



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

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2018

25 February 2019

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018

RM'000	Note	As at 31.12.2018 Unaudited	As at 31.03.2018 Audited
Assets			
Property, plant and equipment		130,986	129,064
Non-current assets		130,986	129,064
Inventories		200	551
Trade and other receivables		34,552	35,387
Tax recoverable		195	1,281
Cash and cash equivalents		18,476	11,826
Current assets		53,423	49,045
Non-current assets held for sale		1,850	2,520
Total assets		186,259	180,629
Equity and liabilities			
Share capital		67,878	67,464
Treasury shares		(131)	(131)
Other reserves		1,378	578
Retained earnings	19	79,918	70,488
Equity attributable to owners of the Company		149,043	138,399
Non-controlling interests		790	807
Total equity		149,833	139,206
Borrowings (secured)	21	10,535	13,247
Deferred tax liabilities		5,626	5,644
Non-current liabilities		16,161	18,891
Trade and other payables		16,354	17,536
Borrowings (secured)	21	3,911	4,996
Current liabilities		20,265	22,532
Total liabilities		36,426	41,423
Total equity and liabilities		186,259	180,629
Net assets per share attributable to owners of the Company (RM)		1.21	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)
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**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2018**

(These figures have not been audited)

RM'000	Note	Current quarter 3 months ended		Cumulative quarter 9 months ended	
		31.12.2018	31.12.2017	31.12.2018	31.12.2017
Revenue		33,523	32,910	95,206	93,402
Cost of sales		(27,126)	(26,568)	(76,943)	(77,498)
Gross profit		6,397	6,342	18,263	15,904
Other income		378	163	1,171	360
Marketing and distribution costs		(158)	(158)	(502)	(507)
Administration expenses		(1,092)	(1,155)	(4,070)	(4,121)
Other expenses		(1,270)	(653)	(2,512)	(1,893)
Finance costs		(190)	(235)	(608)	(705)
Profit before tax		4,065	4,304	11,742	9,038
Tax expense	18	(575)	(720)	(2,329)	(1,546)
Profit for the period		3,490	3,584	9,413	7,492
Other comprehensive income		-	-	-	-
Total comprehensive income		3,490	3,584	9,413	7,492
Profit attributable to:					
Owners of the Company		3,505	3,551	9,430	7,397
Non-controlling interest		(15)	33	(17)	95
Profit for the period		3,490	3,584	9,413	7,492
Total comprehensive income attributable to:					
Owners of the Company		3,505	3,551	9,430	7,397
Non-controlling interest		(15)	33	(17)	95
		3,490	3,584	9,413	7,492
Earnings per share attributable to owners of the Company:					
Basic (sen)	24	2.8	2.9	7.6	6.0
Diluted (sen)	24	2.8	2.9	7.6	6.0

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 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	-	-	-	9,430	9,430	(17)	9,413	
Issuance of shares	414	-	(142)	-	272	-	272	
Share option value	-	-	942	-	942	-	942	
At 31 December 2018	67,878	(131)	1,378	79,918	149,043	790	149,833	
At 1 April 2017	67,464	(131)	451	61,073	128,857	688	129,545	
Total comprehensive income	-	-	-	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	

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 2018
(These figures have not been audited)

RM'000	9 months ended	
	31.12.2018	31.12.2017
Cash flows from operating activities		
Profit before tax	11,742	9,038
Adjustments for:		
Non-cash items	6,319	5,749
Non-operating items	(567)	(131)
Interest income	(214)	(86)
Interest expense	608	705
Operating profit before working capital changes	17,888	15,275
Changes in working capital:		
Inventories	351	435
Receivables	1,004	(3,748)
Payables	318	2,484
Cash generated from operations	19,561	14,446
Net tax paid	(1,261)	(882)
Net cash from operating activities	18,300	13,564
Cash flows from investing activities		
Interest received	214	86
Purchase of property, plant and equipment	(7,659)	(18,832)
Proceeds from disposal of property, plant and equipment	1,428	778
Proceeds from issuance of shares	272	-
Net cash used in investing activities	(5,745)	(17,968)
Cash flows from financing activities		
Drawdown of term loan	-	7,829
Interest paid	(608)	(705)
Net repayment of borrowings	(3,669)	(4,047)
(Repayment to)/Advances from a director	(1,500)	1,000
Net cash (used in)/from financing activities	(5,777)	4,077
Net changes in cash and cash equivalents	6,778	(327)
Cash and cash equivalents at the beginning of financial year	11,533	8,207
Cash and cash equivalents at the end of financial year	18,311	7,880
Analysis of cash and cash equivalents		
Fixed deposits	165	165
Cash and bank balances	18,311	8,298
	18,476	8,463
Bank overdraft	-	(418)
Fixed deposits pledged to licensed bank	(165)	(165)
	18,311	7,880

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 MFRS134

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 31 December 2018.

4 Significant Estimates And Changes In Estimates

There were no changes in estimates that had any material effects during the quarter ended 31 December 2018.

5 Debt And Equity Securities

During the current quarter, the Company had increased its paid-up share capital from RM67,464,127 to RM67,877,605 through the issuance of 494,000 new ordinary shares at RM0.55 from the exercise of options under the Share Issuance Scheme. The new ordinary shares issued rank pari passu in all respects with the existing ordinary shares of the Company.

There were no issuances, repurchases or repayments of debt and equity securities during the quarter ended 31 December 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							
31 December 2018							
External revenue	26,764	2,176	3,909	674	33,523	-	33,523
Intersegment revenue	1,031	-	878	23,787	25,696	(25,696)	-
Total revenue	27,795	2,176	4,787	24,461	59,219	(25,696)	33,523
Segment profit	4,843	1,750	711	22,965	30,269	(24,249)	6,020
Depreciation	(1,253)	(240)	(87)	(120)	(1,700)	(124)	(1,824)
Interest income	10	-	-	49	59	-	59
Finance costs	(42)	(44)	-	(104)	(190)	-	(190)
Profit before tax	3,558	1,466	624	22,790	28,438	(24,373)	4,065
Tax expense	(408)	(113)	-	(64)	(585)	10	(575)
Profit after tax	3,150	1,353	624	22,726	27,853	(24,363)	3,490

7 Segmental Information (continued)

RM'000	Logistics	Ware- housing	Marine	Others	Total	Elimination	Group
Results For 3 Months Ended							
31 December 2017							
External revenue	28,463	1,283	2,549	615	32,910	-	32,910
Intersegment revenue	1,198	-	814	2,474	4,486	(4,486)	-
Total revenue	29,661	1,283	3,363	3,089	37,396	(4,486)	32,910
Segment profit	5,040	798	279	185	6,302	-	6,302
Depreciation	(1,370)	(126)	(67)	(125)	(1,688)	(105)	(1,793)
Interest income	8	-	-	22	30	-	30
Finance costs	(59)	(52)	-	(124)	(235)	-	(235)
Profit/(Loss) before tax	3,619	620	212	(42)	4,409	(105)	4,304
Tax expense	(641)	(29)	-	(60)	(730)	10	(720)
Profit/(Loss) after tax	2,978	591	212	(102)	3,679	(95)	3,584
Results For 9 Months Ended							
31 December 2018							
External revenue	75,477	6,035	11,664	2,030	95,206	-	95,206
Intersegment revenue	4,821	-	2,243	25,424	32,488	(32,488)	-
Total revenue	80,298	6,035	13,907	27,454	127,694	(32,488)	95,206
Segment profit	11,463	4,566	2,661	23,243	41,933	(24,249)	17,684
Depreciation	(3,834)	(715)	(262)	(365)	(5,176)	(372)	(5,548)
Interest income	33	-	-	181	214	-	214
Finance costs	(137)	(140)	-	(331)	(608)	-	(608)
Profit before tax	7,525	3,711	2,399	22,728	36,363	(24,621)	11,742
Tax expense	(1,464)	(703)	-	(180)	(2,347)	18	(2,329)
Profit after tax	6,061	3,008	2,399	22,548	34,016	(24,603)	9,413
31 December 2017							
External revenue	78,942	3,211	8,828	2,421	93,402	-	93,402
Intersegment revenue	5,017	-	1,139	7,383	13,539	(13,539)	-
Total revenue	83,959	3,211	9,967	9,804	106,941	(13,539)	93,402
Segment profit	11,280	1,862	1,279	788	15,209	-	15,209
Depreciation	(4,222)	(376)	(190)	(375)	(5,163)	(389)	(5,552)
Interest income	24	-	-	62	86	-	86
Finance costs	(177)	(137)	-	(391)	(705)	-	(705)
Profit before tax	6,905	1,349	1,089	84	9,427	(389)	9,038
Tax expense	(1,253)	(137)	-	(198)	(1,588)	42	(1,546)
Profit after tax	5,652	1,212	1,089	(114)	7,839	(347)	7,492

8 Related Party Disclosures

Significant recurrent related party transactions are as follows:

RM'000	3 months ended		9 months ended	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
Companies in which certain Directors have interests:				
Revenue from services rendered	1,579	2,082	4,964	5,310
Forwarding service charges payable	352	157	931	1,213
Fuel payable	1,345	865	3,651	2,289
Spare parts payable	328	73	941	140
Rental income receivable	6	6	18	18
Warehouse expense payable	28	69	62	184

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 RM2.15 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.

COMPLETE LOGISTIC SERVICES BERHAD (716241-X)
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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		
	31.12.2018	31.12.2017	Changes	31.12.2018	31.12.2017	Changes
Revenue	33,523	32,910	613	95,206	93,402	1,804
Profit before tax	4,065	4,304	(239)	11,742	9,038	2,704

During the quarter under review, the Group recorded an increase in revenue of RM0.61 million as compared to the preceding year corresponding quarter ("corresponding quarter") mainly due to the improved performance of the warehousing and marine segments. However, the Group reported a lower pre-tax profit of RM4.07 million as compared to the corresponding quarter of RM4.30 million mainly due to the recognition of the fair value of options granted to employees as an employee expense amounting to RM0.79 million of which RM0.59 million was related to the extension of the Share Issuance Scheme for another five years prior to its expiry on 18 November 2018.

For the 9 months cumulative period, the Group recorded an increase in revenue of RM1.80 million as compared to the preceding year corresponding period ("corresponding period") mainly due to the improved revenue from the warehousing and marine segments. In line with the increase, the pre-tax profit increased by RM2.70 million as compared to the corresponding period attributed by all segments.

(a) Logistics

RM'000	3 months ended			9 months ended		
	31.12.2018	31.12.2017	Changes	31.12.2018	31.12.2017	Changes
External revenue	26,764	28,463	(1,699)	75,477	78,942	(3,465)
Profit before tax	3,558	3,619	(61)	7,525	6,905	620

Revenue of the logistics segment decreased by RM1.70 million as compared to the corresponding quarter as there was a drop in business volume particularly the cement transportation business. In line with the decrease in revenue, this segment also recorded a lower pre-tax profit by RM0.61 million as compared to the corresponding quarter.

For the 9 months cumulative period, revenue of the logistics segment decreased by RM3.47 million as compared to the corresponding period. However, pre-tax profit increased by RM0.62 million as compared to the corresponding period mainly due to improved performance of the haulage and freight trading business which was being partially offset by the deteriorating results of the cement transportation business.

(b) Warehousing

RM'000	3 months ended			9 months ended		
	31.12.2018	31.12.2017	Changes	31.12.2018	31.12.2017	Changes
External revenue	2,176	1,283	893	6,035	3,211	2,824
Profit before tax	1,466	620	846	3,711	1,349	2,362

Revenue of the warehousing segment has increased by RM0.89 million as compared to the corresponding quarter and this also leads to the increase in pre-tax profit by RM0.85 million as compared to the corresponding quarter.

For 9 months cumulative period, revenue of the warehousing segment increased by RM2.82 million as compared to the corresponding period and accordingly, pre-tax profit increased by RM2.36 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			9 months ended		
	31.12.2018	31.12.2017	Changes	31.12.2018	31.12.2017	Changes
External revenue	3,909	2,549	1,360	11,664	8,828	2,836
Profit before tax	624	212	412	2,399	1,089	1,310

Revenue and pre-tax profit for the current quarter and the cumulative period have increased as compared to the corresponding quarter and period mainly due to higher cargo volume during the current quarter and cumulative period.

15 Comparison with immediate preceding quarter

RM'000	3 months ended		
	31.12.2018	30.09.2018	Changes
Revenue	33,523	31,191	2,332
Profit before tax	4,065	4,230	(165)

Revenue of the Group in the current quarter has increased by RM2.33 million mainly arising from the business improvement in the freight trading business of the Logistics segment. However, the Group's pre-tax profit decreased by RM0.17 million mainly due to the recognition of the fair value of options granted to employees as employee expenses amounting to RM0.79 million of which RM0.59 million was related to the extension of the Share Issuance Scheme for another five years prior to its expiry on 18 November 2018.

16 Commentary on prospects

The Board foresees lower business activities during the festive season in the next quarter. The construction of a new warehouse in Pulau Indah is to be completed in the next quarter and is expected to generate income in the next financial year.

17 Profit forecast

Not applicable.

18 Tax expense

RM'000	3 months ended		9 months ended	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
Income tax	585	560	2,347	1,249
Deferred tax	(10)	160	(18)	297
Total tax expense	575	720	2,329	1,546

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	As at
	31.12.2018	31.03.2018
Realised	125,061	115,507
Unrealised	(5,478)	(5,691)
	119,583	109,816
Consolidation adjustments	(39,665)	(39,328)
Total retained earnings	79,918	70,488

20 Corporate proposals

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

21 Borrowings (secured)

RM'000	As at 31.12.2018	As at 31.12.2017
Short term borrowings:		
Bank overdraft	-	418
Hire purchase	4	142
Term loans	3,907	5,071
	3,911	5,631
Long term borrowings:		
Term loans	10,535	14,148
	10,535	14,148
Total borrowings	14,446	19,779

All borrowings are denominated in Ringgit Malaysia.

Overall, the total borrowings of the Group decreased by RM5.33 million, mainly due to the repayment of hire purchase and term loans which amounted to RM4.92 million and no usage of bank overdraft by RM0.42 million.

As at the end of the reporting quarter, less than 1% of the total borrowings are at fixed rate, whereas close to 100% are at floating rate. Weighted average interest rate for fixed rate borrowings and floating rate borrowings is 5.64% and 4.98% 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	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
Profit attributable to Owners of the Company (RM'000)	3,505	3,551	9,430	7,397
Weighted average number of ordinary shares in issue ('000)	123,592	123,442	123,592	123,442
Effect of dilution ('000)	912	-	912	-
Adjusted weighted average number of ordinary shares in issue ('000)	124,504	123,442	124,504	123,442
Basic EPS (sen)	2.8	2.9	7.6	6.0
Diluted EPS (sen)	2.8	2.9	7.6	6.0

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	3 months ended		9 months ended	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
Profit before tax is arrived at after crediting/(charging):				
Interest income	59	30	214	86
Other income including investment income	319	133	957	274
Interest expense	(190)	(235)	(608)	(705)
Depreciation	(1,824)	(1,793)	(5,548)	(5,552)
Gain on disposal of a subsidiary	-	81	-	81
Realised (loss)/gain in foreign exchange	(4)	(30)	38	(115)
Unrealised gain/(loss) in foreign exchange	54	(35)	148	(47)

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.