



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

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2020

25 February 2021

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

RM'000	Note	As at 31.12.2020 Unaudited	As at 31.03.2020 Audited
Assets			
Property, plant and equipment		55,764	40,216
Right-of-use assets		41,412	42,023
Investments in associates		23,101	21,638
Non-current assets		120,277	103,877
Trade and other receivables		13,986	19,014
Cash and cash equivalents		79,464	99,072
Current assets		93,450	118,086
Total assets		213,727	221,963
Equity and liabilities			
Share capital		70,835	70,477
Treasury shares		(131)	(131)
Other reserves		686	732
Retained earnings	19	90,114	107,351
Equity attributable to owners of the Company		161,504	178,429
Non-controlling interests		751	1,000
Total equity		162,255	179,429
Borrowings (secured)	22	14,432	11,368
Lease liabilities		15,700	15,820
Deferred tax liabilities		2,235	2,235
Non-current liabilities		32,367	29,423
Trade and other payables		14,614	8,623
Borrowings (secured)	22	3,892	3,828
Lease liabilities		550	575
Tax liabilities		49	85
Current liabilities		19,105	13,111
Total liabilities		51,472	42,534
Total equity and liabilities		213,727	221,963
Net assets per share attributable to owners of the Company (RM)		1.27	1.41

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 2020**

(These figures have not been audited)

RM'000	Note	Current quarter 3 months ended		Cumulative quarter 9 months ended	
		31.12.2020	31.12.2019	31.12.2020	31.12.2019
Revenue		11,352	31,866	32,501	91,410
Cost of sales		(9,427)	(25,253)	(28,518)	(75,209)
Gross profit		1,925	6,613	3,983	16,201
Other income		383	272	2,469	1,484
Marketing and distribution costs		(166)	(160)	(503)	(516)
Administration expenses		(457)	(1,111)	(1,582)	(3,860)
Other expenses		(392)	(684)	(1,219)	(2,235)
Finance costs		(188)	(363)	(878)	(1,010)
Profit before share of results		1,105	4,567	2,270	10,064
Share of results of associates		318	-	1,463	-
Profit before tax		1,423	4,567	3,733	10,064
Tax expense	18	(171)	(1,401)	(893)	(3,011)
Profit for the period		1,252	3,166	2,840	7,053
Other comprehensive income		-	-	-	-
Total comprehensive income		1,252	3,166	2,840	7,053
Profit attributable to:					
Owners of the Company		1,258	3,172	3,089	7,075
Non-controlling interest		(6)	(6)	(249)	(22)
Profit for the period		1,252	3,166	2,840	7,053
Total comprehensive income attributable to:					
Owners of the Company		1,258	3,172	3,089	7,075
Non-controlling interest		(6)	(6)	(249)	(22)
		1,252	3,166	2,840	7,053
Earnings per share attributable to owners of the Company:					
Basic (sen)	25	1.0	2.5	2.4	5.6
Diluted (sen)	25	0.9	2.5	2.3	5.6

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)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2020
(These figures have not been audited)

RM'000	Attributable to owners of the Company						Non-controlling interest	Total equity
	Non-Distributable			Distributable				
	Share capital	Treasury shares	Share option reserve	Retained earnings	Total			
At 1 April 2020	70,477	(131)	732	107,351	178,429	1,000	179,429	
Total comprehensive income	-	-	-	3,089	3,089	(249)	2,840	
Issuance of shares	358	-	(135)	-	223	-	223	
Dividend	-	-	-	(20,326)	(20,326)	-	(20,326)	
Share option expenses	-	-	89	-	89	-	89	
At 31 December 2020	70,835	(131)	686	90,114	161,504	751	162,255	
At 1 April 2019	68,850	(131)	1,028	81,245	150,992	791	151,783	
Total comprehensive income	-	-	-	7,075	7,075	(22)	7,053	
Issuance of shares	1,627	-	(658)	-	969	-	969	
Dividend	-	-	-	(20,268)	(20,268)	-	(20,268)	
Share option expenses	-	-	338	-	338	-	338	
At 31 December 2019	70,477	(131)	708	68,052	139,106	769	139,875	

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 2020
(These figures have not been audited)

RM'000	9 months ended	
	31.12.2020	31.12.2019
Operating activities		
Profit before tax	3,732	10,064
Adjustments for:		
Non-cash items	891	5,990
Non-operating items	(442)	(681)
Interest income	(1,761)	(317)
Interest expense	878	1,010
Operating profit before working capital changes	3,298	16,066
Changes in working capital:		
Inventories	-	206
Receivables	5,037	(7,518)
Payables	3,770	693
Cash generated from operations	12,105	9,447
Net tax paid	(929)	(1,986)
Net cash from operating activities	11,176	7,461
Investing activities		
Interest received	1,761	317
Purchase of property, plant and equipment	(19,151)	(10,387)
Proceeds from disposal of property, plant and equipment	2,382	1,015
Proceeds from issuance of shares	223	969
Net cash used in investing activities	(14,785)	(8,086)
Financing activities		
Drawdown of term loan	6,000	5,608
Dividend paid	(20,325)	(20,268)
Interest paid	(878)	(1,010)
Repayment of lease liabilities	(145)	(152)
Net repayment of borrowings	(2,872)	(3,238)
Advances from a director	2,221	1,205
Net cash used in financing activities	(15,999)	(17,855)
Net changes in cash and cash equivalents	(19,608)	(18,480)
Cash and cash equivalents at the beginning of financial year	98,907	24,895
Cash and cash equivalents at the end of financial period	79,299	6,415
Analysis of cash and cash equivalents		
Fixed deposits	165	165
Cash and bank balances	79,299	7,613
	79,464	7,778
Bank overdraft	-	(1,198)
Fixed deposits pledged to licensed bank	(165)	(165)
	79,299	6,415

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 2020.

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 2020 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 2020:

Amendments to MFRS 3 - Definition of a Business

Amendments to MFRS 4 - Extension of the Temporary Exemption from Applying MFRS 9

Amendments to MFRS 7, MFRS 9 and MFRS 139 - Interest Rate Benchmark Reform

Amendments to MFRS 101 and MFRS 108 - Definition of Material

Amendment to MFRS 101 - Classification of Liabilities as Current or Non-current - Deferral of Effective Date

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 and Amendments to MFRS 17

Amendments to MFRS 3 - Reference to the Conceptual Framework

Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16 - Interest Rate Benchmark Reform-Phase 2

Amendments to MFRS 10 and MFRS 128 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

Amendments to MFRS 16 - Covid-19 - Related Rent Concessions

Amendments to MFRS 101 - Classification of Liabilities as Current or Non-current

Amendments to MFRS 116 - Proceeds before Intended Use

Amendments to MFRS 137 - Onerous Contracts - Cost of Fulfilling a Contract

Annual Improvements to MFRS Standards 2018-2020

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 2020.

4 Significant estimates and changes in estimates

There were no changes in estimates that had any material effects during the quarter ended 31 December 2020.

5 Debt and equity securities

There were no issuances, repurchases or repayments of debt and equity securities during the quarter ended 31 December 2020.

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	Ware- housing	Marine	Others	Total	Elimination	Group
Results for 3 months ended							
31 December 2020							
External revenue	7,371	555	2,548	878	11,352	-	11,352
Intersegment revenue	257	-	84	521	862	(862)	-
Total revenue	7,628	555	2,632	1,399	12,214	(862)	11,352
Segment profit	766	522	138	505	1,931	(182)	1,749
Depreciation	(425)	(78)	-	3	(500)	-	(500)
Interest income	4	-	-	358	362	-	362
Finance costs	(11)	(42)	-	(135)	(188)	-	(188)
Profit before tax	334	402	138	731	1,605	(182)	1,423
Tax expense	(52)	(96)	-	(23)	(171)	-	(171)
Profit after tax	282	306	138	708	1,434	(182)	1,252
31 December 2019							
External revenue	26,188	2,152	2,570	956	31,866	-	31,866
Intersegment revenue	899	-	901	1,269	3,069	(3,069)	-
Total revenue	27,087	2,152	3,471	2,225	34,935	(3,069)	31,866
Segment profit	4,351	1,775	473	1,289	7,888	(1,251)	6,637
Depreciation	(1,164)	(300)	(83)	(104)	(1,651)	(118)	(1,769)
Interest income	54	-	1	7	62	-	62
Finance costs	(47)	(191)	-	(125)	(363)	-	(363)
Profit before tax	3,194	1,284	391	1,067	5,936	(1,369)	4,567
Tax expense	(959)	(376)	-	(74)	(1,409)	8	(1,401)
Profit after tax	2,235	908	391	993	4,527	(1,361)	3,166

7 Segmental information (continued)

RM'000	Logistics	Ware- housing	Marine	Others	Total	Elimination	Group
Results For 9 Months Ended							
31 December 2020							
External revenue	21,359	1,696	6,686	2,760	32,501	-	32,501
Intersegment revenue	683	-	84	2,163	2,930	(2,930)	-
Total revenue	22,042	1,696	6,770	4,923	35,431	(2,930)	32,501
Segment profit	1,388	1,609	128	2,026	5,151	(637)	4,514
Depreciation	(1,389)	(235)	(5)	(35)	(1,664)	-	(1,664)
Interest income	49	-	-	1,712	1,761	-	1,761
Finance costs	(42)	(139)	-	(697)	(878)	-	(878)
Profit before tax	6	1,235	123	3,006	4,370	(637)	3,733
Tax expense	(192)	(296)	(9)	(396)	(893)	-	(893)
Profit after tax	(186)	939	114	2,610	3,477	(637)	2,840
31 December 2019							
External revenue	73,270	6,454	8,753	2,933	91,410	-	91,410
Intersegment revenue	4,462	-	1,021	5,262	10,745	(10,745)	-
Total revenue	77,732	6,454	9,774	8,195	102,155	(10,745)	91,410
Segment profit	9,934	5,223	939	4,922	21,018	(4,906)	16,112
Depreciation	(3,559)	(862)	(253)	(323)	(4,997)	(358)	(5,355)
Interest income	111	-	1	205	317	-	317
Finance costs	(123)	(493)	-	(394)	(1,010)	-	(1,010)
Profit before tax	6,363	3,868	687	4,410	15,328	(5,264)	10,064
Tax expense	(1,833)	(1,051)	-	(153)	(3,037)	26	(3,011)
Profit after tax	4,530	2,817	687	4,257	12,291	(5,238)	7,053

8 Related party disclosures

Significant recurrent related party transactions are as follows:

RM'000	3 months ended		9 months ended	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
Companies in which certain Directors have interests:				
Revenue from services rendered	344	2,161	800	6,029
Forwarding service charges payable	87	347	261	1,217
Fuel payable	-	919	-	2,871
Spare parts payable	4	42	42	173
Rental income receivable	-	6	8	18
Warehouse expense payable	-	-	-	29

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 RM13.79 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

Sin Hiap Hoe Trading & Transport Sdn Bhd ("SHH"), a wholly-owned subsidiary of the Company had on 16 January 2020 entered into a Sale and Purchase Agreement ("SPA") with Bun Seng Hardware Sdn Bhd ("BSH") for the acquisition of a parcel of vacant leasehold industrial land held under H.S.(D) 119778, PT No. 121658, Mukim Klang, District of Klang, Selangor measuring approximately 9,712 square metres for a cash consideration of RM7,840,500.00. On 12 January 2021, SHH had mutually agreed with BSH to revoke the previous SPA by the execution of a Deed of Revocation and accompanied by the simultaneous execution of a Fresh Sale and Purchase Agreement ("Fresh SPA"). The Fresh SPA shall have the same cash consideration and the same principal terms and conditions as the previous SPA save and except the payment of an additional 5% deposit.

Save as disclosed above, there were no other 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		
	31.12.2020	31.12.2019	Changes	31.12.2020	31.12.2019	Changes
Revenue	11,352	31,866	(20,514)	32,501	91,410	(58,909)
Profit before tax	1,423	4,567	(3,144)	3,733	10,064	(6,331)

The completion of the disposal of subsidiaries in the final quarter of the preceding financial year as well as the Covid-19 Pandemic have resulted in a decrease in the revenue and pre-tax profit of the Group for the current quarter and the 9 months cumulative period as compared to the preceding year corresponding quarter ("corresponding quarter") and period ("corresponding period").

(a) Logistics

RM'000	3 months ended			9 months ended		
	31.12.2020	31.12.2019	Changes	31.12.2020	31.12.2019	Changes
External revenue	7,371	26,188	(18,817)	21,359	73,270	(51,911)
Profit before tax	334	3,194	(2,860)	6	6,363	(6,357)

Revenue and pre-tax profit for the current quarter have decreased as compared to the corresponding quarter mainly due to the effects from the disposal of subsidiaries in the final quarter of the preceding financial year and also impact of the Covid-19 Pandemic.

(b) Warehousing

RM'000	3 months ended			9 months ended		
	31.12.2020	31.12.2019	Changes	31.12.2020	31.12.2019	Changes
External revenue	555	2,152	(1,597)	1,696	6,454	(4,758)
Profit before tax	402	1,284	(882)	1,235	3,868	(2,633)

As compared to the corresponding quarter, the decline in revenue and pre-tax profit of the warehousing segment for the current quarter and the 9 months cumulative period, were mainly due to the effects from the disposals of subsidiaries in the final quarter of the preceding financial year.

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

(c) Marine

RM'000	3 months ended			9 months ended		
	31.12.2020	31.12.2019	Changes	31.12.2020	31.12.2019	Changes
External revenue	2,548	2,570	(22)	6,686	8,753	(2,067)
Profit before tax	138	391	(253)	123	687	(564)

Revenue and pre-tax profit for the current quarter and the cumulative period have decreased as compared to the corresponding quarter and period mainly due to lower cargo volume resulted from the Covid-19 pandemic.

15 Comparison with immediate preceding quarter

RM'000	3 months ended		
	31.12.2020	30.09.2020	Changes
Revenue	11,352	12,663	(1,311)
Profit before tax	1,423	1,520	(97)

Revenue of the Group in the current quarter has decreased by RM1.31 million mainly arising from the business decline in the logistics segment, and the Group's pre-tax profit also decreased slightly by RM0.10 million.

16 Commentary on prospects

In view of the impact of business slowdown in the market resulted from the Covid-19 pandemic, the Board foresees decline in business activities of the Group. To remain sustainable, the Board will continue to focus on the development of the Group's vacant lands into warehouses or factories. The factories under construction are expected to be completed in the fourth quarter of the current financial year. In the meantime, the Board will continue to explore new business opportunities that will enhance the growth of the Group.

17 Profit forecast

Not applicable.

18 Tax expense

RM'000	3 months ended		9 months ended	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
Income tax	171	1,409	893	3,037
Deferred tax	-	(8)	-	(26)
Total tax expense	171	1,401	893	3,011

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 was mainly due to the tax exemption on shipping income.

19 Retained earnings

RM'000	As at 31.12.2020	As at 31.03.2020
Realised	134,122	153,070
Unrealised	(2,244)	(2,243)
	131,878	150,827
Consolidation adjustments	(41,764)	(43,476)
Total retained earnings	90,114	107,351

20 Utilisation of proceeds

The total gross proceeds of RM85.6 million arising from the disposals of subsidiaries are to be utilised as follows:

RM'000	Intended utilisation	Actual utilisation as at 31.12.2020	Deviation	Balance	Estimated timeframe
Future investment	40,000	5,000	-	35,000	Within 24 months
Dividend to shareholders	20,320	20,320	-	-	Within 3 months
Working capital	20,280	610	-	19,670	Within 24 months
Estimated expenses	5,000	3,220	-	1,780	Upon completion *
	85,600	29,150	-	56,450	

* The balance of estimated expenses of RM1.78 million will be allocated for the Group's working capital.

21 Corporate proposals

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

22 Borrowings (secured)

RM'000	As at 31.12.2020	As at 31.03.2020
Term loans	3,892	3,828
Short term borrowings	3,892	3,828
Term loans	14,432	11,368
Long term borrowings	14,432	11,368
Total borrowings	18,324	15,196

All borrowings are denominated in Ringgit Malaysia.

Overall, the total borrowings of the Group increased by RM3.13 million, mainly due to the drawdown of term loan and repayment of term loans which amounted to RM6.00 million and RM2.87 million respectively.

As at the end of the reporting quarter, all borrowings are at floating rate. Weighted average interest rate for floating rate borrowings is 3.35% per annum.

23 Changes in material litigation

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

24 Proposed dividend

No dividend has been proposed during the current quarter.

25 Earnings per share ("EPS")

	3 months ended		9 months ended	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
Profit attributable to Owners of the Company (RM'000)	1,258	3,172	3,089	7,075
Weighted average number of ordinary shares in issue ('000)	126,995	126,214	126,995	126,214
Effect of dilution ('000)	42	673	42	673
Adjusted weighted average number of ordinary shares in issue ('000)	127,037	126,887	127,037	126,887
Basic EPS (sen)	1.0	2.5	2.4	5.6
Diluted EPS (sen)	0.9	2.5	2.4	5.6

26 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.

27 Auditors' report on preceding annual financial statements

The auditors' report on the financial statements for the financial year ended 31 March 2020 was unqualified.

28 Profit before tax

RM'000	3 months ended		9 months ended	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
Profit before tax is arrived at after crediting/(charging):				
Interest income	362	62	1,761	317
Other income including investment income	21	58	708	487
Interest expense	(188)	(363)	(878)	(1,010)
Depreciation	(500)	(1,769)	(1,664)	(5,355)
Provision for and write off of receivables	-	-	-	(45)
Gain on disposal of a property	-	152	-	680
Realised (loss)/gain in foreign exchange	(9)	(7)	(7)	12
Unrealised (loss)/gain in foreign exchange	(3)	(3)	(9)	(21)

Save as disclosed above, there were no other material 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.