



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

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FIRST QUARTER ENDED 30 JUNE 2019

28 August 2019

Complete Logistic Services Berhad
All Rights Reserved

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2019

RM'000	Note	As at 30.06.2019	As at 31.03.2019
		Unaudited	Audited
Assets			
Property, plant and equipment		132,397	131,218
Right-of-use assets		9,034	-
Non-current assets		141,431	131,218
Inventories		153	245
Trade and other receivables		33,310	33,890
Tax recoverable		277	492
Cash and cash equivalents		25,589	25,060
Current assets		59,329	59,687
Non-current assets held for sale		1,850	1,850
Total assets		202,610	192,755
Equity and liabilities			
Share capital		68,850	68,850
Treasury shares		(131)	(131)
Other reserves		1,141	1,028
Retained earnings	19	82,876	81,245
Equity attributable to owners of the Company		152,736	150,992
Non-controlling interests		782	791
Total equity		153,518	151,783
Borrowings	21	13,003	14,090
Lease liabilities		8,415	-
Deferred tax liabilities		6,104	6,113
Non-current liabilities		27,522	20,203
Trade and other payables		16,682	16,623
Borrowings	21	4,229	4,146
Lease liabilities		659	-
Current liabilities		21,570	20,769
Total liabilities		49,092	40,972
Total equity and liabilities		202,610	192,755
Net assets per share attributable to owners of the Company (RM)		1.22	1.22

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 FIRST QUARTER ENDED 30 JUNE 2019**
(These figures have not been audited)

RM'000	Note	Current quarter 3 months ended		Cumulative quarter 3 months ended	
		30.06.2019	30.06.2018	30.06.2019	30.06.2018
Revenue		28,203	30,492	28,203	30,492
Cost of sales		(24,036)	(24,786)	(24,036)	(24,786)
Gross profit		4,167	5,706	4,167	5,706
Other income		928	259	928	259
Marketing and distribution costs		(177)	(170)	(177)	(170)
Administration expenses		(1,409)	(1,485)	(1,409)	(1,485)
Other expenses		(809)	(649)	(809)	(649)
Finance costs		(319)	(215)	(319)	(215)
Profit before tax		2,381	3,446	2,381	3,446
Tax expense	18	(759)	(742)	(759)	(742)
Profit for the period		1,622	2,704	1,622	2,704
Other comprehensive income		-	-	-	-
Total comprehensive income		1,622	2,704	1,622	2,704
Profit attributable to:					
Owners of the Company		1,631	2,699	1,631	2,699
Non-controlling interest		(9)	5	(9)	5
Profit for the period		1,622	2,704	1,622	2,704
Total comprehensive income attributable to:					
Owners of the Company		1,631	2,699	1,631	2,699
Non-controlling interest		(9)	5	(9)	5
		1,622	2,704	1,622	2,704
Earnings per share attributable to owners of the Company:					
Basic (sen)	24	1.3	2.2	1.3	2.2
Diluted (sen)	24	1.3	2.2	1.3	2.2

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)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FIRST QUARTER ENDED 30 JUNE 2019
(These figures have not been audited)

RM'000	Attributable to owners of the Company						Non-controlling interests	Total equity
	Non-Distributable			Distributable		Total		
	Share capital	Treasury shares	Share option reserve	Retained earnings				
At 1 April 2019	68,850	(131)	1,028	81,245	150,992	791	151,783	
Total comprehensive income	-	-	-	1,631	1,631	(9)	1,622	
Share option value	-	-	113	-	113	-	113	
At 30 June 2019	68,850	(131)	1,141	82,876	152,736	782	153,518	
At 1 April 2018	67,464	(131)	578	70,488	138,399	807	139,206	
Total comprehensive income	-	-	-	2,699	2,699	5	2,704	
Share option value	-	-	53	-	53	-	53	
At 30 June 2018	67,464	(131)	631	73,187	141,151	812	141,963	

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 FIRST QUARTER ENDED 30 JUNE 2019
(These figures have not been audited)

RM'000	3 months ended	
	30.06.2019	30.06.2018
Operating activities		
Profit before tax	2,381	3,446
Adjustments for:		
Non-cash items	1,947	1,961
Non-operating items	(417)	75
Interest income	(131)	(70)
Interest expense	319	215
Operating profit before working capital changes	4,099	5,627
Changes in working capital:		
Inventories	92	204
Receivables	535	4,040
Payables	99	(2,566)
Cash generated from operations	4,825	7,305
Net tax paid	(553)	(542)
Net cash from operating activities	4,272	6,763
Investing activities		
Interest received	131	70
Purchase of property, plant and equipment	(3,210)	(357)
Proceeds from disposal of property, plant and equipment	659	-
Net cash used in investing activities	(2,420)	(287)
Financing activities		
Interest paid	(319)	(215)
Net repayment of borrowings	(1,004)	(1,225)
Repayment to a director	-	(200)
Net cash used in financing activities	(1,323)	(1,640)
Net changes in cash and cash equivalents	529	4,836
Cash and cash equivalents at the beginning of financial year	24,895	11,533
Cash and cash equivalents at the end of financial year	25,424	16,369
Analysis of cash and cash equivalents		
Fixed deposits	165	165
Cash and bank balances	25,424	16,395
	25,589	16,560
Bank overdraft	-	(26)
Fixed deposits pledged to licensed bank	(165)	(165)
	25,424	16,369

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)
(Incorporated in Malaysia)

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

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 2019 except for the following new MFRS, Amendments to MFRS, IC Interpretations and Amendments to IC Interpretations to be applied by the Group for the financial periods beginning on or after 1 April 2019:

- MFRS 16 Leases
- IC Interpretations 23 Uncertainty over Income Tax Treatments
- Amendments to MFRS 9 - Prepayment Features with Negative Compensation
- Amendments to MFRS 119 - Plan Amendment, Curtailment or Settlement
- Amendments to MFRS 128 - Long-term Interests in Associates and Joint Ventures
- Annual Improvements to MFRS Standards 2015 - 2017 Cycle

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 17 Insurance Contracts
- Amendments to MFRS 3 - Definition of a Business
- Amendments to MFRS 10 and MFRS 128 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
- Amendments to MFRS 101 and MFRS 108 - Definition of Material
- Amendments to References to the Conceptual Framework in MFRS Standards

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 first quarter ended 30 June 2019.

4 Significant estimates and changes in estimates

There were no changes in estimates that had any material effects on the first quarter ended 30 June 2019.

5 Debt and equity securities

There were no issuances, repurchases or repayments of debt and equity securities during the quarter ended 30 June 2019.

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 June 2019							
External revenue	22,599	2,015	2,894	695	28,203	-	28,203
Intersegment revenue	2,079	-	-	881	2,960	(2,960)	-
Total revenue	24,678	2,015	2,894	1,576	31,163	(2,960)	28,203
Segment profit	2,505	1,593	208	806	5,112	(755)	4,357
Depreciation	(1,205)	(263)	(85)	(115)	(1,668)	(120)	(1,788)
Interest income	12	-	-	119	131	-	131
Finance costs	(34)	(152)	-	(133)	(319)	-	(319)
Profit before tax	1,278	1,178	123	677	3,256	(875)	2,381
Tax expense	(366)	(328)	-	(74)	(768)	9	(759)
Profit after tax	912	850	123	603	2,488	(866)	1,622
30 June 2018							
External revenue	23,810	1,800	4,273	609	30,492	-	30,492
Intersegment revenue	3,735	-	474	1,374	5,583	(5,583)	-
Total revenue	27,545	1,800	4,747	1,983	36,075	(5,583)	30,492
Segment profit	2,844	1,259	1,181	191	5,475	-	5,475
Depreciation	(1,310)	(237)	(88)	(125)	(1,760)	(124)	(1,884)
Interest income	11	-	-	59	70	-	70
Finance costs	(50)	(49)	-	(116)	(215)	-	(215)
Profit before tax	1,495	973	1,093	9	3,570	(124)	3,446
Tax expense	(415)	(259)	-	(66)	(740)	(2)	(742)
Profit after tax	1,080	714	1,093	(57)	2,830	(126)	2,704

8 Related party disclosures

Significant recurrent related party transactions are as follows:

RM'000	3 months ended	
	30.06.2019	30.06.2018
Companies in which certain Directors have interests:		
Revenue from services rendered	1,758	1,758
Forwarding service charges payable	409	344
Fuel payable	870	1,164
Spare parts payable	70	259
Rental income receivable	6	6
Warehouse expense payable	27	22

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 RM7.5 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

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

13 Events after the reporting period

13.1 On 17 July 2019, the Company had increased its paid-up share capital from RM68,850,085 to RM70,477,440 through the issuance of 1,211,400 new ordinary shares at RM0.62, 87,500 new ordinary shares at RM0.68 and 289,000 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.

13.2 On 13 August 2019, the Company has entered into the following agreements with SH Congent Logistics Pte. Ltd ("Purchaser"):

- (a) a conditional share purchase agreement for the proposed disposal by the Company of 80% of its equity interests in Dolphin Shipping Agency Sdn Bhd, Guper Integrated Logistics Sdn Bhd and Gems Logistics Sdn Bhd (collectively referred to as the "Subject Companies") to the Purchaser for a total cash consideration of RM85,600,000; and
- (b) three (3) shareholders' agreements to regulate the relationship of both parties as shareholders in and the conduct of the business operations of the Subject Companies respectively following the completion of the proposed disposal.

Barring any unforeseen circumstances, the above proposed proposals are expected to be completed by the third quarter of this financial year.

Save as disclosed above, there were no other material events subsequent to the end of the current quarter.

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

**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		Variance
	30.06.2019	30.06.2018	
Revenue	28,203	30,492	(2,289)
Profit before tax	2,381	3,446	(1,065)

During the quarter under review, the Group reported a decrease in revenue of RM2.04 million and a lower pre-tax profit by RM1.07 million compared to the preceding year corresponding quarter (“corresponding quarter”) mainly due to the decrease in logistics and marine businesses.

(a) Logistics

RM'000	3 months ended		Variance
	30.06.2019	30.06.2018	
External revenue	22,599	23,810	(1,211)
Profit before tax	1,278	1,495	(217)

Revenue of the logistics segment has decreased by RM1.21 million as compared to the corresponding quarter. In line with the decrease in revenue, pre-tax profit has also decreased by RM0.22 million as compared to the corresponding quarter mainly due to the lower business volume of the Group.

(b) Warehousing

RM'000	3 months ended		Variance
	30.06.2019	30.06.2018	
External revenue	2,015	1,800	215
Profit before tax	1,178	973	205

Revenue and pre-tax profit of the warehousing segment have increased by RM0.22 million and RM0.21 million respectively as compared to the corresponding quarter mainly contributed by the newly completed warehouse of the Group.

(c) Marine

RM'000	3 months ended		Variance
	30.06.2019	30.06.2018	
External revenue	2,894	4,273	(1,379)
Profit before tax	123	1,093	(970)

Revenue of the marine segment has decreased by RM1.38 million as compared to the corresponding quarter mainly due to lower business volume during the quarter. In line with the decrease in revenue, pre-tax profit has also decreased by RM0.97 million as compared to the corresponding quarter.

15 Comparison with immediate preceding quarter

RM'000	3 months ended		Variance
	30.06.2019	31.03.2019	
Revenue	28,203	28,893	(690)
Profit before tax	2,381	2,006	375

Revenue of the Group in the current quarter has slightly dropped by RM0.69 million. However, the Group recorded a higher pre-tax profit by RM0.38 million in the current quarter as compared to the preceding quarter mainly due to improved performance in the marine segment.

16 Commentary on prospects

In light of the current challenging business environment and the ongoing corporate exercise of the Group, the Group will explore new businesses to enhance the growth of the Group. Barring any unforeseen circumstances, the Board expects the financial performance of the Group to remain positive.

17 Profit forecast

Not applicable.

18 Tax expense

RM'000	3 months ended	
	30.06.2019	30.06.2018
Income tax	768	740
Deferred tax	(9)	2
Total tax expense	759	742

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 higher than the statutory tax rate, mainly due to certain non-allowable expenses.

19 Retained earnings

RM'000	As at	As at
	30.06.2019	31.03.2019
Realised	128,218	126,226
Unrealised	(6,202)	(5,943)
	122,016	120,283
Consolidation adjustments	(39,140)	(39,038)
Total retained earnings	82,876	81,245

20 Corporate proposals

There were no corporate proposals announced but not completed as at the reporting date.

21 Borrowings (secured)

RM'000	As at 30.06.2019	As at 31.03.2019
Short term borrowings:		
Term loans	4,229	4,146
	4,229	4,146
Long term borrowings:		
Term loans	13,003	14,090
	13,003	14,090
Total borrowings	17,232	18,236

All borrowings are denominated in Ringgit Malaysia. Overall, the total borrowings of the Group decreased by RM1.00 million due to repayment of term loans during the period.

As at the end of the reporting quarter, all borrowings are at floating rate. Weighted average interest rate for floating rate borrowings is 4.79% per annum.

22 Changes in material litigation

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

23 Proposed dividend

On 18 July 2019, the Board has declared and approved the payment of a first interim single-tier dividend of 16 sen per ordinary share in respect of the financial year ending 31 March 2020. The interim dividend had been paid on 26 August 2019 to shareholders registered in the Record of Depositors on 6 August 2019.

24 Earnings per share ("EPS")

	3 months ended	
	30.06.2019	30.06.2018
Profit attributable to Owners of the Company (RM'000)	1,631	2,699
Weighted average number of ordinary shares in issue ('000)	125,091	123,442
Effect of dilution ('000)	1,073	-
Adjusted weighted average number of ordinary shares in issue ('000)	126,164	123,442
Basic EPS (sen)	1.3	2.2
Diluted EPS (sen)	1.3	2.2

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 2019 was unqualified.

27 Profit before tax

RM'000	3 months ended	
	30.06.2019	30.06.2018
Profit before tax is arrived at after crediting/(charging):		
Interest income	131	70
Other income including investment income	797	189
Interest expense	(319)	(215)
Depreciation	(1,788)	(1,884)
Provision for and write off of receivables	(45)	-
Realised gain in foreign exchange	22	-
Unrealised loss in foreign exchange	(98)	(45)

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