



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

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2017

21 November 2017

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2017

RM'000	Note	As at 30.09.2017 Unaudited	As at 31.03.2017 Audited
Assets			
Property, plant and equipment		129,611	122,522
Non-current assets		129,611	122,522
Inventories		793	1,075
Trade and other receivables		33,687	32,681
Tax recoverable		1,055	1,499
Cash and cash equivalents		9,281	9,062
Current assets		44,816	44,317
Total assets		174,427	166,839
Equity and liabilities			
Share capital		67,464	67,464
Treasury shares		(131)	(131)
Other reserves		551	451
Retained earnings	19	64,920	61,073
Equity attributable to owners of the Company		132,804	128,857
Non-controlling interests		749	688
Total equity		133,553	129,545
Borrowings (secured)	21	15,060	11,330
Deferred tax liabilities		5,617	5,480
Non-current liabilities		20,677	16,810
Trade and other payables		13,880	15,545
Borrowings (secured)	21	6,317	4,939
Current liabilities		20,197	20,484
Total liabilities		40,874	37,294
Total equity and liabilities		174,427	166,839
Net assets per share attributable to owners of the Company (RM)		1.08	1.05

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 SECOND QUARTER ENDED 30 SEPTEMBER 2017**
(These figures have not been audited)

RM'000	Note	Current quarter 3 months ended		Cumulative quarter 6 months ended	
		30.09.2017	30.09.2016	30.09.2017	30.09.2016
Revenue		31,407	31,044	60,492	60,783
Cost of sales		(25,765)	(25,135)	(50,930)	(48,810)
Gross profit		5,642	5,909	9,562	11,973
Other income		64	287	197	926
Marketing and distribution costs		(172)	(175)	(349)	(351)
Administration expenses		(1,505)	(1,529)	(2,966)	(3,076)
Other expenses		(541)	(590)	(1,240)	(1,078)
Finance costs		(264)	(259)	(470)	(554)
Profit before tax		3,224	3,643	4,734	7,840
Tax expense	18	(485)	(591)	(826)	(1,402)
Profit for the period		2,739	3,052	3,908	6,438
Other comprehensive income		-	-	-	-
Total comprehensive income		2,739	3,052	3,908	6,438
Profit attributable to:					
Owners of the Company		2,706	3,012	3,847	6,352
Non-controlling interest		33	40	61	86
Profit for the period		2,739	3,052	3,908	6,438
Total comprehensive income attributable to:					
Owners of the Company		2,706	3,012	3,847	6,352
Non-controlling interest		33	40	61	86
Total comprehensive income		2,739	3,052	3,908	6,438
Earnings per share attributable to owners of the Company:					
Basic (sen)	24	2.2	2.5	3.1	5.2
Diluted (sen)	24	2.2	2.5	3.1	5.2

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 SECOND QUARTER ENDED 30 SEPTEMBER 2017

(These figures have not been audited)

RM'000	Attributable to owners of the Company						Total	Non-controlling interests	Total equity
	Non-Distributable			Distributable					
	Share capital	Treasury shares	Share premium	Share option reserve	Retained earnings				
At 1 April 2017	67,464	(131)	-	451	61,073	128,857	688	129,545	
Total comprehensive income for the period	-	-	-	-	3,847	3,847	61	3,908	
Share option value	-	-	-	100	-	100	-	100	
At 30 September 2017	67,464	(131)	-	551	64,920	132,804	749	133,553	
At 1 April 2016	61,219	(131)	5,147	484	51,529	118,248	535	118,783	
Total comprehensive income for the period	-	-	-	-	6,352	6,352	86	6,438	
Issuance of shares	-	-	-	-	-	-	-	-	
Share option value	-	-	-	104	-	104	-	104	
At 30 September 2016	61,219	(131)	5,147	588	57,881	124,704	621	125,325	

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 SECOND QUARTER ENDED 30 SEPTEMBER 2017
(These figures have not been audited)

RM'000	6 months ended	
	30.09.2017	30.09.2016
Cash flows from operating activities		
Profit before tax	4,734	7,840
Adjustments for:		
Non-cash items	3,870	3,555
Non-operating items	46	(2)
Interest income	(56)	(242)
Interest expense	470	554
Operating profit before working capital changes	9,064	11,705
Changes in working capital:		
Inventories	282	(245)
Receivables	(1,018)	(7,254)
Payables	335	1,562
Cash generated from operations	8,663	5,768
Net tax paid	(245)	(910)
Net cash from operating activities	8,418	4,858
Cash flows from investing activities		
Interest received	56	242
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	(11,367)	(3,257)
Proceeds from disposal of property, plant and equipment	474	12
Net cash used in investing activities	(10,837)	(3,313)
Cash flows from financing activities		
Withdrawal of fixed deposits pledged to licensed bank	-	116
Drawdown of term loan	7,829	530
Interest paid	(470)	(554)
Net repayment of borrowings	(2,798)	(5,176)
Repayment to a director	(2,000)	(1,155)
Net cash from/(used in) financing activities	2,561	(6,239)
Net changes in cash and cash equivalents	142	(4,694)
Cash and cash equivalents at the beginning of financial year	8,207	21,396
Cash and cash equivalents at the end of financial year	8,349	16,702
Analysis of cash and cash equivalents		
Fixed deposits	165	6,765
Cash and bank balances	9,116	10,705
	9,281	17,470
Bank overdraft	(767)	(595)
Fixed deposits pledged to licensed bank	(165)	(173)
	8,349	16,702

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 report 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

The accounting policies adopted by the Group in this interim financial report are consistent with those adopted in the most recent audited financial statements for the financial year ended 31 March 2017 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 2017:

Amendments to MFRS12 - Disclosure of Interests in Other Entities (Annual Improvements to MFRS 2014 - 2016 Cycle)

Amendments to MFRS107 - Disclosure Initiative

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

The adoption of the above pronouncements did not have any significant effects on this interim financial report 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

MFRS15 - Revenue from Contracts with Customers

MFRS16 Leases

MFRS17 Insurance Contracts

Amendments to MFRS2 Share-based Payment - Classification and Measurement of Share-based Payment
Insurance Contracts

Amendments to MFRS4 Insurance Contracts - Applying MFRS9 Financial Instruments with MFRS4 Insurance
Contracts

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

Amendments to MFRS140 Investment Property - Transfer of Investment Property

Annual Improvements to MFRSs 2014 - 2016 Cycle

IC Interpretations 22 Foreign Currency Transactions and Advance Consideration

IC Interpretations 23 Uncertainty over Income Tax Treatments

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 30 September 2017.

4 Significant Estimates And Changes In Estimates

There were no changes in estimates that had any material effects during the quarter ended 30 September 2017.

5 Debt And Equity Securities

There were no issuances, repurchases or repayments of debt and equity securities during the quarter ended 30 September 2017.

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						
30 September 2017						
External revenue	26,728	3,575	1,104	31,407	-	31,407
Intersegment revenue	2,085	325	2,496	4,906	(4,906)	-
Total revenue	28,813	3,900	3,600	36,313	(4,906)	31,407
Segment profit	4,248	714	249	5,211	-	5,211
Depreciation	(1,453)	(62)	(134)	(1,649)	(95)	(1,744)
Interest income	8	-	13	21	-	21
Finance costs	(133)	-	(131)	(264)	-	(264)
Profit/(Loss) before tax	2,670	652	(3)	3,319	(95)	3,224
Tax expense	(413)	-	(82)	(495)	10	(485)
Profit/(Loss) after tax	2,257	652	(85)	2,824	(85)	2,739
30 September 2016						
External revenue	25,765	3,618	1,661	31,044	-	31,044
Intersegment revenue	1,892	295	2,553	4,740	(4,740)	-
Total revenue	27,657	3,913	4,214	35,784	(4,740)	31,044
Segment profit	4,425	656	627	5,708	(90)	5,618
Depreciation	(1,440)	(56)	(132)	(1,628)	(205)	(1,833)
Interest income	12	-	105	117	-	117
Finance costs	(103)	-	(156)	(259)	-	(259)
Profit before tax	2,894	600	444	3,938	(295)	3,643
Tax expense	(541)	-	(83)	(624)	33	(591)
Profit after tax	2,353	600	361	3,314	(262)	3,052

7 Segmental Information (continued)

RM'000	Logistics	Shipping	Others	Total	Elimination	Group
Results For 6 Months Ended						
30 September 2017						
External revenue	52,245	6,279	1,968	60,492	-	60,492
Intersegment revenue	3,819	325	4,909	9,053	(9,053)	-
Total revenue	56,064	6,604	6,877	69,545	(9,053)	60,492
Segment profit	7,453	1,000	454	8,907	-	8,907
Depreciation	(3,084)	(123)	(268)	(3,475)	(284)	(3,759)
Interest income	16	-	40	56	-	56
Finance costs	(203)	-	(267)	(470)	-	(470)
Profit/(Loss) before tax	4,182	877	(41)	5,018	(284)	4,734
Tax expense	(720)	-	(138)	(858)	32	(826)
Profit/(Loss) after tax	3,462	877	(179)	4,160	(252)	3,908
30 September 2016						
External revenue	51,112	6,852	2,819	60,783	-	60,783
Intersegment revenue	5,047	629	5,193	10,869	(10,869)	-
Total revenue	56,159	7,481	8,012	71,652	(10,869)	60,783
Segment profit	9,552	1,410	811	11,773	58	11,831
Depreciation	(2,872)	(112)	(283)	(3,267)	(412)	(3,679)
Interest income	25	-	217	242	-	242
Finance costs	(257)	-	(297)	(554)	-	(554)
Profit before tax	6,448	1,298	448	8,194	(354)	7,840
Tax expense	(1,288)	(1)	(168)	(1,457)	55	(1,402)
Profit after tax	5,160	1,297	280	6,737	(299)	6,438
Assets and Liabilities As At						
30 September 2017						
Segment/Total assets	108,628	26,814	155,797	291,239	(116,812)	174,427
Segment/Total liabilities	44,301	5,328	58,549	108,178	(67,304)	40,874
30 September 2016						
Segment/Total assets	91,665	24,270	133,987	249,922	(85,867)	164,055
Segment/Total liabilities	39,318	4,775	44,941	89,034	(48,536)	40,498

8 Related Party Disclosures

Significant recurrent related party transactions are as follows:

RM'000	3 months ended		6 months ended	
	30.09.2017	30.09.2016	30.09.2017	30.09.2016
Companies in which certain Directors have interests:				
Revenue from services rendered	1,581	1,942	3,228	3,893
Forwarding service charges payable	505	395	1,056	735
Fuel payable	903	844	1,424	1,669
Spare parts payable	42	51	67	73
Rental income receivable	6	6	12	12
Warehouse expense payable	39	60	115	103

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 RM6.48 million in respect of property, plant and equipment.

11 Contingent Assets And Liabilities

As at the end of the reporting quarter, corporate guarantee which amounted to RM15.85 million were given by the Company to licensed banks for banking facilities granted to the subsidiaries of the Company.

Save as disclosed above, there were no other 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

RM'000	3 months ended			6 months ended		
	30.09.2017	30.09.2016	Changes	30.09.2017	30.09.2016	Changes
Revenue	31,407	31,044	363	60,492	60,783	(291)
Profit before tax	3,224	3,643	(419)	4,734	7,840	(3,106)

During the quarter under review, the Group recorded a slight increase in revenue of RM0.36 million as compared to the preceding year corresponding quarter ("corresponding quarter") mainly due to the business improvement in the logistics segment. However, the Group reported a lower pre-tax profit of RM0.42 million as compared to the corresponding quarter mainly due to reduced margin in the logistics and trading segments.

For the 6 months cumulative period, the Group recorded a slight decrease in revenue of RM0.29 million as compared to the preceding year corresponding period ("corresponding period") mainly due to the decline in volume of all segments. The decrease in pre-tax profit by RM3.11 million as compared to the corresponding period was mainly attributed by the decreased margin in the logistics and shipping segments.

(a) Logistics

RM'000	3 months ended			6 months ended		
	30.09.2017	30.09.2016	Changes	30.09.2017	30.09.2016	Changes
External revenue	26,728	25,765	963	52,245	51,112	1,133
Profit before tax	2,670	2,894	(224)	4,182	6,448	(2,266)

Revenue of the logistics segment increased by RM0.96 million as compared to the corresponding quarter resulted from improved business volume by the haulage division which was partly offset by the decrease in business volume of the lorry transportation and freight trading business. However, this segment recorded a lower pre-tax profit by RM0.22 million as compared to the corresponding quarter mainly due to business slowdown in the lorry transportation business and lower margin of the freight trading business during the quarter.

For 6 months cumulative period, revenue of the logistics segment increased by RM1.13 million as compared to the corresponding period. However, pre-tax profit dropped by RM2.27 million as compared to the corresponding period mainly due to business slowdown in the lorry transportation business coupled with higher operating costs like fuel cost and lower margin of the freight trading business during the period.

(b) Shipping

RM'000	3 months ended			6 months ended		
	30.09.2017	30.09.2016	Changes	30.09.2017	30.09.2016	Changes
External revenue	3,575	3,618	(43)	6,279	6,852	(573)
Profit before tax	652	600	52	877	1,298	(421)

Revenue of the shipping segment has decreased by RM0.04 million as compared to the corresponding quarter. However, its pre-tax profit increased by RM0.05 million as compared to the corresponding quarter.

For 6 month cumulative period, revenue and pre-tax profit of the shipping segment decreased by RM0.57 million and RM0.42 million respectively as compared to the corresponding quarter, mainly caused by lower shipping volume, which were also partly due to the maintenance of a vessel during the period.

15 Comparison With Immediate Preceding Quarter

RM'000	3 months ended		Changes
	30.09.2017	30.06.2017	
Revenue	31,407	29,085	2,322
Profit before tax	3,224	1,510	1,714

Revenue of the Group in the current quarter has increased by RM2.32 million mainly arising from the business improvement in both of the logistics and shipping segments. The Group's pre-tax profit increased by RM1.71 million mainly due to improved results in the logistics business particularly the haulage division and the shipping segment.

16 Commentary On Prospects

The Group continues to strategize its resources in order to achieve better performance. The warehouse in Port Klang Free Zone is expected to be completed in the third quarter of the financial year together with the new warehouse in Pulau Indah are both expected to contribute positively to the Group's results in the fourth quarter of the financial year.

The Group will continue its business expansion plan of the logistics segment by developing more warehousing facilities which the Board is optimistic that it will contribute positively to the Group's results.

With the current industry outlook, the Board is confident that the logistics segment will remain profitable for the remaining financial year.

17 Profit Forecast

Not applicable.

18 Tax Expense

RM'000	3 months ended		6 months ended	
	30.09.2017	30.09.2016	30.09.2017	30.09.2016
Income tax	384	545	689	1,282
Deferred tax	101	46	137	120
Total tax expense	485	591	826	1,402

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
	30.09.2017	31.03.2017
Realised	109,655	105,287
Unrealised	(5,629)	(5,423)
	104,026	99,864
Consolidation adjustments	(39,106)	(38,791)
Total retained earnings	64,920	61,073

20 Corporate Proposals

Guper Resources Sdn Bhd, a wholly-owned subsidiary of the Company had on 7 November 2017 accepted a term loan facility of RM3.0 million from Alliance Bank Malaysia Berhad which is secured by a corporate guarantee of the Company in order to part finance the acquisition of a piece of vacant freehold industrial land at Plot 5 Phase 1, Kawasan Industri Elkay, Lipat Kajang, Mukim Jasin, Melaka, being a portion of the piece of land held under title no. HS(D) 10313, PT No. 6628, Mukim and District of Jasin, State of Melaka.

Guper Integrated Logistics Sdn Bhd, a wholly-owned subsidiary of the Company had on 13 November 2017 entered into a Sale and Purchase Agreement with Crescent Route Platform Sdn Bhd for the disposal of 2 adjoining parcels of vacant freehold petrol station land known as Lot 9120, No. Hakmilik: Geran 205640 and Lot 9121, No. Hakmilik: Geran 205641 in Bandar Nilai Utama, Daerah Seremban, Negeri Sembilan, measuring approximately 2,428 square metres and 2,612 square metres respectively for the total consideration of RM3,581,151.00.

Save as disclosed above, there were no other corporate proposals announced but not completed as at the reporting date.

21 Borrowings (secured)

RM'000	As at 30.09.2017	As at 30.09.2016
Short term borrowings:		
Bank overdraft	767	595
Hire purchase	197	2,622
Term loans	5,353	5,792
	6,317	9,009
Long term borrowings:		
Hire purchase	10	331
Term loans	15,050	12,965
	15,060	13,296
Total borrowings	21,377	22,305

All borrowings are denominated in Ringgit Malaysia.

Overall, the total borrowings of the Group decreased by RM0.93 million, mainly due to the repayment of hire purchase and term loans which amounted to RM8.93 million and additional term loans of RM7.83 million obtained to finance the acquisition of a property and the construction of warehouse.

As at the end of the reporting quarter, 1% of the total borrowing are at fixed rate, whereas 99% are at floating rate. Weighted average interest rate for fixed rate borrowings and floating rate borrowings is 5.59% and 4.83% respectively.

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		6 months ended	
	30.09.2017	30.09.2016	30.09.2017	30.09.2016
Profit attributable to Owners of the Company (RM'000)	2,706	3,012	3,847	6,352
Weighted average number of ordinary shares in issue ('000)	123,442	122,119	123,442	122,119
Effect of dilution ('000)	-	-	-	-
Adjusted weighted average number of ordinary shares in issue ('000)	123,442	122,119	123,442	122,119
Basic EPS (sen)	2.2	2.5	3.1	5.2
Diluted EPS (sen)	2.2	2.5	3.1	5.2

25 Auditors' Report On Preceding Annual Financial Statements

The auditors' report on the financial statements for the financial year ended 31 March 2017 was unqualified.

26 Profit Before Tax

RM'000	6 months ended		6 months ended	
	30.09.2017	30.09.2016	30.09.2017	30.09.2016
Profit before tax is arrived at after crediting/(charging):				
Interest income	21	117	56	242
Other income including investment income	43	170	141	684
Interest expense	(264)	(259)	(470)	(554)
Depreciation	(1,744)	(1,833)	(3,759)	(3,679)
Gain on disposal of a subsidiary	-	1	-	1
Realised gain in foreign exchange	(26)	46	(85)	129
Unrealised gain in foreign exchange	(9)	14	(12)	57
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 21 November 2017.