



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

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2017

23 February 2018

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 2017

RM'000	Note	As at 31.12.2017 Unaudited	As at 31.03.2017 Audited
Assets			
Property, plant and equipment		135,156	122,522
Non-current assets		135,156	122,522
Inventories		640	1,075
Trade and other receivables		36,382	32,681
Tax recoverable		1,132	1,499
Cash and cash equivalents		8,463	9,062
Current assets		46,617	44,317
Total assets		181,773	166,839
Equity and liabilities			
Share capital		67,464	67,464
Treasury shares		(131)	(131)
Other reserves		602	451
Retained earnings	19	68,470	61,073
Equity attributable to owners of the Company		136,405	128,857
Non-controlling interests		783	688
Total equity		137,188	129,545
Borrowings (secured)	21	14,148	11,330
Deferred tax liabilities		5,777	5,480
Non-current liabilities		19,925	16,810
Trade and other payables		19,029	15,545
Borrowings (secured)	21	5,631	4,939
Current liabilities		24,660	20,484
Total liabilities		44,585	37,294
Total equity and liabilities		181,773	166,839
Net assets per share attributable to owners of the Company (RM)			
		1.11	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 THIRD QUARTER ENDED 31 DECEMBER 2017**

(These figures have not been audited)

RM'000	Note	Current quarter 3 months ended		Cumulative quarter 9 months ended	
		31.12.2017	31.12.2016	31.12.2017	31.12.2016
Revenue		32,910	29,576	93,402	90,359
Cost of sales		(26,568)	(23,501)	(77,498)	(72,311)
Gross profit		6,342	6,075	15,904	18,048
Other income		163	365	360	1,291
Marketing and distribution costs		(158)	(159)	(507)	(510)
Administration expenses		(1,155)	(1,216)	(4,121)	(4,292)
Other expenses		(653)	(393)	(1,893)	(1,471)
Finance costs		(235)	(231)	(705)	(785)
Profit before tax		4,304	4,441	9,038	12,281
Tax expense	18	(720)	(484)	(1,546)	(1,886)
Profit for the period		3,584	3,957	7,492	10,395
Other comprehensive income		-	-	-	-
Total comprehensive income		3,584	3,957	7,492	10,395
Profit attributable to:					
Owners of the Company		3,551	3,927	7,397	10,279
Non-controlling interest		33	30	95	116
Profit for the period		3,584	3,957	7,492	10,395
Total comprehensive income attributable to:					
Owners of the Company		3,551	3,927	7,397	10,279
Non-controlling interest		33	30	95	116
		3,584	3,957	7,492	10,395
Earnings per share attributable to owners of the Company:					
Basic (sen)	24	2.9	3.2	6.0	8.4
Diluted (sen)	24	2.9	3.2	6.0	8.4

The above condensed consolidated statement of profit or loss and other comprehensive income 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 2017
(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 2017	67,464	(131)	-	451	61,073	128,857	688	129,545
Total comprehensive income for the period	-	-	-	-	7,397	7,397	95	7,492
Share option value	-	-	-	151	-	151	-	151
At 31 December 2017	67,464	(131)	-	602	68,470	136,405	783	137,188
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

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 2017
(These figures have not been audited)

RM'000	9 months ended	
	31.12.2017	31.12.2016
Cash flows from operating activities		
Profit before tax	9,038	12,281
Adjustments for:		
Non-cash items	5,749	5,437
Non-operating items	(131)	2
Interest income	(86)	(311)
Interest expense	705	785
Operating profit before working capital changes	15,275	18,194
Changes in working capital:		
Inventories	435	(397)
Receivables	(3,748)	(10,277)
Payables	2,484	(568)
Cash generated from operations	14,446	6,952
Net tax paid	(882)	(1,426)
Net cash from operating activities	13,564	5,526
Cash flows from investing activities		
Interest received	86	311
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	(18,832)	(5,754)
Proceeds from disposal of property, plant and equipment	778	62
Net cash used in investing activities	(17,968)	(5,691)
Cash flows from financing activities		
Withdrawal of fixed deposits pledged to licensed bank	-	124
Drawdown of term loan	7,829	530
Interest paid	(705)	(785)
Net repayment of borrowings	(4,047)	(7,790)
Advances from/(Repayment to) a director	1,000	(1,155)
Net cash from/(used in) financing activities	4,077	(9,076)
Net changes in cash and cash equivalents	(327)	(9,241)
Cash and cash equivalents at the beginning of financial year	8,207	21,396
Cash and cash equivalents at the end of financial year	7,880	12,155
Analysis of cash and cash equivalents		
Fixed deposits	165	6,757
Cash and bank balances	8,298	6,074
	8,463	12,831
Bank overdraft	(418)	(511)
Fixed deposits pledged to licensed bank	(165)	(165)
	7,880	12,155

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 MFRS134

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 2017.

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 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 - Classification and Measurement of Share-based Payment Transactions
Amendments to MFRS4 - Applying MFRS9 Financial Instruments with MFRS3 Insurance Contracts
Amendment to MFRS9 - Prepayment Features with Negative Compensation
Amendments to MFRS10 and MFRS128 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
Amendments to MFRS128 - Long-term Interests in Associates and Joint Ventures
Amendments to MFRS140 - Transfer of Investment Property
Annual Improvements to MFRSs 2014 - 2016 Cycle
Annual Improvements to MFRSs 2015 - 2017 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 31 December 2017.

4 Significant Estimates And Changes In Estimates

There were no changes in estimates that had any material effects during the quarter ended 31 December 2017.

5 Debt And Equity Securities

There were no issuances, repurchases or repayments of debt and equity securities during the quarter ended 31 December 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						
31 December 2017						
External revenue	29,495	2,549	866	32,910	-	32,910
Intersegment revenue	1,198	814	2,474	4,486	(4,486)	-
Total revenue	30,693	3,363	3,340	37,396	(4,486)	32,910
Segment profit	5,832	279	191	6,302	-	6,302
Depreciation	(1,487)	(67)	(134)	(1,688)	(105)	(1,793)
Interest income	8	-	22	30	-	30
Finance costs	(111)	-	(124)	(235)	-	(235)
Profit/(Loss) before tax	4,242	212	(45)	4,409	(105)	4,304
Tax expense	(670)	-	(60)	(730)	10	(720)
Profit/(Loss) after tax	3,572	212	(105)	3,679	(95)	3,584
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

7 Segmental Information (continued)

RM'000	Logistics	Shipping	Others	Total	Elimination	Group
Results For 9 Months Ended						
31 December 2017						
External revenue	81,740	8,828	2,834	93,402	-	93,402
Intersegment revenue	5,017	1,139	7,383	13,539	(13,539)	-
Total revenue	86,757	9,967	10,217	106,941	(13,539)	93,402
Segment profit	13,285	1,279	645	15,209	-	15,209
Depreciation	(4,571)	(190)	(402)	(5,163)	(389)	(5,552)
Interest income	24	-	62	86	-	86
Finance costs	(314)	-	(391)	(705)	-	(705)
Profit/(Loss) before tax	8,424	1,089	(86)	9,427	(389)	9,038
Tax expense	(1,390)	-	(198)	(1,588)	42	(1,546)
Profit/(Loss) after tax	7,034	1,089	(284)	7,839	(347)	7,492
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
Assets and Liabilities As At						
31 December 2017						
Segment/Total assets	114,284	27,595	162,802	304,681	(122,908)	181,773
Segment/Total liabilities	46,385	5,895	65,609	117,889	(73,304)	44,585
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

8 Related Party Disclosures

Significant recurrent related party transactions are as follows:

RM'000	3 months ended		9 months ended	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
Companies in which certain Directors have interests:				
Revenue from services rendered	2,082	1,908	5,310	5,801
Forwarding service charges payable	157	456	1,213	1,191
Fuel payable	865	948	2,289	2,617
Spare parts payable	73	46	140	119
Rental income receivable	6	6	18	18
Warehouse expense payable	69	24	184	127

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 RM0.79 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

RM'000	3 months ended			9 months ended		
	31.12.2017	31.12.2016	Changes	31.12.2017	31.12.2016	Changes
Revenue	32,910	29,576	3,334	93,402	90,359	3,043
Profit before tax	4,304	4,441	(137)	9,038	12,281	(3,243)

During the quarter under review, the Group recorded an increase in revenue of RM3.33 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 RM4.30 million as compared to the corresponding quarter of RM4.44 million mainly due to slow down of the shipping segment.

For the 9 months cumulative period, the Group recorded an increase in revenue of RM3.04 million as compared to the preceding year corresponding period ("corresponding period") mainly due to the increase in volume of the logistics segment. Despite the increase in revenue, the pre-tax profit decreased by RM3.24 million as compared to the corresponding period. This was mainly attributed by the decreased margin in the logistics and shipping segments.

(a) Logistics

RM'000	3 months ended			9 months ended		
	31.12.2017	31.12.2016	Changes	31.12.2017	31.12.2016	Changes
External revenue	29,495	24,372	5,123	81,740	75,484	6,256
Profit before tax	4,242	3,522	720	8,424	9,970	(1,546)

Revenue of the logistics segment increased by RM5.12 million as compared to the corresponding quarter, resulted from improved business volume of the haulage and total logistics divisions during the quarter though there was a drop in volume of the lorry transportation business. In line with the increase in revenue, this segment also recorded a higher pre-tax profit by RM0.72 million as compared to the corresponding quarter.

For the 9 months cumulative period, revenue of the logistics segment increased by RM6.26 million as compared to the corresponding period. However, pre-tax profit dropped by RM1.54 million as compared to the corresponding period mainly due to business slowdown in the lorry transportation business coupled with higher operating costs particularly the fuel cost and lower margin of the freight trading business during the period.

(b) Shipping

RM'000	3 months ended			9 months ended		
	31.12.2017	31.12.2016	Changes	31.12.2017	31.12.2016	Changes
External revenue	2,549	3,965	(1,416)	8,828	10,817	(1,989)
Profit before tax	212	878	(666)	1,089	2,176	(1,087)

Revenue and pre-tax profit of the shipping segment has decreased by RM1.42 million and RM0.67 million as compared to the corresponding quarter due to slow down of the shipping segment which has in line caused the revenue and pre-tax profit of the cumulative period to decrease by RM1.99 million and RM1.09 million respectively as compared to the corresponding period.

15 Comparison With Immediate Preceding Quarter

RM'000	3 months ended		Changes
	31.12.2017	30.09.2017	
Revenue	32,910	31,407	1,503
Profit before tax	4,304	3,224	1,080

Revenue of the Group in the current quarter has increased by RM1.50 million mainly arising from the business improvement in the logistics segment. The Group's pre-tax profit increased by RM1.08 million mainly due to improved results in the logistics segment particularly the haulage division.

16 Commentary On Prospects

The Board foresees slower business activities during the festive season in the fourth quarter. The Group will focus on developing the business of the new warehouses in Port Klang Free Zone and Pulau Indah and the Board expects positive contribution from these new warehouses in the final quarter of the financial year.

17 Profit Forecast

Not applicable.

18 Tax Expense

RM'000	3 months ended		9 months ended	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
Income tax	560	397	1,249	1,679
Deferred tax	160	87	297	207
Total tax expense	720	484	1,546	1,886

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
	31.12.2017	31.03.2017
Realised	113,529	105,287
Unrealised	(5,824)	(5,423)
	107,705	99,864
Consolidation adjustments	(39,235)	(38,791)
Total retained earnings	68,470	61,073

20 Corporate Proposals

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

21 Borrowings (secured)

RM'000	As at 31.12.2017	As at 31.12.2016
Short term borrowings:		
Bank overdraft	418	511
Hire purchase	142	1,910
Term loans	5,071	4,866
	<u>5,631</u>	<u>7,287</u>
Long term borrowings:		
Hire purchase	-	208
Term loans	14,148	12,112
	<u>14,148</u>	<u>12,320</u>
Total borrowings	19,779	19,607

All borrowings are denominated in Ringgit Malaysia. Overall, the total borrowings of the Group increased slightly by RM0.17 million.

As at the end of the reporting quarter, 1% of the total borrowings 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 4.77% 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		9 months ended	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
Profit attributable to Owners of the Company (RM'000)	3,551	3,927	7,397	10,279
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)	2.9	3.2	6.0	8.4
Diluted EPS (sen)	2.9	3.2	6.0	8.4

25 Financial Instruments

The Group has not entered into any derivatives and accounted for any financial liabilities carried at fair value as at the reporting date.

26 Auditors' Report On Preceding Annual Financial Statements

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

27 Profit Before Tax

RM'000	3 months ended		9 months ended	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
Profit before tax is arrived at after crediting/(charging):				
Interest income	30	69	86	311
Other income including investment income	133	296	274	980
Interest expense	(235)	(231)	(705)	(785)
Depreciation	(1,793)	(1,875)	(5,552)	(5,554)
Gain on disposal of a subsidiary	81	-	81	1
Realised gain/(loss) in foreign exchange	(30)	194	(115)	323
Unrealised gain/(loss) in foreign exchange	(35)	37	(47)	94
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.

28 Authorised For Issue

These condensed consolidated interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 23 February 2018.