COMPLETE LOGISTIC SERVICES BERHAD

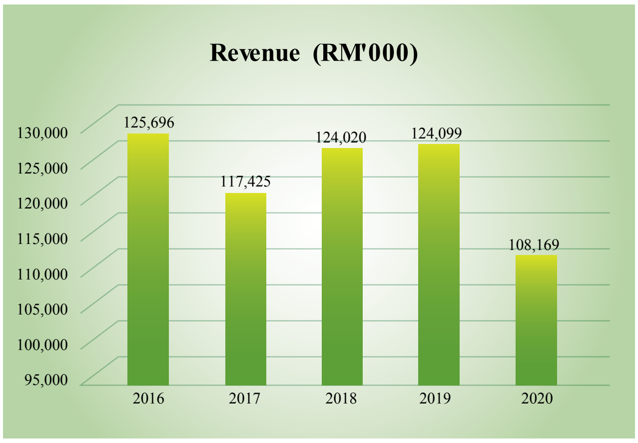
(Registration No.: 200501034100 (716241-X))

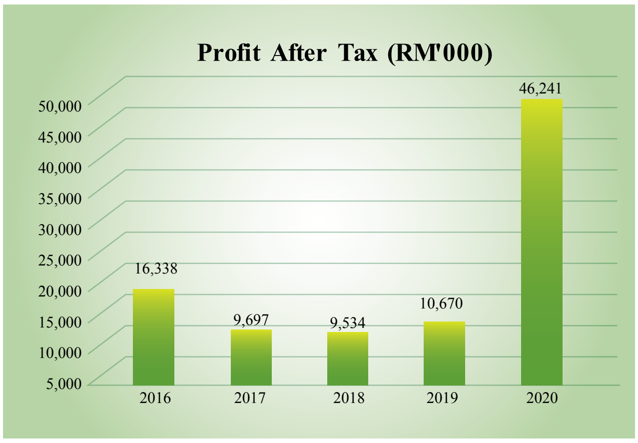
Annual Report

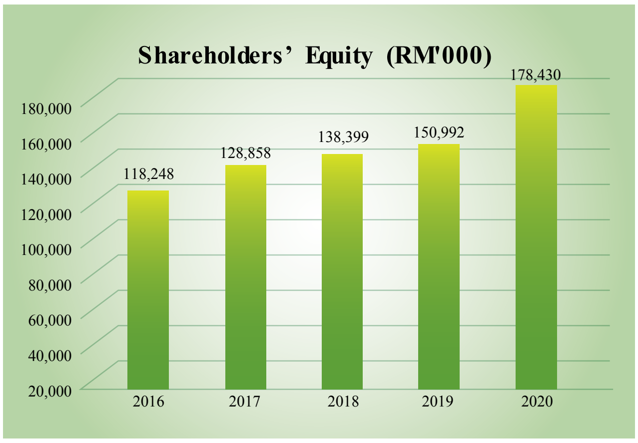
2020

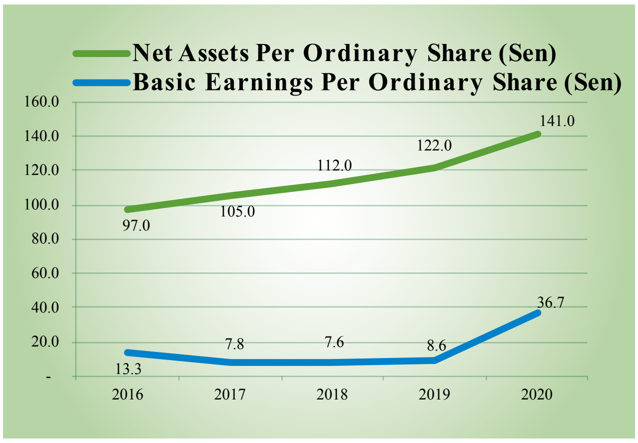
5 YEARS FINANCIAL HIGHLIGHTS

	2016	2017	2018	2019	2020
Revenue (RM'000)	125,696	117,425	124,020	124,099	108,169
Profit After Tax (RM'000)	16,338	9,697	9,534	10,670	46,241
Shareholders' Equity (RM'000)	118,248	128,858	138,399	150,992	178,430
Net Assets Per Ordinary Share (Sen)	97.0	105.0	112.0	122.0	141.0
Basic Earnings Per Ordinary Share (Sen)	13.3	7.8	7.6	8.6	36.7
Dividend Per Ordinary Share (Sen)	-	-	-	-	16.0









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15TH Annual General Meeting

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

TIME : Tuesday, 22 September 2020 at 11.00 a.m.

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)

Datuk Iskandar Bin Sarudin
(Independent Non-Executive Director)

Leou Thiam Lai
(Appointed on 24 February 2020)
(Independent Non-Executive Director)

Yet Kiong Siang
(Retired on 28 August 2019)
(Independent Non-Executive Director)

AUDIT COMMITTEE

Chairman
Datuk Iskandar Bin Sarudin
(Redesignated on 26 February 2020)
Yet Kiong Siang (Retired on 28 August 2019)

Members
Dato' Dr Ibrahim Bin Ahmad
Leou Thiam Lai (Appointed on 24 February 2020)

REMUNERATION COMMITTEE

Chairman
Datuk Iskandar Bin Sarudin

Members
Law Hee Ling
Leou Thiam Lai
(Appointed on 26 February 2020)
Yet Kiong Siang
(Retired on 28 August 2019)

NOMINATING COMMITTEE

Chairman
Datuk Iskandar Bin Sarudin

Members
Dato' Dr Ibrahim Bin Ahmad
Leou Thiam Lai (Appointed on 26 February 2020)
Yet Kiong Siang (Retired on 28 August 2019)

RISK MANAGEMENT COMMITTEE

Chairman
Datuk Iskandar Bin Sarudin
(Redesignated on 26 February 2020)
Yet Kiong Siang
(Retired on 28 August 2019)

Members
Leou Thiam Lai
(Appointed on 26 February 2020)
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

AUDITORS

Crowe Malaysia PLT
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Megan Avenue II
12, Jalan Yap Kwan Seng
50450 Kuala Lumpur
Tel: +603-2788 9999
Fax: +603-2788 9998

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

STOCK EXCHANGE LISTING

Bursa Malaysia Securities Berhad
Main Market

CORPORATE STRUCTURE

200501034100 (716241-X)
COMPLETE LOGISTIC SERVICES BERHAD

- 50% **Channel Legion Sdn Bhd** 199501025446 (354651-M) — Dormant
- 100% **Complete Logistic Specialists Sdn Bhd** 199701030089 (445588-V) — Total logistic services provider
- 100% **Complete Marine Services Sdn Bhd** 199901015861 (490761-A) — Shipowner/provision of marine transportation services
- 65% **Ecocentre Sdn Bhd** 200801031207 (832539-W) — Dormant
- 100% **Guper Bonded Warehouse Sdn Bhd** 201501022073 (1147401-H) — Investment holding
- 100% **Guper Properties Sdn Bhd** 200301030377 (632797-D) — Insurance agent
- 100% **Guper Resources Sdn Bhd** 200001016973 (519580-A) — Investment holding
- 100% **Island Network Sdn Bhd** 199801010871 (466999-W) — General trading
- 100% **Malsuria Logistics Sdn Bhd** 199801007503 (463630-M) — Shipowner/provision of marine transportation services
- 100% **Malsuria (M) Sdn Bhd** 199201002744 (234248-P) — Shipowner/provision of marine transportation services
- 100% **Malsuria Tanker Services Sdn Bhd** 199601004258 (376604-H) — Shipowner/provision of marine transportation services
- 100% **Pengangkutan Sekata Sdn Bhd** 198601004876 (154036-K) — Lorry transport operator
  - 100% **Dian Pahlawan Sdn Bhd** 199701016564 (432061-W) — Lorry transport operator
- 100% **Sierra Jaya Sdn Bhd** 199301011913 (266651-P) — Shipowner/provision of marine transportation services
- 100% **Sin Hiap Hoe Trading & Transport Sdn Berhad** 197801002276 (39285-T) — Lorry transport operator
- 100% **Ultra Trinity Sdn Bhd** 201301039407 (1069230-D) — Investment holding
- 20% **Dolphin Shipping Agency Sdn Bhd** 200001004921 (507526-A) — Shipping agent for provision of freight services
- 20% **Gems Logistics Sdn Bhd** 201101021860 (949999-H) — Provision of warehousing services
- 20% **Guper Integrated Logistics Sdn Bhd** 199701005035 (420531-V) — Provision of total Logistic services with haulage, forwarding and other associated services

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 comprise of lorry transportation services (tanker, general cargo, side curtain), project logistics and door to door delivery services.

Our lorry transportation services cover areas within Peninsular Malaysia and our hubs are located in Port Klang, Nilai and Pasir Gudang.

Warehousing Segment

Our Warehousing segment provides warehouse for renting at Port Klang.

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.

The Company had on 13 August 2019 entered into a conditional share purchase agreement ("SPA") with SH Cogent Logistics Pte Ltd for the disposal of 80% of its equity interests in Dolphin Shipping Agency Sdn Bhd ("DSA"), Gems Logistics Sdn Bhd ("Gems") and Guper Integrated Logistics Sdn Bhd ("GIL") ("Said Disposal"), the subsidiaries involving in forwarding, haulage and warehousing businesses. The Said Disposal was completed in February 2020.

Whilst the Said Disposal is in progress, we have proceeded with our plan to develop the vacant lands of our Group. During the year we have commenced with the construction of a factory/warehouse in Pulau Indah (approximate size of 89,500 square feet) and a warehouse in Pasir Gudang (approximate size of 75,560 square feet). Both are expected to be completed in the next financial year.

Following the Said Disposal, we continued with our remaining logistic services, which encompass the arrangement and coordination of all requisite transportation and handling arrangements for the transportation of cargoes for door to door delivery projects with services procured from third party service providers.

FINANCIAL PERFORMANCE

Financial Highlights	2020	2019	2018	2017	2016
Revenue (RM'000)	**108,169**	124,099	124,020	117,425	125,696
Profit After Tax (RM'000)	**46,241**	10,670	9,534	9,697	16,338
Basic Earnings Per Ordinary Share (Sen)	**36.7**	8.6	7.6	7.8	13.3
Total Assets (RM'000)	**221,963**	192,756	180,629	166,839	153,754
Cash and Cash Equivalents (RM'000)	**99,073**	25,060	11,826	9,062	21,738
Total Borrowings (RM'000)	**15,196**	18,236	18,243	16,269	20,521
Shareholders' Equity (RM'000)	**178,430**	150,992	138,399	128,858	118,248
Net Assets Per Ordinary Share (Sen)	**141**	122	112	105	97
Debt/Equity Ratio	**Not applicable**	0.06	0.17	0.18	0.07
Dividend Per Ordinary Share (Sen)	**16**	-	-	-	-

MANAGEMENT DISCUSSION & ANALYSIS (continued)

Comparison – Financial Year ("FY") 2020 / FY 2019

	FY 2020 RM'000	FY 2019 RM'000	Variance RM'000	Variance %
Revenue	**108,169**	124,099	(15,930)	(12.8)
Profit After Tax	**46,241**	10,670	35,571	333.4
Logistics Segment				
Revenue	**91,516**	105,356	(13,840)	(13.1)
Profit After Tax	**5,761**	7,227	(1,466)	(20.3)
Warehousing Segment				
Revenue	**7,317**	8,241	(924)	(11.2)
Profit After Tax	**3,265**	4,101	(836)	(20.4)
Marine Segment				
Revenue	**12,381**	16,842	(4,461)	(26.5)
(Loss)/Profit After Tax	**(3,588)**	1,449	(5,037)	(347.6)
(Extracted from Note 36 of the Financial Statement)				

In FY 2020, the revenue of the Group decreased by RM15.9 million (12.8%) as compared to FY 2019 but the profit after tax increased by RM35.6 million (333.4%).

The overall decrease in revenue was mainly attributable by the decrease in revenue of the Logistics (by RM13.8 million) and Marine Segment (by RM4.5 million). The decrease in revenue of the Logistics Segment was mainly due to lower cargo volume of the lorry transportation business coupled with the Said Disposal during the year and such decrease had been partly offset by the improved revenue of the project cargoes and door to door delivery sectors.

The Group reported a profit after tax of RM46.2 million in FY 2020, an increase of RM35.6 as compared to FY 2019. This was mainly attributable to the gain on disposal of investment in subsidiaries of RM45.6 million and being partly offset by the impairment loss on vessels of RM8.7 million. In FY 2020, the Company had disposed 80% of its equity interest in DSA, Gems and GIL for a total consideration of RM85.6 million. The Said Disposal allowed the Company to unlock and realise substantial value from its investments in forwarding, haulage and warehousing businesses, and this has further strengthened the Group's net assets, liquidity and cash flow position.

In August 2019, the Company had paid an interim dividend of 16 sen per share, totalling RM20.3 million, to reward its shareholders for their continuous support toward the Group.

MANAGEMENT DISCUSSION & ANALYSIS (continued)

OPERATING ACTIVITIES

Logistics Segment

During the financial year, we managed to maintain the performance of the haulage and freight trading businesses while recorded improved performance from the project cargoes and door to door delivery sectors.

Our lorry transportation sector performed negatively during the financial year mainly because the cement industry being the major contributor to the lorry transportation sector, has remained very weak. Measures have been taken to strategize our fleet and some old non-productive lorries were either disposed or grounded during the financial year.

Warehousing Segment

During the financial year, an additional newly completed warehouse had contributed 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, however, the cargo volume had dropped comparing to the previous financial year.

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.

MANAGEMENT DISCUSSION & ANALYSIS (continued)

Business Risk

The Group will be subjected to new challenges and risks arising from the business of development of warehouses and factories such as timing on development, increase in the cost of building materials and changes in general economic, business and credit condition. The Group seeks to mitigate this risk by, amongst others, leveraging on the experience and expertise of the management team of CLSB led by the Managing Director who has over the recent years been involving in the development of warehouses/ factories for the Group.

Loss of future contribution from the Said Disposal

Pursuant to the Said Disposals, DSA, Gems and GIL ceased to be the subsidiaries of the Company and are retained as 20% associated companies. Thereafter, such remaining equity interests in these three associates will be disposed of pursuant to the SPA upon expiry of the period from the completion date of the SPA until the date falling 36 months thereafter. In this regard, there is no assurance that after the completion of the Said Disposals, the Group will be able to generate the desired return from its remaining business.

Nevertheless, the Group seeks to mitigate this risk through growing its continued operations as well as drawing a new source of income through developing warehouses/factories on the other vacant lands of the Group.

FORWARD-LOOKING STATEMENT

The year 2020 has demonstrated how the market and supply chain of a nation is heavily interdependent on the global environment. This is predominantly exposed through the global COVID-19 pandemic, which has negatively impacted all social and economic pillars of society. We are of no exception to the current circumstances and will continue to cautiously steer through such challenging environment, ensuring that we endure during such difficult period, as well as looking after our staff which is the heart and soul of the Group.

Our primary goal to move forward is to develop the Group's vacant industrial land assets into either warehouses or factories in the near future, for the purpose of renting or selling, providing a source of income to the Group. The construction of a warehouse in PKFZ by Channel Legion Sdn Bhd, a subsidiary acquired during the financial year, shall commence in the first quarter of FY 2021 and is expected to be completed in the same financial year. This new warehouse in PKFZ and the other two units currently under construction, all expected to be completed in the next financial year and expected to contribute positively to the results of the Group.

In view of the uncertainties on the impact of COVID-19, the Board expects the overall market and business to be volatile in the next financial year. The financial performance of the Group is expected to be challenging, the Board will take appropriate measures to mitigate the adverse impacts and continue to focus on developing the vacant lands of the Group while exploring new business opportunities that will enhance the growth of the Group.

PROFILE OF DIRECTORS

Dato' Dr Ibrahim Bin Ahmad
Non-Independent Non-Executive Chairman
Malaysian, Male, Aged 64

Dato' Dr Ibrahim was appointed to our Board on 1 June 2012. He is a substantial shareholder of the Company. 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 the Chief Executive Officer of Port Klang Distribution Park Sdn Bhd ("PKDP"). From the performances and experiences 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, experiences 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 experiences 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 and Nominating Committee. There is no conflict of interest with the Company except for those transactions disclosed in page 37 of this Report, note 35 to the Financial Statements and the circular on recurrent related party transactions.

Law Hee Ling
Managing Director
Malaysian, Male, Aged 55

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 in page 37 of this Report, note 35 to the Financial Statements and the circular on recurrent related party transactions.

Chia Kah Ying
Executive Director
Malaysian, Female, Aged 52

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.

PROFILE OF DIRECTORS (continued)

Datuk Iskandar Bin Sarudin
Independent Non-Executive Director
Malaysian, Male, Aged 65

Datuk Iskandar was appointed to our Board on 8 April 2015. Datuk Iskandar Bin Sarudin 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 Audit Committee, Risk Management Committee, Remuneration Committee and Nominating Committee.

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

Leou Thiam Lai
Independent Non-Executive Director
Malaysian, Male, Aged 64

Mr Leou was appointed to our Board on 24 February 2020. Mr Leou is a Chartered Accountant of Malaysian Institute of Accountants. He is also a fellow member of the Chartered Association of Certified Accountants (UK) and fellow member of the Chartered Tax Institute of Malaysia.

Mr. Leou was Group Accountant for Paper Products Berhad from year 1984 to 1986. Then he joined Kotak Kajang Industries Sdn. Bhd. as Group Accountant from 1986 to 1987. He established Leou & Associates and become a Partner since 1988 and in 2014, he established Leou Associates PLT.

Mr. Leou is a member of the Audit Committee, Risk Management Committee, Remuneration Committee and Nominating Committee.

Mr. Leou currently also sits on the Board of Sen Kou Resources Berhad, Menang Corporation (M) Berhad and DeGem Berhad.

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 2020 can be found on page 25 of this Report.

PROFILE OF KEY SENIOR MANAGEMENT

Leon Law Li Yion
Manager - Procurement
Malaysian, Male, Aged 27

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 in page 37 of this Report, note 35 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

1.1 Sustainability Statement

1.1.1 Our Sustainability

This Sustainability Statement ("the Statement") is prepared in accordance with Sustainability Reporting Guide ("SRG") issued by Bursa Malaysia Main Market Securities Berhad ("Bursa Malaysia"). Unless otherwise stated, this Sustainability Statement covers our sustainability performance of the operations of Complete Logistic Services Berhad ("Complete Logistic" or the "Company" or "CLSB") and its subsidiaries ("the Group", "we" or "our") in the financial year ended 31 March 2020 ("FY2020").

CLSB Group Sustainability Statement emphasises the corporate commitment to the balanced integration of economic, environmental, and social ("EES") factors into daily business operations to maximise long term stakeholders' value.

CLSB Sustainability Statement for FY2020 covers the period from 1 April 2019 to 31 March 2020 and includes sustainability activities from our four core businesses covering logistics, marine, warehousing, and forwarding operation.

1.1.2 Sustainability Governance

The pre-requisite and key to a sustainable business is a strong sustainability governance structure. Our sustainability governance structure together with specific requirements and standards help our business implement sustainability strategy across the business, manage goal setting, decision-making processes, strengthen relations with external stakeholders and ensure overall accountability.

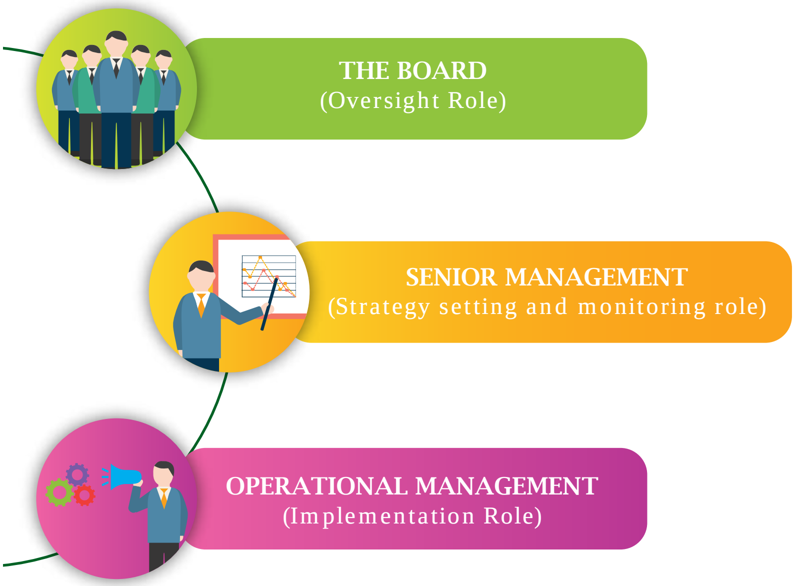
Our Board has the overall responsibility on sustainability and is supported by various heads of department and led by a Managing Director, who oversees the implementation of the CLSB Group's sustainability strategy and approach and ensures that key targets are being met.

The Senior Management comprising Heads of Department ("HOD") and Managing Director, is responsible to identify sustainability strategies and to monitor the progress of the Company's sustainability performance.

The Operational Management implements the programs and supports the team by ensuring adequate resources are in place.

Our sustainability governance structure is depicted as follows:

1.1.3 Sustainability Governance Structure

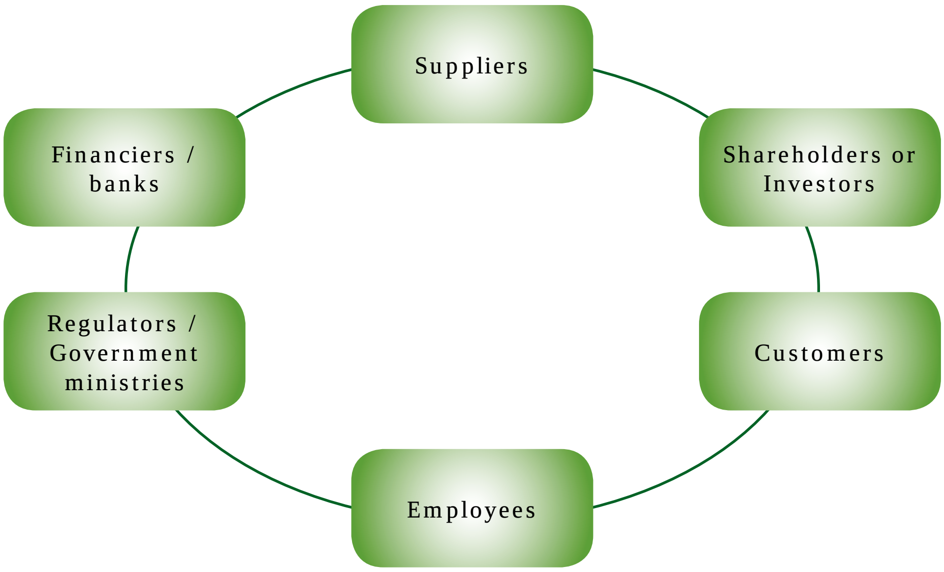


SUSTAINABILITY STATEMENT (continued)

1.1.4 Stakeholders' Engagement

In accordance with Bursa Malaysia's SRG, stakeholders are defined as any individuals, community, and entities that can be impacted by the CLSB's business operation.

These stakeholders were identified through several discussions held with key senior management and the Board. The following chart and table describe our stakeholders and approaches on how we engage with stakeholders, which include conventional documents, electronic documents, web-based media platforms, and face-to-face communications as detailed follows:



No.	Key Stakeholders	Description	How We Engage with Stakeholders
1.	Shareholders or Investors	Shareholders and investors provide funds for CLSB with the expectation for returns. Engagement with shareholders and investors is critical to enable them to understand the Group's businesses, its strategies, future growth, and expectation.	• Annual General Meetings ("AGM") • Extraordinary General Meetings ("EGM") • Annual Reports and quarterly announcements of financial results • Bursa Malaysia Announcements and Circulars • Information via the CLSB website
2.	Suppliers	CLSB enhances ethical and fair procurement system.	• Meeting discussion, business communication on a day-to-day basis. • Supplier performance assessments
3.	Customers	Meeting customers' requirements with high quality products & services and strengthen relationship with clientele are critical to maintain their confidence in the Group's ability.	• Focus group discussion, business communication on a day-to-day basis • Market Research • Customers' feedback and satisfaction surveys

SUSTAINABILITY STATEMENT (continued)

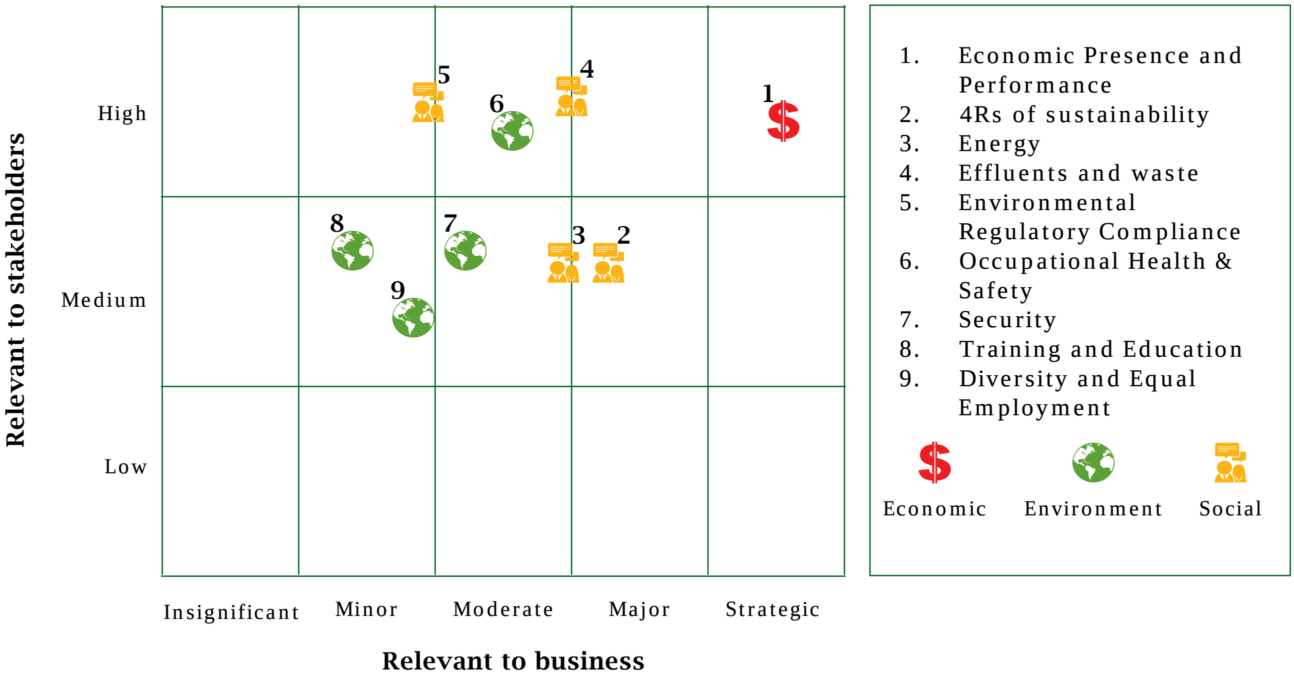
No.	Key Stakeholders	Description	How We Engage with Stakeholders
4.	Employees	CLSB people are the key to our operations to achieve our business goals. The Group objectives are to provide them with a safe working environment within the organisation and promote a work-life balance.	• Informal management and employee meetings • Performance evaluation and management • Training and development activities • Events and activities e.g. company annual dinner, festival functions and celebrations.
5.	Local authorities/ Regulators/ Government ministries	Embrace transparency within the daily operation and compliance with the industry's regulatory standard to attain corporate sustainability. CLSB engages with them to ensure it complies with the legislations.	• Regulatory compliance • Interpretation of law and guidelines • Submission of reports required under regulations • Briefing and trainings • Periodic visits and inspection
6.	Financiers/ banks	Financiers need assurance on the Group's ongoing concerns in order to secure loan payment instalments and / or payment of loan upon maturity. CLSB engages them through public information about its financial results and liquidity, as well as adherence to the announcement criteria of Bursa Malaysia.	• Financial performance results • Corporate website

SUSTAINABILITY STATEMENT (continued)

1.1.5 Materiality Assessment and Key Sustainability Matters

Materiality assessment is crucial for CLSB to identify, evaluate, and prioritize the material sustainability matters which are significant to the business operations and stakeholders. We have conducted a material assessment with the key senior management. In preparation for this reporting cycle, we referred to our previous materiality assessment 2019 in determining our sustainability indicators.

From this materiality assessment, a total of 9 key sustainability matters were identified and rated as outlined below:



These three key sustainability matters are categorised into three (3) main pillars – Economic, Environmental and Social as outlined in below:

Economic

Economic Presence and Performance

Environment

- 4Rs of Sustainability
- Energy
- Effluents and waste
- Environmental compliance

Social

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

SUSTAINABILITY STATEMENT (continued)

Details of each of the sustainability material matters are described in the following sections.

Economic

Economic Presence and Performance

Economic sustainability is the ability of CLSB to continue operating at an effective and sustainable economic level over a longer term. CLSB are committed in creating long-term shared value and preserved the interest of all stakeholders by securing continuous growth in markets.

A detailed description of our financial results and key factors that related to those financial results are discussed in detail in the Management Discussion and Analysis section of this annual report.

Environmental

Environmental sustainability is the ability of CLSB to continue operating in a manner that does not compromise the health of the ecosystems in which it operates over the long term. CLSB is continuously exploring creative ideas and innovations to preserve our environment ensuring that natural resources are conserved for the next generation.

i) 4Rs of Sustainability

CLSB is committed to the spirit of using 4Rs (Reduce, Reuse, Recycle and Recovery) to reduce wastage. The principle behind this exercise is to conserve natural resources, reduce waste production, and saves energy.

Reduce consumption **Reuse** **Recycle** **Recovery**

CLSB actively advocate good practices on energy savings in our day-to-day activities, and implementing several initiatives in improving our environment through reusing papers, recycling staples as scrap metal and reducing plastic wastes in order to minimise the damage to the environment.

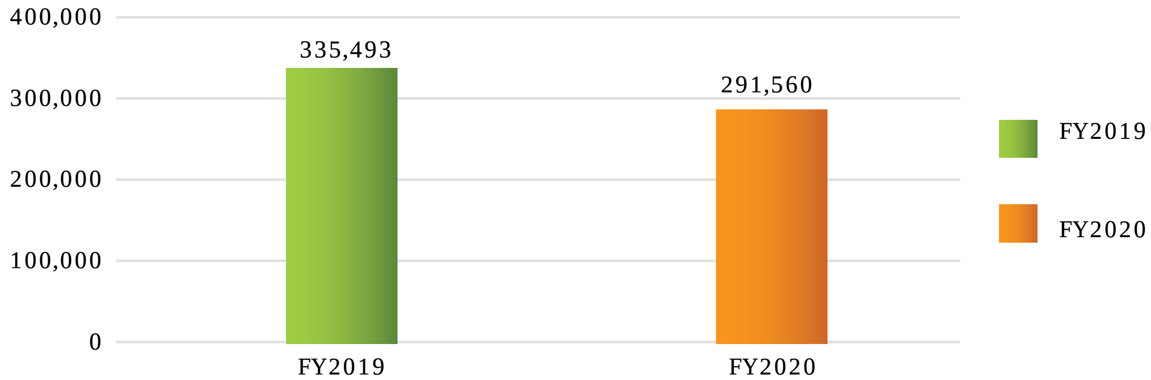
ii) Energy

The operation of CLSB's marine, logistics and warehouse divisions has direct significant impact on environment particularly the consumption of diesel for vehicles and vessels.

Electricity

In FY2020, CLSB's electricity consumption decreased by 13%, RM291,560 (FY 2019: RM335,493). CLSB initiated electricity consumption reduction by replacing to better energy-saving LED lights at Nilai Office and installed spotlights timer which is programmed to automatically switch off during non-working hours.

Electricity Consumption (Kw/H)



SUSTAINABILITY STATEMENT (continued)

Water

Water is anticipated to be a critical resource in the future, particularly with a growth in population. Similar to conserving electricity, CLSB undertook creative ideas and innovation to demonstrate our efforts for environmental-friendly and sustainable operation. We have been collecting rainwater for cleaning our prime movers.

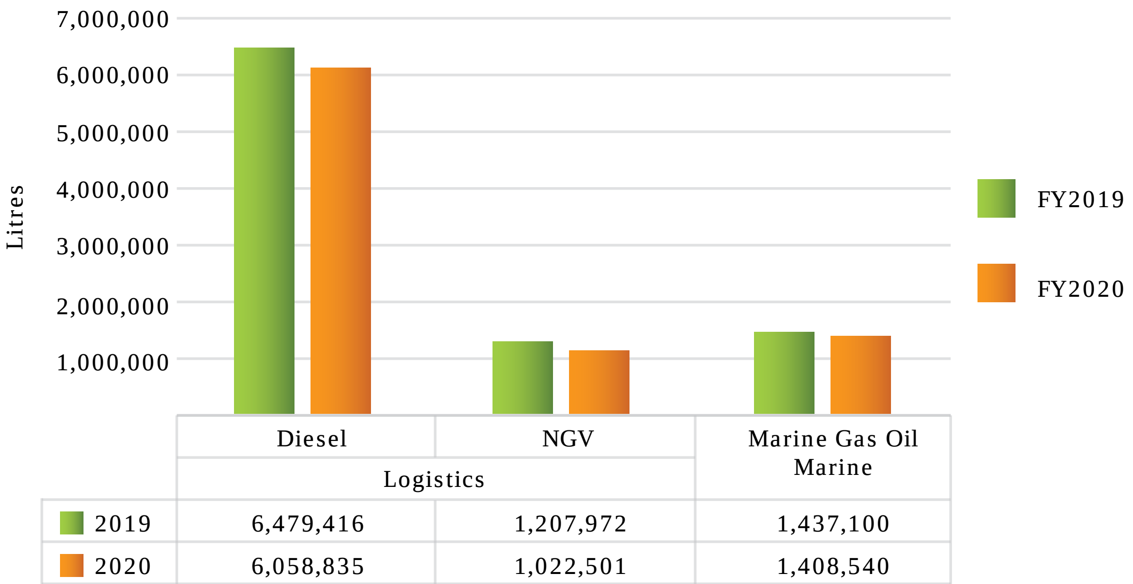
Fuel and Carbon Emission

For more efficient management of our fleet of vehicles, CLSB implemented "Total Dynamic System" in the Year 2015 to monitor fuel consumption, fuel level sensor, skid tanks and track vehicle performance via GPS, which ultimately reduced the operation costs.

CLSB's Logistics Division consumed 6,058,835 litres of diesel in FY2020 (FY2019: 6,479,416 litres), resulting in estimated carbon emission of about 1,628 tCO2-e2 (FY2019: 1,741 tCO2-e) for its vehicles such as prime movers, forklift, and side loader.

In FY2020 CLSB's Marine Division utilised 1,408,540 litres of marine gas oil for 5 vessels (FY2019: 1,437,100 litres, 5 vessels) resulting in carbon emission of about 3,909 tCO2-e2 (FY2019: 3,988 tCO2-e2). The slight decrease in both diesel and marine gas oil consumption and carbon emission in marine division were mostly from slowdown in business.

Years	Logistics Division			Marine Division		
	Diesel (Litres)	Carbon Emission (t CO2e)	%	Marine Gas Oil	Carbon Emission (t CO2e)	%
2019	6,479,416	1,741	-6%	1,437,100	3,988	-2%
2020	6,058,835	1,628		1,408,540	3,909	



SUSTAINABILITY STATEMENT (continued)

iii) Effluents and waste

Marine and logistics: CLSB monitors the effluent and waste generated by its vessels through physical observation, conduct tests on any suspected leakages, effluent and waste around the vessels. Preventive actions are carried out continuously to identify, control, and prevent any pollution and environmental hazards. We are pleased to disclose that there are zero (Nil) spills in both FY2020 and FY2019.

For Logistics: We strictly complied with the Road Transport Act (RTA), 1987 to ensure that our vehicles are in good condition and safe for driving. Under the RTA, 1987, all commercial vehicles are required to undergo routine inspection at PUSPAKOM every six months or once a year, depending on the age of the vehicles. All our vehicles met the standard limits and passed PUSPAKOM tests during the inspection, including tests measuring smokes and gasses emitted from the vehicle's engine. The standard specifies that smokes and gases should not exceed the specific legal limit for gas release less than 50%.

<u>Compliance with Laws and Standards</u>

In FY 2020, CLSB complied with all the relevant national regulations including:

Section	Types of Compliance with Laws and Standards
Labour	• Employment Act 1955 • Personal Data Protection Act 2010 • Workmen Compensation Act 1952 • Employees' Social Security Act 1969 • Employees Provident Fund Act 1991 • Income Tax Act 1967
Safety, Health and Environment	• Occupational Safety & Health Act, 1994 • Fire Service Act, 1988 • Environmental Quality act, 1974 • Standard Operating Procedures ("SOP") in relation of managing Covid 19 by Ministry of International Trade and Industry ("MITI) • Guidelines COVID-19 Management in Malaysia No.5/2020 by Ministry of Health ("MOH")
Marine	• International Safety Management Code ("ISM Code") • Ship Management System ("SMS") • Maritime Transport Regulations Act
Transportation	• Road Transport Act 1987 (RTA)

iv) Environmental Compliance

CLSB is committed to a "Compliance Culture" where environmental matters are of high priority to CLSB. We endeavour to comply with all applicable laws, regulations, and statutory obligations relating to environmental issues. In FY2020, we had not been penalised for any significant environmental laws and regulations violations, neither were we imposed with any fines or non-monetary sanctions for non-compliance with environmental violations by the Department of Environment (FY2019: Nil).

SUSTAINABILITY STATEMENT (continued)

Social

i) Occupational Health and Safety

We continuously comply and adopt all applicable occupational health and safety rules and regulations such as Occupational Safety and Health Act 1994, International Safety Management Code ("ISM Code") and Ship Management System ("SMS") to ensure safety at workplace and sea as well as prevent any injuries within the vicinity.

Safety Committees

In compliance with the requirements of the Occupational Safety and Health Act 1994, CLSB has established a Safety Committee to develop and implement policies, action plans, and safety activities programmes. The committee comprises of the President of Safety Committee, Secretary Safety Committee, and Committee Members. Each member is assigned with specific roles, responsibilities and tasks to perform including conducting safety awareness and regular safety reviews to identify areas of improvement on health and safety.

Safety Committee	Requirement	Task Description
President of Safety Committee	• Top Management Level • Ownership of Company • Main Shareholder	• Create policy and objective of occupational safety and health • Responsible for the implementation of safety and health • Reviewing the effective level of safety and health at workplace and review the safety activities programs
Secretary Safety Committee	• Able to apply safe and healthy working method and understand the rules of safety and health regulation and act • Have good competence	• Organizing regular meetings • Control all documents and data on occupational safety and health • Provide support and advice to each division to ensure that occupational safety and health activities are successfully implemented • Investigating all work accidents that occur and taking action and prevention • Provide reports and lists to Department Occupational Safety & Health (DOSH) about unsafe actions and unsafe conditions at work
Committee Members	• Representative of one unit or division or department • Able to apply safe and healthy work methods • Have good competence	• Identification of unsafe actions and conditions in their respective workplaces • Implementing programs or activities to ensure safe and healthy workplaces • Report to the safety committee

With the recent pandemic outbreak of the Coronavirus pandemic (COVID-19), CLSB monitored closely the Ministry of International Trade and Industry ("MITI")'s Standard Operating Procedures ("SOP") and Ministry of Health ("MOH") guidelines to take appropriate steps constantly to ensure maximum protection of employees and business especially in areas reporting COVID-19.

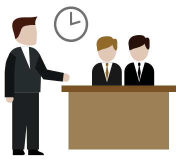
SUSTAINABILITY STATEMENT (continued)

ii) Training and education

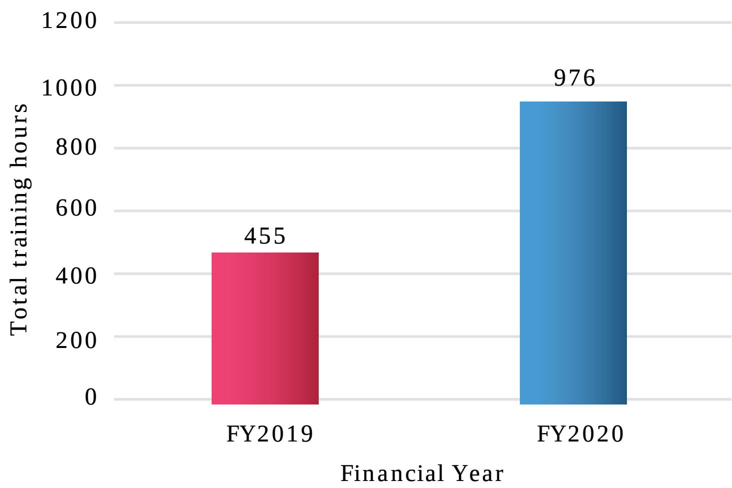
CLSB supports the growth and development of our employees. We provide a platform to develop the potential of our employees and strive to foster a workplace environment in which everyone is able to improve and strengthen their skillsets, further in their careers, and achieve their goals. We invested a total of 976 training hours for our employees in FY2020 (FY2019: 455 hours). The breakdown of the training hours is as shown below:

SUMMARY OF WORKFORCE TRAINING AT CLSB IN 2020

Number of training courses attended **41**



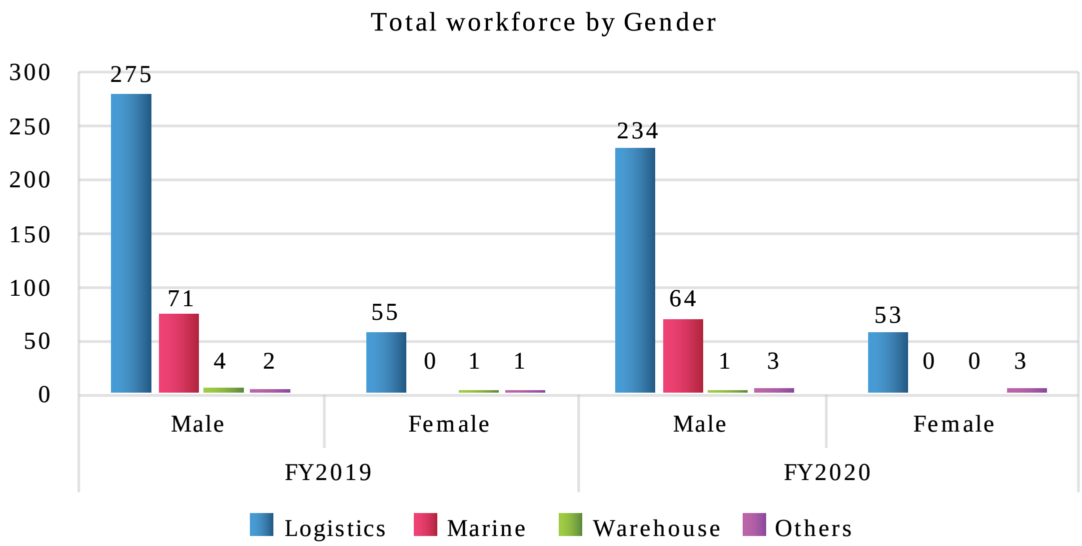
Average training hours per employee in FY2020 **2.73**



iii) Diversity and Equal Opportunity

CLSB is committed in providing equality of opportunities to all employees with no discrimination on race, religion, age, gender, ethnicity, disability, pregnancy, protected genetic information or marital status. We foster a diverse workforce and focus on career development & engagement, skills, and dedication.

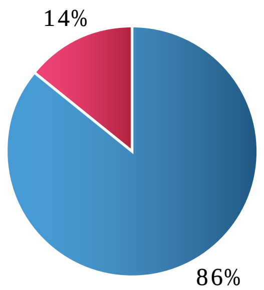
Across the Company, our male outnumbered female workforce considering the business nature and models of logistics and marine working environment. Male employees accounted for 84%, while the remaining 16% for women. (FY 2019: Male 86%: Female 14%).



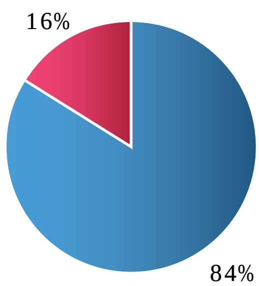
SUSTAINABILITY STATEMENT (continued)

We encourage women participation in all positions, we hired them for employment in the operational division workforce; women comprising almost 60% in office administration and customer service roles while our male employees represented 40%.

Percentage of employee by gender for FY2019

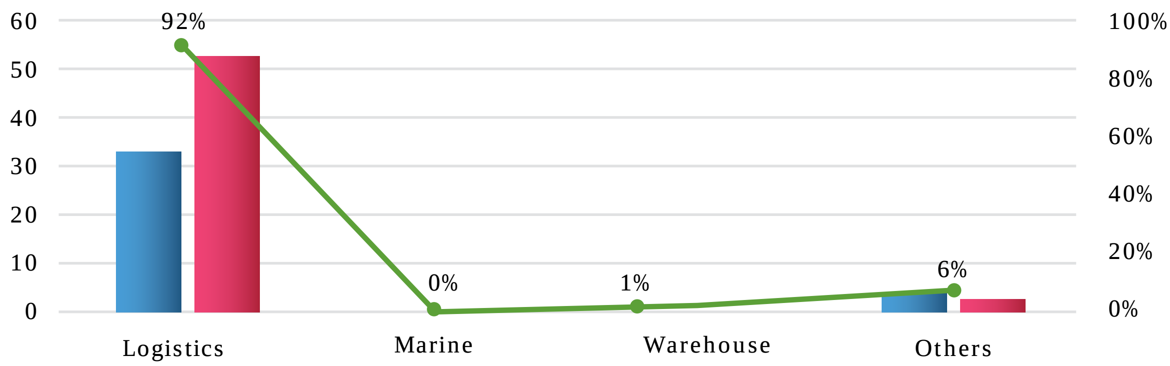


Percentage of employee by gender for FY2020



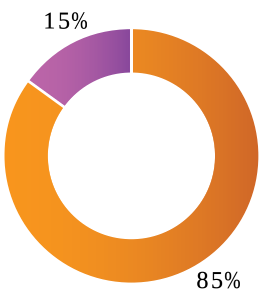
Male Female

Proportion of office staffs for different gender for FY2020

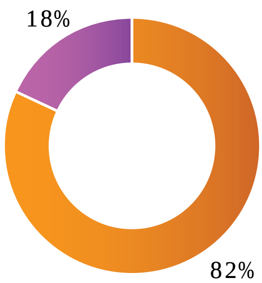


CLSB encourages diversity, approximately 82% of our workforce are Malaysian, and the remaining 18% were from other ethnic group and foreigners. (FY2019 Malaysian 85%; Non-Malaysian 15%). Whenever possible, we hire local employees at our operations.

Percentage of employees by nationality for FY2019



Percentage of employees by nationality for FY2020

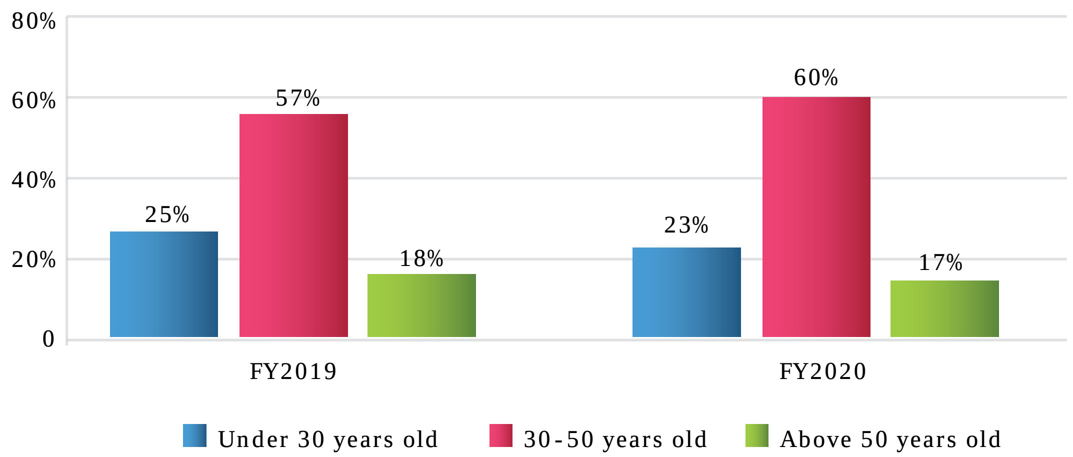


Malaysian Non-Malaysian

SUSTAINABILITY STATEMENT (continued)

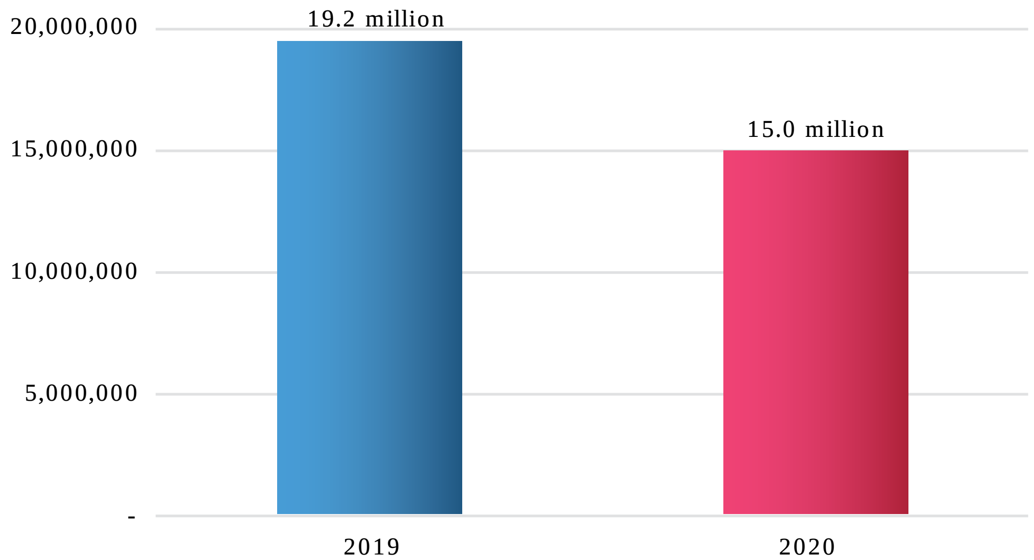
CLSB has a young workforce profile where almost 60% (FY2019: 57%) of our workforce is between the age band of 30 – 50 years, while 23% (FY2019:25%) of our workforce were below 30 years of age, and the remaining 17% (F2019: 18%) comprising employees aged above 50 years. Our senior employees, those above 50 years, share their experiences focusing their roles in providing guidance and mentorship to our young employees. CLSB continues to engage effectively with our employees and employing more graduates and trainees to be part of our workforce through nurturing career development prospects.

Total workforce by Gender



Our manpower costs reduced by 22% in FY2020 as compared to FY2019.

Staff cost trend for year 2019 and 2020



iv) Employees' Benefits

Our employees are the most valuable keystones of our organisation's key successes, and to encourage closer bond with employees, we organised several events such as teambuilding exercises intended to nurture commitment, enhance communication, encourage teamwork, create positive office culture, and embrace the desire for change to operate more sustainably.

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 2020 ("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;
- 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

Our Chairman is a Non-Independent Non-Executive Director and the Board noted the recommendation of the Code 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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (continued)

Company Secretary

The Company Secretary is responsible for ensuring that the Board procedures and relevant laws and regulations are complied with and advises 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 advice 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) member 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 8 and 9 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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (continued)

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 Code 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).

Nominating Committee

The Nominating Committee comprises two (2) Independent Non-Executive Directors and one Non-Independent Non-Executive Director as follows:

	Designation	No. of Meetings Attended
Chairman		
Datuk Iskandar Bin Sarudin	Independent Non-Executive	1/2
Members		
Dato' Dr Ibrahim Bin Ahmad	Non-Independent Non-Executive	2/2
Leou Thiam Lai (Appointed on 26 February 2020)	Independent Non-Executive	-
Yet Kiong Siang (Retired on 28 August 2019)	Independent Non-Executive	2/2

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 experiences of its members is sufficient for the discharge of their duties and responsibilities effectively.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (continued)

Remuneration Committee

The Remuneration Committee comprises two (2) Independent Non-Executive Directors and one Executive Director as follows:

	Designation	No. of Meetings Attended
Chairman		
Datuk Iskandar Bin Sarudin	Independent Non-Executive	1/1
Members		
Law Hee Ling	Managing Director	1/1
Leou Thiam Lai (Appointed on 26 February 2020)	Independent Non-Executive	-
Yet Kiong Siang (Retired on 28 August 2019)	Independent Non-Executive	-

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.

Directors' Remuneration

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

The remuneration in aggregate and by band, paid or payable to the Directors and Senior Management are disclosed in Note 34 to the Financial Statements on page 98 of this Report.

The detailed breakdown of remuneration on named basis, paid or payable to all Directors of the Company during the financial year ended 31 March 2020 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 2020 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	Status of Directorship	No. of Meetings Attended
Dato' Dr Ibrahim Bin Ahmad	Non-Independent Non-Executive Chairman	4/5
Law Hee Ling	Managing Director	5/5
Chia Kah Ying	Executive	5/5
Datuk Iskandar Bin Sarudin	Independent Non-Executive	4/5
Leou Thiam Lai	Independent Non-Executive	1/1
Yet Kiong Siang	Independent Non-Executive	2/2

CORPORATE GOVERNANCE OVERVIEW STATEMENT (continued)

Place, date and time of Board Meeting

	Place of meeting	Date	Time
1.	Nilai Inland Port, PT 3907, Nilai Industrial Estate, 71800 Nilai.	29/05/2019	12.00 p.m.
2.	No. 25, Jalan Berangan, 42000 Port Klang.	18/07/2019	12.00 p.m.
3.	Nilai Inland Port, PT 3907, Nilai Industrial Estate, 71800 Nilai.	28/08/2019	3.30 p.m.
4.	Nilai Inland Port, PT 3907, Nilai Industrial Estate, 71800 Nilai.	25/11/2019	4.00 p.m.
5.	No. 25, Jalan Berangan, 42000 Port Klang.	26/02/2020	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
Datuk Iskandar Bin Sarudin	• The Convergence of Digitisation and Sustainability • Case Study Workshop for Independent Directors • Top Seminar Session 1: Construction of the medical school hospital open to the patient Session 2: Vision of Leadership Session 3: Creative Ideas, Creative People Session 4: Change or Die! Session 5: Why DIVERSITY is important
Chia Kah Ying	• Workshop on "Hands On Excel Training for Selected MFRS

CORPORATE GOVERNANCE OVERVIEW STATEMENT (continued)

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 Audit Committee.

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 Audit Committee 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 Audit Committee in relation to the external auditors is explained in the Audit Committee Report set out on page 29 to 31 of this Report.

The Board, through the Audit Committee, has always maintained an appropriate and transparent relationship with the external auditors. The Audit Committee had assessed the external auditors' suitability, technical competence and independence. Being satisfied with the assessment, the Audit Committee 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 page 32 to 34 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 Audit Committee 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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (continued)

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 35 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 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 14 August 2020.

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 2020.

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 2020 are as follows:-

	Designation	No. of Meetings Attended
Chairman		
Datuk Iskandar Bin Sarudin *(Re-designated on 26 February 2020)*	Independent Non-Executive	4/5
Yet Kiong Siang *(Retired on 28 August 2019)*	Independent Non-Executive	2/2
Member		
Dato' Dr Ibrahim Bin Ahmad	Non-Independent Non-Executive	4/5
Leou Thiam Lai *(Appointed on 24 February 2020)*	Independent Non-Executive	1/1

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.

AUDIT COMMITTEE REPORT (continued)

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

(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;
(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;

AUDIT COMMITTEE REPORT (continued)

(f) considered and recommended to the Board for approval on the audit fees payable to the internal and external auditors;
(g) reviewed the annual internal audit programme and plan;
(h) reviewed the internal audit findings, recommendations for improvement and corrective action taken by Management on the audit findings;
(i) reviewed the related party transactions entered into by the Group; and
(j) reviewed the acquisition/disposal of investment/fixed assets.

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 internal audit function executes the audits based on audit plans approved by the Audit Committee. The results of the audit review are periodically reported to the Audit Committee.

The internal audits conducted had not revealed any weaknesses which would result in material losses, contingencies or uncertainties that would require separate disclosure in the Group's annual report. Further details of the internal audit function are set out in the Statement on Risk Management and Internal Control on page 32 to 34 of this Annual Report.

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 14 August 2020 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. However, the Group's system of internal control does not apply to associated company where the Group does not have direct control over their business operations.

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. The Group has established the Risk Management Committee ("RMC") with the primary responsibility of ensuring the effective functioning of the integrated risk management function within the Group.

The principal roles and responsibilities of RMC are stated in the risk management policy which provides the framework in managing the strategic and operational risks. The level of tolerance is guided in the policy by a risk likelihood and impact matrix which enables the risk to be ranked accordingly.

The composition of the RMC is as follows:

	Designation	No. of Meetings Attended
Chairman		
Datuk Iskandar Bin Sarudin (Redesignated on 26 February 2020)	Independent Non-Executive	3/4
Yet Kiong Siang (Retired on 28 August 2019)	Independent Non-Executive	1/1
Members		
Law Hee Ling	Managing Director	4/4
Leou Thiam Lai (Appointed on 26 February 2020)	Independent Non-Executive	1/1

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (continued)

The Risk Management Team, comprises of heads of department, performs 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 Management Team presented the risk management reports to the RMC on a quarterly basis. The risk management practices of the Group served as an on-going process 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.

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. 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 Joe Lee who has diverse professional experience in internal audit, risk management and corporate governance advisory. He is a Certified Internal Auditor (USA), Certified Public Accountant with Malaysian Institute of Certified Public Accountant and Certified Professional in Supply Management (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	• Credit control and collection • Sales and business development
Pengangkutan Sekata Sdn Bhd	• Maintenance management

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (continued)

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.

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 2020 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 2020 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 2020 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 14 August 2020.

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 2020, 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 14 August 2020.

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

The Company had on 13 August 2019 entered into a conditional share purchase agreement with SH Cogent Logistics Pte. Ltd for the disposal of 80% of its equity interests in Dolphin Shipping Agency Sdn Bhd, Guper Integrated Logistics Sdn Bhd and Gems Logistics Sdn Bhd for a total cash consideration of RM85,600,000. The disposal was completed on 14 February 2020 and the proceeds are utilised as follows:

	Proposed Utilisation RM'000	Actual Utilisation RM'000	Deviation RM'000	Balance RM'000	Estimated Timeframe
Future investment	40,000	-	-	40,000	Within 24 months
Dividend to shareholders	20,320	-	-	20,320	Within 3 months
Working capital	20,280	-	-	20,280	Within 24 months
Estimated expenses	5,000	3,220	-	1,780	Upon completion*
Total	85,600	3,220	-	82,380	

* The balance of the estimated expenses of RM1.78 million will be allocated for the Group's working capital purposes.

2. Audit and Non-Audit Fees

The details of the audit and non-audit fees paid/payable for the financial year ended 31 March 2020 are as follows:

	Group RM	Company RM
Audit Fee	147,900	45,000
Non-Audit Fee		
• Statement on Risk Management and Internal Control	5,000	5,000
	152,900	50,000

3. Deviation in Results

There was no variance by more than 10% between the audited results for the financial year ended 31 March 2020 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 2020 pursuant to the Shareholders' Mandate obtained by the Company at the last Annual General Meeting held on 28 August 2019 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.	210
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. - Renting of warehouse to EWF - Renting of office premise to EWF.	2,354 1,168 735 24
3	East West Logistics Sdn Bhd ("EWL")	LHL	LHL is an indirect major shareholder of EWL through his major sahreholding in DASB, a major sahreholder of EWL.	- Provision of warehousing & related services by EWL	29
4	Marine Liferaft Service Centre Sdn Bhd ("MLSC")	DIA	DIA is a director and major shareholder of MLSC.	- Supply of fuel by MLSC.	3,459
5	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. DIA is a director and 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.	3,582 166
6	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.	536

FINANCIAL STATEMENTS

DIRECTORS' REPORT
AS AT 31 MARCH 2020

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 2020.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The principal activities of the subsidiaries are set out in Note 9 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	46,240,837	100,987,767
Attributable to:		
Owners of the Company	46,312,406	100,987,767
Non-controlling interests	(71,569)	-
	46,240,837	100,987,767

DIVIDENDS

The Company paid an interim dividend of 16 sen per ordinary share amounting to RM20,268,672 for the financial year ended 31 March 2020 on 26 August 2019.

On 27 April 2020, the Company declared an interim dividend of 16 sen per ordinary share amounting to RM20,325,952, payable on 12 June 2020, to shareholders whose names appeared in the record of depositors on 14 May 2020. The financial statements for the current financial year do not reflect this interim dividend. Such dividend will be accounted for in equity as an appropriation of retained profits in the financial year ending 31 March 2021.

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

On 17 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 289,000, 1,211,400 and 87,500 new ordinary shares at an issue price of RM0.55, RM0.62 and RM0.68 per share respectively 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.

There were no issues of debentures by the Company.

Relevant details on the issued share capital are disclosed in Note 15 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 2020, the Company held a total number of 319,300 treasury shares out of its 126,998,500 issued and fully paid-up ordinary shares at a carrying amount of RM131,249.

Relevant details on the treasury shares are disclosed in Note 18 to the financial statements.

DIRECTORS' REPORT (continued)
AS AT 31 MARCH 2020

OPTIONS GRANTED OVER UNISSUED SHARES

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

In previous financial years, the Company granted share options to eligible directors and employees of the Group under the 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 50,000 (2019: 204,000) ordinary shares were forfeited during the financial year due to the resignations of employees and a total of 573,000 (2019: 1,834,400) ordinary shares were 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 25,000 (2019: 32,000) ordinary shares were forfeited due to the resignations of employees and a total of 375,500 (2019: 488,000) ordinary shares are 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 95,000 (2019: 85,000) ordinary shares were forfeited due to the resignations of employees and a total of 770,000 (2019: 865,000) ordinary shares were exercisable at the end of the reporting period. On 3 September 2018, 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 80,000 (2019: 62,000) ordinary shares were forfeited due to the resignations of employees and a total of 270,000 (2019: 639,000) ordinary shares were 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.

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% (2019: 100%) 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 2020

OPTIONS GRANTED OVER UNISSUED SHARES (continued)

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 1,211,400 ordinary shares under the SIS 1, 87,500 ordinary shares under the SIS 2 and 289,000 ordinary shares under the SIS 4 were exercised by the eligible directors and employees of the Group.

Relevant details on the SIS are disclosed in Note 17 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 58,000 ordinary shares. The option holders other than the Directors whose details are disclosed in the Directors' Interests, who were granted options to subscribe for 58,000 ordinary shares or more are as follows:

	Number of options over ordinary shares			
	At 1.4.2019	**Exercised**	**Forfeited**	**At 31.3.2020**
Shares options of the Company				
Azman Bin Abdullah	65,000	(15,000)	-	50,000
Catherine Tan Bee Shuen	72,000	(10,000)	-	62,000
Ching Lee Ting	66,000	(8,000)	-	58,000
Chong Weh Lian	119,000	(45,000)	-	74,000
Choo Kin San	61,000	(23,000)	-	38,000
Goh Wee Wee	91,000	(5,000)	-	86,000
Hong Chee Siong	90,000	-	-	90,000
Koh Sen Chun	98,000	(48,000)	-	50,000
Lim Wen Pei	62,000	(15,000)	-	47,000
Mardzita Binti Yahya	80,000	(30,000)	-	50,000
Mazilan Bin Ahmad	60,000	(50,000)	-	10,000
Mohamad Helmi Bin Hashim	100,000	-	(100,000)	-
Mohd Saihani Bin Sait	80,000	-	(80,000)	-
Moorthy A/L Kuppusamy	70,000	(70,000)	-	-
Nor Haidzan Binti Abd Halim	108,000	(42,000)	-	66,000
Noraini Binti Abd Aziz	90,000	(30,000)	-	60,000
Siti Fariza Binti Miskam	68,000	(15,000)	-	53,000
Yap Kai Yin	97,400	(22,400)	-	75,000

DIRECTORS' REPORT (continued)
AS AT 31 MARCH 2020

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
Datuk Iskandar Bin Sarudin
Leou Thiam Lai (Appointed on 24 February 2020)
Yet Kiong Siang (Retired on 28 August 2019)

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:

Yau Lian Yeow
Masayu Binti Muhamad (Resigned on 3 September 2019)
Haniza Binti Ibrahim (Resigned on 14 February 2020)
Koh Sen Chun (Resigned on 14 February 2020)

In accordance with Article 131.1 of the Company's Constitution, Datuk Iskandar Bin Sarudin retires at the forthcoming Annual General Meeting and, being eligible, offer himself for re-election.

In accordance with Article 116 of the Company's Constitution, Leou Thiam Lai retires at the forthcoming Annual General Meeting and, being eligible, offers himself 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 2020 as recorded in the Register of Directors' Shareholdings kept by the Company under Section 59 of the Companies Act 2016 were as follows:

	Number of ordinary shares			
	At 1.4.2019	**Bought**	**Sold**	**At 31.3.2020**
Shares in the Company				
Direct interests:				
Dato' Dr Ibrahim Bin Ahmad	100,000	-	-	100,000
Chia Kah Ying	1,531,800	400,000	-	1,931,800
Law Hee Ling	13,794,500	400,000	-	14,194,500
Indirect interests:				
Dato' Dr Ibrahim Bin Ahmad	9,000,000	-	-	9,000,000
Law Hee Ling	55,729,200	-	-	55,729,200

	Number of options over unissued ordinary shares			
	At 1.4.2019	**Granted**	**Exercised**	**At 31.3.2020**
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 2020

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 35 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 34 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 2020

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 9 to the financial statements.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

The significant events during the financial year are disclosed in Note 38 to the financial statements.

SIGNIFICANT EVENTS OCCURRING AFTER THE REPORTING PERIOD

The significant events occurring after the reporting period are disclosed in Note 39 to the financial statements.

AUDITORS

The auditors, Crowe Malaysia PLT, have expressed their willingness to continue in office.

The details of the auditors' remuneration are disclosed in Note 27 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

14 August 2020

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 50 to 115 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 2020 and of their financial performance and cash flows for the financial year then ended.

On behalf of the Board,

Law Hee Ling
Director

Chia Kah Ying
Director

14 August 2020

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 50 to 115 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
14 August 2020

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 2020 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 50 to 115.

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 2020, 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 12 to the financial statements

Key Audit Matter

As of the reporting date, the Group's total trade receivables amounted to RM13.97 million is stated net of allowance for impairment losses of RM0.42 million. Trade receivables are major component of the financial position of the Group. 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 collections for major trade receivables and overdue amounts;
- Tested samples of trade receivables 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)

Key Audit Matters (continued)

Disposal of significant subsidiaries

Refer to Note 33 to the financial statements

Key Audit Matter	*How our audit addressed the Key Audit Matter*
On 13 August 2019, the Company disposed of 80% of its equity interests in Dolphin Shipping Agency Sdn. Bhd., Guper Integrated Logistics Sdn. Bhd. and Gems Logistics Sdn. Bhd. (collectively referred to as the "Subject Companies") for a total cash consideration of RM85,600,000. Following the completion of the disposal, the Subject Companies became associates of the Company. The partial disposal of the Subject Companies is identified as a key audit matter as the amount involved is significant.	Our audit procedures included, among others: • Reviewed the share purchase agreement and shareholders agreement to ascertain the correctness of the partial disposal; • Assessed the reasonableness of management's evaluation of the existence of significant influence on Subject Companies to qualify as associates and estimates in the remeasurement of the fair value of retained interests in Subject Companies; • Read the valuation report and interviewed the valuer to ascertain and challenge the methodologies uesd by the valuer are appropriate; • Reviewed the accuracy of the computation on the gain on partial disposal of the Subject Companies; and • Assessed the adequacy of the presentation and disclosure made in the financial statements.

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 9 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
201906000005 (LLP0018817-LCA) & AF 1018
Chartered Accountants

Chan Kuan Chee
02271/10/2021 J
Chartered Accountant

14 August 2020

Kuala Lumpur

STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2020

		Group		Company	
		2020	2019	2020	2019
	Note	RM	RM	RM	RM
Assets					
Non-current assets					
Property, plant and equipment	7	40,216,054	131,218,154	1,150	13,510
Right-of-use assets	8	42,022,897	-	-	-
Investments in subsidiaries	9	-	-	20,658,935	59,150,019
Investments in associates	10	21,638,098	-	21,400,000	-
		103,877,049	131,218,154	42,060,085	59,163,529
Current assets					
Inventories	11	-	244,972	-	-
Trade and other receivables	12	19,013,678	33,890,139	63,177,388	47,380,347
Tax recoverable		-	491,826	25,633	7,488
Cash and cash equivalents	13	99,072,720	25,060,485	95,311,282	10,919,241
		118,086,398	59,687,422	158,514,303	58,307,076
Non-current assets held for sale	14	-	1,849,998	-	-
		221,963,447	192,755,574	200,574,388	117,470,605
Equity and liabilities					
Equity attributable to owners of the Company					
Share capital	15	70,477,440	68,850,085	70,477,440	68,850,085
Retained earnings	16	107,351,130	81,245,266	127,320,678	46,539,453
Other reserves	17	732,353	1,028,390	732,353	1,028,390
Treasury shares	18	(131,249)	(131,249)	(131,249)	(131,249)
Shareholders' equity		178,429,674	150,992,492	198,399,222	116,286,679
Non-controlling interests		999,604	791,173	-	-
Total equity		179,429,278	151,783,665	198,399,222	116,286,679
Non-current liabilities					
Leases liabilities	19	15,819,617	-	-	-
Term loans	20	11,368,494	14,089,513	-	-
Deferred tax liabilities	21	2,234,992	6,113,092	-	-
		29,423,103	20,202,605	-	-
Current liabilities					
Trade and other payables	22	8,623,529	16,623,276	2,175,166	1,183,926
Leases liabilities	19	575,137	-	-	-
Term loans	20	3,827,566	4,146,028	-	-
Tax liabilities		84,834	-	-	-
		13,111,066	20,769,304	2,175,166	1,183,926
Total liabilities		42,534,169	40,971,909	2,175,166	1,183,926
Total equity and liabilities		221,963,447	192,755,574	200,574,388	117,470,605

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 2020

		Group		Company	
		2020	2019	2020	2019
	Note	RM	RM	RM	RM
Revenue	25	108,169,338	124,099,035	34,450,473	23,958,000
Cost of sales	26	(90,200,227)	(101,536,575)	-	-
Gross profit		17,969,111	22,562,460	34,450,473	23,958,000
Other income		49,900,349	1,652,299	78,867,135	254,447
Marketing and distribution costs		(702,982)	(684,498)	-	-
Administrative expenses		(4,584,874)	(5,452,002)	(280,848)	(315,009)
Other expenses		(12,199,034)	(3,551,805)	(12,039,638)	(2,089,983)
Finance costs		(1,440,620)	(779,594)	-	-
Share of results of associates	10	238,098	-	-	-
Profit before tax	27	49,180,048	13,746,860	100,997,122	21,807,455
Tax (expense)/credit	28	(2,939,211)	(3,076,550)	(9,355)	542
Profit after tax		46,240,837	10,670,310	100,987,767	21,807,997
Other comprehensive income		-	-	-	-
Total comprehensive income		46,240,837	10,670,310	100,987,767	21,807,997
Profit after tax attributable to:					
Owners of the Company		46,312,406	10,685,833	100,987,767	21,807,997
Non-controlling interests		(71,569)	(15,523)	-	-
		46,240,837	10,670,310	100,987,767	21,807,997
Total comprehensive income attributable to:					
Owners of the Company		46,312,406	10,685,833	100,987,767	21,807,997
Non-controlling interests		(71,569)	(15,523)	-	-
		46,240,837	10,670,310	100,987,767	21,807,997
Basic earnings per ordinary share (sen)	30	36.7	8.6		
Diluted earnings per ordinary share (sen)	30	36.7	8.5		

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

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

Group	Note	Attributable to owners of the Company						
		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 2018		67,464,127	578,380	(131,249)	70,487,992	138,399,250	806,696	139,205,946
Contributions by and distributions to owners of the Company:								
Share option expenses		-	998,547	-	-	998,547	-	998,547
Exercise of Share Issuance Scheme option	15	1,385,958	(548,537)	-	71,441	908,862	-	908,862
Total transactions with owners		1,385,958	(548,537)	-	71,441	908,862	-	908,862
Profit after tax/Total comprehensive income		-	-	-	10,685,833	10,685,833	(15,523)	10,670,310
At 31 March/1 April 2019		68,850,085	1,028,390	(131,249)	81,245,266	150,992,492	791,173	151,783,665
Contributions by and distributions to owners of the Company:								
Share option expenses		-	423,930	-	-	423,930	-	423,930
Acquisition of a subsidiary		-	-	-	-	-	280,000	280,000
Exercise of Share Issuance Scheme option	15	1,627,355	(719,967)	-	62,130	969,518	-	969,518
Dividend	29	-	-	-	(20,268,672)	(20,268,672)	-	(20,268,672)
Total transactions with owners		1,627,355	(719,967)	-	(20,206,542)	(19,299,154)	-	(19,299,154)
Profit after tax/Total comprehensive income		-	-	-	46,312,406	46,312,406	(71,569)	46,240,837
At 31 March 2020		70,477,440	732,353	(131,249)	107,351,130	178,429,674	999,604	179,429,278

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

STATEMENTS OF CHANGES IN EQUITY (continued)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

Company	Note	Share capital RM	Share option reserve RM	Treasury shares RM	Retained earnings RM	Total equity RM
At 1 April 2018		67,464,127	578,380	(131,249)	24,660,015	92,571,273
Contributions by and distributions to owners of the Company:						
Share option expenses		-	998,547	-	-	998,547
Exercise of Share Issuance Scheme option	15	1,385,958	(548,537)	-	71,441	908,862
Profit after tax/Total comprehensive income		-	-	-	21,807,997	21,807,997
At 31 March/1 April 2019		68,850,085	1,028,390	(131,249)	46,539,453	116,286,679
Contributions by and distributions to owners of the Company:						
Share option expenses		-	423,930	-	-	423,930
Exercise of Share Issuance Scheme option	15	1,627,355	(719,967)	-	62,130	969,518
Profit after tax/Total comprehensive income		-	-	-	100,987,767	100,987,767
Dividend	29	-	-	-	(20,268,672)	(20,268,672)
At 31 March 2020		70,477,440	732,353	(131,249)	127,320,678	198,399,222

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

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

		Group		Company	
		2020	2019	2020	2019
	Note	RM	RM	RM	RM
Operating activities					
Profit before tax		49,180,048	13,746,860	100,997,122	21,807,455
Adjustments for:					
Depreciation of property, plant and equipment	7	5,993,313	7,389,619	13,610	67,776
Depreciation of right-of-use assets	8	923,127	-	-	-
Dividend income from subsidiaries	25	-	-	(34,366,473)	(23,874,000)
Impairment loss on:					
- investments in subsidiaries	9	-	-	10,783,713	294,951
- property, plant and equipment	7	8,671,687	-	-	-
- trade receivables	12	169,124	141,478	-	-
- amounts owing by subsidiaries	12	-	-	-	480,000
Interest expense		1,440,620	779,594	-	-
Interest income		(652,350)	(295,113)	(531,372)	(252,033)
Net gain on disposal of property, plant and equipment and right-of-use assets		(2,804,302)	(572,597)	-	-
Net gain on disposals of subsidiaries		(45,619,822)	-	(76,506,069)	-
Net unrealised loss/(gain) on foreign exchange		9,398	(169,887)	-	-
Reversal of impairment loss on:					
- investments in subsidiaries	9	-	-	(1,200,000)	-
- trade receivables	12	-	(25,445)	-	-
Share of results of associates	10	(238,098)	-	-	-
Share option expense		423,930	998,547	423,930	998,547
Operating profit/(loss) before working capital changes		17,496,675	21,993,056	(385,539)	(477,304)
Changes in working capital:					
Inventories		244,972	306,265	-	-
Trade and other receivables		(82,099,569)	1,723,957	(14,410)	-
Contract assets		-	(174,064)	-	-
Trade and other payables		80,196,987	(1,179,001)	(30,108)	51,420
Contract liabilities		-	266,720	-	-
Cash generated from/(used in) operations		15,839,065	22,936,933	(430,057)	(425,884)
Tax paid		(3,418,952)	(2,691,819)	(27,500)	(32,000)
Tax refunded		1,145,511	873,567	-	92,762
Net cash from/(used in) operating activities		13,565,624	21,118,681	(457,557)	(365,122)

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

STATEMENTS OF CASH FLOWS (continued)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

		Group		Company	
	Note	2020 RM	2019 RM	2020 RM	2019 RM
Investing activities					
Advances to an associate		(2,543,422)	-	(2,543,422)	-
Advances to subsidiaries		-	-	(13,239,209)	(2,729,605)
Dividend received		-	-	34,366,473	23,874,000
Interest received		652,350	295,113	531,372	252,033
Net cash inflows from the disposals of subsidiaries	33	84,981,384	-	84,643,440	-
Net cash outflows from the acquisitions of subsidiaries	32	(218,980)	-	(630,000)	-
Proceeds from disposal of property, plant and equipment and right-of-use assets		11,828,979	1,523,461	-	-
Purchase of property, plant and equipment	7	(13,212,534)	(9,824,675)	(1,250)	-
Net cash from/(used in) investing activities		81,487,777	(8,006,101)	103,127,404	21,396,428
Financing activities					
Advances from a Director		183,587	-	-	-
Advances from/(Repayment to) subsidiaries		-	-	1,021,348	(17,188,706)
Dividends paid	29	(20,268,672)	-	(20,268,672)	-
Drawdown of term loans	13	5,608,361	5,000,000	-	-
Interest paid		(1,440,620)	(779,594)	-	-
Proceeds from shares issued		969,518	908,862	969,518	908,862
Repayment of hire purchase liabilities		-	(82,456)	-	-
Repayment of lease liabilities	19	(224,319)	-	-	-
Repayment of term loans	13	(5,869,021)	(4,797,636)	-	-
Net cash (used in)/from financing activities		(21,041,166)	249,176	(18,277,806)	(16,279,844)
Net changes in cash and cash equivalents		74,012,235	13,361,756	84,392,041	4,751,462
Cash and cash equivalents at the beginning of financial year		24,895,485	11,533,729	10,919,241	6,167,779
Cash and cash equivalents at the end of financial year	13	98,907,720	24,895,485	95,311,282	10,919,241

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

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2020

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 14 August 2020.

2 PRINCIPAL ACTIVITIES

The Company is an investment holding company. The principal activities of the subsidiaries are set out in Note 9 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.

Subsidiaries are entities controlled by the Group. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect returns through its power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive. The Group also considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee’s return.

4 SIGNIFICANT ACCOUNTING POLICIES (continued)

4.2 Basis of consolidation (continued)

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.

(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 9 or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

NOTES TO THE FINANCIAL STATEMENTS
31 March 2020 (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	Not applicable (2019: 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. An impairment loss is recognised 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.

NOTES TO THE FINANCIAL STATEMENTS
31 March 2020 (continued)

4 SIGNIFICANT ACCOUNTING POLICIES (continued)

4.4 Investments in subsidiaries

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.

Investments in subsidiaries are eliminated on consolidation.

On the disposal of the investments in subsidiaries, the difference between the net disposal proceeds and the carrying amount of the investments is recognised in profit or loss.

4.5 Investments in associates

An associate is an entity in which the Group and the Company have a long-term equity interest and where it exercises significant influence over the financial and operating policies.

Investments in associates are stated at cost in the statement of financial position of the Company, and are reviewed for impairment at the end of the reporting period if events or changes in circumstances indicate that the carrying values may not be recoverable. The cost of the investment includes transaction costs.

The investment in an associate is accounted for in the consolidated financial statements using the equity method based on the financial statements of the associate made up to 31 March 2020. The Group's share of the post acquisition profits and other comprehensive income of the associate is included in the consolidated statement of profit or loss and other comprehensive income, after adjustment if any, to align the accounting policies with those of the Group, from the date that significant influence commences up to the effective date on which significant influence ceases or when the investment is classified as held for sale. The Group's investment in the associate is carried in the consolidated statement of financial position at cost plus the Group's share of the post acquisition retained profits and reserves. The cost of investment includes transaction costs.

When the Group's share of losses exceeds its interest in an associate, the carrying amount of that interest is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation. The interest in the associate is the carrying amount of the investment in the associate determined using the equity method together with any long-term interests that, in substance, form part of the Group's net investment in the associate.

Unrealised gains or losses on transactions between the Group and the associate are eliminated to the extent of the Group's interest in the associate. Unrealised losses are eliminated unless cost cannot be recovered.

When the Group ceases to have significant influence over an associate and the retained interest in the former associate is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as the initial carrying amount of the financial asset in accordance with MFRS 9. Furthermore, the Group also reclassifies its share of the gain or loss previously recognised in other comprehensive income of that associate to profit or loss when the equity method is discontinued.

NOTES TO THE FINANCIAL STATEMENTS
31 March 2020 (continued)

4 SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

In respect of equity-accounted associates, the carrying amount of goodwill is included in the carrying amount of the investment and an impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount of the equity-accounted associates.

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.

NOTES TO THE FINANCIAL STATEMENTS
31 March 2020 (continued)

4 SIGNIFICANT ACCOUNTING POLICIES (continued)

4.7 Impairment (continued)

(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.

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.

NOTES TO THE FINANCIAL STATEMENTS
31 March 2020 (continued)

4 SIGNIFICANT ACCOUNTING POLICIES (continued)

4.9 Financial instruments (continued)

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.

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.

4 SIGNIFICANT ACCOUNTING POLICIES (continued)

4.9 Financial instruments (continued)

4.9.1 Financial assets (continued)

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.

(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.

NOTES TO THE FINANCIAL STATEMENTS
31 March 2020 (continued)

4 SIGNIFICANT ACCOUNTING POLICIES (continued)

4.9 Financial instruments (continued)

4.9.3 Equity instruments (continued)

(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.

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 SIGNIFICANT ACCOUNTING POLICIES (continued)

4.9 Financial instruments (continued)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS
31 March 2020 (continued)

4 SIGNIFICANT ACCOUNTING POLICIES (continued)

4.13 Leases

The Group assesses whether a contract is or contains a lease, at the inception of the contract. The Group recognises a right-of-use asset and corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for low-value assets and short-term leases with 12 months or less. For these leases, the Group recognises the lease payments as an operating expense on a straight-line method over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use assets and the associated lease liabilities are presented as a separate line item in the statements of financial position.

The right-of-use asset is initially measured at cost. Cost includes the initial amount of the corresponding lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred, less any incentives received.

The right-of-use asset is subsequently measured at cost less accumulated depreciation and any impairment losses, and adjusted for any remeasurement of the lease liability. The depreciation starts from the commencement date of the lease. If the lease transfers ownership of the underlying asset to the Group or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. Otherwise, the Group depreciates the right-of-use asset to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of the right-of-use assets are determined on the same basis as those property, plant and equipment.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

The lease liability is subsequently measured at amortised cost using the effective interest method. It is remeasured when there is a change in the future lease payments (other than lease modification that is not accounted for as a separate lease) with the corresponding adjustment is made to the carrying amount of the right-of-use asset or is recognised in profit or loss if the carrying amount has been reduced to zero.

Accounting Policies Applied Until 31 March 2019

(a) Finance Leases

A lease is recognised as a finance lease if it transfers substantially to the Group all the risks and rewards incidental to ownership. Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset. The corresponding liability is included in the statement of financial position as hire purchase payables.

Minimum lease payments made under finance leases are apportioned between the finance costs and the reduction of the outstanding liability. The finance costs, which represent the difference between the total leasing commitments and the fair value of the assets acquired, are recognised in the profit or loss and allocated over the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability for each accounting period.

Leasehold land which in substance is a finance lease is classified as property, plant and equipment.

4 SIGNIFICANT ACCOUNTING POLICIES (continued)

4.13 Leases (continued)

Accounting Policies Applied Until 31 March 2019 (continued)

(b) Operating Leases

All leases that do not transfer substantially to the Group all the risks and rewards incidental to ownership are classified as operating leases and, the leased assets are not recognised on the statement of financial position of the Group and of the Company.

Payments made under operating leases are recognised as an expense in the profit or loss on a straight-line method over the term of the lease. Lease incentives received are recognised as a reduction of rental expense over the lease term on a straight-line method. Contingent rentals are charged to profit or loss in the reporting period in which they are incurred.

4.14 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.

4.15 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.

NOTES TO THE FINANCIAL STATEMENTS
31 March 2020 (continued)

4 SIGNIFICANT ACCOUNTING POLICIES (continued)

4.15 Income taxes (continued)

(b) Deferred tax (continued)

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.

4.16 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.

4.17 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.

NOTES TO THE FINANCIAL STATEMENTS
31 March 2020 (continued)

4 SIGNIFICANT ACCOUNTING POLICIES (continued)

4.18 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.

(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.

Upon expiry of the share option, the employee share option is transferred to retained earnings. When the share options are exercised, the employee share option reserve is transferred to share capital if new ordinary shares are issued.

4.19 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.

NOTES TO THE FINANCIAL STATEMENTS
31 March 2020 (continued)

4 SIGNIFICANT ACCOUNTING POLICIES (continued)

4.20 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 over time 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.

4.21 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.

NOTES TO THE FINANCIAL STATEMENTS
31 March 2020 (continued)

4 SIGNIFICANT ACCOUNTING POLICIES (continued)

4.22 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.

4.23 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.

4.24 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.

NOTES TO THE FINANCIAL STATEMENTS
31 March 2020 (continued)

5 NEW ACCOUNTING STANDARDS AND INTERPRETATIONS

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

Description
MFRS 16 Leases
IC Interpretation 23 Uncertainty Over Income Tax Treatments
Amendment to MFRS 9: Prepayment Features with Negative Compensation
Amendments to MFRS 119: Plan Amendment, Curtailment or Settlement
Amendments to MFRS 128: Long-term Interests in Associates and Joint Ventures
Annual Improvements to MFRS Standards 2015 – 2017 Cycles

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:

MFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and replaced the previous guidance on lease accounting. 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 lease assets and the related lease obligations in the statement of financial position (with limited exceptions) as right-of-use assets and lease liabilities respectively. The right-of-use assets are subject to depreciation and the interest on lease liabilities are calculated using the effective interest method. The impacts on the financial statements of the Group upon its initial application of MFRS 16 are disclosed in Note 40 to the financial statements.

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 17 Insurance Contracts	1 January 2021
Amendments to MFRS 3: Definition of a Business	1 January 2020
Amendments to MFRS 3: Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 9, MFRS 139 and MFRS 7: Interest Rate Benchmark Reform	1 January 2020
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 16: COVID-19-Related Rent Concessions	1 June 2020
Amendments to MFRS 101 and MFRS 108: Definition of Material	1 January 2020
Amendments to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2022
Amendments to MFRS 116: Property, Plant and Equipment – Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137: Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
Amendments to References to the Conceptual Framework in MFRS Standards	1 January 2020
Annual Improvements to MFRS Standards 2018 – 2020 Cycles	1 January 2022

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.

NOTES TO THE FINANCIAL STATEMENTS
31 March 2020 (continued)

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) Lease terms

Some leases contain extension options exercisable by the Group before the end of the non-cancellable contract period. In determining the lease term, management considers all facts and circumstances including the past practice and any cost that will be incurred to change the asset if an option to extend is not taken. An extension option is only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

(ii) 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.

(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 and right-of-use assets

The estimates for the residual values, useful lives and related depreciation charges for the property, plant and equipment and right-of-use assets are based on commercial factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions. The Group anticipates that the residual values of its property, plant and equipment and right-of-use assets except for the vessels of the Group will be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable amount. Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

NOTES TO THE FINANCIAL STATEMENTS
31 March 2020 (continued)

6 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

(b) Key sources of estimation of uncertainties (continued)

(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 12 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 12 to the financial statements.

(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 and right-of-use assets

The Group determines whether its property, plant and equipment and right-of-use assets 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 and right-of-use assets as at the reporting date is disclosed in Note 7 and Note 8 respectively to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
31 March 2020 (continued)

7 PROPERTY, PLANT AND EQUIPMENT

Group

Carrying amount	As previously reported RM	Initial application of MFRS 16 RM	As restated RM	Additions RM	Disposals RM	Impairment loss RM	Reclassfication RM	Disposals of subsidiaries (Note 33) RM	Depreciation RM	At 31 March RM
2019/2020										
Freehold land	19,135,155	-	19,135,155	-	-	-	-	(6,785,539)	-	12,349,616
Leasehold land	34,583,906	(34,583,906)	-	-	-	-	-	-	-	-
Buildings	36,327,849	-	36,327,849	632,495	-	-	6,979,128	(34,986,881)	(976,819)	7,975,772
Motor vehicles	618,867	-	618,867	6,400	-	-	-	(120,911)	(236,045)	268,311
Office equipment	343,160	-	343,160	109,601	(462)	(33,332)	-	(173,935)	(123,161)	121,871
Operating equipment	22,999,322	-	22,999,322	3,075,730	(636,791)	-	-	(12,261,209)	(4,011,417)	9,165,635
Plant and machinery	298,931	-	298,931	-	-	(258,251)	-	-	(40,680)	-
Vessel equipment	346,788	-	346,788	1,100	-	(183,530)	-	-	(77,139)	87,219
Vessels	10,311,926	-	10,311,926	-	-	(8,196,574)	-	-	(528,052)	1,587,300
Construction work-in-progress	6,252,250	-	6,252,250	9,387,208	-	-	(6,979,128)	-	-	8,660,330
	131,218,154	(34,583,906)	96,634,248	13,212,534	(637,253)	(8,671,687)	-	(54,328,475)	(5,993,313)	40,216,054
2018/2019										
Freehold land			19,135,155	-	-	-	-	-	-	19,135,155
Leasehold land			35,097,261	-	-	-	-	-	(513,355)	34,583,906
Buildings			34,518,043	2,769,520	-	-	-	-	(959,714)	36,327,849
Motor vehicles			778,552	134,790	-	-	-	-	(294,475)	618,867
Office equipment			391,275	140,804	-	-	-	-	(188,919)	343,160
Operating equipment			27,609,918	453,159	(281,085)	-	-	-	(4,782,670)	22,999,322
Plant and machinery			339,611	-	-	-	-	-	(40,680)	298,931
Vessel equipment			354,394	74,152	-	-	-	-	(81,758)	346,788
Vessels			10,839,974	-	-	-	-	-	(528,048)	10,311,926
Construction work-in-progress			-	6,252,250	-	-	-	-	-	6,252,250
			129,064,183	9,824,675	(281,085)	-	-	-	(7,389,619)	131,218,154

NOTES TO THE FINANCIAL STATEMENTS
31 March 2020 (continued)

7 PROPERTY, PLANT AND EQUIPMENT (continued)

Group	Cost RM	Accumulated depreciation RM	Accumulated impairment losses RM	Carrying amount RM
At 31.3.2020				
Freehold land	12,349,616	-	-	12,349,616
Buildings	8,281,719	(305,947)	-	7,975,772
Motor vehicles	1,401,231	(1,132,920)	-	268,311
Office equipment	993,057	(837,854)	(33,332)	121,871
Operating equipment	23,942,577	(14,776,942)	-	9,165,635
Plant and machinery	682,223	(423,972)	(258,251)	-
Vessel equipment	1,129,220	(858,471)	(183,530)	87,219
Vessels	21,079,553	(10,181,767)	(9,310,486)	1,587,300
Construction work-in-progress	8,660,330	-	-	8,660,330
	78,519,526	(28,517,873)	(9,785,599)	40,216,054
At 31.3.2019				
Freehold land	19,135,155	-	-	19,135,155
Leasehold land	36,325,561	(1,741,655)	-	34,583,906
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

(a) The following property, plant and equipment have been charged to licensed banks as disclosed in Note 20 for banking facilities granted to the Group:

	2020 RM	2019 RM
Carrying amount		
Buildings	-	16,470,371
Operating equipment	-	717,528
	-	17,187,899

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

NOTES TO THE FINANCIAL STATEMENTS
31 March 2020 (continued)

7 PROPERTY, PLANT AND EQUIPMENT (continued)

Company

	At 1 April RM	Addition RM	Depreciation RM	At 31 March RM
2019/2020				
Office equipment	13,510	1,250	(13,610)	1,150
2018/2019				
Office equipment	81,286	-	(67,776)	13,510

	Cost RM	Accumulated depreciation RM	Carrying amount RM
At 31.3.2020			
Office equipment	340,122	(338,972)	1,150
At 31.3.2019			
Office equipment	338,872	(325,362)	13,510

NOTES TO THE FINANCIAL STATEMENTS
31 March 2020 (continued)

8 **RIGHT-OF-USE ASSETS**

Group

Carrying amount	As previously reported RM	Initial application of MFRS 16 RM	As restated RM	Additions (Note 19) RM	Disposals RM	Disposals of subsidiaries (Note 33) RM	Depreciation RM	At 31 March RM
2019/2020								
Leasehold land under Sale and Purchase Agreements	-	34,583,906	34,583,906	-	(8,387,424)	-	(493,125)	25,703,357
Leasehold land under Lease Agreement	-	-	-	25,242,653	-	(8,493,111)	(430,002)	16,319,540
	-	34,583,906	34,583,906	25,242,653	(8,387,424)	(8,493,111)	(923,127)	42,022,897

	Cost RM	Accumulated depreciation RM	Carrying amount RM
At 31.3.2020			
Leasehold land under Sale and Purchase Agreements	27,249,042	(1,545,685)	25,703,357
Leasehold land under Lease Agreement	16,456,679	(137,139)	16,319,540
	43,705,721	(1,682,824)	42,022,897

The comparative information is not presented as the Group has applied MFRS 16 using the modified retrospective approach.

(a) Certain leasehold land under Sale and Purchase Agreements of the Group which amounted to RM25,703,357 (2019: RM27,394,822) have been pledged to licensed banks as security for banking facilities granted to the Group as disclosed in Note 20 to the financial statements.

(b) Lease Agreement includes extension and termination options which are negotiated by management to provide flexibility in managing the portfolio of leased asset and align with the Group's business needs. Management exercises judgement in determining whether the extension and termination options are reasonably certain to be exercised.

(c) The Group also has leases with lease terms of 12 months or less and leases of office equipment with low value. The Group has applied the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

NOTES TO THE FINANCIAL STATEMENTS
31 March 2020 (continued)

9 INVESTMENTS IN SUBSIDIARIES

	2020 RM	2019 RM
Company		
Unquoted shares, at cost		
At 1 April 2019/2018	59,150,019	59,444,970
Acquisitions (Note 32)	630,000	-
Disposals (Note 33)	(29,537,371)	-
Impairment loss	(10,783,713)	(294,951)
Reversal of impairment loss	1,200,000	-
At 31 March	20,658,935	59,150,019

Details of the subsidiaries are as follows:

Name of company	Principal Place of Business/Country of Incorporation	Percentage of issued share capital held by parent 2020	2019	Principal activities
Bagai Pertama Sdn. Bhd. #	Malaysia	-	100%	Dormant
Channel Legion Sdn. Bhd. #	Malaysia	50%	-	Dormant
Complete Container Services Sdn. Bhd. #	Malaysia	-	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 service
Complete Shipping Sdn. Bhd. #	Malaysia	-	100%	Dormant
Dolphin Shipping Agency Sdn. Bhd.@	Malaysia	-	100%	Shipping agent for provision of freight services
Ecocentre Sdn. Bhd. #	Malaysia	65%	65%	Dormant
Gems Logistics Sdn. Bhd. #@	Malaysia	-	100%	Provision of warehousing services
Guper Bonded Warehouse Sdn. Bhd. #	Malaysia	100%	100%	Investment holding
Guper Integrated Logistics Sdn. Bhd.@	Malaysia	-	100%	Provision of total logistic services with haulage, forwarding and other associated services

NOTES TO THE FINANCIAL STATEMENTS
31 March 2020 (continued)

9 INVESTMENTS IN SUBSIDIARIES (continued)

Details of the subsidiaries are as follows: (continued)

Name of company	Principal Place of Business/Country of Incorporation	Percentage of issued share capital held by parent 2020	2019	Principal activities
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
Pengangkutan Sekata Sdn. Bhd.	Malaysia	100%	100%	Lorry transport operator
Sierra Jaya Sdn. Bhd.	Malaysia	100%	100%	Shipowner and provision of marine transportation services
Sin Hiap Hoe Trading & Sdn. Berhad #	Malaysia	100%	100%	Lorry transport operator Transport
Ultra Trinity Sdn. Bhd. #	Malaysia	100%	100%	Investment holding
Subsidiary of Pengangkutan Sekata Sdn. Bhd.				
Dian Pahlawan Sdn. Bhd. #	Malaysia	100%	100%	Lorry transport operator

\# Not audited by Crowe Malaysia PLT

@ During the current financial year, the Company disposed 80% of its equity interests in Dolphin Shipping Agency Sdn. Bhd., Guper Integrated Logistics Sdn. Bhd. and Gems Logistics Sdn. Bhd. (collectively referred to as the “Subject Companies”). Following the completion of the disposals, the Subject Companies became associates of the Company.

(a) Details of the acquisitions of subsidiaries are disclosed in Note 32 to the financial statements.

(b) Details of the disposals of subsidiaries are disclosed in Note 33 to the financial statements.

(c) 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 net impairment losses of RM9,583,713 (2019: impairment losses of RM294,951), representing the write-down of the investments to their recoverable amounts. The impairment losses and reversal of impairment losses were recognised in “Other expenses” and “Other income” line items of the statements of profit or loss and other comprehensive income respectively.

NOTES TO THE FINANCIAL STATEMENTS
31 March 2020 (continued)

9 INVESTMENTS IN SUBSIDIARIES (continued)

(d) The non-controlling interests at the end of the reporting period comprise the following:

Group	2020 RM	2019 RM
Ecocentre Sdn. Bhd.	764,239	791,173
Channel Legion Sdn. Bhd. ("CL")	235,365	-
	999,604	791,173

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

	Ecocentre Sdn. Bhd. 2020 RM	2019 RM
At 31 March		
Non-current assets	-	1,382
Current assets	2,239,903	2,337,602
Current liabilities	(56,361)	(78,491)
Net assets	2,183,542	2,260,493
Financial year ended 31 March		
Revenue	-	1,287,715
Loss after tax/Total comprehensive expenses	(76,951)	(44,353)
Total comprehensive expenses attributable to non-controlling interests	(26,934)	(15,523)
Net cash from/(used in) operating activities	1,307,901	(35,537)
Net cash (used in)/from investing activities	(1,224,939)	166
Net cash (used in)/from financing activity	(16,801)	62,251

	CL RM
At 31 March 2020	
Non-current assets	16,319,540
Current assets	547,445
Non-current liabilities	(15,819,617)
Current liabilities	(576,637)
Net assets	470,731
Financial year ended 31 March 2020	
Revenue	-
Loss after tax/Total comprehensive expenses	(89,269)
Total comprehensive expenses attributable to non-controlling interests	(44,635)
Net cash used in operating activities	(25,957)

NOTES TO THE FINANCIAL STATEMENTS
31 March 2020 (continued)

10 INVESTMENTS IN ASSOCIATES

Company	Group 2020 RM	Group 2019 RM	Company 2020 RM	Company 2019 RM
Unquoted shares, at cost	21,400,000	-	21,400,000	-
Share of post acquisition results	238,098	-	-	-
	21,638,098	-	21,400,000	-

Details of the associates are as follows:

Name of company	Principal Place of Business/Country of Incorporation	Effective equity interest	Principal activities
Dolphin Shipping Agency Sdn. Bhd. ("DSA")	Malaysia	20%	Shipping agent for provision of freight services
Gems Logistics Sdn. Bhd. # ("GL")	Malaysia	20%	Provision of warehousing services
Guper Integrated Logistics Sdn. Bhd. ("GIL")	Malaysia	20%	Provision of total logistic services with haulage, forwarding and other associated services

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The summarised financial information (after any fair value adjustment at acquisition date) for the associates that are material to the Group is as follows:

	DSA RM	GIL RM	GL RM	Total RM
At 31 March 2020				
Non-current assets	16,468,570	41,966,537	21,432,496	79,867,603
Current assets	3,206,645	44,734,972	890,117	48,831,734
Non-current liabilities	-	(21,233,035)	(8,724,719)	(29,957,754)
Current liabilities	(17,281,989)	(9,413,595)	(10,434,892)	(37,130,476)
Net assets	2,393,226	56,054,879	3,163,002	61,611,107
Financial year ended 31 March 2020				
Revenue	8,090,261	47,462,595	4,007,548	59,560,404
Profit after tax/Total comprehensive income	307,823	31,745,511	1,795,820	33,849,154
Reconciliation of net assets to carrying amount				
Group's share of net assets	478,645	11,210,976	632,600	12,322,221
Gain on remeasuring to the fair value of the retained interests in the former subsidiaries	1,118,344	7,379,051	818,482	9,315,877
Carrying amount of the Group's interests in the associates	1,596,989	18,590,027	1,451,082	21,638,098

NOTES TO THE FINANCIAL STATEMENTS
31 March 2020 (continued)

11 INVENTORIES

Group	2020 RM	2019 RM
Trading goods, at cost	-	244,972

None of the inventories is carried at net realisable values.

Inventories recognised as cost of sales are disclosed in Note 26.

12 TRADE AND OTHER RECEIVABLES

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
Trade receivables				
Third parties	14,293,648	27,871,359	-	-
Subsidiary	-	-	14,000	-
Related parties	93,306	2,662,810	-	-
Less: Impairment loss on third party receivables	(421,216)	(527,373)	-	-
	13,965,738	30,006,796	14,000	-
Other receivables				
Subsidiaries	-	-	60,602,556	47,843,347
Less: Impairment loss	-	-	-	(480,000)
	-	-	60,602,556	47,363,347
Other receivables	534,646	810,711	410	-
Associate	2,543,422	-	2,543,422	-
Contract assets	-	174,064	-	-
Deposits	1,628,565	1,629,569	2,000	2,000
Prepayments	341,307	1,268,999	15,000	15,000
	5,047,940	3,883,343	63,163,388	47,380,347
	19,013,678	33,890,139	63,177,388	47,380,347

(a) Trade receivables are non-interest bearing and the normal trade credit terms granted by the Group range from 1 to 4 (2019: 1 to 4) months.

(b) Movement of the impairment loss on third party receivables is as follows:

Group	2020 RM	2019 RM
At 1 April 2019/2018	(527,373)	(1,125,283)
Addition	(169,124)	(141,478)
Reversal	-	25,445
Written off	253,415	713,943
Disposal of a subsidiary	21,866	-
At 31 March	(421,216)	(527,373)

NOTES TO THE FINANCIAL STATEMENTS
31 March 2020 (continued)

12 TRADE AND OTHER RECEIVABLES (continued)

(c) Amounts owing by subsidiaries represent payments made on behalf, which are unsecured, interest-free and repayable on demand. An impairment loss on amounts owing by subsidiaries of RM480,000 was written off during the financial year.

(d) Amount owing by an associate represents payment made on behalf which are unsecured, interest-free and repayable on demand.

(e) Contract assets 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	
	2020 RM	2019 RM	2020 RM	2019 RM
Revenue recognised in profit or loss	108,169,338	124,099,035	34,450,473	23,958,000
Billings to customers	(108,169,338)	(124,191,691)	(34,450,473)	(23,958,000)
At 31 March	-	(92,656)	-	-
Represented by:				
Contract assets	-	174,064	-	-
Contract liabilities	-	(266,720)	-	-
	-	(92,656)	-	-

13 CASH AND CASH EQUIVALENTS

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
Fixed deposits with a licensed bank	165,000	165,000	-	-
Short-term investments	79,782,523	7,899,081	79,782,523	7,899,081
Cash and bank balances	19,125,197	16,996,404	15,528,759	3,020,160
As per statements of financial position	99,072,720	25,060,485	95,311,282	10,919,241
Fixed deposits pledged to a licensed bank	(165,000)	(165,000)	-	-
As per statements of cash flows	98,907,720	24,895,485	95,311,282	10,919,241

(a) Fixed deposits of the Group at the end of the reporting period have maturity periods ranging from 1 to 12 (2019: 1 to 12) months.

(b) Effective interest rate of the fixed deposits of the Group is 3.10% (2019: 3.10%) per annum.

(c) Short-term investments are investments in cash funds which are designated as loans and receivables financial assets.

NOTES TO THE FINANCIAL STATEMENTS
31 March 2020 (continued)

13 CASH AND CASH EQUIVALENTS (continued)

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

Group	2020 Term loans RM	2019 Term loans RM	2019 Hire purchase RM	2019 Total RM
At 1 April 2019/2018	18,235,541	18,033,177	82,456	18,115,633
Changes in financing cash flows:				
Proceeds from drawdown	5,608,361	5,000,000	-	5,000,000
Repayment of borrowing principal	(5,869,021)	(4,797,636)	(82,456)	(4,880,092)
Repayment of borrowing interests	(821,050)	(757,095)	(2,290)	(759,385)
	(1,081,710)	(554,731)	(84,746)	(639,477)
Non-cash changes:				
Disposals of subsidiaries (Note 33)	(2,778,821)	-	-	-
Finance charges recognised in profit or loss (Note 27)	821,050	757,095	2,290	759,385
	(1,957,771)	757,095	2,290	759,385
At 31 March	15,196,060	18,235,541	-	18,235,541

14 NON-CURRENT ASSETS HELD FOR SALE

Group	At 1 April RM	Disposals of subsidiaries (Note 33) RM	At 31 March RM
2019/2020			
Freehold land	1,849,998	(1,849,998)	-
2018/2019			
Freehold land	1,849,998	-	1,849,998

15 SHARE CAPITAL

Group and Company	2020 Number of shares	2020 RM	2019 Number of shares	2019 RM
Issued and fully paid-up:				
At 1 April 2019/2018	125,410,600	68,850,085	123,761,000	67,464,127
Issued during the financial year	1,587,900	1,627,355	1,649,600	1,385,958
At 31 March	126,998,500	70,477,440	125,410,600	68,850,085

NOTES TO THE FINANCIAL STATEMENTS
31 March 2020 (continued)

16 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.

17 OTHER RESERVES

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
Non-distributable				
Share option reserve	732,353	1,028,390	732,353	1,028,390

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 50,000 (2019: 204,000) ordinary shares were forfeited during the financial year due to the resignations of employees and a total of 573,000 (2019: 1,834,400) ordinary shares were 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 25,000 (2019: 32,000) ordinary shares were forfeited due to the resignations of employees and a total of 375,500 (2019: 488,000) ordinary shares are 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 95,000 (2019: 85,000) ordinary shares were forfeited due to the resignations of employees and a total of 770,000 (2019: 865,000) ordinary shares were exercisable at the end of the reporting period. On 3 September 2018, 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 80,000 (2019: 62,000) ordinary shares were forfeited due to the resignations of employees and a total of 270,000 (2019: 639,000) ordinary shares were 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% (2019: 100%) 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%	-	-

17 OTHER RESERVES (continued)

Share option reserve (continued)

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

Company	2020 WAEP	2020 Number of options	2019 WAEP	2019 Number of options
SIS 1				
Outstanding at 1 April 2019/2018	RM0.62	1,834,400	RM0.62	2,061,000
Exercised	RM0.62	(1,211,400)	RM0.62	(22,600)
Forfeited	RM0.62	(50,000)	RM0.62	(204,000)
Outstanding at 31 March	RM0.62	573,000	RM0.62	1,834,400
Exercisable at 31 March	RM0.62	573,000	RM0.62	1,834,400
SIS 2				
Outstanding at 1 April 2019/2018	RM0.68	488,000	RM0.68	520,000
Exercised	RM0.68	(87,500)	RM0.68	-
Forfeited	RM0.68	(25,000)	RM0.68	(32,000)
Outstanding at 31 March	RM0.68	375,500	RM0.68	488,000
Exercisable at 31 March	RM0.68	375,500	RM0.68	488,000
SIS 3				
Outstanding at 1 April 2019/2018	RM0.88	865,000	RM0.88	950,000
Forfeited	RM0.88	(95,000)	RM0.88	(85,000)
Outstanding at 31 March	RM0.88	770,000	RM0.88	865,000
Exercisable at 31 March	RM0.88	770,000	RM0.88	865,000
SIS 4				
Outstanding at 1 April 2019/2018	RM0.55	639,000	-	-
Granted	RM0.55	-	RM0.55	2,328,000
Exercised	RM0.55	(289,000)	RM0.55	(1,627,000)
Forfeited	RM0.55	(80,000)	RM0.55	(62,000)
Outstanding at 31 March	RM0.55	270,000	RM0.55	639,000
Exercisable at 31 March	RM0.55	270,000	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%

NOTES TO THE FINANCIAL STATEMENTS
31 March 2020 (continued)

18 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 2020, the Company held a total number of 319,300 treasury shares out of its 126,998,500 issued and fully paid-up ordinary shares at a carrying amount of RM131,249.

19 LEASE LIABILITIES

Group	2020 RM	2019 RM
At 1 April 2019/2018	-	-
Recognised during the financial year (Note 8)	25,242,653	-
Interest expense recognised in profit or loss (Note 27)	571,790	-
Repayment of principal	(224,319)	-
Repayment of interest expense	(571,790)	-
Disposals of subsidiaries (Note 33)	(8,623,580)	-
At 31 March	16,394,754	-
Analysed by:		
Current liabilities	575,137	-
Non-current liabilities	15,819,617	-
	16,394,754	-

The comparative information is not presented as the Group has applied MFRS 16 using the modified retrospective approach.

20 TERM LOANS

Group	2020 RM	2019 RM
Non-current portion		
Repayable between 1 and 2 years	3,889,184	4,250,804
Repayable between 2 and 5 years	5,488,874	7,980,457
Repayable more than 5 years	1,990,436	1,858,252
	11,368,494	14,089,513
Current portion		
Repayable within 1 year	3,827,566	4,146,028
	15,196,060	18,235,541

NOTES TO THE FINANCIAL STATEMENTS
31 March 2020 (continued)

20 TERM LOANS (continued)

Term loans are secured by:

(a) a facility agreement as principal instrument;
(b) a corporate guarantee of the Company as disclosed in Note 24;
(c) certain property, plant and equipment of the Group as disclosed in Note 7;
(d) certain right-of-use assets of the Group as disclosed in Note 8; and
(e) a personal guarantee of a Director.

Details of term loans are as follows:

	2020 RM	**2019 RM**
Term loan I	1,796,665	2,567,701
Term loan II	1,278,046	1,826,536
Term loan III	920,042	1,314,900
Term loan IV	1,458,310	2,158,318
Term loan V	4,434,509	5,000,000
Term loan VI	5,308,488	-
Term loan VII	-	2,066,333
Term loan VIII	-	3,301,753
	15,196,060	18,235,541

	Number of monthly instalments	Monthly instalments RM	Commencement month of repayment	Effective interest rate per annum 2020 %	2019 %
Term loan I	84*	63,929	September 2015	4.40	4.87
Term loan II	84*	45,477	August 2015	4.40	4.87
Term loan III	84*	32,739	August 2015	4.40	4.87
Term loan IV	60*	58,334	May 2017	4.97	5.49
Term loan V	84	69,580	May 2019	4.00	4.75
Term loan VI	84	80,597	November 2019	4.00	-
Term loan VII	84*	47,858	August 2015	-	4.87
Term loan VIII	84*	52,024	August 2017	-	4.87

* The monthly instalments comprising principal loan repayment only.

Information on the financial risks of term loans are disclosed in Note 37.1(c).

21 DEFERRED TAX LIABILITIES

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

Group	**2020 RM**	**2019 RM**
At 1 April 2019/2018	6,113,092	5,644,211
Recognised in profit or loss (Note 28)	(460,891)	468,881
Disposals of subsidiaries (Note 33)	(3,417,209)	-
At 31 March	2,234,992	6,113,092
Presented after appropriate offsetting:		
Deferred tax assets	(536,825)	(305,170)
Deferred tax liabilities	2,771,817	6,418,262
	2,234,992	6,113,092

NOTES TO THE FINANCIAL STATEMENTS
31 March 2020 (continued)

21 DEFERRED TAX LIABILITIES (continued)

(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**	**Others** **RM**	**Total** **RM**
At 1 April 2018	5,916,181	-	5,916,181
Recognised in profit or loss	460,305	41,776	502,081
At 31 March/1 April 2019	6,376,486	41,776	6,418,262
Recognised in profit or loss	(180,974)	(22,854)	(203,828)
Disposals of subsidiaries	(3,423,695)	(18,922)	(3,442,617)
At 31 March 2020	2,771,817	-	2,771,817

Deferred tax assets **Group**	**Unutilised tax losses** **RM**	**Unabsorbed capital allowances** **RM**	**Provisions** **RM**	**Total** **RM**
At 1 April 2018	(31,969)	(33,493)	(206,508)	(271,970)
Recognised in profit or loss	28,909	(214,502)	152,393	(33,200)
At 31 March/1 April 2019	(3,060)	(247,995)	(54,115)	(305,170)
Recognised in profit or loss	259	(249,797)	(7,525)	(257,063)
Disposals of subsidiaries	-	-	25,408	25,408
At 31 March 2020	(2,801)	(497,792)	(36,232)	(536,825)

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

Group	**2020** **RM**	**2019** **RM**
Unutilised tax losses	1,376,840	1,638,075

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.

NOTES TO THE FINANCIAL STATEMENTS
31 March 2020 (continued)

22 TRADE AND OTHER PAYABLES

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
Trade payables				
Third parties	3,197,167	9,024,599	-	-
Related parties	585,538	804,677	-	-
	3,782,705	9,829,276	-	-
Other payables				
Other payables	2,374,257	3,929,313	6,366	12,674
Contract liabilities	-	266,720	-	-
Related parties	357,865	30,168	-	-
Subsidiaries	-	-	2,026,900	1,005,552
Director	183,587	-	-	-
Accruals	1,925,115	2,567,799	141,900	165,700
	4,840,824	6,794,000	2,175,166	1,183,926
	8,623,529	16,623,276	2,175,166	1,183,926

(a) Trade payables are non-interest bearing and the normal trade credit terms granted to the Group range from 1 to 4 (2019: 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 12 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) Amount owing to a director represents advances and payments made on behalf which are unsecured, interest-free and repayable on demand.

23 CAPITAL COMMITMENT

Group	2020 RM	2019 RM
Approved and contracted for:		
Purchase of property, plant and equipment	7,436,895	1,653,651

24 FINANCIAL GUARANTEE CONTRACTS

Company	2020 RM	2019 RM
Secured		
Corporate guarantee given to licensed banks for banking facilities granted to certain subsidiaries (Note 20)	15,196,060	18,235,541

NOTES TO THE FINANCIAL STATEMENTS
31 March 2020 (continued)

25 REVENUE

	Group 2020 RM	Group 2019 RM	Company 2020 RM	Company 2019 RM
Timing of revenue recognition:				
Over time:				
Rendering of services	105,684,687	121,934,692	-	-
Management fee receivable	-	-	84,000	84,000
At a point in time:				
Sale of goods	2,484,651	2,164,343	-	-
Dividend income from subsidiaries	-	-	34,366,473	23,874,000
	108,169,338	124,099,035	34,450,473	23,958,000

26 COST OF SALES

Group	2020 RM	2019 RM
Inventories sold (Note 11)	2,052,309	2,695,053
Services rendered	88,147,918	98,841,522
	90,200,227	101,536,575

27 PROFIT BEFORE TAX

	Group 2020 RM	Group 2019 RM	Company 2020 RM	Company 2019 RM
Profit before tax is arrived at after (charging)/crediting:				
Auditors' remuneration:				
Statutory audit				
- current year	(132,900)	(200,000)	(30,000)	(30,000)
- underprovision in prior years	(15,000)	-	(15,000)	-
Other audit services	(5,000)	(5,000)	(5,000)	(5,000)
Bad debts written off	(16,254)	-	-	-
Depreciation of property, plant and equipment (Note 7)	(5,993,313)	(7,389,619)	(13,610)	(67,776)
Depreciation of right-of-use assets (Note 8)	(923,127)	-	-	-
Directors' remuneration:				
Directors of the Company				
- fees	(111,000)	(132,000)	(111,000)	(132,000)
- other emoluments	(967,449)	(971,366)	(8,750)	(14,500)
Directors of the subsidiaries				
- other emoluments	(223,947)	(327,350)	-	-
Impairment loss on:				
- investments in subsidiaries (Note 9)	-	-	(10,783,713)	(294,951)
- property, plant and equipment (Note 7)	(8,671,687)	-	-	-
- trade receivables (Note 12)	(169,124)	(141,478)	-	-
- amounts owing by subsidiaries (Note 12)	-	-	-	(480,000)

NOTES TO THE FINANCIAL STATEMENTS
31 March 2020 (continued)

27 PROFIT BEFORE TAX (continued)

	Group 2020 RM	Group 2019 RM	Company 2020 RM	Company 2019 RM
Profit before tax is arrived at after (charging)/crediting: (continued)				
Interest expense on:				
- bank overdraft	(47,780)	(20,209)	-	-
- hire purchase (Note 13)	-	(2,290)	-	-
- lease liabilities (Note 19)	(571,790)	-	-	-
- term loans (Note 13)	(821,050)	(757,095)	-	-
Loss on disposal of property, plant and equipment	(10,411)	-	-	-
Realised loss on foreign exchange	(95,644)	(83,370)	-	-
Share option expense	(423,930)	(998,547)	(423,930)	(998,547)
Unrealised loss on foreign exchange	(9,670)	(2,378)	-	-
Dividend income from subsidiaries (Note 25)	-	-	34,366,473	23,874,000
Gain on disposals of subsidiaries retained as associates	36,303,945	-	60,898,028	-
Gain on remeasuring to the fair value of the retained interests in the former subsidiaries	9,315,877	-	15,608,041	-
Gain on disposal of property, plant and equipment	2,814,713	572,597	-	-
Interest income from:				
- fixed deposits	65,423	-	-	-
- short-term investments	474,110	236,079	474,110	236,079
- others	112,817	59,034	57,262	15,954
Rental income from:				
- office	32,000	374,158	-	-
- operating equipment	6,000	72,900	-	-
Reversal of impairment loss on:				
- investments in subsidiaries (Note 9)	-	-	1,200,000	-
- trade receivables (Note 12)	-	25,445	-	-
Realised gain on foreign exchange	119,151	121,588	-	-
Unrealised gain on foreign exchange	272	172,265	-	-

NOTES TO THE FINANCIAL STATEMENTS
31 March 2020 (continued)

28 TAX EXPENSE/(CREDIT)

	Group		Company	
	2020 RM	**2019 RM**	**2020 RM**	**2019 RM**
Current tax	3,109,342	2,998,372	33,867	24,512
Deferred tax (Note 21)	(327,611)	138,744	-	-
	2,781,731	3,137,116	33,867	24,512
Under/(Over)provision in prior years:				
Current tax	290,760	(390,703)	(24,512)	(25,054)
Deferred tax (Note 21)	(133,280)	330,137	-	-
	157,480	(60,566)	(24,512)	(25,054)
	2,939,211	3,076,550	9,355	(542)

Current tax expense is calculated at the statutory tax rate of 24% (2019: 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.

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

	Group		Company	
	2020 RM	**2019 RM**	**2020 RM**	**2019 RM**
Profit before tax	49,180,048	13,746,860	100,997,122	21,807,455
Tax rate of 24% (2019: 24%)	11,803,212	3,299,246	24,239,309	5,233,789
Tax effects in respect of:				
Non-allowable expenses	4,998,236	1,409,204	2,956,882	577,142
Non-taxable income	(13,465,531)	(451,562)	(27,162,324)	(5,786,419)
Utilisation of deferred tax assets not recognised in prior years	(62,696)	(160,360)	-	-
Tax-exempt income	(491,490)	(959,412)	-	-
	2,781,731	3,137,116	33,867	24,512
Under/(Over)provision in prior years:				
Current tax	290,760	(390,703)	(24,512)	(25,054)
Deferred tax	(133,280)	330,137	-	-
	2,939,211	3,076,550	9,355	(542)

Subject to the agreement of the Inland Revenue Board, certain subsidiaries have unabsorbed capital allowances and unutilised tax losses amounting to approximately RM1,100,000 (2019: RM9,950,000) and RM7,277,000 (2019: RM21,033,000) 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.

NOTES TO THE FINANCIAL STATEMENTS
31 March 2020 (continued)

29 DIVIDEND

	2020	
	Gross dividend per share RM	**Amount of dividend RM**
Interim tax-exempt dividend paid	0.16	20,268,672

30 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	2020	2019
Profit after tax (RM)	46,312,406	10,685,833
Weighted average number of ordinary shares in issue:		
At 1 April 2019/2018	123,632,283	123,441,700
Effect of new ordinary shares issued	2,581,422	190,583
At 31 March	126,213,705	123,632,283
Basic earnings per ordinary share (sen)	36.7	8.6

(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	2020	2019
Profit after tax (RM)	46,312,406	10,685,833
Weighted average number of ordinary shares for basic earnings per share	126,213,705	123,632,283
Effect of share options issued	106,027	1,512,642
Weighted average number of ordinary share for diluted earnings per share	126,319,732	125,144,925
Diluted earnings per ordinary share (sen)	36.7	8.5

NOTES TO THE FINANCIAL STATEMENTS
31 March 2020 (continued)

31 EMPLOYEE BENEFITS

Group	2020 RM	2019 RM
Wages, salaries and bonuses	12,656,504	16,356,936
Defined contribution plans	1,323,114	1,756,337
Social security contributions	181,018	241,851
Other benefits	807,247	832,924
	14,967,883	19,188,048

32 ACQUISITIONS OF SUBSIDIARIES

On 16 December 2019, Pengangkutan Sekata Sdn. Bhd., a wholly-owned subsidiary of the Company had transferred its investment in Sin Hiap Hoe Trading & Transport Sdn. Berhad to the Company for a total consideration of RM350,000. The transfer does not have any effect on the financial results of the Group.

On 16 December 2019, the Company acquired 50% equity interest in Channel Legion Sdn. Bhd. consisting of 250,000 ordinary shares for a total consideration of RM280,000.

Details of the acquisitions are as follows:

	Group RM	Company RM
Other receivables	(500,550)	-
Tax recoverable	(3,600)	-
Cash and cash equivalents	(61,020)	-
Other payables	5,170	-
Fair value of net identifiable assets acquired	(560,000)	-
Investments in subsidiaries	-	(630,000)
Non-controlling interests	280,000	-
Consideration paid	(280,000)	(630,000)
Cash and cash equivalents of a subsidiary acquired	61,020	-
Net cash outflows on acquisitions	(218,980)	(630,000)

The subsidiary acquired had contributed a net loss of RM89,269 to the Group's financial results from the date of acquisition. There were no material impacts to the Group's revenue and profit after tax if the acquisition had occurred on 1 April 2019.

NOTES TO THE FINANCIAL STATEMENTS
31 March 2020 (continued)

33 DISPOSALS OF SUBSIDIARIES

On 13 August 2019, the Company disposed of 80% of its equity interests in Dolphin Shipping Agency Sdn. Bhd., Guper Integrated Logistics Sdn. Bhd. and Gems Logistics Sdn. Bhd. (collectively referred to as the "Subject Companies") for a total cash consideration of RM85,600,000. Following the completion of the disposal, the Subject Companies became associates of the Company.

On 30 March 2020, the Company disposed of the entire equity interest in Bagai Pertama Sdn. Bhd., Complete Container Services Sdn. Bhd. and Complete Shipping Sdn. Bhd. for a total cash consideration of RM3,000.

Details of the disposals are as follows:

	Group RM	Company RM
Investments in subsidiaries	-	29,537,371
Property, plant and equipment	54,328,475	-
Right-of-use assets	8,493,111	-
Trade and other receivables	100,336,766	-
Cash and bank balances	874,996	-
Non-current assets held for sale	1,849,998	-
Trade and other payables	(88,880,777)	-
Bank overdraft	(1,212,940)	-
Term loans	(2,778,821)	-
Lease liabilities	(8,623,580)	-
Tax liabilities	(546,401)	-
Deferred tax liabilities	(3,417,209)	-
Carrying amount of net assets disposed of	60,423,618	29,537,371
Fair value of equity interests retained	(21,400,000)	(21,400,000)
	39,023,618	8,137,371
Gain on disposals of subsidiaries	45,619,822	76,506,069
Net disposals proceeds	84,643,440	84,643,440
Cash and cash equivalents of subsidiaries disposed of	337,944	-
Net cash inflows on disposals of subsidiaries	84,981,384	84,643,440

There were no disposals in the previous financial year.

NOTES TO THE FINANCIAL STATEMENTS
31 March 2020 (continued)

34 DIRECTORS' REMUNERATION

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

	Group		Company	
	2020	**2019**	**2020**	**2019**
	RM	**RM**	**RM**	**RM**
Executive Directors:				
Non-fee emoluments	854,999	853,306	-	-
Defined contribution plans	103,700	103,560	-	-
Executive directors of the subsidiaries:				
Non-fee emoluments	199,233	290,951	-	-
Defined contribution plans	24,714	36,399	-	-
Non-executive Directors:				
Fees	111,000	132,000	111,000	132,000
Other emoluments	8,750	14,500	8,750	14,500
	1,302,396	1,430,716	119,750	146,500

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 200,000 (2019: 1,048,000) 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 ordinary shares exercisable at the end of the reporting period. On 28 April 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 (2019: 50,000) ordinary shares were exercisable at the end of the reporting period. On 3 September 2018, 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 exercisable at the end of the reporting period.

During the financial year, 848,000 (2019: 122,000) ordinary shares under the SIS were exercised by the eligible key management personnel of the Group.

35 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) its associates;
(iii) close family members of certain directors of the Company and the subsidiaries;
(iv) companies in which certain directors of the Company and the subsidiaries have direct and indirect financial interests; and
(v) 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:

	2020 RM	2019 RM
Group		
Companies in which certain Directors have interests:		
Revenue from sales of goods and services rendered	7,206,142	6,916,820
Rental income receivable	24,000	24,000
Forwarding service charges payable	(1,333,943)	(1,309,688)
Fuel payable	(3,459,697)	(4,691,646)
Spare parts, tyres, tyres maintenance services and consumables payable	(210,402)	(1,129,869)
Warehouse expense payable	(29,103)	(148,457)
Associate:		
Disposal of lands	15,858,139	-
Company		
Dividend income from subsidiaries	34,366,473	23,874,000
Management fee receivable from a subsidiary	84,000	84,000

(c) Compensation of key management personnel

The remunerations of key management personnel are as follows:

	2020 RM	2019 RM
Group		
Short-term employee benefits	1,054,232	1,144,257
Defined contribution plans	128,414	139,959
	1,182,646	1,284,216

NOTES TO THE FINANCIAL STATEMENTS
31 March 2020 (continued)

35 RELATED PARTY DISCLOSURES (continued)

(c) Compensation of key management personnel (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 200,000 (2019: 1,048,000) ordinary shares are 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 ordinary shares exercisable at the end of the reporting period. On 28 April 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 (2019: 50,000) ordinary shares were exercisable at the end of the reporting period. On 3 September 2018, 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 exercisable at the end of the reporting period.

During the financial year, 848,000 (2019: 122,000) ordinary shares under the SIS were exercised by the eligible key management personnel of the Group.

36 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

36 OPERATING SEGMENTS (continued)

(a) Business segments (continued)

2020	Logistics RM	Warehousing RM	Marine RM	Others RM	Elimination RM	Total RM
Revenue						
External revenue	86,420,557	7,317,191	11,218,813	3,212,777	-	108,169,338
Intersegment revenue	5,095,438	-	1,162,377	34,942,700	(41,200,515)	-
	91,515,995	7,317,191	12,381,190	38,155,477	(41,200,515)	108,169,338
Results						
Segment results	11,847,588	6,258,113	(3,161,747)	81,870,485	(39,929,681)	56,884,758
Depreciation	(4,290,575)	(1,279,292)	(334,962)	(542,719)	(468,892)	(6,916,440)
Interest income	119,107	244	1,071	531,928	-	652,350
Finance costs	(147,865)	(587,757)	-	(704,998)	-	(1,440,620)
Profit before tax	7,528,255	4,391,308	(3,495,638)	81,154,696	(40,398,573)	49,180,048
Tax expense	(1,767,703)	(1,125,979)	(92,293)	(136,062)	182,826	(2,939,211)
Profit after tax	5,760,552	3,265,329	(3,587,931)	81,018,634	(40,215,747)	46,240,837

NOTES TO THE FINANCIAL STATEMENTS
31 March 2020 (continued)

36 OPERATING SEGMENTS (continued)

(a) Business segments (continued)

2019	Logistics RM	Warehousing RM	Marine RM	Others RM	Elimination RM	Total RM
Revenue						
External revenue	98,598,506	8,241,051	14,598,311	2,661,167	-	124,099,035
Intersegment revenue	6,757,776	-	2,243,659	25,979,008	(34,980,443)	-
	105,356,282	8,241,051	16,841,970	28,640,175	(34,980,443)	124,099,035
Results						
Segment results	14,239,192	6,422,446	1,796,091	23,021,872	(23,858,641)	21,620,960
Depreciation	(5,083,165)	(977,311)	(347,583)	(486,232)	(495,328)	(7,389,619)
Interest income	40,486	848	1,035	252,744	-	295,113
Finance costs	(173,174)	(179,620)	-	(426,800)	-	(779,594)
Profit before tax	9,023,339	5,266,363	1,449,543	22,361,584	(24,353,969)	13,746,860
Tax expense	(1,796,814)	(1,165,502)	(69)	(167,999)	53,834	(3,076,550)
Profit after tax	7,226,525	4,100,861	1,449,474	22,193,585	(24,300,135)	10,670,310

(b) Geographical segments

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

(c) Major customers

The following are major customers with revenue equal to or more than 10% of the Group's total revenue:

	Revenue 2020 RM	Revenue 2019 RM	Segment
Customer #1	-	17,313,512	Logistics
Customer #2	12,867,909	12,460,782	Logistics
Customer #3	14,479,668	-	Logistics

37 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.

37.1 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.

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

2020	United States Dollar RM	Indonesian Rupiah RM	Ringgit Malaysia RM	Total RM
Financial assets				
Trade and other receivables	163,427	-	16,880,379	17,043,806
Cash and cash equivalents	279,687	71	98,792,962	99,072,720
	443,114	71	115,673,341	116,116,526
Financial liabilities				
Trade and other payables	-	-	(8,623,529)	(8,623,529)
Borrowings	-	-	(15,196,060)	(15,196,060)
	-	-	(23,819,589)	(23,819,589)
Net financial assets	443,114	71	91,853,752	92,296,937
Less: Net financial assets denominated in the respective entities functional currencies	-	-	(91,853,752)	(91,853,752)
Currency exposure	443,114	71	-	443,185

NOTES TO THE FINANCIAL STATEMENTS
31 March 2020 (continued)

37 FINANCIAL INSTRUMENTS (continued)

37.1 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)

2019	United States Dollar RM	Indonesian Rupiah RM	Ringgit Malaysia RM	Total RM
Financial assets				
Trade and other receivables	1,358,420	-	29,459,087	30,817,507
Cash and cash equivalents	2,412,495	99	22,647,891	25,060,485
	3,770,915	99	52,106,978	55,877,992
Financial liabilities				
Trade and other payables	(100,480)	-	(16,292,405)	(16,392,885)
Borrowings	-	-	(18,235,541)	(18,235,541)
	(100,480)	-	(34,527,946)	(34,628,426)
Net financial assets	3,670,435	99	17,579,032	21,249,566
Less: Net financial assets denominated in the respective entities functional currencies	-	-	(17,579,032)	(17,579,032)
Currency exposure	3,670,435	99	-	3,670,534

37 FINANCIAL INSTRUMENTS (continued)

37.1 Financial risk management policies (continued)

(a) Market risk (continued)

(i) Foreign currency risk (continued)

Foreign currency risk sensitivity analysis

Any reasonably possible change in the foreign currency exchange rates at the end of the reporting period against the respective functional currencies of the entitles within the Group does not have a material impact on the profit after taxation and other comprehensive income of t he Group and of the Company and hence, no sensitivity analysis is presented.

(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.

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	**2020 (Decrease)/ Increase RM**	**2019 (Decrease)/ Increase RM**
Effects on profit after tax/other comprehensive income:		
Increase of 100 basis points	(115,489)	(138,590)
Decrease of 100 basis points	115,489	138,590

(iii) Equity price risk

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

NOTES TO THE FINANCIAL STATEMENTS
31 March 2020 (continued)

37 FINANCIAL INSTRUMENTS (continued)

37.1 Financial risk management policies (continued)

(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, related party, and corporate guarantee given to financial institutions for credit facilities granted to certain subsidiaries. The Company monitors the results of these subsidiaries and related party regularly and repayments made by the subsidiaries and related party.

(i) Credit risk concentration profile

The Group's major concentration of credit risk relates to the amounts owing by 3 (2019: 2) customers which constituted approximately 48% (2019: 35%) 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).

(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 receivables 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.

37 FINANCIAL INSTRUMENTS (continued)

37.1 Financial risk management policies (continued)

(b) Credit risk (continued)

(iii) Assessment of impairment loss (continued)

Trade receivables and contract assets (continued)

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	Individual impairment RM	Collective impairment RM	Carrying amount RM
2020				
Current (not past due)	9,049,404	-	-	9,049,404
1 to 90 days past due	2,930,214	-	-	2,930,214
91 to 120 days past due	962,673	-	-	962,673
Credit impaired:				
Over 120 days past due	1,444,663	(278,643)	(142,573)	1,023,447
	14,386,954	(278,643)	(142,573)	13,965,738
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:				
Over 120 days past due	1,364,621	(385,895)	(141,478)	837,248
Trade receivables	30,534,169	(385,895)	(141,478)	30,006,796
Contract assets	174,064	-	-	174,064
	30,708,233	(385,895)	(141,478)	30,180,860

The movements in the loss allowances in respect of trade receivables and contract assets are disclosed in Note 12 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 a licensed bank, cash and bank balances

The Group considers these banks and financial institutions have low credit risks. In addition, some of the bank balances are insured by Government agencies. Therefore, the Group is of the view that the loss allowance is immaterial and hence, it is not provided for.

NOTES TO THE FINANCIAL STATEMENTS
31 March 2020 (continued)

37 FINANCIAL INSTRUMENTS (continued)

37.1 Financial risk management policies (continued)

(b) Credit risk (continued)

(iii) Assessment of impairment loss (continued)

Amounts owing by subsidiaries and an associate (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 and an associate have low credit risks. The Company assumes that there is a significant increase in credit risk when a subsidiary's and an associate's financial position deteriorates significantly. As the Company is able to determine the timing of payments of the subsidiaries' and associate's loans and advances when they are payable, the Company considers the loans and advances to be in default when the subsidiaries and the associate are not able to pay when demanded. The Company considers a subsidiary's and an associate's loan or advance to be credit impaired when the subsidiary and the associate are unlikely to repay its loan or advance in full or the subsidiary and the associate are continuously loss making or the subsidiary and the associate are having a deficit in its total equity.

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

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
2020			
Low credit risk	60,602,556	-	60,602,556
2019			
Low credit risk	47,363,347	-	47,363,347
Credit impaired	480,000	(480,000)	-
	47,843,347	(480,000)	47,363,347

The movements in the loss allowances are disclosed in Note 12 to the financial statements.

No expected credit loss is recognised on amount owing by an associate as it is negligible.

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.

37 FINANCIAL INSTRUMENTS (continued)

37.1 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):

Group	Weighted average effective rate %	Carrying amount RM	Contractual undiscounted cash flows RM	Within 1 year RM	1 - 5 years RM	Over 5 years RM
2020						
Term loans	4.42	15,196,060	16,768,322	4,405,210	10,327,593	2,035,519
Trade and other payables	-	8,623,529	8,623,529	8,623,529	-	-
		23,819,589	25,391,851	13,028,739	10,327,593	2,035,519
2019						
Term loans	4.88	18,235,541	20,418,900	4,870,041	13,221,879	2,326,980
Trade and other payables	-	16,392,885	16,392,885	16,392,885	-	-
		34,628,426	36,811,785	21,262,926	13,221,879	2,326,980

37 FINANCIAL INSTRUMENTS (continued)

37.1 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)

Company	Weighted average effective rate %	Carrying amount RM	Contractual undiscounted cash flows RM	Within 1 year RM	1 - 5 years RM	Over 5 years RM
2020						
Trade and other payables	-	2,175,166	2,175,166	2,175,166	-	-
Financial guarantee contracts in relation to corporate guarantee given to certain subsidiaries	-	-	15,196,060	15,196,060	-	-
		2,175,166	17,371,226	17,371,226	-	-
2019						
Trade and other payables	-	1,183,926	1,183,926	1,183,926	-	-
Financial guarantee contracts in relation to corporate guarantee given to certain subsidiaries	-	-	18,235,541	18,235,541	-	-
		1,183,926	19,419,467	19,419,467	-	-

NOTES TO THE FINANCIAL STATEMENTS
31 March 2020 (continued)

37 FINANCIAL INSTRUMENTS (continued)

37.2 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 term loans 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	**2020 RM**	**2019 RM**
Trade and other payables	8,623,529	16,392,885
Term loans	15,196,060	18,235,541
Less: Cash and cash equivalents	(99,072,720)	(25,060,485)
Net (excess)/debt	(75,253,131)	9,567,941
Total shareholders' equity	178,429,674	150,992,492
Debt-to-equity ratio	Not applicable	0.06

37.3 Classification of financial instruments

	Group		**Company**	
	2020 RM	**2019 RM**	**2020 RM**	**2019 RM**
Financial assets				
Mandatorily at fair value through profit or loss:				
Cash and cash equivalents (short-term investments)	79,782,523	7,899,081	79,782,523	7,899,081
Amortised cost:				
Trade and other receivables	17,043,806	30,817,507	63,160,388	47,363,347
Cash and cash equivalents	19,290,197	17,161,404	15,528,759	3,020,160
	116,116,526	55,877,992	158,471,670	58,282,588
Financial liabilities				
Amortised cost:				
Trade and other payables	8,623,529	16,392,885	2,175,166	1,183,926
Term loans	15,196,060	18,235,541	-	-
	23,819,589	34,628,426	2,175,166	1,183,926

NOTES TO THE FINANCIAL STATEMENTS
31 March 2020 (continued)

37 FINANCIAL INSTRUMENTS (continued)

37.4 Gains or losses arising from financial instruments

	Group		Company	
	2020 RM	**2019 RM**	**2020 RM**	**2019 RM**
Financial assets				
Mandatorily at fair value through profit or loss:				
Interest income on short-term investments	474,110	236,079	474,110	236,079
Amortised cost:				
Impairment loss on trade receivables	(169,124)	(141,478)	-	-
Impairment loss on amounts owing by subsidiaries	-	-	-	(480,000)
Interest income	178,240	59,034	57,262	15,954
Reversal of impairment loss on trade receivables	-	25,445	-	-
Net gains/(losses) recognised in profit or loss	483,226	179,080	531,372	(227,967)
Financial liabilities				
Amortised cost:				
Interest expenses	(1,440,620)	(779,594)	-	-
Net losses recognised in profit or loss	(1,440,620)	(779,594)	-	-

37 FINANCIAL INSTRUMENTS (continued)

37.5 Fair value information

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

Group	Fair value of financial instruments carried at fair value			Fair value of financial instruments not carried at fair value			Total fair value	Carrying amount
	RM Level 1	RM Level 2	RM Level 3	RM Level 1	RM Level 2	RM Level 3	RM	RM
Group/Company								
2020								
Financial asset								
Cash and cash equivalents #	79,782,523	-	-	-	-	-	79,782,523	79,782,523
Group								
2020								
Financial liability								
Term loans	-	-	-	-	15,196,060	-	15,196,060	15,196,060
Group/Company								
2019								
Financial asset								
Cash and cash equivalents #	7,899,081	-	-	-	-	-	7,899,081	7,899,081
Group								
2019								
Financial liability								
Term loans	-	-	-	-	18,235,541	-	18,235,541	18,235,541

\# 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.

NOTES TO THE FINANCIAL STATEMENTS
31 March 2020 (continued)

38 SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

The significant events during the financial year are as follows:

(a) On 8 May 2019, Guper Resources Sdn. Bhd. ("GR"), 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 GR located at Taman Perindustrian Pulau Indah.

(b) On 17 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 289,000, 1,211,400 and 87,500 new ordinary shares at an issue price of RM0.55, RM0.62 and RM0.68 per share respectively 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.

(c) On 18 July 2019, the Company had declared an interim dividend of RM0.16 per ordinary share amounting to RM20.3 million for the current financial year which had been paid on 26 August 2019.

(d) On 13 August 2019, the Company had entered into a conditional share purchase agreement with SH Cogent Logistics Pte. Ltd for the disposal of 80% of its equity interests in Dolphin Shipping Agency Sdn. Bhd., Guper Integrated Logistics Sdn. Bhd. and Gems Logistics Sdn. Bhd. (collectively referred to as the "Subject Companies") for a total cash consideration of RM85,600,000. Following the completion of the disposal on 14 February 2020, the Subject Companies became associates of the Company.

(e) On 16 December 2019, Pengangkutan Sekata Sdn. Bhd., a wholly-owned subsidiary of the Company had transferred its investment in Sin Hiap Hoe Trading & Transport Sdn. Berhad ("SHH") to the Company. In consequent thereof, SHH became a wholly-owned subsidiary of the Company.

(f) On 16 December 2019, the Company entered into a Sale and Purchase Agreement for the acquisition of 50% equity interest in Channel Legion Sdn. Bhd. ("Channel") consisting of 250,000 ordinary shares for a total consideration of RM280,000. Following the completion of the acquisition on 10 January 2020, Channel became a subsidiary of the Company by virtue of the Company's controlling power over the Board of Directors ("Board") of Channel where a majority of the Board are dominated by the Company.

(g) On 20 December 2019, Guper Integrated Logistics Sdn. Bhd. ("GIL"), a wholly-owned subsidiary of the Company had accepted a term loan facility of RM16.0 million from AmBank Islamic Berhad which is secured by a corporate guarantee of the Company in order to refinance a parcel of land located at Kawasan Perindustrian Nilai, Negeri Sembilan held under Lot No. 60589, Title No. 248848, Bandar Nilai Utama, District Seremban.

(h) On 16 January 2020, Sin Hiap Hoe Trading & Transport Sdn. Berhad, a wholly-owned subsidiary of the Company had entered into a Sale and Purchase Agreement with Bun Seng Hardware Sdn Bhd for the acquisition of a parcel of vacant leasehold industrial land held under H.S.(D) 119778, PT No. 121658, Mukim Klang, District of Klang, Selangor measuring approximately 9,712 square metres for a cash consideration of RM7,840,500.

(i) On 30 March 2020, the Company entered into a transaction for the disposal of the entire equity interest in Bagai Pertama Sdn. Bhd. ("BP"), Complete Container Services Sdn. Bhd. ("CCS") and Complete Shipping Sdn. Bhd. ("CS") for a total cash consideration of RM3,000. Following the completion of the disposal on the same day, BP, CCS and CS have ceased to be wholly-owned subsidiaries of the Company.

NOTES TO THE FINANCIAL STATEMENTS
31 March 2020 (continued)

38 SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (continued)

The significant events during the financial year are as follows: (continued)

(j) On 11 March 2020, the World Health Organisation ("WHO") has declared the outbreak of Covid-19 to be a global pandemic. In Malaysia, to contain the spread of Covid-19, the Movement Control Order ("MCO") had been imposed from 18 March 2020 to 1 May 2020 and further extended through a conditional MCO till 9 June 2020. The conditional MCO is replaced by recovery MCO from 10 June 2020 to 31 August 2020. Except for those providing essential services and selected economic sectors which are critical for our local and the global supply chains, all businesses are required to suspend all in-person activities and activities at the business location. The Malaysian Government has relaxed the MCO on the logistics industry as this industry provides essential services to the country. With this decision, the Group's logistics operations are able to operate subject to certain operating conditions.

Directors are cognisant of the challenges posed by these events and the potential impact they have on the Group's and the Company's financial position, financial performance and cash flows subsequent to the reporting period. As the situation continues to evolve with significant level of uncertainty, the Group and the Company are unable to reasonably estimate the full financial impact of the Covid-19 outbreak. The Group and the Company are monitoring the situation closely and to mitigate the financial impact. The Group and the Company are conscientiously managing its cost by adopting an operating cost reduction strategy and conserving liquidity by working with major creditors to align repayment obligations with receivable collections.

39 SIGNIFICANT EVENTS OCCURRING AFTER THE REPORTING PERIOD

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

(a) On 27 April 2020, the Company had declared and approved the payment of an interim dividend of RM0.16 per ordinary share amounting to RM20.3 million in respect of the financial year ending 31 March 2021. The interim dividend had been paid on 12 June 2020 to shareholders registered in the Record of Depositors on 14 May 2020.

(b) On 12 May 2020, the Company had increased its issued and paid-up share capital from RM70,477,440 to RM70,835,097 by the issuance of 90,000, 149,000 and 119,000 new ordinary shares at an issue price of RM0.55, RM0.62 and RM0.68 per share respectively 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.

40 INITIAL APPLICATION OF MFRS 16

The Group has adopted MFRS 16 using the modified retrospective method of adoption with the date of initial application of 1 April 2019 and has not restated the comparative information as permitted under the specific transition provisions in the standard. The Group has applied MFRS 16 only to contracts that were previously identified as leases under MFRS 117 'Leases' and IC Interpretation 4 'Determining Whether an Arrangement Contains a Lease'. Therefore, MFRS 16 has been applied only to contracts entered into or changed on or after 1 April 2019.

At 1 April 2019, for leases that were classified as finance leases, the Group has recognised the carrying amount of the lease asset as the carrying amount of the right-of-use asset as at the date of initial application. The adjustment included a transfer of revalued leasehold land from property, plant and equipment to right-of-use asset that is measured subsequently using the cost model.

As a result, the Group did not make any adjustments to its retained earnings upon the transition to MFRS 16 at 1 April 2019 other than the reclassification of certain balances in the Group's statements of financial position on that date.

LIST OF PROPERTIES
AS AT 31 MARCH 2020

	Registered Owner		Location	Description/ Existing Use	Tenure of Land	Land Area (m2)	Warehouse Space (ft²)	Approximate Age of Building (Years)	Date of Acquisition	Group Carrying Amount @ 31/3/2020
1	Complete Logistic Specialists Sdn Bhd	(i)	No. 25, Jalan Berangan, 42000 Port Klang, Selangor Darul Ehsan.	Land/Building - 3 Storey shophouses	Freehold	180		35	01.06.2014	556,265
		(ii)	No. 27, Jalan Berangan, 42000 Port Klang, Selangor Darul Ehsan.	Land/Building - 3 Storey shophouses	Freehold	180		35	12.11.2007	466,411
2	Guper Bonded Warehouse Sdn Bhd	(i)	Lot 60584	Vacant Land	Freehold	11,479		-	16.11.2007	1,227,793
		(ii)	Lot 60585	Vacant Land	Freehold	10,196		-	16.11.2007	1,090,563
		(iii)	Lot 60586	Vacant Land	Freehold	10,196		-	16.11.2007	1,090,563
		(iv)	Lot 60587	Vacant Land	Freehold	10,196		-	16.11.2007	1,090,563
		(v)	Lot 60588 Nilai Industrial Estate, 71800 Nilai, Negeri Sembilan Darul Khusus.	Vacant Land	Freehold	14,164		-	16.11.2007	1,514,980
3	Guper Resources Sdn Bhd	(i)	Plot 5 Phase 1, Kawasan Industri Elkay, Lipat Kajang, Jasin, Melaka	Vacant Land	Freehold	17,802			21.07.2017	5,748,613
		(ii)	Lot 121647 Section 5, Fasa 2B, Pulau Indah Industrial Park, Jalan Sungai Pinang 4/2, 42920 Pulau Indah, Selangor Darul Ehsan.	Vacant Land Factory/ Warehouse (construction in progress)	Leasehold (Expiring on 24.09.2097)	14,245	 89,500		01.12.2014	7,487,040 8,425,074
		(iii)	Lot 42 (Lot 87992) Jalan Perigi Nenas 8/7, 42920 Port Klang, Selangor Darul Ehsan.	Land Warehouse	Leasehold (Expiring on 30.03.2097)	10,740	 70,000	0.5	05.05.2016 01.07.2019	4,809,730 6,979,549

LIST OF PROPERTIES (continued)
AS AT 31 MARCH 2020

	Registered Owner		Location	Description/ Existing Use	Tenure of Land	Land Area (m2)	Warehouse Space (ft²)	Approximate Age of Building (Years)	Date of Acquisition	Group Carrying Amount @ 31/3/2020
4	Pengangkutan Sekata Sdn Bhd	(i)	PLO 565, Jalan Keluli, Pasir Gudang Industrial Area, 81700 Pasir Gudang Johor Darul Takzim.	Vacant Land Workshop Warehouse (Construction in progress)	Leasehold (Expiring on 18.05.2060) Leasehold	12,140	75,560	3	16.07.2016	4,276,331 560,088 235,256
5	Ultra Trinity Sdn Bhd	(i)	Lot 121648	Vacant Land	Leasehold	10,152			01.12.2014	5,311,732
		(ii)	Lot 121653 Section 5, Fasa 2B, Pulau Indah Industrial Park, Jalan Sungai Pinang 4/2, 42920 Pulau Indah, Selangor Darul Ehsan.	Vacant Land	Leasehold (Expiring on 24.09.2097)	7,298			01.12.2014	3,818,524

ANALYSIS OF SHAREHOLDINGS
AS AT 10 AUGUST 2020

Issued and Paid Up Share Capital	:	RM70,835,097 comprising 127,356,500 shares
Voting Rights	:	One (1) vote per share
Number of Shareholders	:	1,734

SIZE OF SHAREHOLDINGS

Size of Holdings	No. of Shareholders	%	No. of Shares *	%
Less than 100	8	0.46	300	-
100 - 1,000	304	17.54	223,700	0.18
1,001 - 10,000	909	52.45	4,988,100	3.92
10,001 - 100,000	428	24.70	13,392,200	10.54
100,001 to less than 5% of issued shares	80	4.62	35,450,400	27.91
5% and above of issued shares	4	0.23	72,982,500	57.45
	1,733	100.00	127,037,200	100.00

DIRECTORS' SHAREHOLDINGS

No.	Name of Director	Direct Interest		Indirect Interest	
		No. of Shares	% *	No. of Shares	% *
Ordinary Shares					
1	Law Hee Ling	14,494,900	11.41%	57,729,200	45.44%
2	Dato' Dr Ibrahim Bin Ahmad	100,000	0.08%	7,000,000	5.51%
3	Chia Kah Ying	1,931,800	1.52%	-	-
Shares Options of the Company #					
1	Dato' Dr Ibrahim Bin Ahmad	200,000			

INFORMATION ON SUBSTANTIAL SHAREHOLDERS

No.	Name of Shareholders	Direct Interest		Indirect Interest	
		No. of Shares	% *	No. of Shares	% *
1	Dolphin Assets Sdn Bhd	37,448,100	29.48%	-	
2	Law Hee Ling	14,494,900	11.41%	57,729,200	45.44%
3	Pusaka Unggul Sdn Bhd	7,000,000	5.51%	-	
4	Leon Law Li Yion	16,487,600	12.98%	37,448,100	29.48%
5	Dato' Dr Ibrahin Bin Ahmad	100,000	0.08%	7,000,000	5.51%

ANALYSIS OF SHAREHOLDINGS (continued)
AS AT 10 AUGUST 2020

LIST OF TOP 30 SHAREHOLDERS

No.	Name	No. of Shares	% *
1	Dolphin Assets Sdn Bhd	35,000,000	27.55%
2	Leon Law Li Yion	16,487,600	12.98%
3	Law Hee Ling	14,494,900	11.41%
4	Pusaka Unggul Sdn Bhd	7,000,000	5.51%
5	Lim Lay Fong	3,793,500	2.99%
6	Chandra Sekaran A/L Subrayan	3,723,200	2.93%
7	Dolphin Assets Sdn Bhd	2,448,100	1.93%
8	Chia Kah Ying	1,931,800	1.52%
9	Benchmark Vista Sdn Bhd	1,399,400	1.10%
10	Michael Ong Huat Seng	1,394,000	1.09%
11	Tan Choon Leong	1,391,800	1.09%
12	Chun Poh Lin	1,000,000	0.79%
13	RHB Nominees (Tempatan) Sdn Bhd Pledged securities account for Mohamed Faroz Bin Mohamed Jakel	976,100	0.77%
14	Tan Choon Leong	950,000	0.75%
15	Kenanga Nominees (Tempatan) Sdn Bhd Pledged securities account for Master Knowledge Sdn Bhd	782,000	0.61%
16	Kong Tiong Kian	764,000	0.60%
17	Soh Eng Seong	632,100	0.50%
18	Affin Hwang Nominees (Tempatan) Sdn bhd Pledged securities account for Yeow Kuei Chai	628,000	0.50%
19	Kamarudin Bin Mohd Zain	523,900	0.41%
20	Kenanga Nominees (Tempatan) Sdn Bhd Pledged securities account for Choo Peng Hung	464,300	0.36%
21	Ooi Siew Looi	392,200	0.31%
22	Tan Choon Leong	368,900	0.29%
23	Xiao Mei Ling	360,400	0.28%
24	Goh Lay Yong	340,000	0.27%
25	Lau Pik	340,000	0.27%
26	Ng Eng Leong	336,800	0.27%
27	Kenanga Nominees (Tempatan) Sdn Bhd Pledged securities account for Hian Bee Geok	315,900	0.25%
28	CGS-CIMB Nominees (Tempatan) Sdn Bhd Pledged Pledged securities account for Lee Kean Peng	304,000	0.24%
29	UOB Kay Hian Nominees (Asing) Sdn Bhd Exempt An For UOB Kay Hian Pte Ltd (A/C Clients)	300,400	0.24%
30	Ng Soon Tong	300,000	0.23%
		99,143,300	78.04%

Note :

* Excluding a total of 319,300 ordinary shares bought back by the Company and retained as treasury shares.

\# 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 Fifteenth (15th) 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 Tuesday, 22 September 2020 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 2020 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 2021 (2020:RM111,000); **Ordinary Resolution 1**

   (ii) Meeting allowance for the Independent Directors for the period from 23 September 2020 until the next Annual General Meeting ("AGM") of the Company: **Ordinary Resolution 2**

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

3. To re-elect Datuk Iskandar Bin Sarudin retiring pursuant to Article 131.1 of the Constitution of the Company; **Ordinary Resolution 3**

4. To re-elect Mr. Leou Thiam Lai retiring pursuant to Article 116 of the Constitution of the Company; **Ordinary Resolution 4**

5. To re-appoint Crowe Malaysia PLT as Auditors of the Company and to authorise the Directors to fix their remuneration; **Ordinary Resolution 5**

AS SPECIAL BUSINESS

6. To consider and, if thought fit, to pass the following resolutions:

   (A) Authority to Allot and Issue Shares Pursuant to Sections 75 and 76 of the Companies Act 2016 ("Act") - General Allotment **Ordinary Resolution 6**

   "That pursuant to Sections 75 and 76 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);

NOTICE OF ANNUAL GENERAL MEETING (continued)

(B) Authority to Allot and Issue Shares Pursuant to Sections 75 and 76 of the Act - Share Issuance Scheme ("SIS") Allotment **Ordinary Resolution 7**

"That pursuant to Sections 75 and 76 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 to Purchase up to 10% of its Total Number of Issued Shares ("Proposed Renewal of Share Buy-Back Authority") **Ordinary Resolution 8**

"That subject to the Act, rules, regulations and orders made pursuant to the Act, provisions of the Company's Constitution 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:-

(i) 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

(ii) the maximum amount of funds to be allocated for the Purchased Shares shall not exceed the retained profits of the Company;

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);

NOTICE OF ANNUAL GENERAL MEETING (continued)

(D) Proposed Renewal of Existing Shareholders' Mandate for Recurrent Related Party Transactions ("RRPT") of a Revenue and/ or Trading Nature ("Proposed Shareholders' Mandate for RRPT"):- **Ordinary Resolution 9**

"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 25 August 2020 ("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 day-to-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:-

(i) 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

(ii) 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);

7. 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: 25 August 2020

NOTICE OF ANNUAL GENERAL MEETING (continued)

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 2021 (2020: RM111,000);

   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 23 September 2020 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 15 September 2020 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.

NOTICE OF ANNUAL GENERAL MEETING (continued)

4. Explanatory Notes on Special Business:

(i) Ordinary Resolution 6 - Proposed renewal of authority for Directors to issue shares-General Allotment

Ordinary Resolution 6 is proposed for the purpose of granting a renewal of the general mandate for the issuance of shares by the Company under Sections 75 and 76 of the Act. Ordinary Resolution 6, 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 6 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 placement of shares, for the purpose of funding future investment project(s), working capital and/or acquisition(s).

(ii) Ordinary Resolution 7 - Proposed authority for Directors to issue shares – SIS Allotment.

Ordinary Resolution 7 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 8 - Proposed renewal of share buy-back authority.

Ordinary Resolution 8, 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 25 August 2020, which is dispatched together with the Company's 2020 Annual Report.

(iv) Ordinary Resolution 9 - Proposed shareholders' mandate for RRPT.

Ordinary Resolution 9, 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 25 August 2020, which is dispatched together with the Company's 2020 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.

PROXY FORM

COMPLETE LOGISTIC SERVICES BERHAD
Company No. 200501034100 (716241-X)

I/We ____
(FULL NAME IN CAPITALS)

of ____
(ADDRESS)

being a member/members of **COMPLETE LOGISTIC SE RVICES BERHAD**, hereby appoint:

Proxy A

Full Name	NRIC No./Passport No./Company No.	Proportion of shareholdings represented	
		No. of Shares	%
Address			

Proxy B

Full Name	NRIC No./Passport No./Company No.	Proportion of shareholdings represented	
		No. of Shares	%
Address			

or failing him/her THE CHAIRMAN OF THE MEETING as my/our first proxy, to vote for me/us and on my/our behalf, at the Fifteenth (15th) Annual General Meeting of the Company, to be held at Nilai Inland Port, 1st Floor, PT 3907, Nilai Industrial Estate, 71800 Nilai, Negeri Sembilan Darul Khusus on Tuesday, 22 September 2020 at 11.00 a.m. and at any adjournment thereof.

Resolutions		**Proxy A**		**Proxy B**	
		For	**Against**	**For**	**Against**
AS ORDINARY BUSINESS:					
	To receive the 2020 Audited Financial Statements and Reports				
Ordinary Resolution 1	To approve Directors' fees not exceeding RM132,000 for the financial year ending 31 March 2021				
Ordinary Resolution 2	To approve meeting allowance for Independent Directors from 23 September 2020 until the next Annual General Meeting				
	To re-elect the following Directors who retire in accordance with the Company's Constitution				
Ordinary Resolution 3	(i) under Article 131.1- Datuk Iskandar Bin Sarudin				
Ordinary Resolution 4	(i) under Article 116 - Leou Thiam Lai				
Ordinary Resolution 5	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 6	(a) To approve authority for Directors to allot and issue shares – General Allotment				
Ordinary Resolution 7	(b) To approve authority for Directors to allot and issue shares – SIS Allotment				
Ordinary Resolution 8	(c) To renew mandate for share buy back				
Ordinary Resolution 9	(d) To renew mandate for RRPT				

Dated this______________day of ______________2020.

CDS Account No.	
No. of Shares held	

____
Signature of Member(s)/Common Seal

Notes

(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 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 15 September 2020 will be entitled to attend and vote at the meeting or appoint a proxy 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

Company No. 200501034100 (716241-X)

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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COMPLETE LOGISTIC SERVICES BERHAD
(Registration No.: 200501034100 (716241-X))

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