dividend yield	0%	0%	0%	0%
Expected volatility	22.62%	8.19%	32.55%	15.06%
Risk-free rate	3.10%	3.05%	3.05%	3.05%

31 March 2019 (continued)

16 TREASURY SHARES

This amount relates to the acquisition cost of treasury shares net of proceeds received from their subsequent sale or issuance. The shares purchased were retained as treasury shares in accordance with Section 127 of the Companies Act 2016 and are presented as a deduction from the shareholders' equity.

During the financial year, there were no treasury shares being purchased, sold or cancelled by the Company.

As at 31 March 2019, the Company held a total number of 319,300 treasury shares out of its 125,410,600 issued and fully paid-up ordinary shares at a carrying amount of RM131,249.

17 BORROWINGS

Group	2019 RM	2018 RM
Non-current liabilities Term loans	14,089,513	13,247,385
Current liabilities		
Bank overdraft	-	127,280
Hire purchase liabilities	-	82,456
Term loans	4,146,028	4,785,792
	4,146,028	4,995,528
	18,235,541	18,242,913
Total borrowings		
Bank overdraft	-	127,280
Hire purchase liabilities (Note 18)	-	82,456
Term loans (Note 19)	18,235,541	18,033,177
	18,235,541	18,242,913

Bank overdraft is secured by:

- (a) a corporate guarantee of the Company; and
- (b) a personal guarantee of certain Directors and/or directors of a subsidiary.

18 HIRE PURCHASE LIABILITIES

Group	2019 RM	2018 RM
Minimum hire purchase payments: - not later than 1 year	_	84.746
Less: Future interest charges	-	(2,290)
Present value of hire purchase liabilities (Note 17)	-	82,456

Information on the financial risks of hire purchase liabilities are disclosed in Note 33.1(c).

19 TERM LOANS

Group	2019 RM	2018 RM
Non-current portion		_
Repayable between 1 and 2 years	4,250,804	3,604,332
Repayable between 2 and 5 years	7,980,457	8,836,003
Repayable more than 5 years	1,858,252	807,050
	14,089,513	13,247,385
Current portion		
Repayable within 1 year	4,146,028	4,785,792
Total term loans (Note 17)	18,235,541	18,033,177

Term loans are secured by:

- (a) a facility agreement as principal instrument;
- (b) a corporate guarantee of the Company as disclosed in Note 23;
- (c) certain property, plant and equipment of the Group as disclosed in Note 7; and
- (d) a personal guarantee of certain Directors and/or directors of a subsidiary.

Details of term loans are as follows:

	2019 RM	2018 RM
Term loan I	-	1,181,460
Term loan II	2,567,701	2,642,915
Term loan III	2,066,333	3,337,909
Term loan IV	1,826,536	2,374,614
Term loan V	1,314,900	1,709,463
Term loan VI	3,301,753	3,928,490
Term loan VII	2,158,318	2,858,326
Term loan VIII	5,000,000	-
	18,235,541	18,033,177

31 March 2019 (continued)

19 TERM LOANS (continued)

	Number of monthly	Monthly	Commencement month of	Effective in per a	terest rate nnum
	instalments	instalments RM	repayment	2019 %	2018 %
		KW		/0	/0
Term loan I	60	100,869	September 2015	-	5.35
Term loan II	84*	47,858	August 2015	4.87	4.83
Term loan III	84*	63,929	September 2015	4.87	4.83
Term loan IV	84*	45,477	August 2015	4.87	4.83
Term loan V	84*	32,739	August 2015	4.87	4.83
Term loan VI	84*	52,024	August 2017	4.87	4.83
Term loan VII	60*	58,334	May 2017	5.49	5.48
Term loan VIII	84	70,084	May 2019	4.75	-

^{*} The monthly instalments comprising principal loan repayment only.

Information on the financial risks of term loans are disclosed in Note 33.1(c).

20 DEFERRED TAX LIABILITIES

(a) Deferred tax liabilities and assets are made up as follows:

Group	2019 RM	2018 RM
At 1 April 2018/2017 Recognised in profit or loss (Note 27)	5,644,211 468,881	5,480,001 164,210
At 31 March	6,113,092	5,644,211
Presented after appropriate offsetting: Deferred tax assets Deferred tax liabilities	(305,170) 6,418,262	(271,970) 5,916,181
	6,113,092	5,644,211

(b) Components and movements of deferred tax liabilities and assets prior to offsetting are as follows:

Deferred tax liabilities Group	Property, plant and equipment RM	Other RM	Total RM
At 1 April 2017	5,724,896	-	5,724,896
Recognised in profit or loss	191,285	-	191,285
At 31 March/1 April 2018	5,916,181	-	5,916,181
Recognised in profit or loss	460,305	41,776	502,081
At 31 March 2019	6,376,486	41,776	6,418,262

20 DEFERRED TAX LIABILITIES (continued)

(b) Components and movements of deferred tax liabilities and assets prior to offsetting are as follows: (continued)

Deferred tax assets	Unutilised tax losses	Unabsorbed capital allowances	Provisions	Total
Group	RM	RM	RM	RM
At 1 April 2017 Recognised in profit or loss	(19,499) (12,470)	(41,713) 8,220	(183,683) (22,825)	(244,895) (27,075)
At 31 March/1 April 2018 Recognised in profit or loss	(31,969) 28,909	(33,493) (214,502)	(206,508) 152,393	(271,970) (33,200)
At 31 March 2019	(3,060)	(247,995)	(54,115)	(305,170)

(c) Amounts of temporary differences for which no deferred tax assets have been recognised are as follows:

Group	2019 RM	2018 RM
Unutilised tax losses Others	1,597,943 31,758	2,297,869
	1,629,701	2,297,869

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

21 TRADE AND OTHER PAYABLES

	Gro	oup	Company	
	2019 RM	2018 RM	2019 RM	2018 RM
Trade payables				
Third parties	9,024,599	8,965,495	-	-
Related parties	804,677	824,641	-	-
	9,829,276	9,790,136	-	-
Other payables				
Other payables	3,929,313	3,644,181	12,674	3,454
Contract liabilities	266,720	-	-	-
Related parties	30,168	46,896	-	-
Subsidiaries	-	-	1,005,552	18,194,258
Director	-	1,500,000	-	-
Accruals	2,567,799	2,554,344	165,700	123,500
	6,794,000	7,745,421	1,183,926	18,321,212
	16,623,276	17,535,557	1,183,926	18,321,212

31 March 2019 (continued)

21 TRADE AND OTHER PAYABLES (continued)

- (a) Trade payables are non-interest bearing and the normal trade credit terms granted to the Group ranged from 1 to 4 (2018: 1 to 4) months.
- (b) Contract liabilities primarily relate to the considerations received in advance from the Group's customers of which the revenue will be recognised when the services are rendered. The changes to contract liabilities during the financial year are disclosed in Note 10 to the financial statements.
- (c) Amounts owing to related parties represent advances and payments made on behalf which are unsecured, interest-free and repayable on demand.
- (d) Amounts owing to subsidiaries represent advances and payments made on behalf which are unsecured, interest-free and repayable on demand.
- (e) In the previous financial year, amount owing to a Director represented advances and payments made on behalf which were unsecured, interest-free and repayable on demand.

22 CAPITAL COMMITMENT

	Group	2019 RM	2018 RM
	Approved and contracted for: Purchase of property, plant and equipment	1,653,651	251,000
23	FINANCIAL GUARANTEE CONTRACTS		
	Company	2019 RM	2018 RM
	Secured Corporate guarantee given to licensed banks for banking facilities granted to subsidiaries (Note 19)	18,235,541	14,076,380

24 REVENUE

	Group		Company	
	2019 RM	2018 RM	2019 RM	2018 RM
Timing of revenue recognition:				
Over time: Rendering of services Management fee receivable	121,934,692	121,209,363	84,000	84,000
At a point in time: Sale of goods Dividend income from subsidiaries	2,164,343	2,811,095 -	23,874,000	- -
	124,099,035	124,020,458	23,958,000	84,000

25 COST OF SALES

Group	2019 RM	2018 RM
Inventories sold (Note 9) Services rendered	2,695,053 98,841,522	10,374,646 92,483,665
	101,536,575	102,858,311

26 PROFIT/(LOSS) BEFORE TAX

	Gro	up	Company	
	2019 RM	2018 RM	2019 RM	2018 RM
Profit/(Loss) before tax is arrived at				
after (charging)/crediting:				
Auditors' remuneration:				
Statutory audit	(000,000)	(100, 100)	(00.000)	(00,000)
- current year	(200,000)	(193,400)	(30,000)	(30,000)
Other audit services	(5,000)	(5,000)	(5,000)	(5,000)
Depreciation of property, plant	(~ 000 010)	(~ 004 400)	(07 770)	(0 = = = 0)
and equipment (Note 7)	(7,389,619)	(7,391,488)	(67,776)	(67,776)
Directors' remuneration:				
Directors of the Company	(4.0.0.0.0)	(07 400)	(400.000)	(0.77 .0.0)
- fees	(132,000)	(87,420)	(132,000)	(87,420)
- other emoluments	(971,366)	(1,084,254)	(14,500)	(13,000)
Directors of the subsidiaries				
- other emoluments	(327, 350)	(394,701)	-	-
Impairment loss on:				
- investments in subsidiaries (Note 8)	-	-	(294,951)	-
- trade receivables (Note 10)	(141,478)	(116,941)	-	-
 amounts owing by subsidiaries 				
(Note 10)	-	-	(480,000)	-
Interest expense on:				
- bank overdraft	(20,209)	(33,724)	-	-
- hire purchase	(2,290)	1,942	-	-
- term loans	(757,095)	(898,450)	-	-
Loss on disposal of property,				
plant and equipment	-	(879, 112)	-	-
Realised loss on foreign exchange	(83,370)	(277,610)	-	-
Share option expense	(998,547)	(126,644)	(998, 547)	(126,644)
Unrealised loss on foreign exchange	(2,378)	(97,496)	-	-

31 March 2019 (continued)

26 PROFIT/(LOSS) BEFORE TAX (continued)

	Group		Company	
	2019 RM	2018 RM	2019 RM	2018 RM
Profit/(Loss) before tax is arrived at				
after (charging)/crediting: (continued)				
Dividend income from subsidiaries			00.074.000	
(Note 24)	-	-	23,874,000	-
Gain on disposal of property, plant				
and equipment	572,597	681,226	-	-
Interest income from:				
fixed deposits	-	29,281	-	29,281
short-term investment	236,079	70,357	236,079	70,357
others	59,034	33,651	15,954	_
Rental income from:				
- office	374,158	56,200	-	_
- operating equipment	72,900	97,200	-	_
Reversal of impairment loss on:				
- trade receivables (Note 10)	25,445	-	-	_
Realised gain on foreign exchange	121,588	66,223	-	_
Unrealised gain on foreign exchange	172,265	-	-	-

27 TAX EXPENSE/(CREDIT)

	Group		Company	
	2019 RM	2018 RM	2019 RM	2018 RM
Current tax	2,998,372	1,686,712	24,512	25,054
Deferred tax (Note 20)	138,744	292,200	-	-
	3,137,116	1,978,912	24,512	25,054
(Over)/Underprovision in prior years:				
Current tax	(390,703)	12,668	(25,054)	(26,077)
Deferred tax (Note 20)	330,137	(127,990)	-	-
	(60,566)	(115,322)	(25,054)	(26,077)
	3,076,550	1,863,590	(542)	(1,023)

Current tax expense is calculated at the statutory tax rate of 24% (2018: 24%) of the estimated taxable profit for the fiscal year.

The shipping income of the Group is exempted from tax under Section 54A of the Income Tax Act 1967 and the tax exemption was extended up to the year of assessment 2020 via a letter from the Ministry of Finance dated 27 November 2015.

27 TAX EXPENSE/(CREDIT) (continued)

The numerical reconciliation between the tax expense/(credit) and the product of accounting profit/ (loss) multiplied by the statutory tax rate of the Group and the Company is as follows:

	Gro	up	Compa	ny
	2019 RM	2018 RM	2019 RM	2018 RM
Profit/(Loss) before tax	13,746,860	11,397,224	21,807,455	(534,519)
Tax rate of 24% (2018: 24%)	3,299,246	2,735,334	5,233,789	(128,285)
Tax effects in respect of:				
Non- allowable expenses	1,409,204	921,069	577,142	153,339
Non-taxable income	(451,562)	-	(5,786,419)	-
Utilisation of deferred tax assets				
not recognised in prior years	(160, 360)	(65,015)	-	-
Differential in tax rate	-	(47,484)	-	-
Tax-exempt income	(959,412)	(1,564,992)	-	-
	3,137,116	1,978,912	24,512	25,054
(Over)/Underprovision in prior years:				
Current tax	(390,703)	12,668	(25,054)	(26,077)
Deferred tax	330,137	(127,990)	-	-
	3,076,550	1,863,590	(542)	(1,023)

Subject to the agreement of the Inland Revenue Board, certain subsidiaries have unabsorbed capital allowances and unutilised tax losses amounting to approximately RM9,950,000 (2018: RM9,512,000) and RM21,562,000 (2018: RM21,782,000) respectively which are available to offset against their future taxable profits.

The unused tax losses expire at end of the year of assessment 2025 but the unabsorbed capital allowances can be carried forward indefinitely to be utilised against income from the same business source, subject to no substantial change in shareholders of the subsidiaries.

28 EARNINGS PER ORDINARY SHARE

(a) Basic

The basic earnings per ordinary share has been calculated based on the consolidated profit after tax attributable to the owners of the Company divided by the weighted average number of ordinary shares in issue during the financial year.

Group	2019	2018
Profit after tax (RM)	10,685,833	9,414,594
Weighted average number of ordinary shares in issue: At 1 April 2018/2017 Effect of new ordinary shares issued	123,441,700 190,583	123,441,700
At 31 March	123,632,283	123,441,700
Basic earnings per ordinary share (sen)	8.6	7.6

31 March 2019 (continued)

28 EARNINGS PER ORDINARY SHARE (continued)

(b) Diluted

The diluted earnings per ordinary share has been calculated based on the consolidated profit after tax attributable to the owners of the Company divided by the weighted average number of ordinary shares in issue after adjustment for the effects all dilutive potential ordinary shares during the financial year.

Group	2019	2018
Profit after tax (RM)	10,685,833	9,414,594
Weighted average number of ordinary shares		
for basic earnings per share	123,632,283	123,441,700
Effect of share options issued	1,512,642	(205,848)
Weighted average number of ordinary share for diluted		
earnings per share	125,144,925	123,235,852
Diluted earnings per ordinary share (sen)	8.5	7.6

29 EMPLOYEE BENEFITS

Group	2019 RM	2018 RM
Wages, salaries and bonuses	16,356,936	17,470,360
Defined contribution plans	1,756,337	1,939,556
Social security contributions	241,851	243,547
Other benefits	832,924	876,069
	19,188,048	20,529,532

30 DIRECTORS' REMUNERATION

Aggregate amounts of emoluments received and receivable by the Directors during the financial year are as follows:

	Gro	up	Compa	ny
	2019 RM	2018 RM	2019 RM	2018 RM
Executive Directors:				
Non-fee emoluments	853,306	959,884	-	_
Defined contribution plans	103,560	111,370	-	-
Executive directors of the subsidiaries:				
Non- fee emoluments	290,951	351,966	-	_
Defined contribution plans	36,399	42,735	-	-
Non-executive Directors:				
Fees	132,000	87,420	132,000	87,420
Other emoluments	14,500	13,000	14,500	13,000
	1,430,716	1,566,375	146,500	100,420

30 DIRECTORS' REMUNERATION (continued)

In previous financial years, the Company granted share options to eligible key management personnel of the Group under the Share Issuance Scheme ("SIS") to subscribe for a total of 3,030,000 ordinary shares at an exercise price of RM0.62 per share ("SIS 1"), out of which 1,048,000 (2018: 1,106,000) ordinary shares were exercisable at the end of the reporting period. On 27 June 2016, the Company has granted share options to an eligible director of the subsidiary under the SIS to subscribe for a total of 10,000 ordinary shares at an exercise price of RM0.68 per share ("SIS 2"), out of which no (2018: 4,000) ordinary shares was exercisable at the end of the reporting period. On 11 May 2017, the Company granted share options to an eligible director of the subsidiary under the SIS to subscribe for a total of 50,000 ordinary shares at an exercise price of RM0.88 per share ("SIS 3"), out of which 50,000 (2018: 50,000) ordinary shares were exercisable at the end of the reporting period.

During the financial year, the Company granted share options to an eligible director of the subsidiary under the SIS to subscribe for a total of 110,000 ordinary shares at an exercise price of RM0.55 per share ("SIS 4"), out of which no ordinary shares was exercisable at the end of the reporting period.

During the financial year, 122,000 (2018: NIL) ordinary shares under the SIS were exercised by the eligible key management personnel of the Group.

31 RELATED PARTY DISCLOSURES

(a) Identities of related parties

Parties are considered to be related to the Group and the Company if the Group and the Company have 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/Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Related parties of the Group and the Company include:

- (i) its subsidiaries;
- (ii) close family members of certain directors of the Company and the subsidiaries;
- (iii) companies in which certain directors of the Company and the subsidiaries have direct and indirect financial interests; and
- (iv) key management personnel which comprises persons (including the directors of the Company and of the subsidiaries) having authority and responsibility for planning, directing and controlling the activities of the Company and the subsidiaries directly or indirectly.
- (b) In addition to the transactions detailed elsewhere in the financial statements, the Group has carried out the following transactions with the related parties during the financial year:

Group	2019 RM	2018 RM
Companies in which certain Directors have interests:		
Revenue from sales of goods and services rendered	6,916,820	6,981,490
Rental income receivable	24,000	24,000
Forwarding service charges payable	(1,309,688)	(1,577,856)
Fuel payable	(4,691,646)	(3,540,275)
Spare parts, tyres, tyres maintenance services and		
consumables payable	(1,129,869)	(238,998)
Warehouse expense payable	(148,457)	(227,934)

31 March 2019 (continued)

31 RELATED PARTY DISCLOSURES (continued)

(c) Compensation of key management personnel

The remunerations of key management personnel are as follows:

Group	2019 RM	2018 RM
Short-term employee benefits Defined contribution plans	1,144,257 139,959	1,311,850 154,105
	1,284,216	1,465,955

In previous financial years, the Company granted share options to eligible key management personnel of the Group under the Share Issuance Scheme ("SIS") to subscribe for a total of 3,030,000 ordinary shares at an exercise price of RM0.62 per share ("SIS 1"), out of which 1,048,000 (2018: 1,106,000) ordinary shares is exercisable at the end of the reporting period. On 27 June 2016, the Company has granted share options to an eligible director of the subsidiary under the SIS to subscribe for a total of 10,000 ordinary shares at an exercise price of RM0.68 per share ("SIS 2"), out of which no (2018: 4,000) ordinary shares was exercisable at the end of the reporting period. On 11 May 2017, the Company granted share options to an eligible director of the subsidiary under the SIS to subscribe for a total of 50,000 ordinary shares at an exercise price of RM0.88 per share ("SIS 3"), out of which 50,000 (2018: 50,000) ordinary shares were exercisable at the end of the reporting period.

During the financial year, the Company granted share options to an eligible director of the subsidiary under the SIS to subscribe for a total of 110,000 ordinary shares at an exercise price of RM0.55 per share ("SIS 4"), out of which no ordinary shares was exercisable at the end of the reporting period.

During the financial year, 122,000 (2018: NIL) ordinary shares under the SIS were exercised by the eligible key management personnel of the Group.

32 OPERATING SEGMENTS

(a) Business segments

Segment information is presented based on the Group's business segments which are also the Group's management and internal reporting structure.

Segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Intersegment pricing is determined based on negotiated terms.

The Group's operations comprise the following business segments:

Logistics : Total logistic services provider including trading of freight, haulage, lorry

and trucking, customs clearance and Inland Port operations

Warehousing : Provision of storage of goods and other related handling services

Marine : Provision of marine transportation services

Others : Trading of goods, insurance agents and investment holding

OPERATING SEGMENTS (continued)

(a) Business segments (continued)

2019	Logistics RM	Warehousing RM	Marine RM	Others RM	Elimination RM	Total RM
Revenue External revenue Intersegment revenue	98,598,506 6,757,776	8,241,051	14,598,311 2,243,659	2,661,167 25,979,008	(34,980,443)	124,099,035
	105,356,282	8,241,051	16,841,970	28,640,175	(34,980,443)	(34,980,443) 124,099,035
Results						
Segment results Depreciation	14,239,192 $(5.083.165)$	6,422,446 (977.311)	1,796,091 (347.583)	23,021,872 (486.232)	(23,858,641) $(495,328)$	21,620,960 (7.389.619)
Interest income Finance costs	40,486 $(173,174)$	(179,620)	1,035	252,744 $(426,800)$		295,113 (779,594)
Profit before tax Tax expense	9,023,339 (1,796,814)	5,266,363 (1,165,502)	1,449,543 (69)	22,361,584 (167,999)	(24,353,969) 53,834	13,746,860 (3,076,550)
Profit after tax	7.226.525	4.100.861	1.449.474	22.193.585	(24.300.135)	10.670.310

31 March 2019 (continued)

(a)	(a) Business segments (continued)						
	2018	Logistics RM	Warehousing RM	Marine RM	Others RM	Elimination RM	Total RM
	Revenue External revenue Intersegment revenue	103,927,791 7,455,455	4,718,053	12,075,680 2,450,245	3,298,934 9,810,456	. (19,716,156)	124,020,458
		111,383,246	4,718,053	14,525,925	13,109,390	(19,716,156)	124,020,458
	Results						
	Segment results	14,187,737	3,173,624	981,955	1,242,339	1	19,585,655
	Depreciation	(5,605,939)	(567,426)	(249,109)	(500, 265)	(468, 749)	(7,391,488)
	Interest income	32,129	146	825	100,189	•	133,289
	Finance costs	(232,303)	(186,877)	•	(511,052)	ı	(930,232)
	Profit before tax	8,381,624	2,419,467	733,671	331,211	(468,749)	11,397,224
	Tax expense	(1,648,123)	938	(196)	(267,524)	51,315	(1,863,590)
	Profit after tax	6,733,501	2,420,405	733,475	63,687	(417,434)	9,533,634

32 OPERATING SEGMENTS (continued)

(b) Geographical segments

Geographical segment has not been presented as the Group's current activities are predominantly carried out in Malaysia.

(c) Major customers

Revenue from 2 (2018: 1) major customers in the logistics (2018: logistics and other) segment which amounted to RM29,774,294 (2018: RM18,929,438 and RM421,863 respectively) is 24% (2018: 16%) of the Group's revenue.

33 FINANCIAL INSTRUMENTS

The Group's activities are exposed to a variety of market risks (including foreign currency risk, interest rate risk and equity price risk), credit risk and liquidity risk. The Group's overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

33.1 Financial risk management policies

The Group's policies in respect of the major areas of treasury activity are as follows:

(a) Market risk

(i) Foreign currency risk

The Group is exposed to foreign currency risk on transactions and balances that are denominated in currencies other than Ringgit Malaysia. The currencies giving rise to this risk are primarily United States Dollar, Singapore Dollar, Australian Dollar and Indonesian Rupiah. Foreign currency risk is monitored closely on an ongoing basis to ensure that the net exposure is at an acceptable level.

31 March 2019 (continued)

33.1 Financial risk management policies (continued)

Market risk (continued)

(a)

Foreign currency risk (continued) (i) The Group's exposure to foreign currency is as follows:

2019	United States Dollar RM	Singapore Dollar RM	Indonesian Rupiah RM	Ringgit Malaysia RM	Total RM
Financial assets Trade and other receivables Cash and cash equivalents	1,358,420 2,412,495	1 1	- 66	29,459,087 22,647,891	30,817,507 25,060,485
	3,770,915	1	66	52,106,978	55,877,992
Financial liabilities Trade and other payables Borrowings	(100,480)	1 1	1 1	(16,292,405) (18,235,541)	(16,392,885) (18,235,541)
	(100,480)	1	1	(34,527,946)	(34,628,426)
Net financial assets Less: Net financial assets	3,670,435	1	66	17,579,032	21,249,566
denominated in the respective entities functional currencies	•	•	ı	(17,579,032)	(17,579,032)
Currency exposure	3,670,435	ı	66	1	3,670,534

FINANCIAL INSTRUMENTS (continued)

FINANCIAL INSTRUMENTS (continued) 33.1 Financial risk management policies (continued)

- (a) Market risk (continued)
- (i) Foreign currency risk (continued)

The Group's exposure to foreign currency is as follows: (continued)

2018	United States Dollar RM	Singapore Dollar RM	Indonesian Rupiah RM	Ringgit Malaysia RM	Total RM
Financial assets Trade and other receivables Cash and cash equivalents	924,430 1,185,570	1,378	151	33,275,642 10,638,910	34,200,072 11,826,009
	2,110,000	1,378	151	43,914,552	46,026,081
Financial liabilities Trade and other payables Borrowings	(192,683)	1 1	1 1	(17,564,837) (18,242,913)	(17,757,520) $(18,242,913)$
	(192,683)	1	1	(35,807,750)	(36,000,433)
Net financial assets Less: Net financial assets	1,917,317	1,378	151	8,106,802	10,025,648
denominated in the respective entities functional currencies	ı	•	ı	(8,106,802)	(8,106,802)
Currency exposure	1,917,317	1,378	151	ı	1,918,846

31 March 2019 (continued)

33 FINANCIAL INSTRUMENTS (continued)

33.1 Financial risk management policies (continued)

(a) Market risk (continued)

(i) Foreign currency risk (continued)

Foreign currency risk sensitivity analysis

The following table details the sensitivity analysis to a reasonably possible change in the foreign currencies as at the end of the reporting period, with all other variables held constant:

Group	2019 Increase/ (Decrease) RM	2018 Increase/ (Decrease) RM
Effects on profit after tax/equity		
United States Dollar:		
Strengthened by 5%	139,477	72,858
Weakened by 5%	(139,477)	(72,858)
Singapore Dollar:		
Strengthened by 5%	-	52
Weakened by 5%	-	(52)
Indonesian Rupiah:		
Strengthened by 5%	4	6
Weakened by 5%	(4)	(6)

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arises mainly from interest-bearing financial assets and liabilities. The Group's policy is to obtain the most favourable interest rates available. Any surplus funds of the Group will be placed with licensed financial institutions to generate interest income.

Information relating to the Group's exposure to the interest rate risk of the financial liabilities is disclosed in Note 33.1(c).

33 FINANCIAL INSTRUMENTS (continued)

33.1 Financial risk management policies (continued)

(a) Market risk (continued)

(ii) Interest rate risk (continued)

Interest rate risk sensitivity analysis

The following table details the sensitivity analysis to a reasonably possible change in the interest rates as at the end of the reporting period, with all other variables held constant:

Group	2019 Increase/ (Decrease) RM	2018 Increase/ (Decrease) RM
Effects on profit after tax/equity: Increase of 100 basis points (bp) Decrease of 100 bp	(138,590) 138,590	(138,019) 138,019

(iii) Equity price risk

The Group does not have any quoted investments and hence is not exposed to equity price risk.

(b) Credit risk

The Group's exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade and other receivables. The Group manages its exposure to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis. For other financial assets (including quoted investments, cash and bank balances and derivatives), the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

The Company's exposure to credit risk arises principally from loans and advances to subsidiaries, and corporate guarantee given to financial institutions for credit facilities granted to certain subsidiaries. The Company monitors the results of these subsidiaries regularly and repayments made by the subsidiaries.

(i) Credit risk concentration profile

The Group's major concentration of credit risk relates to the amounts owing by 2 (2018: 1) customers which constituted approximately 35% (2018: 15%) of its trade receivables as at the end of the reporting period.

(ii) Exposure to credit risk

At the end of the reporting period, the maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statement of financial position of the Group and of the Company after deducting any allowance for impairment losses (where applicable).

31 March 2019 (continued)

33 FINANCIAL INSTRUMENTS (continued)

33.1 Financial risk management policies (continued)

(b) Credit risk (continued)

(iii) Assessment of impairment loss

At each reporting date, the Group assess whether any of the financial assets at amortised cost, contract assets are impaired.

The gross carrying amounts of financial assets are written off when there is no expectation of recovery (i.e. the debtor does not have assets or sources of income to generate sufficient cash flows to repay the debt) despite the fact that they are still subject to enforcement activities.

Trade balances and contract assets

The Group applies the simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. Therefore, the Group concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

The Group considers any receivables having financial difficulty or with significant balances outstanding for more than 1 year, are deemed credit impaired.

The expected loss rates are based on the payment profiles of sales over a period of 4 months from the measurement date and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle their debts.

The information about the exposure to credit risk and the loss allowances calculated under MFRS 9 for both trade receivables and contract assets are summarised below:

Group	Gross amount RM	Lifetime loss allowance RM	Carrying amount RM
2019			_
Current (not past due)	22,745,835	-	22,745,835
1 to 90 days past due	5,078,419	-	5,078,419
91 to 120 days past due	1,345,294	-	1,345,294
Credit impaired:	29,169,548	-	29,169,548
More than 120 days past due	978,726	(141,478)	837,248
Individually impaired	385,895	(385,895)	, -
Contract assets	174,064	-	174,064
	30,708,233	(527,373)	30,180,860

33 FINANCIAL INSTRUMENTS (continued)

33.1 Financial risk management policies (continued)

(b) Credit risk (continued)

(iii) Assessment of impairment loss (continued)

In the last financial year, the loss allowance on trade receivables was calculated under MFRS 139. The ageing analysis of trade receivables is as follows:

Group	Gross amount RM	Individual impairment RM	Carrying amount RM
2018			
Not past due	23,649,283	-	23,649,283
Past due:			
Less than 3 months	5,971,202	-	5,971,202
3 to 6 months	1,159,247	-	1,159,247
Over 6 months	2,242,335	(1,125,283)	1,117,052
	33,022,067	(1,125,283)	31,896,784

The movements in the loss allowances in respect of trade receivables and contract assets are disclosed in Note 10 to the financial statements respectively.

Other receivables

Other receivables are also subject to the impairment requirements of MFRS 9, the identified impairment loss was immaterial and hence, it is not provided for.

Fixed deposits with licensed banks, cash and bank balances

The Group considers these banks and financial institutions have low credit risks. Therefore, the Group is of the view that the loss allowance is immaterial and hence, it is not provided for.

Amounts owing by subsidiaries (Non-trade balances)

The Company applies the 3-stage general approach to measuring expected credit losses for all inter-company balances. Generally, the Company considers loans and advances to subsidiaries have low credit risks. The Company assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. As the Company is able to determine the timing of payments of the subsidiaries' loans and advances when they are payable, the Company considers the loans and advances to be in default when the subsidiaries are not able to pay when demanded. The Company considers a subsidiary's loan or advance to be credit impaired when the subsidiary is unlikely to repay its loan or advance in full or the subsidiary is continuously loss making or the subsidiary is having a deficit in its total equity.

The Company determines the probability of default for these loans and advances individually using internal information available.

31 March 2019 (continued)

33 FINANCIAL INSTRUMENTS (continued)

33.1 Financial risk management policies (continued)

(b) Credit risk (continued)

(iii) Assessment of impairment loss (continued)

Amounts owing by subsidiaries (Non-trade balances) (continued)

The information about the exposure to credit risk and the loss allowances calculated under MFRS 9 for amounts owing by subsidiaries are summarised below:

Company	Gross amount RM	Lifetime loss allowance RM	Carrying amount RM
2019			
Low credit risk	47,363,347	-	47,363,347
Credit impaired	480,000	(480,000)	-
	47,843,347	(480,000)	47,363,347

In the last financial year, the loss allowance on amount owing by subsidiaries was calculated under MFRS 139.

The movements in the loss allowances are disclosed in Note 10 to the financial statements.

Financial guarantee contracts

All of the financial guarantee contracts are considered to be performing, have low risks of default and historically there were no instances where these financial guarantee contracts were called upon by the parties of which the financial guarantee contracts were issued to. Accordingly, no loss allowances were identified based on 12-month expected credit losses.

(c) Liquidity risk

Liquidity risk arises mainly from general funding and business activities. The Group practises prudent risk management by maintaining sufficient cash balances and the availability of funding through certain committed credit facilities.

33.1 Financial risk management policies (continued)

(c) Liquidity risk (continued)

The rollowing table sets out the maturity profile of the financial habilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period):	maturity pronie or the i ng interest payments co	rinanciai nabili imputed using	contractual rates	n tne reporting s or, if floating,	period based or based on the rat	contractual es at the end
	Weighted average effective rate	Carrying amount BM	Contractual undiscounted cash flows	Within 1 year PM	1 - 5 years pM	Over 5 years 8 M
Group	2					
2019 Term loans Trade and other payables	4.88	18,235,541 16,392,885	19,458,260 16,392,885	5,245,553 16,392,885	13,378,811	833,896
		34,628,426	35,851,145	21,638,438	13,378,811	833,896
2018 Bank overdraft	α π	127 280	127 280	127 280	1	1
Hire purchase liabilities	6.31	82,456	84,746	84,746	1	ı
Term loans Trade and other pavables	4.88	18,033,177 17,757,520	19,458,260	5,245,553	13,378,811	833,896
	I	36,000,433	37,427,806	23,215,099	13,378,811	833,896

FINANCIAL INSTRUMENTS (continued)

31 March 2019 (continued)

33.1 Financial risk management policies (continued)

(c) Liquidity risk (continued)

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period): (continued)	ırity profile of the f ıterest payments coı	inancial liabili mputed using	ties at the end of contractual rates	f the reporting p or, if floating, b	oeriod based or ased on the rat	n contractual es at the end
	Weighted average effective rate %	Carrying amount RM	Contractual undiscounted cash flows RM	Within 1 year RM	1 - 5 years RM	Over 5 years RM
Company						
2019 Trade and other payables Financial guarantee contracts in	ı	1,184,160	1,184,160	1,184,160	1	1
relation to corporate guarantee given to certain subsidiaries		1	18,235,541	18,235,541	1	1
		1,184,160	19,419,701	19,419,701	1	1
2018 Trade and other payables Financial guarantee contracts in	ı	18,322,558	18,322,558	18,322,558	1	1
relation to corporate guarantee given to certain subsidiaries	ı	1	14,076,380	14,076,380	,	1
		18,322,558	32,398,938	32,398,938	1	1

FINANCIAL INSTRUMENTS (continued)

2010

2010

NOTES TO THE FINANCIAL STATEMENTS 31 March 2019 (continued)

33 FINANCIAL INSTRUMENTS (continued)

33.2 Capital risk management

The Group manages its capital to ensure that entities within the Group will be able to maintain an optimal capital structure so as to support their businesses and maximise shareholders' value. To achieve this objective, the Group may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

The Group manages its capital based on debt-to-equity ratio. The Group's strategies were unchanged from the previous financial year. The debt-to-equity ratio is calculated as net debt divided by total shareholders' equity. Net debt is calculated as borrowings plus trade and other payables less cash and cash equivalents.

The debt-to-equity ratio of the Group as at the end of the reporting period is as follows:

Group	2019 RM	2018 RM
Trade and other payables	16,392,885	17,757,520
Borrowings	18,235,541	18,242,913
Less: Cash and cash equivalents	(25,060,485)	(11,826,009)
Net debt	9,567,941	24,174,424
Total shareholders' equity	150,992,492	138,399,250
Debt-to-equity ratio	0.06	0.17
Classification of financial instruments		
	Group RM	Company RM
2019		
Financial assets		
Mandatorily at Fair Value Through Profit or Loss: Cash and cash equivalents (short-term investment)	7 900 091	7 900 091
Amortised cost:	7,899,081	7,899,081
Trade and other receivables	30,817,507	47,363,347
Cash and cash equivalents	17,161,404	3,020,160
	55,877,992	58,282,588
Financial liabilities		
Amortised cost:		
Trade and other payables	16,392,885	1,184,160
Borrowings	18,235,541	
	34,628,426	1,184,16

31 March 2019 (continued)

33 FINANCIAL INSTRUMENTS (continued)

33.3 Classification of financial instruments (continued)

	Group RM	Company RM
2018		
Financial assets		
Loans and receivables:		
Trade and other receivables	34,200,072	45,115,74
Cash and cash equivalents	11,826,009	6,167,77
	46,026,081	51,283,52
Financial liabilities		
Other financial liabilities:		
Trade and other payables	17,757,520	18,322,55
Borrowings	18,242,913	
	36,000,433	18,322,55
Gains or losses arising from financial instruments		
Gains of 1055es arising from financial instruments	_	_
	Group RM	Company RM
2019		
Financial assets		
Mandatorily at Fair Value Through Profit or Loss:		
Interest income on short term investment	236,079	236,07
Amortised cost:	4	
Impairment loss on trade receivables	(141,478)	(400.00
Impairment loss on amounts owing by subsidiaries Interest income	59,034	(480,00
Reversal of impairment loss on trade receivables	25,445	15,95
Net gains/(losses) recognised in profit or loss	179,080	(227,96
Financial liabilities		
Amortised cost:	4	
Interest expenses	(779,594)	
Net losses recognised in profit or loss	(779,594)	
2018		
Financial assets Loans and receivables financial assets:		
Impairment loss on trade receivables	(116,941)	
Interest income	133,289	99,63
Not going recognized in profit on loss	16,348	
Net gains recognised in profit or loss	10,348	99,63
Financial liabilities		
Financial liabilities measured at amortised cost:		
m manifeld mount of at alliot tibed cost.	(930,232)	
Interest expenses	(330,232)	
Interest expenses Net losses recognised in profit or loss	$\frac{(930,232)}{(930,232)}$	

33.5 Fair value information

FINANCIAL INSTRUMENTS (continued)

Other than those disclosed below, the fair values of the financial assets and financial liabilities maturing within the next 12 months approximated their carrying amounts due to the relatively short- term maturity of the financial instruments.

	Fair value	Fair value of financial instruments	instruments alne	Fair valu	Fair value of financial instruments Total not carried at fair value	l instruments	s Total fair value	Carrying
Group	RM Level 1	RM Level 2	RM Level 3	RM Level 1	RM Level 2	RM Level 3	RM	RM
2019 Financial asset Cash and cash equivalents*	7,899,081	,	1	1	,	1	7,899,081	7,899,081
Financial liabilities Term loans	'	,	,	'	18,235,541	ı	18,235,541	18,235,541 18,235,541
2018 Financial asset Cash and cash equivalents*	5,165,993	1	1	1	1	1	5,165,993	5,165,993
Financial liabilities Bank overdraft Hire purchase liabilities Term loans	1 1 1	1 1 1	1 1 1	1 1 1	127,280 82,456 18,033,177	1 1 1	127,280 82,456 18,033,177	127,280 82,456 18,033,177

The fair value of cash and cash equivalents represent money market fund which is determined by reference to statements provided by the respective financial institutions, with which the investments were entered into.

31 March 2019 (continued)

34 SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

The significant events during the financial year are as follows:

- (a) On 28 August 2018, Guper Resources Sdn. Bhd., a wholly- owned subsidiary of the Company had accepted an Islamic Financing Facility of RM10.75 million from AmBank Islamic Berhad which is secured by a corporate guarantee of the Company in order to part refinance the market value of a piece of industrial land ("the Land") at Kawasan Perindustrian Pulau Indah and to part finance the construction costs of a single storey warehouse erected on the Land.
- (b) On 3 September 2018, the Company granted share options to eligible employees of the Group to subscribe for a total of 2,413,000 ordinary shares at an exercise price of RM0.55 per share ("SIS 4"). The vesting period of the options offered is from 8 October 2018 to 18 November 2018 subject to fulfilment of certain vesting conditions.
- (c) On 4 September 2018, the Company had extended its existing Share Issuance Scheme ("SIS") which is expiring on 18 November 2018 for another 5 years until 18 November 2023 in accordance with the terms of the SIS Bye-Laws.
- (d) On 11 December 2018, the Company had increased its issued and paid-up share capital from RM67,464,127 to RM67,735,827 by the issuance of 494,000 new ordinary shares at an issue price of RM0.55 per share pursuant to the exercise of options under the SIS. The new ordinary shares issued rank pari passu in all respects with the existing ordinary shares of the Company.
- (e) On 19 March 2019, the Company had increased its issued and paid-up share capital from RM67,735,827 to RM67,901,764 by the issuance of 22,600 new ordinary shares at an issue price of RM0.62 per share pursuant to the exercise of options under the SIS. The new ordinary shares issued rank pari passu in all respects with the existing ordinary shares of the Company.
- (f) On 19 March 2019, the Company had increased its issued and paid-up share capital from RM67,901,764 to RM68,850,085 by the issuance of 1,133,000 new ordinary shares at an issue price of RM0.55 per share pursuant to the exercise of options under the SIS. The new ordinary shares issued rank pari passu in all respects with the existing ordinary shares of the Company.

35 SIGNIFICANT EVENTS OCCURRING AFTER THE REPORTING PERIOD

The significant events occuring after the reporting period are as follows:

- (a) On 8 May 2019, Guper Resources Sdn. Bhd. ("GRSB"), a wholly-owned subsidiary of the Company had accepted a term loan facility of RM6.0 million and a bank guarantee of RM200,000 from Hong Leong Bank Berhad which is secured by a corporate guarantee of the Company in order to part finance the construction costs of a single storey warehouse to be erected on the industrial land of GRSB located at Taman Perindustrian Pulau Indah.
- (b) On 15 July 2019, the Company had increased its issued and paid-up share capital from RM68,850,085 to RM70,477,440 by the issuance of 1,211,400, 87,500 and 289,000 ordinary shares at an issue price of RM0.62, RM0.68 and RM0.55 per share respectively pursuant to the exercise of options under the SIS. The new ordinary shares issued rank pari passu in all respect with the existing ordinary shares of the Company.
- (c) On 18 July 2019, thw Company had declared a first interim dividend of RM0.16 per ordinary shares amounting to RM20.3 million in respect of next financial year will be proposed for shareholders' approval.

NOTES TO THE FINANCIAL STATEMENTS 31 March 2019 (continued)

36 CHANGES IN ACCOUNTING POLICIES

<u>Initial Application of MFRS 9</u>

The Group has adopted MFRS 9 without restating any comparative information (transitional exemption). Therefore, the financial impacts arising from the new classification and measurement of financial instruments, and the new impairment requirements are not reflected in the its consolidated statement of financial position as at 31 March 2018; but are recognised in the opening consolidated statement of financial position on 1 April 2018 (date of initial application of MFRS 9).

The Group has changed its impairment loss methodology from the 'incurred loss' approach to the 'expected credit loss' approach upon the adoption of MFRS 9. Under this new approach, the Group has accounted for the expected credit losses of its financial assets measured at amortised cost and contract assets to reflect their changes in credit risk since intial recognition. Also, the Group has applied a simplified approach to measure the loss allowance of its trade receivables and contract assets as permitted by MFRS 9.

LIST OF PROPERTIES As At 31 March 2019

of tion/ tion*	2014	.013 018* 018*	2007 2007 2007 2007 2007 2007 2007	016*	018*
Date of Acquisition/ Completion*	01.06.2014	31.01.2013 02.01.2018* 31.12.2018*	16.11.2007 16.11.2007 16.11.2007 16.11.2007 16.11.2007 16.11.2007 16.11.2007	27.10.2016*	14.02.2018*
Approximate Age of Building (Years)	34 34	6 1	53	ಣ	-
Carrying A Amount As At 31.03.2019	562,291	1,359,998	900,000 950,000 1,227,793 1,090,563 1,090,563 1,514,980 16,470,240	5,454,757	6,692,445
Warehouse Space (ft²)		20,000	90,000	70,000	70,000
Land Area (m2)	180	4,047	2,428 2,613 11,479 10,196 10,196 10,196 11,164 63,440		
Tenure of Land	Freehold Freehold	Leased (30+30+24yrs; epiring on 16.10.2093) Leased (30+30; expiring on 31.03.2074)	Freehold Freehold Freehold Freehold Freehold Freehold Freehold Freehold		
Description/ Existing Use	Land/Building - 3 Storey shophouses Land/Building - 3 Storey shophouses	Warehouse (Land leased from PKFZ) Warehouse and covered shed (Land leased from PKFZ)	Vacant Land (petrol station) Vacant Land (petrol station) Vacant Land Vacant Land Vacant Land Vacant Land Vacant Land Land/Building - Container yard - Office building - Warehouses - bonded - Warehouses - non bonded - Custom complex	Warehouse (Land owned by GRSB)	Warehouse (Land owned by GRSB)
Location	No. 25, Jalan Berangan, 42000 Port Klang, Selangor Darul Ehsan. No. 27, Jalan Berangan, 42000 Port Klang, Selangor Darul Ehsan.	Partial P2123 Precinct 2, Jalan FZI-P2 Port Klang Free Zone/KS 12 42920 Pulau Indah Selangor Darul Ehsan. P294, P295, P296, P2121, P2122; & part P297, P2120 & P2123 Precinct 2, Jalan FZI-P2, Port Klang Free Zone/KS 12, 42920 Pulau Indah, Selangor Darul Ehsan.	(i) PT3905 (ii) PT3906 (iii) Lot 60584 (iv) Lot 60585 (v) Lot 60586 (vi) Lot 60587 (vii) Lot 60588 (viii) Lot 60589, Nilai Industrial Estate, 71800 Nilai, Negeri Sembilan Darul Khusus.) PLO No. 778, Zone 12A, Pasil Gudang Industrial Area, Plentong, Johor Bahru, Johor Darul Takzim.	Lot 121646 Section 5, Fasa 2B, Pulau Indah Industrial Park, Jalan Sungai Pinang 4/2, 42920 Pulau Indah,
Lo	(i) (ii)	(i)	(i) (ii) (iii) (ii	(ix)	(X)
Registered Owner	Complete Logistic Specialists Sdn Bhd	Gems Logistics Sdn Bhd	Guper Integrated Logistics Sdn Bhd		

LIST OF PROPERTIES (continued) As At 31 March 2019

Registered Owner	Location	Description/ Existing Use	Tenure of Land	Land Warehouse Area Space (ft²) (m2)	Carrying Approximate Amount Age of As At Building 31.03.2019 (Years)	Acquisition/ Completion*
Guper Resources Sdn Bhd (GRSB)	(i) PLO No. 778, Jalan Keluli 12, Zone 12A, Pasir Gudang Industrial Area, 81700 Pasir Gudang, Johor Darul Takzim.	Land	Leasehold (Expiring on 24.09.2072)	14,961	2,785,463	09.01.2012
	(ii) Lot 121646 (iii) Lot 121647 Section 5, Fasa 2B, Pulau Indah Industrial Park, Jalan Sungai Pinang 4/2, 42920 Pulau Indah, Selangor Darul Ehsan.	Land Vacant Land	Leasehold Leasehold (Expiring on 24.09.2097)	10,667 14,245	5,707,549 7,585,123	01.12.2014
	', an Industri Elkay, elaka	Land Warehouse - Under construction Vacant Land	Leasehold (Expiring on 30.03.2097) Freehold	10,740	4,872,328 6,252,250 5,748,613	05.05.2016
Pengangkutan Sekata Sdn Bhd	(i) PLO 565, Jalan Keluli, Pasir Gudang Industrial Area, 81700 Pasir Gudang Johor Darul Takzim.	Vacant Land Workshop	Leasehold (Expiring on 18.05.2060)	12,140	4,383,017 571,592 2	16.07.2016
Ultra Trinity Sdn Bhd	(i) Lot 121648 (ii) Lot 121653 Section 5, Fasa 2B, Pulau Indah Industrial Park, Jalan Sungai Pinang 4/2, 42920 Pulau Indah, Selangor Darul Ehsan.	Vacant Land Vacant Land	Leasehold Leasehold (Expiring on 24.09.2097)	10,152 7,298	5,381,644 3,868,780	01.12.2014

ANALYSIS OF SHAREHOLDINGS AS AT 3 JULY 2019

Issued and Paid Up Share Capital : RM68,850,085 comprising 125,410,600 shares

Voting Rights : One (1) vote per share

Number of Shareholders : 1,120

SIZE OF SHAREHOLDINGS

Size of Holdings	No. of Shareholders	%	No. of Shares *	%
Less than 100	6	0.54	203	_
100 - 1,000	178	15.91	140,705	0.11
1,001 - 10,000	544	48.61	2,994,100	2.39
10,001 - 100,000	308	27.52	11,231,792	8.98
100,001 to less than 5% of issued shares	79	7.06	38,442,400	30.73
5% and above of issued shares	4	0.36	72,282,100	57.79
	1,119	100.00	125,091,300	100.00

DIRECTORS' SHAREHOLDINGS

No. Name of Director		Direct Interest		Indirect Interest		
		No. of Shares	% *	No. of Shares	% *	
Ord	linary Shares					
1	Law Hee Ling	13,794,500	11.03%	55,729,200	44.55%	
2	Dato' Dr Ibrahim Bin Ahmad	100,000	0.08%	9,000,000	7.19%	
3	Chia Kah Ying	1,531,800	1.22%	-	-	
Sha	res Options of the Company #					
1	Law Hee Ling	400,000				
2	Dato' Dr Ibrahim Bin Ahmad	200,000				
3	Chia Kah Ying	400,000				

INFORMATION ON SUBSTANTIAL SHAREHOLDERS

No. Name		Direct Int	terest	Indirect Interest		
		No. of Shares	% *	No. of Shares	% *	
1	Dolphin Assets Sdn Bhd	37,448,100	29.94%	-		
2	Law Hee Ling	13,794,500	11.03%	55,729,200	44.55%	
3	Pusaka Unggul Sdn Bhd	9,000,000	7.19%	-		
4	Leon Law Li Yion	14,487,600	11.58%	37,448,100	29.94%	
5	Dato' Dr Ibrahin Bin Ahmad	100,000	0.08%	9,000,000	7.19%	

ANALYSIS OF SHAREHOLDINGS (continued) AS AT 3 JULY 2019

LIST OF TOP 30 SHAREHOLDERS

No.	Name	No. of Shares	% *
1	Dolphin Assets Sdn Bhd	35,000,000	27.98%
2	Leon Law Li Yion	14,487,600	11.58%
3	Law Hee Ling	13,794,500	11.03%
4	Pusaka Unggul Sdn Bhd	9,000,000	7.19%
5	Lim Lay Fong	3,793,500	3.03%
6	Chandra Sekaran A/L Subrayan	3,441,300	2.75%
7	Dolphin Assets Sdn Bhd	2,448,100	1.96%
8	Lim Kok Onn	2,241,600	1.79%
9	Affin Hwang Nominees (Tempatan) Sdn Bhd	1,988,700	1.59%
	Pledged securities account for Yeow Kuei Chai		
10	Chia Kah Ying	1,531,800	1.22%
11	Michael Ong Huat Seng	1,384,000	1.11%
12	Tan Choon Leong	1,370,000	1.10%
13	Chun Poh Lin	1,110,000	0.89%
14	Kuntum Enterprises Sdn Bhd	988,900	0.79%
15	RHB Nominees (Tempatan) Sdn Bhd	976,100	0.78%
	Pledged securities account for Mohamed Faroz Bin Mohamed Jakel		
16	Tan Choon Leong	900,000	0.72%
17	HLIB Nominees (Tempatan) Sdn Bhd	863,000	0.69%
	Hong Leong Bank Bhd for Sin Ket Hin		
18	UOB Kay Hian Nominees (Asing) Sdn Bhd	815,400	0.65%
	Exempt An For UOB Kay Hian Pte Ltd (A/C Clients)		
19	Kong Tiong Kian	764,000	0.61%
20	Ng Soon Tong	600,000	0.48%
21	Kamarudin Bin Mohd Zain	523,900	0.42%
22	Malacca Equity Nominees (Tempatan) Sdn Bhd	494,900	0.40%
	Exempt an for Philip Capital Management Sdn Bhd (EPF)		
23	Kenanga Nominees (Asing) Sdn Bhd	408,100	0.33%
	Exempt an for Philip Securities Pte Ltd		
24	Public Nominees (Tempatan) Sdn Bhd Pledged Securities	405,900	0.32%
	Account for Lee Hai Yong		
25	Chow Lai Khum	360,800	0.29%
26	Xiao Mei Ling	360,400	0.29%
27	Lau Pik	340,000	0.27%
28	Ng Eng Leong	336,800	0.27%
29	CGS-CIMB Nominees (Tempatan) Sdn Bhd Pledged	333,000	0.27%
	Securities Account for Lee Kean Peng	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	
30	Chim Foong May	280,000	0.22%
	TOTAL	101,342,300	81.02%

Note:

- * Excluding a total of 319,300 ordinary shares bought back by the Company and retained as treasury
- # Options over ordinary shares were granted pursuant to the Company's Shares Issuance Scheme.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Fourteenth (14th) Annual General Meeting of Complete Logistic Services Berhad will be held at Nilai Inland Port, 1st Floor, PT 3907, Nilai Industrial Estate, 71800 Nilai, Negeri Sembilan Darul Khusus on Wednesday, 28 August 2019 at 11.00 a.m. for the following purposes:-

AS ORDINARY BUSINESS

- 1. To receive the audited financial statements for the financial year ended 31 March 2019 and the Reports of the Directors and Auditors thereon.
- 2. To approve the following payments to Directors:
 - (i) Directors' fees for the Non-Executive Directors not exceeding RM132,000 for the financial year ending 31 March 2020 (2019: RM132,000); and

Ordinary Resolution 1

Ordinary Resolution 2

(ii) Meeting allowance for the Independent Directors for the period from 29 August 2019 until the next Annual General Meeting ("AGM") of the Company:

Position	Per Meeting Day
Board Committee Chairman	RM1,250
Independent Director	RM1,000

- 3. To re-elect the following Directors retiring pursuant to Article 95 of the Articles of Association of the Company:
 - (i) Dato' Dr. Ibrahim Bin Ahmad

Ordinary Resolution 3

Mr Yet Kiong Siang, who is to retire by rotation pursuant to Article 95 of the Articles of Association of the Company has indicated he wishes to retire at the AGM.

4. To re-appoint Crowe Malaysia PLT as Auditors of the Company and to authorise the Directors to fix their remuneration;

Ordinary Resolution 4

AS SPECIAL BUSINESS

- 5. To consider and, if thought fit, to pass the following resolutions:
 - (A) Authority to Allot and Issue Shares Pursuant to Section 75 of the Companies Act 2016 ("Act") General Allotment

Ordinary Resolution 5

"That pursuant to Section 75 of the Act, full authority be and is hereby given to the Directors to issue shares of the Company from time to time 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 pursuant to this resolution does not exceed ten percent (10%) of the total number of issued share capital (excluding treasury shares) of the Company as at the date of this Annual General Meeting ("AGM") and that such authority shall continue in force until the conclusion of the next AGM of the Company, and that the Directors be and are hereby empowered to obtain the approval of Bursa Malaysia Securities Berhad ("Bursa Malaysia") for the listing of and quotation for the new shares so issued." (See Explanatory Note 4 (i) on Special Business below);

Authority to Allot and Issue Shares Pursuant to Section 75 of the Act Ordinary Resolution 6 - Share Issuance Scheme ("SIS") Allotment

"That pursuant to Section 75 of the Act, full authority be and is hereby given to the Directors to issue shares in the Company from time to time under the existing SIS of the Company, provided that the aggregate number of shares to be issued under this resolution does not exceed the amount approved under the SIS and that such authority shall continue in force until the conclusion of the next AGM of the Company, and that the Directors be and are hereby empowered to obtain the approval of Bursa Malaysia for the listing of and quotation for the additional shares so issued". (see Explanatory Note 4 (ii) on Special Business below);

(C) Proposed Renewal of Shareholders' Mandate to Enable the Company Ordinary Resolution 7 to Purchase up to 10% of its Total Number of Issued Shares ("Proposed Renewal of Share Buy-Back Authority")

"That subject to the Act, rules, regulations and orders made pursuant to the Act, provisions of the Company's Memorandum and Articles of Association and the Main Market Listing Requirements ("MMLR") of Bursa Malaysia and any other relevant authority, the Company be and is hereby authorised to purchase and/or hold such amount of ordinary shares in the Company's issued share capital through Bursa Malaysia upon such terms and conditions as the Directors may deem fit in the interest of the Company provided that:-

- the aggregate number of shares so purchased and/or held pursuant to this ordinary resolution ("Purchased Shares") does not exceed ten percent (10%) of the total number of issued shares of the Company at any one time; and
- the maximum amount of funds to be allocated for the Purchased Shares shall not exceed the retained profits of the Company;

That upon completion of the purchase by the Company of its own shares, the Directors of the Company be authorised to deal with the Purchased Shares in the following manners:

- (i) to cancel the Purchased Shares;
- to retain the Purchased shares as treasure shares held by the Company; or
- (iii) to retain part of the Purchased Shares as treasure shares and cancel the remainder of the Purchased Shares.

And that the authority conferred by this ordinary resolution shall be effective immediately upon passing of this ordinary resolution and shall continue in force until the conclusion of the next AGM of the Company or the expiry of the period within which the next AGM of the Company is required by law to be held (whichever is earlier), unless earlier revoked or varied by ordinary resolution of the shareholders of the Company in general meeting, but shall not prejudice the completion of purchases(s) by the Company before that aforesaid expiry date and in any event in accordance with provisions of the MMLR and other relevant authorities." (See Explanatory Note 4(iii) on Special Business below);

(D) Proposed Renewal of Existing Shareholders' Mandate for Recurrent Ordinary Resolution 8 Related Party Transactions ("RRPT") of a Revenue and/or Trading Nature and New Mandate for Additional RRPT of a Revenue and/or Trading Nature ("Proposed Shareholders' Mandate for RRPT"):-

"That authority be and is hereby given in line with Paragraph 10.09 of the Listing Requirements, for the Company, its subsidiaries or any of them to enter into any of the transactions falling within the types of the RRPT, particulars of which are set out in the Circular to Shareholders dated 29 July 2019 ("the Circular"), with the Related Parties as described in the Circular, provided that such transactions are of a revenue and/or trading nature, which are necessary for the dayto-day operations of the Company and/or its subsidiaries, within the ordinary course of business of the Company and/or its subsidiaries, made at arm's length basis and on normal commercial terms which are generally available to the public and are not detrimental to the minority shareholders of the Company;

That such authority shall commence immediately upon the passing of this ordinary resolution and continue in force until:-

- the conclusion of the next AGM of the Company following the general meeting at which the ordinary resolution for the Proposed Shareholders' Mandate for RRPT is passed, at which time it shall lapse, unless the authority is renewed by a resolution passed at that AGM; or
- the expiry of the period within which the next AGM is required by law to be held but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Act; or
- (iii) revoked or varied by ordinary resolution passed by the shareholders of the Company in general meeting,

whichever occurs first:

And that the Directors of the Company be authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary or give effect to the Proposed Shareholders' Mandate for RRPT". (See Explanatory Note 4(iv) on Special Business below);

Proposed Adoption of the New Constitution of The Company

Special Resolution 1

"That approval be and is hereby given to revoke the existing Memorandum and Articles of Association of the Company with immediate effect and in place thereof, the proposed new Constitution of the Company as set out in Appendix II to the Circular to Shareholders dated 29 July 2019 accompanying the Company's 2019 Annual Report for the financial year ended 31 March 2019 be and is hereby adopted as the Constitution of the Company and that the Directors of the Company be and are hereby authorised to assent to any modification, variation and/or amendment as may be required by the relevant authorities and to do all acts and things and take all such steps as may be considered necessary to give full effect to the foregoing". (see Explanatory Note 4 (v) on Special Business below).

To transact any other business of which due notice shall have been given in accordance with the Act.

By Order of the Board Complete Logistic Services Berhad

Chia Ong Leong (MIA 4797) Company Secretary

Klang, Selangor Darul Ehsan

Dated: 29 July 2019

NOTES

1. Receiving of the Audited Financial Statements

Item 1 of the Agenda is intended for discussion only as the provision of Section 340 of the Act does not require a formal approval of the shareholders of the Audited Financial Statements. As such this item is not put forward for voting.

2. Payment of Directors' Fees and Benefits

Section 230(1) of the Act provides that the fees and any other benefits (including any compensation for loss of employment) payable to the directors of a company shall be approved by the members at a general meeting. The Board wishes to seek shareholders' approval for the following payment to the Non-Executive Directors:

Ordinary Resolution 1 - Proposed payment of Directors' fees for the Non-Executive Directors not exceeding RM132,000 for the financial year ending 31 March 2020 (2019:RM132,000); and

The proposed Ordinary Resolution 1 is to seek shareholders' approval to facilitate the payment of Directors' fees on current year basis. In the event the Directors' fees proposed is insufficient, the Board will seek the approval of shareholders at the next AGM to authorise payment of the shortfall.

Ordinary Resolution 2 - Proposed payment of meeting allowance of RM1,250 per meeting day for the Board Committees Chairman and RM1,000 per meeting day for the other Independent Directors from 29 August 2019 until the next AGM of the Company. The meeting allowance will only be paid on the actual attendance of meetings by the Directors.

3. Form of Proxy

- (i) A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy may but need not be a member of the Company.
- (ii) Where a member appoints two (2) proxies, the appointment shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy.
- (iii) A member who is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, may appoint one (1) proxy in respect of each securities account.
- (iv) Where a member is an exempt authorised nominee which holds shares in the Company for multiple beneficial owners in one securities account ("omnibus account") as defined under the Securities Industry (Central Depositories) Act 1991, there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
- (v) The instrument appointing a proxy in the case of an individual shall be signed by the appointer or his attorney duly authorised in writing and in the case of a corporation, the instrument appointing a proxy must be under seal or under the hand of an officer or attorney duly authorised.
- (vi) Only a member whose name appear in the Record of Depositors as at 21 August 2019 will be entitled to attend, speak and vote at the meeting or appoint a proxy to attend, speak and vote in his stead.
- (vii) To be valid, the instrument appointing a proxy and the power of attorney or other authority must be deposited at the office of the Share Registrar, Tricor Investor & Issuing House Services Sdn. Bhd. at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or in the case of a poll, not less than 24 hours before the time appointed for taking of the poll and in default the instrument of proxy shall not be treated as valid.

- 4. Explanatory Notes on Special Business:
 - (i) Ordinary Resolution 5 Proposed renewal of authority for Directors to issue shares-General Allotment

Ordinary Resolution 5 is proposed for the purpose of granting a renewal of the general mandate for the issuance of shares by the Company under Section 75 of the Act. Ordinary Resolution 5, if passed, will give the Directors of the Company authority to issue ordinary shares in the Company at any time in their absolute discretion without convening a general meeting. The authorisation, unless revoked or varied by the Company at a general meeting, will expire at the conclusion of the next AGM of the Company.

The Company did not issue any new shares pursuant to that mandate obtained as at the date of this notice. Ordinary Resolution 5 is a renewal of the general mandate. At this juncture, there is no decision to issue new shares. Should there be a decision to issue new shares after the general mandate is obtained, an announcement will be made to Bursa Malaysia by the Company in respect of the purpose and utilisation of proceeds arising from such issue.

The general mandate, if granted, will provide flexibility to the Company for any possible funds raising activities, including but not limited to placing of shares, for the purpose of funding future investment project(s), working capital and/or acquisition(s).

(ii) Ordinary Resolution 6 - Proposed authority for Directors to issue shares - SIS Allotment.

Ordinary Resolution 6 is proposed for the purpose of granting to Directors of the Company authority to allot and issue ordinary shares in the Company at any time to those employees who have exercised their options under the SIS.

(iii) Ordinary Resolution 7 - Proposed renewal of share buy-back authority.

Ordinary Resolution 7, if passed, will enable the Company to utilise any of its surplus financial resources to purchase its own shares through Bursa Malaysia up to 10% of the total number of issued capital of the Company. This authority will, unless revoked or varied at a general meeting, expire at the conclusion of the next AGM of the Company.

Further information on the proposed renewal of the share buy-back authority are set out in the Statement to Shareholders of the Company dated 29 July 2019, which is dispatched together with the Company's 2019 Annual Report.

(iv) Ordinary Resolution 8 - Proposed shareholders' mandate for RRPT.

Ordinary Resolution 8, if passed, is primarily to authorise the Company and/or its unlisted subsidiaries to enter into arrangements or transactions with Related Parties, particulars of which are set out in Section 4 of the Circular to Shareholders dated 29 July 2019, which is dispatched together with the Company's 2019 Annual Report, which are necessary for the day-to-day operations of the Group and are based on normal commercial terms that are not more favourable to the Related Parties than those generally made available to the public.

(v) Special Resolution 1 - Proposed adoption of the New Constitution of the Company

The proposed Special Resolution 1, if passed , will bring the Company's Constitution in line with the Companies Act 2016, Malaysian Code on Corporate Governance, Main Market Listing Requirements of Bursa Securities, and all other relevant statutory and regulatory requirements. The proposed new Constitution is set out in the Circular to Shareholders dated 29 July 2019 accompanying the Company's 2019 Annual Report.

PROXY FORM



I/We							
of					(FULL	NAME IN	I CAPITALS
being a member/members	of COMPLETE LOGISTIC SERVICES	BERHAD, hereby appoint:					(ADDRESS)
Proxy A							
Full Name	NR	RIC No./Passport No./Company No.	Propor	ion of sh	areholo	dings rep	presented
			1	lo. of Sho	ares		%
Address							
Proxy B							
Full Name	NR	RIC No./Passport No./Company No.	Propor	ion of sh	areholo	dings rep	presented
			١	lo. of Sho	ares		%
Address							
General Meeting of the Co Khusus on Wednesday, 28 A	mpany, to be held at Nilai Inland Jugust 2019 at 11.00 a.m. and at a the spaces provided on how you	irst proxy, to vote for me/us and on rd Port, 1st Floor, PT 3907, Nilai Industany adjournment thereof.	trial Estate,	71800 N	ilai, Neg	geri Sem	bilan Daru
	Resolutions			Proxy A	\	Pro	ху В
			F	or Ag	gainst	For	Against
AS ORDINARY BUSINESS:					<u> </u>		
	To receive the 2019 Audited Fi	inancial Statements and Reports					
Ordinary Resolution 1	To approve Directors' fees of a financial year ending 31 Marc	not exceeding RM132,000 for the ch 2019					
Ordinary Resolution 2	To approve meeting allowand August 2019 until the next Ann	ce for Independent Directors from nual General Meeting	29				
Ordinary Resolution 3	To re-elect the following Direct Article 95 of the Company's A (i) Dato' Dr Ibrahim Bin Ahm		th .				
Ordinary Resolution 4	To re-appoint Messrs Crowe Malaysia PLT as Auditors of the Company and to authorize the Directors to fix their remuneration						
AS SPECIAL BUSINESS:							
Ordinary Resolution 5	(A) To approve authority for General Allotment	Directors to allot and issue shares	-				
Ordinary Resolution 6	(B) To approve authority for I SIS Allotment	Directors to allot and issue shares	-				
Ordinary Resolution 7	(C) To renew mandate for s	hare buy back					
Ordinary Resolution 8	(D) To renew mandate for RI	RPT					
Special Resolution 1	(E) To adopt new Constitution Articles of Association	n to replace existing Memorandum	and				
Dated thisda	y of2019.		CDS Accou	ınt No.			
Ciamatara af Marchael (1979)		г	No. of Shar	as held			
Signature of Member(s)/Co	mmon seal		i vo. oi siidi	US TIEIU			

Notes

- A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy may but need not be a member of the (i)
- Where a member appoints two (2) proxies, the appointment shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy. A member who is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, may appoint one (1) proxy in respect of each securities account.
- securities account.

 (iv) Where a member is an exempt authorised nominee which holds shares in the Company for multiple beneficial owners in one securities account ("omnibus account") as defined under the Securities Industry (Central Depositories) Act 1991, there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

 (v) The instrument appointing a proxy in the case of an individual shall be signed by the appointer or his attorney duly authorize in writing and in the case of a corporation, the instrument appointing a proxy must be under seal or under the hand of an officer or attorney duly authorised.

 (vi) Only a member whose name appear in the Record of Depositors as at 21 August 2019 will be entitled to attend and vote at the meeting or appoint a proxy to attend and vote at the meeting or appoint a proxy to

- Only a member whose name appear in the record of Depositions as at 21 August 2017 will be commed to attend and vote in his stead.

 (vii) To be valid, the instrument appointing a proxy and the power of attorney or other authority must be deposited at the office of the Share Registrar, Tricor Investor & Issuing House Services Sdn. Bhd. at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instruments proposes to vote, or in the case of a poll, not less than 24 hours before the time appointed for taking of the poll and in default the instrument of proxy shall not be treated as valid.

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STAMP

THE SHARE REGISTRAR COMPLETE LOGISTIC SERVICES BERHAD C/O TRICOR INVESTOR & ISSUING HOUSE SERVICES SDN BHD

UNIT 32-01
LEVEL 32, TOWER A
VERTICAL BUSINESS SUITE
AVENUE 3, BANGSAR SOUTH
NO. 8, JALAN KERINCHI
59200 KUALA LUMPURA

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