



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

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2018

26 November 2018

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2018

RM'000	Note	As at 30.09.2018 Unaudited	As at 31.03.2018 Audited
Assets			
Property, plant and equipment		128,990	129,064
Non-current assets		128,990	129,064
Inventories		274	551
Trade and other receivables		31,766	35,387
Tax recoverable		467	1,281
Cash and cash equivalents		17,787	11,826
Current assets		50,294	49,045
Non-current assets held for sale		1,850	2,520
Total assets		181,134	180,629
Equity and liabilities			
Share capital		67,464	67,464
Treasury shares		(131)	(131)
Other reserves		732	578
Retained earnings	19	76,412	70,488
Equity attributable to owners of the Company		144,477	138,399
Non-controlling interests		804	807
Total equity		145,281	139,206
Borrowings (secured)	21	11,438	13,247
Deferred tax liabilities		5,636	5,644
Non-current liabilities		17,074	18,891
Trade and other payables		14,553	17,536
Borrowings (secured)	21	4,226	4,996
Current liabilities		18,779	22,532
Total liabilities		35,853	41,423
Total equity and liabilities		181,134	180,629
Net assets per share attributable to owners of the Company (RM)		1.17	1.12

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 2018**

(These figures have not been audited)

RM'000	Note	Current quarter 3 months ended 30.09.2018	30.09.2017	Cumulative quarter 6 months ended 30.09.2018	30.09.2017
Revenue		31,191	31,407	61,683	60,492
Cost of sales		(25,031)	(25,765)	(49,817)	(50,930)
Gross profit		6,160	5,642	11,866	9,562
Other income		534	64	793	197
Marketing and distribution costs		(174)	(172)	(344)	(349)
Administration expenses		(1,494)	(1,505)	(2,979)	(2,966)
Other expenses		(593)	(541)	(1,242)	(1,240)
Finance costs		(203)	(264)	(418)	(470)
Profit before tax		4,230	3,224	7,676	4,734
Tax expense	18	(1,012)	(485)	(1,754)	(826)
Profit for the period		3,218	2,739	5,922	3,908
Other comprehensive income		-	-	-	-
Total comprehensive income		3,218	2,739	5,922	3,908
Profit attributable to:					
Owners of the Company		3,226	2,706	5,925	3,847
Non-controlling interest		(8)	33	(3)	61
Profit for the period		3,218	2,739	5,922	3,908
Total comprehensive income attributable to:					
Owners of the Company		3,226	2,706	5,925	3,847
Non-controlling interest		(8)	33	(3)	61
Total comprehensive income		3,218	2,739	5,922	3,908
Earnings per share attributable to owners of the Company:					
Basic (sen)	24	2.6	2.2	4.8	3.1

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 2018

(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 option reserve	Retained earnings	Total			
At 1 April 2018	67,464	(131)	578	70,488	138,399	807	139,206	
Total comprehensive income	-	-	-	5,925	5,925	(3)	5,922	
Share option value	-	-	154	-	154	-	154	
At 30 September 2018	67,464	(131)	732	76,413	144,478	804	145,282	
At 1 April 2017	67,464	(131)	451	61,073	128,857	688	129,545	
Total comprehensive income	-	-	-	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	

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 2018
(These figures have not been audited)

RM'000	6 months ended	
	30.09.2018	30.09.2017
Cash flows from operating activities		
Profit before tax	7,676	4,734
Adjustments for:		
Non-cash items	3,762	3,870
Non-operating items	75	46
Interest income	(155)	(56)
Interest expense	418	470
Operating profit before working capital changes	11,776	9,064
Changes in working capital:		
Inventories	277	282
Receivables	3,736	(1,018)
Payables	(1,483)	335
Cash generated from operations	14,306	8,663
Net tax paid	(949)	(245)
Net cash from operating activities	13,357	8,418
Cash flows from investing activities		
Interest received	155	56
Purchase of property, plant and equipment	(3,683)	(11,367)
Proceeds from disposal of property, plant and equipment	629	474
Net cash used in investing activities	(2,899)	(10,837)
Cash flows from financing activities		
Drawdown of term loan	-	7,829
Interest paid	(418)	(470)
Net repayment of borrowings	(2,451)	(2,798)
Repayment to a director	(1,500)	(2,000)
Net cash (used in)/from financing activities	(4,369)	2,561
Net changes in cash and cash equivalents	6,089	142
Cash and cash equivalents at the beginning of financial year	11,533	8,207
Cash and cash equivalents at the end of financial year	17,622	8,349
Analysis of cash and cash equivalents		
Fixed deposits	165	165
Cash and bank balances	17,622	9,116
	17,787	9,281
Bank overdraft	-	(767)
Fixed deposits pledged to licensed bank	(165)	(165)
	17,622	8,349

The above condensed consolidated statement of cash flow 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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PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

1 Basis of preparation

This unaudited interim financial report has been prepared in accordance with MFRS 134 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 2018.

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 2018 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 2018:

- MFRS 9 Financial Instruments
- MFRS 15 Revenue from Contracts with Customers
- Amendments to MFRS 2 - Classification and Measurement of Share-based Payment transactions
- Amendments to MFRS 140 - Transfers of Investment Property
- Annual Improvements to MFRS Standards 2014 - 2016 Cycle
- IC Interpretations 22 Foreign Currency Transactions and Advance Consideration

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 pronouncements that have been issued but not yet effective:

- MFRS 16 Leases
- MFRS 17 Insurance Contracts
- Amendments to MFRS 2 Share-based Payment
- Amendments to MFRS 3 Business Combinations
- Amendments to MFRS 4 - Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts
- Amendments to MFRS 6 Exploration for and Evaluation of Mineral Resources
- Amendments to MFRS 9 - Prepayment Features with Negative Compensation
- Amendments to MFRS 10 and MFRS 128 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
- Amendments to MFRS 14 Regulatory Deferral Accounts
- Amendments to MFRS 101 Presentation of Financial Statements
- Amendments to MFRS 119 - Plan Amendment, Curtailment or Settlement
- Amendments to MFRS 128 - Long-term Interests in Associates and Joint Ventures
- Amendments to MFRS 134 Interim Financial Reporting
- Amendments to MFRS 137 Provisions, Contingent Liabilities and Contingent Assets
- Amendment to MFRS 138 Intangible Assets
- Annual Improvements to MFRS Standards 2015 - 2017 Cycle
- IC Interpretations 23 Uncertainty over Income Tax Treatments
- Amendments to IC Interpretation 12 Service Concession Arrangements
- Amendments to IC Interpretation 19 Extinguishing Financial Liabilities with Equity Instruments
- Amendments to IC Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine
- Amendments to IC Interpretation 22 Foreign Currency Transactions and Advance Consideration
- Amendments to IC Interpretation 132 Intangible Assets - Web Site Costs

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 2018.

4 Significant estimates and changes in estimates

There were no changes in estimates that had any material effects during the quarter ended 30 September 2018.

5 Debt and equity securities

There were no issuances, repurchases or repayments of debt and equity securities during the quarter ended 30 September 2018.

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
- Warehousing : Provision of storage of goods and other related handling services
- Marine : Provision of marine transportation services
- Others : Trading of goods, insurance agency and investment holding

RM'000	Logistics	Warehousing	Marine	Others	Total	Elimination	Group
Results for 3 months ended							
30 September 2018							
External revenue	24,903	2,059	3,482	747	31,191	-	31,191
Intersegment revenue	55	-	891	263	1,209	(1,209)	-
Total revenue	24,958	2,059	4,373	1,010	32,400	(1,209)	31,191
Segment profit	3,776	1,557	769	87	6,189	-	6,189
Depreciation	(1,271)	(238)	(87)	(120)	(1,716)	(124)	(1,840)
Interest income	11	-	-	73	84	-	84
Finance costs	(45)	(47)	-	(111)	(203)	-	(203)
Profit/(Loss) before tax	2,471	1,272	682	(71)	4,354	(124)	4,230
Tax expense	(641)	(331)	-	(50)	(1,022)	10	(1,012)
Profit/(Loss) after tax	1,830	941	682	(121)	3,332	(114)	3,218

7 Segmental information (continued)

RM'000	Logistics	Ware- housing	Marine	Others	Total	Elimination	Group
Results for 3 months ended							
30 September 2017							
External revenue	25,777	1,032	3,575	1,023	31,407	-	31,407
Intersegment revenue	2,085	-	325	2,496	4,906	(4,906)	-
Total revenue	27,862	1,032	3,900	3,519	36,313	(4,906)	31,407
Segment profit	3,586	591	714	320	5,211	-	5,211
Depreciation	(1,337)	(125)	(62)	(125)	(1,649)	(95)	(1,744)
Interest income	8	-	-	13	21	-	21
Finance costs	(63)	(70)	-	(131)	(264)	-	(264)
Profit before tax	2,194	396	652	77	3,319	(95)	3,224
Tax expense	(355)	(58)	-	(82)	(495)	10	(485)
Profit/(Loss) after tax	1,839	338	652	(5)	2,824	(85)	2,739
Results for 6 months ended							
30 September 2018							
External revenue	48,713	3,859	7,755	1,356	61,683	-	61,683
Intersegment revenue	3,790	-	1,365	1,637	6,792	(6,792)	-
Total revenue	52,503	3,859	9,120	2,993	68,475	(6,792)	61,683
Segment profit	6,620	2,816	1,950	278	11,664	-	11,664
Depreciation	(2,581)	(475)	(175)	(245)	(3,476)	(248)	(3,724)
Interest income	22	-	-	132	154	-	154
Finance costs	(95)	(96)	-	(227)	(418)	-	(418)
Profit/(Loss) before tax	3,966	2,245	1,775	(62)	7,924	(248)	7,676
Tax expense	(1,056)	(590)	-	(116)	(1,762)	8	(1,754)
Profit/(Loss) after tax	2,910	1,655	1,775	(178)	6,162	(240)	5,922
30 September 2017							
External revenue	50,479	1,928	6,279	1,806	60,492	-	60,492
Intersegment revenue	3,819	-	325	4,909	9,053	(9,053)	-
Total revenue	54,298	1,928	6,604	6,715	69,545	(9,053)	60,492
Segment profit	6,240	1,064	1,000	603	8,907	-	8,907
Depreciation	(2,852)	(250)	(123)	(250)	(3,475)	(284)	(3,759)
Interest income	16	-	-	40	56	-	56
Finance costs	(118)	(85)	-	(267)	(470)	-	(470)
Profit before tax	3,286	729	877	126	5,018	(284)	4,734
Tax expense	(612)	(108)	-	(138)	(858)	32	(826)
Profit/(Loss) after tax	2,674	621	877	(12)	4,160	(252)	3,908

8 Related party disclosures

Significant recurrent related party transactions are as follows:

RM'000	3 months ended		6 months ended	
	30.09.2018	30.09.2017	30.09.2018	30.09.2017
Companies in which certain Directors have interests:				
Revenue from services rendered	1,627	1,581	3,274	3,228
Forwarding service charges payable	235	505	786	1,056
Fuel payable	1,142	903	1,663	1,424
Spare parts payable	354	42	379	67
Rental income receivable	6	6	12	12
Warehouse expense payable	12	39	88	115

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 RM5.91 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			6 months ended		
	30.09.2018	30.09.2017	Changes	30.09.2018	30.09.2017	Changes
Revenue	31,191	31,407	(216)	61,683	60,492	1,191
Profit before tax	4,230	3,224	1,006	7,676	4,734	2,942

During the quarter under review, the Group recorded a decrease in revenue of RM0.22 million as compared to the preceding year corresponding quarter ("corresponding quarter") mainly due to the business drop in the logistics segment. However, the Group reported a higher pre-tax profit of RM1.01 million as compared to the corresponding quarter mainly due to additional profits generated from the new warehouses during the quarter.

For the 6 months cumulative period, the Group recorded an increase in revenue of RM1.19 million as compared to the preceding year corresponding period ("corresponding period") mainly due to the business improvement in warehousing segment. Accordingly, the Group reported a higher pre-tax profit by RM2.94 million as compared to the corresponding period which was mainly contributed by the improved performance in all segments particularly the warehousing segment.

(a) Logistics

RM'000	3 months ended			6 months ended		
	30.09.2018	30.09.2017	Changes	30.09.2018	30.09.2017	Changes
External revenue	24,903	25,777	(874)	48,713	50,479	(1,766)
Profit before tax	2,471	2,194	277	3,966	3,286	680

Revenue of the logistics segment decreased by RM0.88 million as compared to the corresponding quarter. However, pre-tax profit increased by RM0.28 million as compared to the corresponding quarter mainly due to improved performance of the haulage and freight trading business during the quarter.

For 6 months cumulative period, revenue of the logistics segment decreased by RM1.77 million as compared to the corresponding period. However, pre-tax profit up by RM0.68 million as compared to the corresponding period mainly due to improved performance of the haulage business which was being partially offset by the deteriorating business in cement transportation services.

(b) Warehousing

RM'000	3 months ended			6 months ended		
	30.09.2018	30.09.2017	Changes	30.09.2018	30.09.2017	Changes
External revenue	2,059	1,032	1,027	3,859	1,928	1,931
Profit before tax	1,272	396	876	2,245	729	1,516

Revenue of the warehousing segment has increased by RM1.03 million as compared to the corresponding quarter and this has also resulted the increase in pre-tax profit by RM0.88 million as compared to the corresponding quarter.

For 6 months cumulative period, revenue of the warehousing segment increased by RM1.93 million as compared to the corresponding period and accordingly, pre-tax profit increased by RM1.52 million as compared to the corresponding period mainly contributed by new warehouses of the Group.

14 Analysis of performance - Comparison with preceding year corresponding quarter (continued)

(c) Marine

RM'000	3 months ended			6 months ended		
	30.09.2018	30.09.2017	Changes	30.09.2018	30.09.2017	Changes
External revenue	3,482	3,575	(93)	7,755	6,279	1,476
Profit before tax	682	652	30	1,775	877	898

Revenue of the marine segment has decreased by RM0.09 million as compared to the corresponding quarter. However, its pre-tax profit increased by RM0.03 million as compared to the corresponding quarter.

For 6 month cumulative period, revenue and pre-tax profit of the marine segment increased by RM1.48 million and RM0.90 million respectively as compared to the corresponding period, mainly due to higher cargo volume during the period.

15 Comparison with immediate preceding quarter

RM'000	3 months ended		
	30.09.2018	30.06.2018	Changes
Revenue	31,191	30,492	699
Profit before tax	4,230	3,446	784

Revenue of the Group in the current quarter has increased by RM0.70 million mainly arising from the business improvement in the logistics and warehousing segments. Accordingly, the Group's pre-tax profit increased by RM0.78 million mainly due to improved margin in the logistics and warehousing businesses during the quarter.

16 Commentary on prospects

The Group will continue to strategize its resources in order to achieve better performance, focusing mainly on developing its warehousing facilities as the Board foresees the lorry transportation for the cement business to remain slow. The construction of a new warehouse in Pulau Indah is expected to be completed towards end of the next quarter.

With the ongoing development and changes in policies in the market, the Board foresees many challenges ahead, however the Board expects the financial performance for the remaining financial year to remain positive.

17 Profit forecast

Not applicable.

18 Tax expense

RM'000	3 months ended		6 months ended	
	30.09.2018	30.09.2017	30.09.2018	30.09.2017
Income tax	1,022	384	1,762	689
Deferred tax	(10)	101	(8)	137
Total tax expense	1,012	485	1,754	826

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 slightly lower than the statutory tax rate due to the tax exemption on shipping income.

19 Retained earnings

RM'000	As at 30.09.2018	As at 31.03.2018
Realised	121,519	115,472
Unrealised	(5,542)	(5,656)
	115,977	109,816
Consolidation adjustments	(39,565)	(39,328)
Total retained earnings	76,412	70,488

20 Corporate proposals

Guper Resources Sdn Bhd, a wholly-owned subsidiary of the Company had on 28 August 2018 accepted a term loan facility of RM10.75 million from Ambank Islamic Berhad which is secured by a corporate guarantee of the Company in order to refinance the market value of a parcel of industrial land located at Taman Perindustrian Pulau Indah, held under Title No. 110533 in Mukim Klang, Selangor ("the Land") and to part finance the construction costs of a single storey warehouse to be erected on the Land.

On 3 September 2018, the Company granted share options to employees of the Group under the Share Issuance Scheme ("SIS") to subscribe for a total of 2,413,000 ordinary shares at an exercise price of RM0.55 per share. The vesting period of the options offered is from 8 October 2018 to 18 November 2018 subject to fulfilment of certain vesting conditions.

On 4 September 2018, the Company extended its existing SIS which is expiring on 18 November 2018 for another five (5) years until 18 November 2023 in accordance with the terms of the SIS Bye-Laws.

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 30.09.2018	As at 30.09.2017
Short term borrowings:		
Bank overdraft	-	767
Hire purchase	22	197
Term loans	4,204	5,353
	4,226	6,317
Long term borrowings:		
Hire purchase	-	10
Term loans	11,438	15,050
	11,438	15,060
Total borrowings	15,664	21,377

All borrowings are denominated in Ringgit Malaysia.

Overall, the total borrowings of the Group decreased by RM5.71 million, mainly due to the repayment of hire purchase and term loans which amounted to RM4.95 million and lower usage of bank overdraft by RM0.76 million.

As at the end of the reporting quarter, less than 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 5.56% and 4.99% 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	
	30.09.2018	30.09.2017	30.09.2018	30.09.2017
Profit attributable to Owners of the Company (RM'000)	3,226	2,706	5,925	3,847
Weighted average number of ordinary shares in issue ('000)	123,442	123,442	123,442	123,442
Basic EPS (sen)	2.6	2.2	4.8	3.1

Diluted earnings per share is not presented due to the anti-dilutive nature of the potential ordinary shares in issue.

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 2018 was unqualified.

27 Profit before tax

RM'000	6 months ended		6 months ended	
	30.09.2018	30.09.2017	30.09.2018	30.09.2017
Profit before tax is arrived at after crediting/(charging):				
Interest income	85	21	155	56
Other income including investment income	449	43	638	141
Interest expense	(203)	(264)	(418)	(470)
Depreciation	(1,839)	(1,744)	(3,724)	(3,759)
Realised gain/(loss) in foreign exchange	42	(26)	42	(85)
Unrealised gain/(loss) in foreign exchange	139	(9)	94	(12)

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.