



COMPLETE LOGISTIC SERVICES BERHAD (716241-X)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2016

22 February 2017

Complete Logistic Services Berhad
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COMPLETE LOGISTIC SERVICES BERHAD (716241-X)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016

RM'000	Note	As at 31.12.2016 Unaudited	As at 31.03.2016 Audited
Assets			
Property, plant and equipment		106,274	96,528
Non-current assets		106,274	96,528
Inventories		1,251	854
Trade and other receivables		43,464	33,070
Tax recoverable		1,262	1,564
Cash and cash equivalents		12,831	21,738
Current assets		58,808	57,226
Total assets		165,082	153,754
Equity and liabilities			
Share capital		61,219	61,219
Treasury shares		(131)	(131)
Other reserves		5,779	5,631
Retained earnings	19	61,808	51,529
Equity attributable to owners of the Company		128,675	118,248
Non-controlling interests		651	535
Total equity		129,326	118,783
Borrowings (secured)	21	12,320	10,997
Deferred tax liabilities		4,994	4,788
Non-current liabilities		17,314	15,785
Trade and other payables		11,155	9,662
Borrowings (secured)	21	7,287	9,524
Current liabilities		18,442	19,186
Total liabilities		35,756	34,971
Total equity and liabilities		165,082	153,754
Net assets per share attributable to owners of the Company (RM)		1.05	0.97

The above condensed consolidated statement of financial position should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.

COMPLETE LOGISTIC SERVICES BERHAD (716241-X)
(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2016**

(These figures have not been audited)

RM'000	Note	Current quarter 3 months ended		Cumulative quarter 9 months ended	
		31.12.2016	31.12.2015	31.12.2016	31.12.2015
Revenue		29,576	31,014	90,359	93,942
Cost of sales		(23,501)	(24,699)	(72,311)	(74,377)
Gross profit		6,075	6,315	18,048	19,565
Other income		365	505	1,291	1,721
Marketing and distribution costs		(159)	(206)	(510)	(569)
Administration expenses		(1,216)	(1,224)	(4,292)	(4,477)
Other expenses		(393)	(1,162)	(1,471)	(2,228)
Finance costs		(231)	(342)	(785)	(790)
Profit before tax		4,441	3,886	12,281	13,222
Tax expense	18	(484)	1,502	(1,886)	(222)
Profit for the period		3,957	5,388	10,395	13,000
Other comprehensive income		-	-	-	-
Total comprehensive income		3,957	5,388	10,395	13,000
Profit attributable to:					
Owners of the Company		3,927	5,351	10,279	12,929
Non-controlling interest		30	37	116	71
Profit for the period		3,957	5,388	10,395	13,000
Total comprehensive income attributable to:					
Owners of the Company		3,927	5,351	10,279	12,929
Non-controlling interest		30	37	116	71
		3,957	5,388	10,395	13,000
Earnings per share attributable to owners of the Company:					
Basic (sen)	24	3.2	4.4	8.4	10.6
Diluted (sen)	24	3.2	4.4	8.4	10.6

The above condensed consolidated income statement should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.

COMPLETE LOGISTIC SERVICES BERHAD (716241-X)
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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2016
(These figures have not been audited)

RM'000	Attributable to owners of the Company						Non-controlling interests	Total equity
	Non-Distributable			Distributable				
	Share capital	Treasury shares	Share premium	Share option reserve	Retained earnings	Total		
At 1 April 2016	61,219	(131)	5,147	484	51,529	118,248	535	118,783
Total comprehensive income for the period	-	-	-	-	10,279	10,279	116	10,395
Share option value	-	-	-	148	-	148	-	148
At 31 December 2016	61,219	(131)	5,147	632	61,808	128,675	651	129,326
At 1 April 2015	60,736	(131)	4,502	718	35,300	101,125	425	101,550
Total comprehensive income for the period	-	-	-	-	12,929	12,929	71	13,000
Issuance of shares	218	-	52	-	-	270	-	270
Share option value	-	-	-	244	-	244	-	244
At 31 December 2015	60,954	(131)	4,554	962	48,229	114,568	496	115,064

The above condensed consolidated statement of changes in equity should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.

COMPLETE LOGISTIC SERVICES BERHAD (716241-X)
(Incorporated in Malaysia)
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2016
(These figures have not been audited)

RM'000	9 months ended	
	31.12.2016	31.12.2015
Cash flows from operating activities		
Profit before tax	12,281	13,222
Adjustments for:		
Non-cash items	5,437	5,646
Non-operating items	2	555
Interest income	(311)	(361)
Interest expense	785	790
Operating profit before working capital changes	18,194	19,852
Changes in working capital:		
Inventories	(397)	(514)
Receivables	(10,277)	(230)
Payables	(568)	(1,280)
Cash generated from operations	6,952	17,828
Net tax paid	(1,426)	(2,350)
Net cash from operating activities	5,526	15,478
Cash flows from investing activities		
Interest received	311	361
Net cash outflow from the acquisition of a subsidiary	(357)	-
Net cash inflow from the disposal of a subsidiary	47	-
Purchase of property, plant and equipment	(5,754)	(17,905)
Proceeds from disposal of property, plant and equipment	62	342
Proceeds from issuance of shares	-	270
Net cash used in investing activities	(5,691)	(16,932)
Cash flows from financing activities		
Withdrawal/(Additional) of fixed deposits pledged to licensed bank	124	(15)
Drawdown of term loan	530	12,570
Interest paid	(785)	(790)
Net repayment of borrowings	(7,790)	(7,142)
Repayment to a director	(1,155)	-
Net cash (used in)/from financing activities	(9,076)	4,623
Net changes in cash and cash equivalents	(9,241)	3,169
Cash and cash equivalents at the beginning of financial year	21,396	15,095
Cash and cash equivalents at the end of financial year	12,155	18,264
Analysis of cash and cash equivalents		
Fixed deposits	6,757	12,191
Cash and bank balances	6,074	7,011
	12,831	19,202
Bank overdraft	(511)	(653)
Fixed deposits pledged to licensed bank	(165)	(285)
	12,155	18,264

The above condensed consolidated statement of cash flow should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.

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PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

1 Basis Of Preparation

This unaudited interim financial statements has been prepared in accordance with MFRS134: Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 March 2016.

The accounting policies adopted by the Group in this interim financial statements are consistent with those adopted in the most recent audited financial statements for the financial year ended 31 March 2016 except for the following new MFRS, Amendments to MFRS and IC Interpretations to be applied by the Group for the financial periods beginning on or after 1 April 2016:

MFRS14 Regulatory Deferral Accounts

Amendments to MFRS10, MFRS12 and MFRS128 - Investment Entities: Applying the Consolidation Exception

Amendments to MFRS11 - Accounting for Acquisitions of Interests in Joint Operations

Amendments to MFRS101 - Disclosure Initiative

Amendments to MFRS116 and MFRS138 - Clarification of Acceptable Methods of Depreciation and

Amendments to MFRS116 and MFRS141 - Agriculture: Bearer Plants

Amendments to MFRS127 - Equity Method in Separate Financial Statements

Annual Improvements to MFRSs 2012 - 2014 Cycle

The adoption of the above pronouncements did not have any significant effects on this interim financial statements upon their initial application.

The Group has not adopted the following Amendments to MFRS that have been issued but not yet effective:

MFRS9 Financial Instruments (IFRS9 issued by IASB in July 2014)

MFRS15 Revenue from Contracts with Customers

MFRS16 Leases

Amendments to MFRS2 - Classification and Measurement of Share-based Payment transactions

Amendments to MFRS10 and MFRS128 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

Amendments to MFRS15 - Effective Date of MFRS15

Amendments to MFRS107 - Disclosure Initiative

Amendments to MFRS112 - Recognition of Deferred Tax Assets for Unrealised Losses

Amendments to MFRS 140 - Transfers of Investment Property

Annual Improvements to MFRSs 2014 - 2016 Cycle

The Group will adopt the above pronouncements when they become effective in the respective financial periods. These pronouncements are not expected to have any significant effects to the Group upon their initial application.

2 Seasonality Or Cyclicity Of Operations

The business operations of the Group are subject to the forces of supply and demand and thus, could display cyclical trends.

3 Unusual Items Due To Their Nature, Size Or Incidence

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the quarter ended 31 December 2016.

4 Significant Estimates And Changes In Estimates

There were no changes in estimates that had any material effects during the quarter ended 31 December 2016.

5 Debt And Equity Securities

There were no issuances, repurchases or repayments of debt and equity securities during the quarter ended 31 December 2016.

6 Dividends Paid

There were no dividends paid during the current and previous corresponding quarter.

7 Segmental Information

The Group's operations comprise the following business segments:

Logistics : Total logistic services provider including trading of freight, haulage, lorry and trucking, custom clearance and Inland Port operation

Shipping : Provision of marine transportation services

Others : Trading of goods, insurance agency and investment holding

RM'000	Logistics	Shipping	Others	Total	Elimination	Group
Results For 3 Months Ended						
31 December 2016						
External revenue	24,372	3,965	1,239	29,576	-	29,576
Intersegment revenue	2,002	-	2,083	4,085	(4,085)	-
Total revenue	26,374	3,965	3,322	33,661	(4,085)	29,576
Segment profit	5,058	942	478	6,478	-	6,478
Depreciation	(1,464)	(64)	(132)	(1,660)	(215)	(1,875)
Interest income	10	-	59	69	-	69
Finance costs	(82)	-	(149)	(231)	-	(231)
Profit before tax	3,522	878	256	4,656	(215)	4,441
Tax expense	(469)	-	(48)	(517)	33	(484)
Profit after tax	3,053	878	208	4,139	(182)	3,957
31 December 2015						
External revenue	24,411	4,599	2,004	31,014	-	31,014
Intersegment revenue	1,668	-	3,338	5,006	(5,006)	-
Total revenue	26,079	4,599	5,342	36,020	(5,006)	31,014
Segment profit	4,519	1,045	1,397	6,961	(1,072)	5,889
Depreciation	(1,426)	(58)	(118)	(1,602)	(193)	(1,795)
Interest income	32	-	102	134	-	134
Finance costs	(238)	-	(104)	(342)	-	(342)
Profit before tax	2,887	987	1,277	5,151	(1,265)	3,886
Tax expense	(342)	1,432	(36)	1,054	448	1,502
Profit after tax	2,545	2,419	1,241	6,205	(817)	5,388

7 Segmental Information (continued)

RM'000	Logistics	Shipping	Others	Total	Elimination	Group
Results For 9 Months Ended						
31 December 2016						
External revenue	75,484	10,817	4,058	90,359	-	90,359
Intersegment revenue	7,049	629	7,276	14,954	(14,954)	-
Total revenue	82,533	11,446	11,334	105,313	(14,954)	90,359
Segment profit	14,610	2,352	1,289	18,251	58	18,309
Depreciation	(4,336)	(176)	(415)	(4,927)	(627)	(5,554)
Interest income	35	-	276	311	-	311
Finance costs	(339)	-	(446)	(785)	-	(785)
Profit before tax	9,970	2,176	704	12,850	(569)	12,281
Tax expense	(1,757)	(1)	(216)	(1,974)	88	(1,886)
Profit after tax	8,213	2,175	488	10,876	(481)	10,395
31 December 2015						
External revenue	75,323	12,651	5,968	93,942	-	93,942
Intersegment revenue	5,064	158	9,549	14,771	(14,771)	-
Total revenue	80,387	12,809	15,517	108,713	(14,771)	93,942
Segment profit	14,882	3,146	3,747	21,775	(2,722)	19,053
Depreciation	(4,311)	(185)	(304)	(4,800)	(602)	(5,402)
Interest income	70	2	289	361	-	361
Finance costs	(641)	-	(149)	(790)	-	(790)
Profit before tax	10,000	2,963	3,583	16,546	(3,324)	13,222
Tax income/(expense)	(1,719)	1,156	(186)	(749)	527	(222)
Profit after tax	8,281	4,119	3,397	15,797	(2,797)	13,000
Assets and Liabilities As At						
31 December 2016						
Segment/Total assets	97,844	26,711	142,505	267,060	(101,978)	165,082
Segment/Total liabilities	37,098	5,387	46,154	88,639	(52,883)	35,756
31 December 2015						
Segment/Total assets	93,500	22,991	121,275	237,766	(82,899)	154,867
Segment/Total liabilities	43,078	5,325	26,372	74,775	(34,972)	39,803

8 Related Party Disclosures

Significant recurrent related party transactions are as follows:

RM'000	3 months ended		9 months ended	
	31.12.2016	31.12.2015	31.12.2016	31.12.2015
Companies in which certain Directors have interests:				
Revenue from services rendered	1,908	1,830	7,708	5,025
Forwarding service charges payable	456	287	1,647	944
Fuel payable	948	1,424	3,565	3,363
Spare parts payable	46	37	165	116
Rental income receivable	6	6	24	18
Warehouse expense payable	24	20	151	49

The Directors are of the opinion that the above transactions have been established on terms and conditions that are not materially different from those obtainable in transactions with unrelated parties.

9 Valuation of Property, Plant and Equipment

There was no valuation on property, plant and equipment during the current and previous corresponding quarter.

10 Capital Commitments

As at the end of the reporting quarter, the Group has approved and contracted for capital commitments of RM12.71 million in respect of property, plant and equipment.

11 Contingent Assets And Liabilities

There were no changes in contingent liabilities and contingent assets since the end of last financial year.

12 Changes in Composition of the Group

There were no changes in the composition of the Group during the current quarter.

13 Events After The Reporting Period

There were no material events subsequent to the end of the current quarter.

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**PART B: EXPLANATORY NOTES PURSUANT TO MAIN MARKET
LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

14 Analysis Of Performance - Comparison With Preceding Year Corresponding Quarter

During the quarter under review, the Group recorded a decrease in revenue of RM1.44 million compared to the preceding year corresponding quarter (“corresponding quarter”). However, the Group reported an increase in pre-tax profit of RM0.56 million compared to the corresponding quarter.

(a) Logistics

Revenue of the logistic segment has increased slightly by RM0.30 million as compared to the corresponding quarter and accordingly reported higher pre-tax profit by RM0.64 million as compared to the corresponding quarter.

(b) Shipping

Revenue of the shipping segment has decreased by RM0.63 million as compared to the corresponding quarter. With the decrease in revenue, its pre-tax profit decreased by RM0.11 million as compared to the corresponding quarter.

15 Comparison With Immediate Preceding Quarter

RM'000	3 months ended		Changes
	31.12.2016	30.09.2016	
Revenue	29,576	31,044	(1,468)
Profit before tax	4,441	3,643	798

Revenue in the current quarter has decreased by RM1.47 million but the Group reported an increase in pre-tax profit of RM0.80 million.

16 Commentary On Prospects

The Board expects lower business activities during the festive season in the final quarter. Construction of two new warehouses is currently in progress and expected staggered completion in the next financial year. The Board is optimistic that barring any unforeseen circumstances, the financial performance of the Group for the remaining quarter of the financial year will remain positive.

17 Profit Forecast

Not applicable.

18 Tax Expense

RM'000	3 months ended		9 months ended	
	31.12.2016	31.12.2015	31.12.2016	31.12.2015
Income tax	397	(697)	1,679	912
Deferred tax	87	(805)	207	(690)
Total tax expense	484	(1,502)	1,886	222

Income tax is calculated at the statutory tax rate of 24% of the estimated assessable profit for the period.

The overall effective tax rate of the Group is lower than the statutory tax rate, mainly due to tax incentives available.

19 Retained Earnings

RM'000	As at	As at
	31.12.2016	31.03.2016
Realised	105,302	94,767
Unrealised	(4,900)	(4,788)
	100,402	89,979
Consolidation adjustments	(38,594)	(38,450)
Total retained earnings	61,808	51,529

20 Corporate Proposals

There were no corporate proposals announced as at the reporting date.

21 Borrowings (secured)

RM'000	As at	As at
	31.12.2016	31.03.2016
Short term borrowings:		
Bank overdraft	511	53
Hire purchase	1,910	3,307
Term loans	4,866	6,164
	7,287	9,524
Long term borrowings:		
Hire purchase	208	1,383
Term loans	12,112	9,614
	12,320	10,997
Total borrowings	19,607	20,521

22 Changes In Material Litigation

There was no material litigation against the Group as at the reporting date.

23 Proposed Dividend

No dividend has been proposed during the current quarter.

24 Earnings Per Share ("EPS")

	3 months ended		9 months ended	
	31.12.2016	31.12.2015	31.12.2016	31.12.2015
Profit attributable to Owners of the Company (RM'000)	3,927	5,351	10,279	12,929
Weighted average number of ordinary shares in issue ('000)	122,119	121,508	122,119	121,508
Effect of dilution ('000)	-	891	-	891
Adjusted weighted average number of ordinary shares in issue ('000)	122,119	122,399	122,119	122,399
Basic EPS (sen)	3.2	4.4	8.4	10.6
Diluted EPS (sen)	3.2	4.4	8.4	10.6

25 Auditors' Report On Preceding Annual Financial Statements

The auditors' report on the financial statements for the financial year ended 31 March 2016 was unqualified.

26 Profit Before Tax

RM'000	3 months ended		9 months ended	
	31.12.2016	31.12.2015	31.12.2016	31.12.2015
Profit before tax is arrived at after crediting/(charging):				
Interest income	69	134	311	361
Other income including investment income	296	371	980	1,360
Interest expense	(231)	(342)	(785)	(790)
Depreciation	(1,875)	(1,795)	(5,554)	(5,402)
Gain on disposal of a subsidiary	-	-	1	-
Realised gain/(loss) in foreign exchange	194	(16)	323	304
Unrealised gain/(loss) in foreign exchange	37	(30)	94	8
Gain on bargain purchase	-	-	148	-

Save as disclosed above, there were no other material provision for and write off of receivables, provision for and write off of inventories, gain or loss on disposal of quoted investment or properties, impairment of assets, gain or loss on derivatives or exceptional items for current quarter under review.

27 Authorised For Issue

The condensed consolidated interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 22 February 2017.