COMPLETE LOGISTIC SERVICES BERHAD (716241-X)

No. 25, Jalan Berangan, 42000 Port Klang
Selangor Darul Ehsan. Malaysia

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COMPLETE LOGISTIC SERVICES BERHAD (716241-X)

Annual Report 2011

CLS (716241-X)

COMPLETE LOGISTIC SERVICES BERHAD

Moving Ahead Positively

2011 Annual Report

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6th Annual General Meeting

Place : Studio 3 & 4, Lobby Level, Premiere Hotel
Bandar Bukit Tinggi 1/KS6, Jalan Langat
41200 Klang, Selangor Darul Ehsan
Time : Wednesday, 21 September 2011 at 11.30 a.m.

COMPLETE LOGISTIC SERVICES BERHAD
ANNUAL REPORT 2011

CORPORATE INFORMATION

BOARD OF DIRECTORS

Tan Sri Dato' Seri Dr Ting Chew Peh
Independent Non-Executive Chairman
(Resigned on 1 April 2011)

Law Hee Ling
Managing Director

Lim Kok Onn
Executive Director

Hoo Mee Lien
Executive Director

Chia Kah Ying
Executive Director

Tan Sri Dato' Seri Law Hieng Ding
Independent Non-Executive Director

Yet Kiong Siang
Independent Non-Executive Director

COMPANY SECRETARIES

Chia Ong Leong (MIA 4797)
Chia Kia Hock (LS 1825)

REGISTERED OFFICE

No. 82F Jalan Pulasan
41000 Klang
Selangor Darul Ehsan
Tel: 603-3371 4725
Fax: 603-3372 4128

HEAD OFFICE

No. 25 Jalan Berangan
42000 Port Klang
Selangor Darul Ehsan
Tel: 603-3168 0757
Fax: 603-3167 1145
E-mail: info@complete-group.com
Website: www.complete-group.com

AUDITORS

Crowe Horwath (AF 1018)
Level 16 Tower C
Megan Avenue II
12 Jalan Yap Kwan Seng
50450 Kuala Lumpur
Tel: 603-2166 0000
Fax: 603-2166 1000

PRINCIPAL BANKER

Hong Leong Bank Berhad (97141-X)

SHARE REGISTRAR

Equiniti Services Sdn Bhd
(Formerly known as MIDF Consultancy and Corporate Services Sendirian Berhad) (11324-H)
Level 8 Menara MIDF
82 Jalan Raja Chulan
50200 Kuala Lumpur
Tel: 603-2166 0933
Fax: 603-2166 0688

STOCK EXCHANGE LISTING

Bursa Malaysia Securities Berhad
Main Market

AUDIT COMMITTEE

Chairman
Tan Sri Dato' Seri Dr Ting Chew Peh
(Resigned on 1 April 2011)

Members
Tan Sri Dato' Seri Law Hieng Ding

Yet Kiong Siang

REMUNERATION COMMITTEE

Chairman
Tan Sri Dato' Seri Dr Ting Chew Peh
(Resigned on 1 April 2011)

Members
Tan Sri Dato' Seri Law Hieng Ding

Law Hee Ling

NOMINATION COMMITTEE

Chairman
Tan Sri Dato' Seri Dr Ting Chew Peh
(Resigned on 1 April 2011)

Members
Tan Sri Dato' Seri Law Hieng Ding

Lim Kok Onn

CORPORATE STRUCTURE

(716241-X)
COMPLETE LOGISTIC SERVICES BERHAD

- **Bagai Pertama Sdn Bhd** (545483-A)
  100% *Shipowner/provision of marine transportation services*
- **Complete Container Services Sdn Bhd** (543015-W)
  100% *Shipowner/provision of marine transportation services*
- **Complete International Pte Ltd** (LL06829)
  100% *General trading/offshore leasing activities*
- **Complete Logistic Specialists Sdn Bhd** (445588-V)
  100% *Total logistic services provider*
- **Complete Marine Services Sdn Bhd** (490761-A)
  100% *Shipowner/provision of marine transportation services*
- **Complete Shipping Sdn Bhd** (471084-X)
  100% *Shipowner/provision of marine transportation services*
- **Complete Transport Services Sdn Bhd** (545866-U)
  100% *Lorry and trucking services*
- **Complete Tug & Barge Sdn Bhd** (527808-A)
  100% *Shipowner/provision of marine transportation services*
- **Dolphin Shipping Agency Sdn Bhd** (507526-A)
  100% *Trading of freight*
- **Guper Integrated Logistics Sdn Bhd** (420531-V)
  60% *Total logistic services with haulage, forwarding & other associated services*
- **Island Network Sdn Bhd** (466999-W)
  100% *General trading*
  - **Complete Biofuel Sdn Bhd** (Formerly known as Island Network Shipbuilders Sdn Bhd) (514505-U)
    100% *Dormant since incorporation*
- **Malsuria Logistics Sdn Bhd** (463630-M)
  100% *Shipowner/provision of marine transportation services*
- **Malsuria (M) Sdn Bhd** (234248-P)
  100% *Shipowner/provision of marine transportation services*
- **Malsuria Tanker Services Sdn Bhd** (376604-H)
  100% *Shipowner/provision of marine transportation services*
- **Sierra Jaya Sdn Bhd** (266651-P)
  100% *Shipowner/provision of marine transportation services*
- **Praslin Express Limited**
  50% *Provision of ferry services*

PROFILE OF DIRECTORS

TAN SRI DATO' SERI DR TING CHEW PEH
Independent Non-Executive Chairman

A Malaysian aged 68, was appointed to our Board on 2 July 2007 and resigned on 1 April 2011. Tan Sri graduated with a degree in Malay Studies from University of Malaya in 1970 and then obtained his Master of Science in Sociology from University of London, 1972. Subsequently he obtained his Doctorate in Philosophy in Sociology from University of Warwick, England in 1976.

Tan Sri started his career as a lecturer in the Faculty of Social Sciences and Humanities at Universiti Kebangsaan Malaysia from 1974 to 1980. He was subsequently promoted and served as an Associate Professor of the said Faculty until 1987. In 1987, Tan Sri ventured into politics with his election as Member of Parliament for Gopeng, Perak, which he held until February 2008. He previously served as Parliamentary Secretary of the Ministry of Health (1988-1989), Deputy Minister in the Prime Minister's Department (1989-1990), Minister of Housing and Local Government (1990-1999), Chairman of Port Klang Authority (2000-2004) and Secretary-General of Malaysian Chinese Association (MCA) (1990-2005).

Tan Sri is the Chairman of the Audit Committee, Remuneration Committee and Nomination Committee.

Tan Sri currently also sits on the Boards of Pan Malaysia Corporation Berhad, Pan Malaysia Capital Berhad, Puncak Niaga Holdings Berhad, Hua Yang Berhad, Johan Holdings Berhad and Huaren Education Foundation.

Training programme attended during the financial year is as follows:
- Demystifying Director's Legal Duties and Implication under the Listing Requirements
- Corporate Governance Guide - Towards Boardroom Excellence
- Board of Directors and Senior Management:Roles and Responsibilities for Financial Reporting
- Sustanbility Programme for Corporate Malaysia
- Corporate Governance : Assessing the Risk and Control Environment

TAN SRI DATO' SERI LAW HIENG DING
Independent Non-Executive Director

A Malaysian aged 76, was appointed to our Board on 2 July 2007. Tan Sri graduated from Nanyang University in 1960 with a Bachelor's degree of Commerce in Accountancy and Banking.

He joined the Sarawak United People's Party ("SUPP") in the 1960s and was elected one of the councillors for Sibu Urban District Council from 1964 to 1981. He also served as the Chairman of Sibu Urban District Council from 1978 to 1981. He was elected as Member of Parliament for the constituency of Sarikei in 1982, a position which he held for 6 consecutive terms, ie from 1982 to 2008.

Between 1976 to 1987 he has served as Parliament Secretary at two ministries in Malaysia, namely, the Ministry of Housing and Local Government in 1976 and the then Ministry of Science, Technology and Environment ("MOSTE") from 1976 to 1987. Subsequently, he was appointed as Federal Deputy Minister of MOSTE where he served from 1987 to 1990, after which he was appointed as Minister of MOSTE from 1990 to 2004.

Tan Sri is a member of the Audit Committee, Remuneration Committee and Nomination Committee.

Tan Sri currently also sits on the Board of Jaks Resources Berhad.

PROFILE OF DIRECTORS

LAW HEE LING
Managing Director

A Malaysian aged 46, is the Managing Director and founder of our Group. He is a substantial shareholder of the Company.

He was appointed to our Board on 30 October 2006. Mr Law is a businessman with over 20 years of experience in the shipping industry. He started his career in shipping in 1983 where he was exposed to all aspects of the shipping operations, marketing and finance. In 1988 he started his own logistics agency business and subsequently ventured into marine transportation services in 1995. Since then, he has grown our fleet of vessels and expanded our Group's business activities to cover marine transportation services, logistics operations and general trading. He is responsible for the overall management and operations of our Group, with primary focus on our marine transportation services segment.

Mr Law is a member of our Remuneration Committee. There is no conflict of interest with the Company except for those transactions disclosed in page 22 of this report, note 33 to the Financial Statements and the circular on recurrent related party transactions.

YET KIONG SIANG
Independent Non-executive Director

Malaysian, aged 53, was appointed to our Board on 23 January 2009. He is a Chartered Accountant with the Malaysian Institute of Accountants. He is also a member o the Association of Chartered Certified Accountants, Chartered Tax Institute of Malaysia and Institute of Internal Auditors of Malaysia.

Mr Yet is an auditor by profession. He started his career in 1982 as an audit assistant with Messrs. Khoo Teng Keat & Co. He is currently the proprietor of the firm. He has over 25 years of experience in the fields of auditing, taxation and management consultancy.

Mr Yet is a member of the Audit Committee.

Training programme attended during the financial year are as follows:
- Audit Oversight Board
- Double Taxation Agreement : The Key to Planning Cross Border Projects
- Audit workshop on FRS 139 by MASB
- Section 113 (2) penalty & taxpayers acting in good faith
- Cross Border Transactions - Withholding Tax & Double Taxation Agreements
- National seminar on taxation 2010
- Tax Audit Findings

PROFILE OF DIRECTORS

LIM KOK ONN
Executive Director

A Malaysian aged 57, was appointed to our Board on 30 October 2006. Mr Lim graduated with a Bachelor of Social Science (Economics) from University of Waikato, New Zealand in 1977 and a Master in Business Studies (Marketing) from Massey University, New Zealand in 1980.

He started his career in 1981 as a Planning Executive with Multi-Purpose Holding Berhad. Since then he has acquired 15 years of experience in the plantation industry, marketing and trading of plantation commodities such as palm oil, natural rubber and dried cocoa beans. He joined Island Network Sdn Bhd, a subsidiary in our Group, in 1998 as Director and is responsible for the general trading businesses of our Group.

Mr Lim is a member of our Nomination Committee. There is no conflict of interest with the Company except for those transactions disclosed in page 22 of this report, note 33 to the Financial Statements and the circular on recurrent related party transactions.

Training programme attended during the financial year are as follows:
- Corporate Governance Guide - Towards Boardroom Excellence

HOO MEE LIEN
Executive Director

A Malaysian aged 49, was appointed to our Board on 2 July 2007. She is a substantial shareholder of the Company. Ms Hoo obtained a Diploma in Private Secretarial Course from Stamford College, Malaysia in 1981. Ms Hoo has gained invaluable experience and knowledge in the shipping industry through her involvement in the industry for over the past 20 years.

She started as stenographer in Benline Sdn Bhd in 1982 and subsequently joined the shipping industry as a Marketing Executive in 1984. In 1986, she joined Titimas Shipping Sdn Bhd as Marketing Manager and appointed as Director in Oceanteam Shipping Agencies Sdn Bhd in 1995. She joined Complete Logistic Specialists Sdn Bhd in 1997 as Director and is responsible for the overall marketing functions and daily operations of our logistics and freight trading operations.

PROFILE OF DIRECTORS

CHIA KAH YING
Executive Director

Malaysian, aged 43, was appointed to our Board on 2 July 2007. She is a Certified Public Accountant of the Malaysian Institute of Certified Public Accountants.

She started her career with Ernst & Young, Malaysia in 1993 and left in 1997. In 1998, she joined the logistic industry and later joined our Group in 2006.

Training programme attended during the financial year are as follows:

- Updates of FRSs 2010 New and Revised FRSs, Amendments, IC Interpretations and the New Bursa Listing Requirements
- Impairment of Assets

ADDITIONAL INFORMATION ON BOARD OF DIRECTORS

1. **Family relationship with directors and/or substantial shareholders**
   None of the directors of the Company have any family relationship with the other directors and/or substantial shareholders of the Company.

2. **Conflict of Interest**
   Other than as disclosed above, none of the directors of the Company have any conflict of interest with the Company.

3. **Convictions for offences**
   None of the directors of the Company have been convicted for offences within the past 10 years other than traffic offences, if any.

4. **Attendance at Board Meetings**
   The Board of Directors' attendance record at Board meetings held during the financial year ended 31 March 2011 can be found on page 11 of this report.

CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the Board of Directors ("Board") of Complete Logistic Services Berhad ("CLSB"), I am pleased to present the Annual Report of CLSB and its group of companies ("Group") for the financial year ended 31 March 2011.

INDUSTRY REVIEW

The recessionary effects of the global slowdown have continued to affect the shipping industry during the financial year under review.

The sluggish shipping industry has been saddled with soft freight rates caused by a combination of weak demands and over-supply of shipping capacities. Furthermore the industry has also been affected by rising operating costs due mainly to the prevailing high fuel price.

Faced with an unfavourable business environment, the effective rational measures initiated by the Board to contain costs, optimize resources aimed at enhancing customers' services and hence revenue, helped in returning a profitable set of financial results for the financial year.

CHAIRMAN'S STATEMENT

FINANCIAL PERFORMANCE

For the financial year ended 31 March 2011, the Group registered a profit after tax of RM5.5 million on a turnover of RM91.3 million against a loss of RM1.6 million on a turnover of RM109.5 million for the preceding financial year. This represents an improvement in Group profit after tax of RM7.1 million.

PROSPECTS

The Malaysian economy which registered a growth rate of 7.2% in 2010 has been projected to moderate to around 5% in 2011.

Meanwhile the ongoing debt problems in the USA as well as the European Union, plus the Fukushima tsunami/ nuclear disaster have posed as a stumbling block towards a quick global economic recovery.

With an uncertain economic outlook and the shipping sector still on its declining phase of its business cycle, the shipping industry is expected to face yet another difficult year ahead.

Your Board will continue with vigour on its resource optimization initiatives to enhance further its service deliveries to wider markets and also to establish new revenue sources to sustain future profitability for the Group.

DIVIDEND

The Board has not recommended any dividend payment for the financial year ended 31 March 2011 in order to preserve cash to fund future business expansion.

CORPORATE SOCIAL RESPONSIBILITY

The Group remains committed to care for the social community and social environment it operates in, its employees, shareholders and all other stakeholders. As a responsible corporate citizen, the Group will continue to contribute and undertake practices that will have a positive impact to the environment and society.

APPRECIATION

On behalf of the Board, I would like to thank Tan Sri Dato' Dr Ting Chew Peh who had resigned as a Board member on 1 April 2011, for all his contributions as Chairman of the Board as well as Chairman of all the committees over the past years. I further like to wish Tan Sri all the best in all his future undertakings.

To all the hardworking employees of the Group, I would like to express my sincere appreciation and thanks for their full commitment and timeless efforts in meeting customers' demand and also their dedication to the company.

Our appreciation also goes out to our customers, suppliers, business associates, shareholders and the authorities for their support and confidence in the Group.

I would like to thank my fellow colleagues who served with me on the Board, for their invaluable support, creative ideas and wisdom in guiding the Board and the respective committees.

To all the shareholders of CLSB, I thank you once again for your loyal support, trust and confidence in us.

LIM KOK ONN
Executive Director (Acting Chairman)

Port Klang
22 August 2011

CORPORATE GOVERNANCE STATEMENT

The Board of Directors ("Board") of Complete Logistic Services Berhad ("the Company") remains committed towards ensuring that high standard of corporate governance is maintained throughout the Company and its subsidiaries ("the Group"). Hence, the Board is fully dedicated to continuously evaluating the Group's corporate governance practices and procedures with a view to ensure the principles and best practices in corporate governance as promulgated by the Malaysian Code on Corporate Governance ("the Code") is applied and adhered to in the best interests of stakeholders. The Board is pleased to report to the shareholders the manner in which the Group has applied the principles and complied with the best practices of the Code during the financial year.

THE BOARD OF DIRECTORS

Composition and Balance

The Company is led by an effective and experienced seven (7) member Board, comprising four (4) Executive Directors and three (3) Independent Non-Executive Directors. This composition complies with the Bursa Malaysia Securities Berhad ("Bursa") Listing Requirements that requires at least two (2) Directors or one third (1/3) of the Board whichever is higher, are Independent Directors. The profiles of the members of the Board are set out on pages 4 to 7 of this Annual Report.

The Executive Directors are primarily responsible for the implementation of policies and decisions of the Board, overseeing the Group's operations and developing the Group's business strategies.

The role of the Independent Non-Executive Directors is to provide objective and independent judgement to the decision making of the Board and as such, provides an effective check and balance to the Board's decision making process.

The Board composition brings together an extensive group of experienced Directors from diverse backgrounds that have a wide range of skills and experience in areas relevant to managing and directing the Group's operations.

Duties and Responsibilities

The main focus of the Board is on the overall strategic leadership, identification and management of principal risks and, development and control of the Group. The Board has delegated specific responsibilities to Board Committees, all of which discharge the duties and responsibilities within their respective Terms of Reference.

The roles of the Chairman and Group Managing Director are clearly distinct to ensure that there is a balance of power and authority. The Chairman is primarily responsible for the effective and efficient conduct and working of the Board and ensuring that members have timely access to relevant information, whilst the Group Managing Director is responsible for the daily management of the Group's operations and implementation of the policies and strategies adopted by the Board.

CORPORATE GOVERNANCE STATEMENT

Board Meetings

During the financial year ended 31 March 2011 the Board met five (5) times, where they deliberated and considered matters relating to the Group's financial performance, investments, corporate development, strategic issues and business plan. The meeting attendance records of the Directors who held office are set out below:

Name of Director	Status of Directorship	No. of Meetings Attended
Tan Sri Dato' Seri Dr Ting Chew Peh (Resigned on 1 April 2011)	Independent, Non-Executive	5/5
Tan Sri Dato' Seri Law Hieng Ding	Independent, Non-Executive	3/5
Yet Kiong Siang	Independent, Non-Executive	5/5
Law Hee Ling	Executive	5/5
Lim Kok Onn	Executive	5/5
Hoo Mee Lien	Executive	5/5
Chia Kah Ying	Executive	5/5

Board meetings are structured with a pre-set agenda which encompasses all aspects of matters under discussion. The Board papers are circulated to directors in advance of the Board meetings for their deliberation. All meetings of the Board are duly recorded in the Board Minutes.

Senior Management may be invited to attend these meetings to explain and clarify matters tabled.

In furtherance of their duties, the Board has unrestricted access to any information pertaining to the Group as well as to the advice and services of the Company Secretary and independent professional adviser whenever appropriate, at the Group's expense.

DIRECTORS' REMUNERATION

The number of Directors of the Company whose total remuneration falls within the following bands during the financial year ended 31 March 2011 is as follows:

	Number of Directors		
Remuneration Band	Executive	Non-Executive	Total
RM50,000 and below	-	3	3
RM50,001 to RM100,000	-	-	-
RM100,001 to RM200,000	2	-	2
RM400,001 to RM500,000	1	-	1
RM500,001 to RM600,000	1	-	1
Total	**4**	**3**	**7**

Details of individual Director's Remuneration are not disclosed in this report as the Board considers that the above Remuneration disclosure by band and analysis between Executive and Non-Executive Directors satisfies the accountability and transparency aspects of the Code.

CORPORATE GOVERNANCE STATEMENT

SHAREHOLDERS

Shareholders and Investors Relations

The Board acknowledges the importance of accountability to the shareholders. Timely releases of the financial results on a quarterly basis, press releases and announcements provide an overview of the Group's performance and operations to its shareholders.

Information disseminated to the investment community is in accordance with Bursa disclosure rules and regulations. The Board has taken steps to ensure that no market sensitive information is disclosed to any party prior to making an official announcement to Bursa.

Annual General Meeting

The Annual General Meeting ("AGM") is the principal platform for dialogue with the shareholders. At the AGM, the Board presents the progress and performance of the Group and provides shareholders the opportunity to raise questions pertaining to business issues, concerns and operations in general.

ACCOUNTABILITY AND AUDIT

Financial Reporting

In presenting the annual financial statements and quarterly announcements to shareholders, the Directors aim to ensure that the financial statements and quarterly announcements are prepared in accordance with the Companies Act 1965 in Malaysia and applicable approved accounting standards so as to offer a balanced and comprehensive assessment of the Group's financial position and prospects.

A Responsibility Statement by the Directors is set out on page 20 of this Annual Report.

Internal Control

The Group's Statement on Internal Control is set out on pages 18 to 19 of the Annual Report to provide an overview on the state of internal control throughout the year.

During the financial year, the independent in-house internal audit unit assisted the Board and the Audit Committee in providing independent assessment of the adequacy, efficiency and effectiveness of the internal control system in the key activities within the Group. In relation to the internal audit function, having considered the Group's operational requirements, the Board is of the view that the Group current function is sufficient to meet its needs. Nevertheless, this arrangement shall be reviewed annually to ensure that it continues to meet the Group's requirements. The internal auditor reports directly to the Audit Committee independent from the management of the Group.

Relationship with Auditors

The role of the Board in relation to the external auditors is explained in the Audit Committee Report set out on pages 15 to 17 of the Annual Report.

Appointment and Re-election of Directors

Any new appointments to the Board will require deliberation by the full Board guided with formal recommendations by the Nomination Committee. Board members who are appointed by the Board are subject to retirement at the first Annual General Meeting ("AGM") of the Company subsequent to their appointment. Article 95 of the Company's Articles of Association also provide that at least one-third (1/3) of the Directors shall retire by rotation at each AGM and that all Directors shall retire once every three (3) years. A retiring Director shall be eligible for re-election.

Directors over seventy (70) years of age are required to submit themselves for re-appointment annually in accordance with Section 129(6) of the Companies Act 1965 in Malaysia.

Directors' Training

All the Directors of the Company have attended and successfully completed the Mandatory Accreditation Programme as prescribed by Bursa Securities.

The Directors will continue to undergo relevant training programmes to further enhance their skills and knowledge and to keep abreast with relevant changes in laws, regulations and the business environment.

BOARD COMMITTEES

Apart from the Audit Committee, there are two other additional committees established to assist the Board in the execution of its responsibilities. Details of the Board committees are as follows:

Nomination Committee

The Nomination Committee comprises two (2) Independent Non-Executive Directors and one (1) Executive Director as follows:

Tan Sri Dato' Seri Dr Ting Chew Peh (Resigned on 1 April 2011)	(Chairman, Independent Non-Executive Director)
Tan Sri Dato' Seri Law Hieng Ding	(Member, Independent Non-Executive Director)
Lim Kok Onn	(Member, Executive Director)

The Nomination Committee is empowered by the Board of Directors and its term of reference is to assist the Board of Directors in its responsibilities in nominating new Directors to the Board and Board Committees. The Committee also reviews the Board of Directors composition and balance as well as considering the Board of Directors' succession planning.

The Committee considers that the current mix of skills and experiences of its members is sufficient for the discharge of its duties and responsibilities effectively.

The Nomination Committee met twice (2) during the financial year, attended by all its members except for Tan Sri Dato' Seri Dr Ting Chew Peh who attended one of the meetings.

Remuneration Committee

The Remuneration Committee comprises two (2) Independent Non-Executive Directors and one (1) Executive Director as follows:

Tan Sri Dato'Seri Dr Ting Chew Peh (Resigned on 1 April 2011)	(Chairman, Independent Non-Executive Director)
Tan Sri Dato' Seri Law Hieng Ding	(Member, Independent Non-Executive Director)
Law Hee Ling	(Member, Executive Director)

The Remuneration Committee is responsible for recommending to the Board the framework for the remuneration package of each Executive Director. Remuneration packages are structured such as to attract, retain and motivate the Directors, and are reflective of the Director's experience and level of responsibilities.

None of the Executive Directors participate in any way in determining their individual remuneration. The remuneration of the Executive Directors is reviewed annually. The remuneration and entitlements of the Non-Executive Directors are decided by the Board as a whole.

The Remuneration Committee met once (1) during the financial year, attended by all its members.

DIRECTORS' REMUNERATION

Details of remuneration of Directors of the Company during the financial year ended 31 March 2011 are as follows:

Total Remuneration

	Executive Directors (RM'000)	Non-Executive Directors (RM'000)	Total (RM'000)
Salary	823	-	823
Bonus	310	-	310
Fees	-	72	72
Other Benefits	155	-	155
Total	**1,288**	**72**	**1,360**

AUDIT COMMITTEE REPORT

The Board of Directors ("the Board") of Complete Logistic Services Berhad ("the Company") is pleased to present the Audit Committee ("the Committee") Report for the financial year ended 31 March 2011.

TERMS OF REFERENCE

Composition

The Committee comprises three (3) Independent Non-Executive Directors and the attendance record of each member at the five (5) meetings held during the financial year ended 31 March 2011 is as follows:

Name of Member	No. of Meetings Attended
Tan Sri Dato'Seri Dr Ting Chew Peh (Resigned on 1 April 2011) (Chairman)	5/5
Tan Sri Dato' Seri Law Hieng Ding (Member)	3/5
Yet Kiong Siang (Member)	5/5

The Committee, appointed from amongst the Board, shall comprise:

(a) no fewer than three (3) members;
(b) a majority of members being Independent Non-Executive Directors;
(c) an Independent Non-Executive Director to act as the Chairman of the Committee; and
(d) at least one member of the Audit Committee:
  (i) must be a member of the Malaysian Institute of Accountants; or
  (ii) if not a member of the Malaysian Institute of Accountant, must have at least three (3) years' working experience and:
    - must have passed the examinations specified in Part I of the 1st Schedule of the Accountants Act 1967; or
    - must be a member of one of the associations of accountants specified in Part II of the 1st Schedule of the Accountants Act 1967; or
  (iii) fulfils such other requirements as prescribed by Bursa.

No Alternate Director shall be appointed as a member of the Committee.

Meetings

The Committee meeting shall be held not less than four (4) times a year. The Chairman of the committee may call a meeting of the Committee if requested by the internal or external auditors.

The Company Secretary shall be responsible for drawing up the agenda and circulating it to the Committee members prior to each meeting and shall be responsible for recording the minutes of meetings of the Committee, and circulating them to the members.

The Committee may, at its discretion, invite Executive Directors (non-members), members of management, auditors and representatives of the auditors to attend the Committee's meetings.

AUDIT COMMITTEE REPORT

The Committee is authorised by the Board to perform the following:

(a) Investigate any activity within its terms of reference;
(b) seek any information it requires from the internal and external auditors, and any employee. All employees are directed to co-operate with any request made by the Committee;
(c) have direct communication channels with the external auditors and independent professionals carrying out the internal audit function;
(d) obtain external, legal or other independent professional advice and to secure the attendance of external parties with relevant experience and expertise, at the Group's expense if it considers necessary, in discharging its duties; and
(e) be able to convene meeting with the external auditors, the internal auditors or both, excluding the attendance of other directors and employees, where deemed necessary.

Functions and Responsibilities

The functions and duties of the Committee shall be to:

(a) consider the appointment and re-appointment of the external auditors, the audit fees and any questions of their resignation or dismissal;
(b) ensure the effectiveness of the internal control system and in particular review the internal audit reports and external auditors' management letters and management's response;
(c) discuss with the internal and external auditors, their scope, procedures, audit results and reports;
(d) review and report to the Board the following:
    (i) the audit plan;
    (ii) the evaluation of the system of internal control;
    (iii) the auditors' reports;
    (iv) the assistance and co-operation given by the employees of the Group to the auditors;
    (v) the performance of internal audit function;
    (vi) the quarterly results and year end financial statements, prior to the approval by the Board, focusing particularly on:
        - changes in or implementation of major accounting policy;
        - significant or unusual events;
        - compliance with accounting standards and other legal requirements; and
        - accuracy and adequacy of the disclosure of information essential to a fair and full presentation of the financial affairs of the Group;
    (vii) any related party transaction and conflict of interest situation that may arise within the Company and its subsidiaries ("the Group") including any transaction, procedure or course of conduct that raises questions of management integrity; and
    (viii) any letter of resignation from the external auditors and whether there is any reason to believe that the external auditors are not suitable for re-appointment.
(e) promptly report to Bursa on any matter reported to the Board which has not been satisfactorily resolved resulting in a breach of the Listing Requirements;
(f) submit to the Board a report on the summary of activities of the Committee in the discharge of its function and responsibilities in respect of each financial year; and
(g) perform such other functions and duties as may be agreed to by the Committee and the Board.

AUDIT COMMITTEE REPORT

SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE

The following activities were undertaken by the Committee during the financial year:

(a) ensure the principal risks of the Group were identified and assessed on a periodic basis;
(b) reviewed the adequacy of the scope and coverage of audit plans proposed by auditors and approved the audit plans for audit execution;
(c) reviewed the external auditors' reports in relation to their financial audit and resolved the accounting issues arising from the audits conducted;
(d) reviewed the Group's quarterly unaudited and annual audited results and recommended to the Board for approval prior to its release to Bursa Securities;
(e) reviewed the year-end audited financial statements, the audit planning memorandum and management letter issued by the external auditors;
(f) reviewed the audit findings, recommendations for improvement and corrective action taken by Management on the audit findings;
(g) considered and recommended to the Board for approval on the audit fees payable to the internal and external auditors;
(h) reviewed the annual internal audit programme and plan; and
(i) reviewed the related party transactions entered into by the Group.

SUMMARY OF ACTIVITIES OF THE INTERNAL AUDIT FUNCTION

The Group's internal audit function is performed in-house to ensure that the systems of internal controls are adequate and effective. The internal audit function reports directly to the Audit Committee.

The internal audit function executes the audits based audit plan approved by the Audit Committee. The results of the audit review are periodically reported to the Audit Committee. The internal audits conducted had not revealed any weaknesses which would result in material losses, contingencies or uncertainties that would require separate disclosure in the Group's annual report.

The cost incurred for the internal audit function in respect of the financial year ended 31 March 2011 was RM68,025.80.

STATEMENT ON INTERNAL CONTROL

The Board of Directors of Complete Logistic Services Berhad ("the Board") is pleased to provide the following statement of internal control pursuant to Paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Malaysia") which has been prepared in accordance with the 'Statement on Internal Control: Guidance for Directors of Public Listed Companies' issued by the Taskforce on Internal Control with the support and endorsement of Bursa Malaysia.

RESPONSIBILITY

The Board affirms its overall responsibility for the establishment of an appropriate and effective system of internal control with regular reviews to ensure its adequacy and integrity to safeguard shareholders' investments and Group's assets. In view of the limitations that are inherent in any system of internal control, such systems are designed to minimise and manage rather than to eliminate risk of failure to achieve the Group's business objectives. In establishing internal control procedures, due considerations is given to the cost of implementation as compared to the expected benefits to be derived from such procedures.

KEY PROCESSES

During the financial year under review, the Board has in place an on-going process for the identification, evaluation and management of significant risks faced by the Group. It covers periodic reviews and monitors the effectiveness of the Group's system of internal control, compliance with laws, rules and regulations and adaptation for business environmental changes.

KEY ELEMENTS OF INTERNAL CONTROL

The key elements of the Group's internal control system include:

1. An organisation structure with clearly defined lines of responsibility and authority limits;

2. Financial results which are reviewed quarterly by the Board and the Audit Committee;

3. Effective reporting system to ensure timely generation of financial information for management review and decision;

4. The Executive Directors are actively involved in the running of the Group's businesses and operations and report to the Board on significant matters that affect the policies of the Group; and

5. Adequate insurance coverage of major assets to prevent material losses to the Group against any mishap.

STATEMENT ON INTERNAL CONTROL

INTERNAL AUDIT FUNCTION

During the financial year, the independent in-house internal audit unit assisted the Board and the Audit Committee in providing independent assessment of the adequacy and effectiveness of the internal control system in the key activities within the Group. The internal audit unit reports directly to the Audit Committee with respect to the effectiveness of the system of internal control. The internal audit unit carries out audits in accordance with the internal audit plan approved by the Audit Committee. Based on the internal audit reviews conducted during the current financial year, none of the weaknesses noted have resulted in any material losses, contingencies or uncertainties that would require separate disclosure in this annual report.

With the expansion of the Group's activities and to enhance the function of the internal audit unit, the Group has since the beginning of the subsequent financial year outsourced the internal audit unit to a professional firm.

CONCLUSION

The Board remains committed towards operating a sound system of internal control and has recognised that the system must continuously evolve to support the Group's operations and business environment. As such, the Board will put in place appropriate action plans to further enhance and strengthen the Group's internal control environment.

This Statement is made in accordance with the resolution of the Board of Directors dated 25 July 2011.

STATEMENT OF DIRECTORS' RESPONSIBILITY
FOR THE PREPARATION OF THE AUDITED FINANCIAL STATEMENTS

The Directors are required by the Companies Act 1965 in Malaysia ("the Act") to prepare financial statements which give a true and fair view of the state of affairs of the Company and of the Group at the end of the financial year and of their results and cash flows in accordance with the provisions of the Act and applicable approved accounting standards in Malaysia.

In preparing the financial statements for financial year ended 31 March 2011, the Directors have considered and applied appropriate accounting policies and approved accounting standards on a consistent basis and made judgment and estimates that are reasonable and prudent.

The Directors are responsible for ensuring that proper accounting records are kept in accordance with the Act. The Directors also have overall responsibility in taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

This Statement is made in accordance with a resolution of the Board of Directors dated 25 July 2011.

ADDITIONAL COMPLIANCE INFORMATION

The following disclosures are made pursuant to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa"):

Utilization of Proceeds

No proceeds were raised by the Company for any corporate exercise during the financial year.

Share Buyback

During the financial year, in the month of January 2011, the Company purchased 5,000 of its issued and paid-up share capital from the open market at a total cost of RM2,143.63, that is at the price of RM0.42 per share. The shares purchased are being held as treasury shares in accordance with Section 67A of the Companies Act 1965.

Options, Warrants and Convertible Securities

The Company did not issue any options, warrants or convertible securities in the financial year under review.

American Depository Receipt ("ADR") or Global Depository Receipt ("GDR")

The Company did not sponsor any ADR or GDR programme during the financial year under review.

Share Option Scheme for Employees

The Company did not have any share option scheme for employees.

Sanctions / Penalties

During the financial year under review, there were no sanctions or penalties imposed on the Company and its subsidiaries, directors or management by the relevant regulatory bodies.

Non-Audit Fees

The non-audit fees incurred for services rendered to the Group for the financial year ended 31 March 2011 by the external auditors amounted to RM5,000.

Deviation in Results

There was no variance by more than 10% between the audited results for the financial year ended 31 March 2011 and the unaudited results for the same financial year previously announced.

Profit guarantee

No profit guarantee was issued by the Company.

Material Contracts

There was no material contracts of the Company and its subsidiaries involving directors and major shareholders, either still subsisting as at 31 March 2011 or entered into since the end of the previous financial year.

Revaluation Policy

The Group has not adopted a revaluation policy on its landed properties during the financial year ended 31 March 2011.

ADDITIONAL COMPLIANCE INFORMATION

Recurrent Related Party Transactions of Revenue or Trading Nature

Details of recurrent related party transactions entered into between the Company or its subsidiary companies and related parties during the financial year ended 31 March 2011 pursuant to the Shareholders' mandate obtained by the Company at the Annual General Meeting held on 23 September 2010 are as follows:

No.	Transacting parties	Companies within the CLSB Group	Interested parties	Nature of Relationship	Nature of transaction	Aggregate value (RM'000)
1.	Pengangkutan Sekata Sdn Bhd ("PSSB")	• Complete Tug & Barge Sdn Bhd ("CTB") • Complete Transport Services Sdn Bhd ("CTS") • Complete Logistic Specialists Sdn Bhd ("CLS") • Guper Integrated Logistics Sdn Bhd ("Guper")	Law Hee Ling	Law Hee Ling is a Director of PSSB and PSSB is 50% owned by his spouse, Lim Lay Fong.	• CTB, CTS, CLS and Guper hire lorry transportation/ haulage services from PSSB. • Hire of tanker lorries by Guper to PSSB.	4,420 -
2.	Lau Ka Nung & Sons Sdn Bhd ("LKNS")	• CLS • Dolphin Shipping Agency Sdn Bhd ("DSA") • Island Network Sdn Bhd ("IN")	Law Hee Ling	LKNS is 23% owned by Law Hee Ling.	• CLS, DSA and IN rent office premises from LKNS.	31
3.	Jetpack Technologies Sdn Bhd ("JTSB")	• DSA	Lim Kok Onn	JTSB is 50% owned by Lim Kok Onn.	• DSA provides freight services to JTSB.	4
4.	East West Freight Services Sdn Bhd ("EWF")	• DSA	Law Hee Ling	Law Hee Ling is an indirect major shareholder of EWF via his direct shareholdings in Dolphin Assets Sdn Bhd ("DASB"). DASB is a Major Shareholder of EWF.	• Provision of freighting services by DSA to EWF • Provision of forwarding services by EWF to DSA • Provision of haulage/ logistic services by Guper to EWF	483 104 1,412

Corporate Social Responsibility

The Group acknowledges its corporate social responsibility in the social environment it operates. The Group remained committed to care for the environment and its employees and has continuously undertaken the following activities:

(1) Environmental/Social
- Recycling of paper based products.
- Purchase of new prime movers that have EURO/Green engine specifications.

(2) Human Resources
- Participation by employees in external skill enhancement programmes/trainings.
- Organizing staff functions to foster caring relationship amongst the employees of the group.

FINANCIAL STATEMENTS

DIRECTORS' REPORT

The Directors hereby submit their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 March 2011.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The principal activities of the subsidiaries are set out in Note 8 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

RESULTS

	Group RM	Company RM
Profit for the financial year	5,511,957	5,004,380
Attributable to:		
Owners of the Company	3,862,522	5,004,380
Minority interest	1,649,435	-
	5,511,957	5,004,380

DIVIDENDS

Dividends paid, declared or proposed since the end of the previous financial year were as follows:

	RM
In respect of financial year ended 31 March 2010:	
Final tax exempt dividend of 3 sen per ordinary share, paid on 28 October 2010	3,600,000

The Directors do not recommend the payment of any dividend for the current financial year.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the financial statements.

ISSUE OF SHARES AND DEBENTURES

During the financial year,

(a) there were no changes in the authorised and issued and paid-up share capital of the Company; and

(b) there were no issues of debentures by the Company.

DIRECTORS' REPORT

TREASURY SHARES

During the financial year, the Company purchased a total of 5,000 of its own issued ordinary shares from the open market at an average purchase price of RM0.43 per share under the Company's share buy-back scheme. These shares were held as treasury shares, and the total consideration paid for the purchase of these shares including transaction costs amounted to RM2,144.

As at 31 March 2011, the Company held as treasury shares a total of 5,000 out of its 120,000,000 issued and fully paid-up ordinary shares, at a carrying amount of RM2,144. None of the treasury shares held were sold or cancelled during the financial year.

The detailed movements of the treasury shares during the financial year are disclosed in Note 17 to the financial statements.

OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued shares of the Company during the financial year.

DIRECTORS

The Directors who held office since the date of the last report are:

Tan Sri Dato' Seri Law Hieng Ding
Law Hee Ling
Lim Kok Onn
Hoo Mee Lien
Chia Kah Ying
Yet Kiong Siang
Tan Sri Dato' Seri Dr. Ting Chew Peh (Resigned on 1 April 2011)

In accordance with Article 95 of the Company's Articles of Association, Lim Kok Onn and Yet Kiong Siang retire at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election.

Tan Sri Dato' Seri Law Hieng Ding being over seventy (70) years of age, retires in accordance with Section 129 of the Companies Act 1965 and offers himself for re-appointment in accordance with Section 129(6) of the said Act to hold office until the conclusion of the next Annual General Meeting of the Company.

DIRECTORS' REPORT

DIRECTORS' INTERESTS

The Directors holding office at the end of the financial year and their beneficial interests in the ordinary shares of the Company and its related corporations during the financial year ended 31 March 2011 as recorded in the Register of Directors' Shareholdings kept by the Company under Section 134 of the Companies Act 1965 were as follows:

	Number of ordinary shares of RM0.50 each			
	Balance as at 1.4.2010	Bought	Sold	Balance as at 31.3.2011
Shares in the Company				
Direct interests:				
Tan Sri Dato' Seri Law Hieng Ding	2,000	-	-	2,000
Law Hee Ling	48,234,400	-	-	48,234,400
Lim Kok Onn	3,132,500	-	-	3,132,500
Hoo Mee Lien	6,777,600	-	-	6,777,600
Chia Kah Ying	540,800	-	-	540,800
Indirect interests:				
Tan Sri Dato' Seri Dr. Ting Chew Peh	100,000	-	-	100,000
Law Hee Ling	3,793,500	-	-	3,793,500

By virtue of his interest in the shares of the Company, Law Hee Ling is also deemed to be interested in the shares of all the subsidiaries to the extent that the Company has an interest.

The other director holding office at the end of the financial year had no interest in shares in the Company and its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the Directors have received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of emoluments received and receivable by the Directors as shown in the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest other than those transactions disclosed in Note 33 to the financial statements.

There were no arrangements during and at the end of the financial year, to which the Company is a party, which had the object of enabling the Directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY:

(I) AS AT THE END OF THE FINANCIAL YEAR

(a) Before the statements of comprehensive income and statements of financial position of the Group and of the Company were made out, the Directors took reasonable steps:

(i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for impairment losses on receivables and have satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for impairment losses on receivables; and

(ii) to ensure that any current assets which were unlikely to realise their book values in the ordinary course of business had been written down to their estimated realisable values.

(b) In the opinion of the Directors, the results of the operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

(II) FROM THE END OF THE FINANCIAL YEAR TO THE DATE OF THIS REPORT

(c) The Directors are not aware of any circumstances:

(i) which would render the amount written off for bad debts or the amount of allowance for impairment losses in the financial statements of the Group and of the Company inadequate to any material extent; and

(ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; and

(iii) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

(d) In the opinion of the Directors:

(i) there has not arisen any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made; and

(ii) no contingent or other liability has become enforceable, or is likely to become enforceable, within the period of twelve (12) months after the end of the financial year, which will or may affect the ability of the Group or of the Company to meet their obligations as and when they fall due.

(III) AS AT THE DATE OF THIS REPORT

(e) There are no charges on the assets of the Group and of the Company which have arisen since the end of the financial year to secure the liabilities of any other person.

(f) There are no contingent liabilities of the Group and of the Company which have arisen since the end of the financial year.

(g) The Directors are not aware of any circumstances not otherwise dealt with in the report or financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading.

SIGNIFICANT EVENT OCCURRING AFTER THE REPORTING PERIOD

The significant event occurring after the reporting period is disclosed in Note 36 to the financial statements.

AUDITORS

The auditors, Messrs. Crowe Horwath, have expressed their willingness to continue in office.

Signed on behalf of the Board in accordance with a resolution of the Directors.

Law Hee Ling
Director

Lim Kok Onn
Director

25 July 2011
Kuala Lumpur

STATEMENT BY DIRECTORS

In the opinion of the Directors, the financial statements set out on pages 32 to 92 have been drawn up in accordance with Financial Reporting Standards and the Companies Act 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 March 2011 and their financial performance and cash flows of the Group and of the Company for the financial year then ended.

The supplementary information set out in Note 37, which is not part of the financial statements, is prepared in all material respects, in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants and the directive of Bursa Malaysia Securities Berhad.

On behalf of the Board,

Law Hee Ling
Director

Lim Kok Onn
Director

25 July 2011
Kuala Lumpur

STATUTORY DECLARATION

I, Chia Kah Ying, being the Director primarily responsible for the financial management of Complete Logistic Services Berhad, do solemnly and sincerely declare that the financial statements set out on pages 32 to 92 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly)
declared by the abovenamed at)
Kuala Lumpur in the)
Federal Territory on)
25 July 2011)

Before me:
Datin Hajah Raihela Wanchik (No. W-275)
Persuruhanjaya Sumpah

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF COMPLETE LOGISTICS SERVICES BERHAD

(Incorporated in Malaysia) Company No: 716241 - X

Report on the Financial Statements

We have audited the financial statements of Complete Logistic Services Berhad, which comprise the statements of financial position as at 31 March 2011 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 32 to 92.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with Financial Reporting Standards and the Companies Act 1965 in Malaysia, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards and the Companies Act 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 March 2011 and of their financial performance and cash flows for the financial year then ended.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF COMPLETE LOGISTICS SERVICES BERHAD
(Incorporated in Malaysia) Company No: 716241 - X

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 1965 in Malaysia, we also report on the following:-

(a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

(b) We have considered the financial statements and the auditors' report of a subsidiary of which we have not acted as auditors, which is indicated in Note 8 to the financial statements.

(c) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.

(d) The audit reports on the financial statements of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

The supplementary information set out in Note 37 on page 93 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Crowe Horwath
Firm No: AF 1018
Chartered Accountants

James Chan Kuan Chee
Approval No: 2271/10/11 (J)
Chartered Accountant

25 July 2011
Kuala Lumpur

STATEMENTS OF FINANCIAL POSITION

AS AT 31 MARCH 2011

	Note	Group 2011 RM	Group 2010 RM	Company 2011 RM	Company 2010 RM
ASSETS					
Non-current assets					
Property, plant and equipment	7	**97,740,688**	103,337,733	**1,356**	2,313
Investments in subsidiaries	8	**-**	-	**127,868,963**	49,323,212
Investment in an associate	9	**-**	-	**-**	1,000
Goodwill	10	**269,228**	269,228	**-**	-
		98,009,916	103,606,961	**127,870,319**	49,326,525
Current assets					
Inventories	11	**637,398**	921,458	**-**	-
Trade and other receivables	12	**26,784,299**	36,336,307	**26,547,189**	27,748,349
Tax recoverable		**677,305**	1,306,987	**82,809**	30,337
Cash and cash equivalents	13	**11,785,137**	10,538,551	**2,584,637**	231,751
		39,884,139	49,103,303	**29,214,635**	28,010,437
TOTAL ASSETS		**137,894,055**	152,710,264	**157,084,954**	77,336,962
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share capital	14	**60,000,000**	60,000,000	**60,000,000**	60,000,000
Retained earnings	15	**27,813,091**	27,550,569	**3,979,810**	2,575,430
Other reserves	16	**3,895,345**	4,144,445	**90,275,541**	11,729,790
Treasury shares	17	**(2,144)**	-	**(2,144)**	-
SHAREHOLDERS' EQUITY		**91,706,292**	91,695,014	**154,253,207**	74,305,220
Minority interest		**11,195,584**	9,546,149	**-**	-
TOTAL EQUITY		**102,901,876**	101,241,163	**154,253,207**	74,305,220

The attached notes form an integral part of the financial statements.

STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2011

		Group		Company	
		2011	2010	2011	2010
	Note	RM	RM	RM	RM
Non-current liabilities					
Borrowings (secured)	18	**13,884,615**	18,599,860	**-**	-
Deferred tax liabilities	21	**2,844,690**	2,657,484	**-**	-
		16,729,305	21,257,344	**-**	-
Current liabilities					
Trade and other payables	22	**12,745,709**	21,307,754	**2,831,747**	3,031,742
Borrowings (secured)	18	**5,344,826**	8,781,162	**-**	-
Tax liabilities		**172,339**	122,841	**-**	-
		18,262,874	30,211,757	**2,831,747**	3,031,742
TOTAL LIABILITIES		**34,992,179**	51,469,101	**2,831,747**	3,031,742
TOTAL EQUITY AND LIABILITIES		**137,894,055**	152,710,264	**157,084,954**	77,336,962

The attached notes form an integral part of the financial statements.

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2011

		Group		Company	
		2011	2010	2011	2010
	Note	RM	RM	RM	RM
Revenue	25	**91,296,304**	109,473,980	**6,051,540**	4,100,000
Cost of sales	26	**(73,362,722)**	(94,683,296)	**-**	-
Gross profit		**17,933,582**	14,790,684	**6,051,540**	4,100,000
Other income		**3,015,588**	740,282	**42,988**	136,949
Marketing and distribution costs		**(363,918)**	(338,511)	**-**	-
Administration expenses		**(6,967,369)**	(4,459,779)	**-**	-
Other expenses		**(5,315,907)**	(9,726,172)	**(265,065)**	(373,351)
Finance costs		**(1,214,752)**	(1,075,141)	**-**	-
Profit/(Loss) before tax	27	**7,087,224**	(68,637)	**5,829,463**	3,863,598
Tax expense	28	**(1,575,267)**	(1,484,736)	**(825,083)**	(29,559)
Profit/(Loss) after tax		**5,511,957**	(1,553,373)	**5,004,380**	3,834,039
Other comprehensive income, net of tax					
- Fair value changes of available-for-sale financial assets	8	**-**	-	**78,545,751**	(11,331,574)
- Foreign currency translation		**(249,100)**	(182,316)	**-**	-
		(249,100)	(182,316)	**78,545,751**	(11,331,574)
Total comprehensive income/(expenses) for the financial year		**5,262,857**	(1,735,689)	**83,550,131**	(7,497,535)

The attached notes form an integral part of the financial statements.

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2011

		Group		Company	
		2011	2010	2011	2010
	Note	RM	RM	RM	RM
Profit/(Loss) after tax attributable to:					
Owners of the Company		**3,862,522**	(2,227,673)	**5,004,380**	3,834,039
Minority interest		**1,649,435**	674,300	**-**	-
		5,511,957	(1,553,373)	**5,004,380**	3,834,039
Total comprehensive income/(expenses) attributable to:					
Owners of the Company		**3,613,422**	(2,409,989)	**83,550,131**	(7,497,535)
Minority interest		**1,649,435**	674,300	**-**	-
		5,262,857	(1,735,689)	**83,550,131**	(7,497,535)
Basic earnings/(loss) per ordinary share (sen)	29	**3.2**	(1.9)		

The attached notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2011

		Attributable to equity holders of the Company							
Group	Note	Share capital RM	Share premium RM	Treasury shares RM	Exchange fluctuation reserve RM	Retained earnings RM	Total RM	Minority interest RM	Total equity RM
Balance at 31 March 2009		60,000,000	4,325,375	-	1,386	33,378,242	97,705,003	-	97,705,003
Minority interest arising from acquisition of a subsidiary	32	-	-	-	-	-	-	8,871,849	8,871,849
Total comprehensive expenses for the financial year		-	-	-	(182,316)	(2,227,673)	(2,409,989)	674,300	(1,735,689)
Dividend	30	-	-	-	-	(3,600,000)	(3,600,000)	-	(3,600,000)
Balance at 31 March 2010		60,000,000	4,325,375	-	(180,930)	27,550,569	91,695,014	9,546,149	101,241,163
Total comprehensive income for the financial year		-	-	-	(249,100)	3,862,522	3,613,422	1,649,435	5,262,857
Purchase of treasury shares	17	-	-	(2,144)	-	-	(2,144)	-	(2,144)
Dividend	30	-	-	-	-	(3,600,000)	(3,600,000)	-	(3,600,000)
Balance at 31 March 2011		60,000,000	4,325,375	(2,144)	(430,030)	27,813,091	91,706,292	11,195,584	102,901,876

The attached notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2011

Company	**Note**	**Share capital RM**	**Treasury shares RM**	**Retained earnings RM**	**Share premium RM**	**Fair value reserve RM**	**Total RM**
Balance at 31 March 2009		60,000,000	-	2,341,391	4,325,375	18,735,989	85,402,755
Total comprehensive expenses for the financial year		-	-	3,834,039	-	(11,331,574)	(7,497,535)
Dividend	30	-	-	(3,600,000)	-	-	(3,600,000)
Balance at 31 March 2010		60,000,000	-	2,575,430	4,325,375	7,404,415	74,305,220
Purchase of treasury shares	17	-	(2,144)	-	-	-	(2,144)
Total comprehensive income for the financial year		-	-	5,004,380	-	78,545,751	83,550,131
Dividend	30	-	-	(3,600,000)	-	-	(3,600,000)
Balance at 31 March 2011		60,000,000	(2,144)	3,979,810	4,325,375	85,950,166	154,253,207

The attached notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2011

		Group		Company	
		2011	2010	2011	2010
	Note	RM	RM	RM	RM
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES					
Profit/(Loss) before tax		**7,087,224**	(68,637)	**5,829,463**	3,863,598
Adjustments for:					
Bad debts written off		**101,726**	12,249	**-**	-
Depreciation of property, plant and equipment	7	**5,265,636**	4,084,633	**957**	957
Dividend income from subsidiaries	25	**-**	-	**(6,051,540)**	(4,100,000)
Impairment of trade receivables		**147,552**	237,329	**-**	-
Interest expense		**1,214,752**	998,249	**-**	-
Interest income		**(206,798)**	(242,107)	**(42,988)**	(135,949)
Net loss on disposal of property, plant and equipment		**619,294**	6,051,042	**-**	-
Property, plant and equipment written off	7	**93,318**	13,079	**-**	-
Unrealised loss on foreign exchange		**67,701**	348,824	**-**	-
Write-back of impairment losses on trade and other receivables		**(105,680)**	-	**-**	-
Operating profit/(loss) before working capital changes		**14,284,725**	11,434,661	**(264,108)**	(371,394)
Decrease/(Increase) in inventories		**284,060**	(640,644)	**-**	-
Decrease in trade and other receivables		**9,362,135**	989,896	**-**	-
(Decrease)/Increase in trade and other payables		**(8,375,554)**	3,275,757	**(1,085)**	22,561
Cash generated from/(used in) operations		**15,555,366**	15,059,670	**(265,193)**	(348,833)
Tax paid		**(705,342)**	(938,544)	**(28,020)**	(70,658)
Net cash from/(used in) operating activities		**14,850,024**	14,121,126	**(293,213)**	(419,491)

The attached notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2011

	Note	Group 2011 RM	Group 2010 RM	Company 2011 RM	Company 2010 RM
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES					
Acquisition of a subsidiary	32	**-**	(11,029,898)	**-**	(10,861,600)
Repayment from/(Advances to) subsidiaries		**-**	-	**1,202,160**	(2,565,000)
Dividend income received		**-**	-	**5,202,005**	4,100,000
Interest received		**206,798**	242,107	**42,988**	135,949
Purchase of property, plant and equipment	7	**(2,476,246)**	(7,921,302)	**-**	-
Purchase of treasury shares		**(2,144)**	-	**(2,144)**	-
Proceeds from disposal of property, plant and equipment		**2,523,500**	2,339,522	**-**	-
Repayment from an associate		**-**	1,854	**-**	-
Net cash from/(used in) investing activities		**251,908**	(16,367,717)	**6,445,009**	(9,190,651)
CASH FLOWS USED IN FINANCING ACTIVITIES					
Additional fixed deposits pledged to licensed banks		**(49,702)**	(38,774)	**-**	-
(Repayment to)/Advances from an associate		**(1,722)**	12,414	**-**	-
(Repayment to)/Advances from subsidiaries		**-**	-	**(198,910)**	198,910
Dividends paid		**(3,600,000)**	(7,200,000)	**(3,600,000)**	(7,200,000)
Interest paid		**(1,214,752)**	(998,249)	**-**	-
(Repayment)/Drawdown of bankers' acceptances		**(959,000)**	657,000	**-**	-
Repayment of hire purchase liabilities		**(513,436)**	(367,182)	**-**	-
Repayment of term loans		**(6,154,795)**	(4,493,890)	**-**	-
(Repayment to)/Advances from a Director		**(300,046)**	1,100,425	**-**	(1,000)
Net cash used in financing activities		**(12,793,453)**	(11,328,256)	**(3,798,910)**	(7,002,090)
Net increase/(decrease) in cash and cash equivalents		**2,308,479**	(13,574,847)	**2,352,886**	(16,612,232)
Effects of exchange rate changes		**30,255**	(86,158)	**-**	-
Cash and cash equivalents at beginning of financial year		**7,011,044**	20,672,049	**231,751**	16,843,983
Cash and cash equivalents at end of financial year	13	**9,349,778**	7,011,044	**2,584,637**	231,751

The attached notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2011

1. CORPORATE INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and listed on the Main Market of Bursa Malaysia Securities Berhad.

The registered office of the Company is located at 82-F, Jalan Pulasan, 41000 Klang, Selangor Darul Ehsan.

The principal place of business of the Company is located at No. 25, Jalan Berangan, 42000 Port Klang, Selangor Darul Ehsan.

The financial statements are presented in Ringgit Malaysia ('RM'), which is the Company's functional currency.

The financial statements were authorised for issue in accordance with a resolution of the Board of Directors on 25 July 2011.

2. PRINCIPAL ACTIVITIES

The Company is an investment holding company. The principal activities of the subsidiaries are set out in Note 8 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

3. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements of the Group and of the Company have been prepared in accordance with Financial Reporting Standards ('FRS') and the Companies Act 1965 in Malaysia.

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 Basis of accounting

The financial statements of the Group and of the Company have been prepared under the historical cost convention except as otherwise stated in the financial statements.

The preparation of financial statements requires the Directors to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses and disclosure of contingent assets and contingent liabilities. In addition, the Directors are also required to exercise their judgement in the process of applying the accounting policies. The areas involving such judgements, estimates and assumptions are disclosed in Note 6 to the financial statements. Although these estimates and assumptions are based on the Directors' best knowledge of events and actions, actual results could differ from those estimates.

4.2 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and all its subsidiaries made up to the end of the financial year using the purchase method of accounting.

Under the purchase method of accounting, the cost of business combination is measured at the aggregate of fair values at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued plus any costs directly attributable to the business combination.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.2 Basis of consolidation (Cont'd)

At the acquisition date, the cost of business combination is allocated to identifiable assets acquired, liabilities assumed and contingent liabilities in the business combination which are measured initially at their fair values at the acquisition date. The excess of the cost of business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities is recognised as goodwill (see Note 4.6 to the financial statements on goodwill). If the cost of business combination is less than the interest in the net fair value of the identifiable assets, liabilities and contingent liabilities, the Group will:

(a) reassess the identification and measurement of the acquiree's identifiable assets, liabilities and contingent liabilities and the measurement of the cost of the business combination; and

(b) recognised immediately in profit or loss any excess remaining after that reassessment.

Subsidiaries are consolidated from the acquisition date, which is the date on which the Group effectively obtains control, until the date in which the Group ceases to control the subsidiaries. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the existence and effect of potential voting rights that are currently convertible or exercisable are taken into consideration.

Intragroup balances, transactions and unrealised gains and losses on intragroup transactions are eliminated in full. Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. If a subsidiary uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to its financial statements in preparing the consolidated financial statements.

The gain or loss on disposal of a subsidiary, which is the difference between the net disposal proceeds and the Group's share of its net assets as of the date of disposal including the carrying amount of goodwill and the cumulative amount of any exchange differences that relate to the subsidiary, is recognised in profit or loss.

Minority interest is that portion of the profit or loss and net assets of a subsidiary attributable to equity interests that are not owned, directly or indirectly through subsidiaries, by the Group. It is measured at the minority's share of the fair value of the subsidiaries' identifiable assets and liabilities at the acquisition date and the minority's share of changes in the subsidiaries' equity since that date.

Where losses applicable to the minority in a subsidiary exceed the minority's interest in the equity of that subsidiary, the excess and any further losses applicable to the minority are allocated against the Group's interest except to the extent that the minority has a binding obligation and is able to make additional investment to cover the losses. If the subsidiary subsequently reports profits, such profits are allocated to the Group's interest until the minority's share of losses previously absorbed by the Group has been recovered.

Minority interest is presented in the consolidated statement of financial position within equity and is presented in the consolidated statement of changes in equity separately from equity attributable to owners of the Company.

Minority interest in the results of the Group is presented in the consolidated statement of comprehensive income as an allocation of the total profit or loss for the financial year between minority interest and owners of the Company.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.3 Property, plant and equipment and depreciation

All items of property, plant and equipment are initially measured at cost. Cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that the future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of parts that are replaced is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred. Cost also comprises the initial estimate of dismantling and removing the item and restoring the site on which it is located for which the Group is obligated to incur when the item is acquired, if applicable.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item and which have different useful lives, are depreciated separately.

After initial recognition, property, plant and equipment are stated at cost less any accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated to write off the cost of the assets to their residual values on a straight line basis over their estimated useful lives. The principal depreciation periods and rates are as follows:

Buildings	50 years
Containers	10%
Ferry	25 years
Motor vehicles	10% - 20%
Office equipment	10% - 20%
Operating equipment	15%
Plant and machinery	10%
Tug boat and barge	50 years
Vessel equipment	10%
Vessels	50 years

Freehold land is not depreciated.

At the end of each reporting period, the carrying amount of an item of property, plant and equipment is assessed for impairment when events or changes in circumstances indicate that its carrying amount may not be recoverable. A writedown is made if the carrying amount exceeds the recoverable amount (see Note 4.7 to the financial statements on impairment of non-financial assets).

The residual values, useful lives and depreciation method are reviewed at the end of each reporting period to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment. If expectations differ from previous estimates, the changes are accounted for as a change in an accounting estimate.

The carrying amount of an item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any, and the carrying amount is included in profit or loss.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.4 Leases and hire purchase

(a) Finance leases and hire purchase

Assets acquired under finance leases and hire purchase which transfer substantially all the risks and rewards of ownership of the Group are recognised initially at amounts equal to the fair value of the leased assets or, if lower, the present value of minimum lease payments, each determined at the inception of the lease. The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the leases, if this is practicable to determine; if not, the Group's incremental borrowing rate is used. Any initial direct costs incurred by the Group are added to the amount recognised as an asset. The assets are capitalised as property, plant and equipment and the corresponding obligations are treated as liabilities. The property, plant and equipment capitalised are depreciated on the same basis as owned assets.

The minimum lease payments are apportioned between the finance charges and the reduction of the outstanding liability. The finance charges are recognised in profit or loss over the period of the lease term so as to produce a constant periodic rate of interest on the remaining lease and hire purchase liabilities.

(b) Operating leases

A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

Lease payments under operating leases are recognised as an expense on a straight-line basis over the lease term.

4.5 Investments

(a) Subsidiaries

A subsidiary is an entity in which the Group and the Company have power to control the financial and operating policies so as to obtain benefits from its activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group has such power over another entity.

When separate financial statements are prepared by the Company, investments in subsidiaries that are not classified as held for sale (or included in a 'disposal group' that is classified as held for sale) shall be accounted for at fair value in accordance with FRS 139 Financial Instruments - Recognition and Measurement.

Investments in subsidiaries are eliminated on consolidation. On disposal of such an investment, the difference between the net disposal proceeds and its carrying amount is included in profit or loss.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.5 **Investments (Cont'd)**

(b) Associates

An associate is any entity over which the Group and the Company have significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

In the Company's separate financial statements, an investment in associate that is not classified as held for sale (or included in a 'disposal group' that is classified as held for sale) shall be accounted for at fair value in accordance with FRS 139 Financial Instruments - Recognition and Measurement.

An investment in associate is accounted for in the consolidated financial statements using the equity method of accounting. The investment in associate in the consolidated statement of financial position is initially recognised at cost and adjusted thereafter for the post acquisition change in the Group's share of net assets of the investment.

The interest in the associate is the carrying amount of the investment in the associate under the equity method together with any long-term interest that, in substance, form part of the Group's net interest in the associate.

The Group's share of the profit or loss of the associate during the financial year is included in the consolidated financial statements, after adjustments to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases. Distributions received from the associate reduce the carrying amount of the investment. Adjustments to the carrying amount may also be necessary for changes in the Group's proportionate interest in the associate arising from changes in the associate's equity that have not been recognised in the associate's profit or loss. Such changes include those arising from the revaluation of property, plant and equipment and from the foreign exchange translation differences. The Group's share of these changes is recognised directly in the equity of the Group.

When the Group's share of losses in the associate equals or exceeds its interest in the associate, the carrying amount of that interest is reduced to nil and the Group does not recognise further losses unless it has incurred legal or constructive obligations or made payments on its behalf.

The most recent available financial statements of the associate are used by the Group in applying the equity method. Where the reporting dates of the financial statements are not coterminous, the share of results is arrived at using the latest audited financial statements for which the difference in reporting dates is no more than three (3) months. Adjustments are made for the effects of any significant transactions or events that occur between the intervening period.

Upon disposal of an investment in associate, the difference between the net disposal proceeds and its carrying amount is included in profit or loss.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.6 Intangible assets

Goodwill

Goodwill acquired in a business combination is recognised as an asset at the acquisition date and is initially measured at cost, being the excess of the cost of business combination over the Group's interest in the net fair value of the subsidiaries' identifiable assets, liabilities and contingent liabilities. After initial recognition, goodwill is measured at cost less accumulated impairment losses, if any. Goodwill is not amortised but instead tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying amount may be impaired. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill arising from acquisition of an associate is the excess of cost of investment over the Group's share of the net fair value of net assets of the associate's identifiable assets, liabilities and continent liabilities at the date of acquisition.

Goodwill relating to the associate is included in the carrying amount of the investment and is not amortised. The excess of the Group's share of the net fair value of the associate's identifiable assets, liabilities and contingent liabilities over the cost of investment is included as income in the determination of the Group's share of the associate's profit or loss in the period in which the investment is acquired.

4.7 Impairment of non-financial assets

The carrying amount of assets, except for financial assets (the financial assets in this context do not include investments in subsidiaries and associates) and inventories, are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

Goodwill and intangible assets that have an indefinite useful life are tested annually for impairment or more frequently if events or changes in circumstances indicate that the goodwill or intangible asset might be impaired.

The recoverable amount of an asset is estimated for an individual asset. Where it is not possible to estimate the recoverable amount of the individual asset, the impairment test is carried out on the cash generating unit ('CGU') to which the asset belongs. Goodwill acquired in a business combination from the acquisition date, is allocated to each of the Group's CGU or groups of CGU that are expected to benefit from the synergies of the combination giving rise to the goodwill irrespective of whether other assets or liabilities of the acquiree are assigned to those units or groups of units.

The recoverable amount of an asset or CGU is the higher of its fair value less cost to sell and its value in use.

In estimating the value in use, the estimated future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal are discounted to their present values using a pre-tax discount rate that reflects current market assessments of the time values of money and the risks specific to the asset for which the future cash flow estimates have not been adjusted. An impairment loss is recognised immediately in profit or loss when the carrying amount of the asset or the CGU, including the goodwill or intangible asset, exceeds the recoverable amount of the asset or the CGU. The total impairment loss is allocated, first, to reduce the carrying amount of any goodwill allocated to the CGU and then to the other assets of the CGU on a pro-rata basis of the carrying amount of each asset in the CGU.

The impairment loss is recognised in profit or loss immediately.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.7 Impairment of non-financial assets (Cont'd)

An impairment loss on goodwill is not reversed in subsequent periods. An impairment loss for other assets is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Such reversals are recognised as income immediately in profit or loss.

4.8 Inventories

Inventories are stated at the lower of cost and net realisable value.

Cost is determined using the first-in, first-out formula. The cost of spare parts, consumables and trading goods comprises all costs of purchase plus the cost of bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

4.9 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one enterprise and a financial liability or equity instrument of another enterprise.

A financial asset is any asset that is cash, an equity instrument of another enterprise, a contractual right to receive cash or another financial asset from another enterprise, or a contractual right to exchange financial assets or financial liabilities with another enterprise under conditions that are potentially favourable to the Group.

A financial liability is any liability that is a contractual obligation to deliver cash or another financial asset to another enterprise, or a contractual obligation to exchange financial assets or financial liabilities with another enterprise under conditions that are potentially unfavourable to the Group.

4.9.1 Financial instruments recognised in the statements of financial position

Financial instruments are recognised in the statements of financial position when the Group has become a party to the contractual provisions of the instrument.

Financial instruments are classified as financial assets, financial liabilities, equity, or derivatives in accordance with the substance of the contractual arrangement. Interest, dividends, losses and gains relating to a financial instrument or a component that is a financial liability shall be recognised as income or expense in profit or loss. Distribution to holders of an equity instrument is debited directly to equity, net of any related tax effect. Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle on a net basis or to realise the asset and settle the liability simultaneously.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.9 **Financial instruments (Cont'd)**

4.9.2 Classification

The Group classifies its financial assets in the following categories: held-to-maturity investments, financial assets at fair value through profit or loss, loans and receivables, and available-for-sale financial assets. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this classification at every reporting date.

(a) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the management has the positive intention and ability to hold to maturity. Held-to-maturity investments are carried at amortised cost.

During the financial year, the Group did not hold any investments in this category.

(b) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term. Derivatives are also classified as held for trading unless they are designated as hedges. Assets in this category are classified as current assets.

Realised and unrealised gains and losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are included in the statement of comprehensive income in the period in which they arise.

During the financial year, the Group did not hold any financial assets in this category.

(c) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets as trade and other receivables.

(d) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are designated in this category or are not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within twelve (12) months after the reporting period. Unrealised gains and losses arising from changes in fair value of the investment are recognised directly in the fair value reserve within equity. Realised gains and losses arising from changes in fair value are included in profit or loss.

Investments in subsidiaries and associates are classified in this category and are measured at fair value.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.9 Financial instruments (Cont'd)

4.9.3 Recognition and derecognition

Purchases and sales of investments are recognised on trade date, the date on which the Group commits to purchase or sell the asset. Investments are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

4.9.4 Initial measurement

Financial assets are initially recognised at fair value plus transaction costs except for financial assets at fair value through profit or loss, which are recognised at fair value.

4.9.5 Subsequent measurement

Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method.

Realised and unrealised gains and losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are included in the statement of comprehensive income in the period in which they arise. Unrealised gains and losses arising from changes in the fair value of investments classified as available-for-sale are recognised in the fair value reserve within equity. When investments classified as available-for-sale are sold or impaired, the accumulated fair value adjustments in the fair value reserve within equity are included in profit or loss.

4.9.6 Determination of fair value

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. The fair values of quoted financial assets are based on current bid prices. If the market for a financial asset is not active, the Group establishes fair value by using various techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, option pricing models refined to reflect the issuer's specific circumstances and others, where appropriate.

4.9.7 Impairment of financial assets

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. In the case of equity investment classified as available-for-sale, a significant or prolonged decline in the fair value of the investment below its cost is considered in determining whether the investments are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss, is transferred from equity to profit or loss. Impairment losses recognised in profit or loss on equity investments are not reversed through profit or loss.

If there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of the asset shall be reduced through the use of an allowance account. The amount of the loss shall be recognised in profit or loss.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.9 Financial instruments (Cont'd)

4.9.8 Financial instruments not recognised in the statements of financial position

There were no financial instruments not recognised in the statements of financial position.

4.10 Financial assets

(a) Receivables

Trade receivables and other receivables, including amounts owing by an associate and related parties, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment. An allowance for impairment of receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables.

Receivables are not held for trading purposes.

(b) Cash and cash equivalents

Cash and cash equivalents include cash and bank balances, deposits with financial institutions and other short-term, highly liquid investments which are readily convertible to cash and are subject to insignificant risk of changes in value. For the purpose of the statements of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

4.11 Financial liabilities

(a) Payables

Liabilities for trade and other payables, including amounts owing to an associate and related parties, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

(b) Interest bearing loans and borrowings

All loans and borrowings are initially recognised at fair value of the consideration received less directly attributable costs. After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

4.12 Equity instruments

Ordinary shares are recorded at the nominal value and proceeds in excess of the nominal value of shares issued, if any, are accounted for as share premium. Both ordinary shares and share premium are classified as equity. Transaction costs of an equity transaction are accounted for as a deduction from equity, net of any related income tax benefit. Otherwise, they are charged to profit or loss.

Dividends to shareholders are recognised in equity in the period in which they are declared.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.13 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset is capitalised as part of the cost of the asset until when substantially all the activities necessary to prepare the asset for its intended use or sale are complete, after which such expense is charged to profit or loss. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. Capitalisation of borrowing cost is suspended during extended periods in which active development is interrupted.

The amount of borrowing costs eligible for capitalisation is the actual borrowing costs incurred on the borrowing during the period less any investment income on the temporary investment of the borrowing.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

4.14 Income taxes

Income taxes include all domestic and foreign taxes on taxable profit. Taxes in the statement of comprehensive incomes comprise current tax and deferred tax.

(a) Current tax

Current tax is the amount of income taxes payable or receivable in respect of the taxable profit or loss for a period.

Current tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that have been enacted or substantively enacted by the end of the reporting period.

(b) Deferred tax

Deferred tax is recognised in full using the liability method on temporary differences arising between the carrying amount of an asset or liability in the statement of financial position and its tax base.

Deferred tax is recognised for all temporary differences, unless the deferred tax arises from goodwill or the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of transaction, affects neither accounting profit nor taxable profit.

A deferred tax asset is recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amount of a deferred tax asset is reviewed at the end of each reporting period. If it is no longer probable that sufficient taxable profits will be available to allow the benefit of part or all of that deferred tax asset to be utilised, the carrying amount of the deferred tax asset will be reduced accordingly. When it becomes probable that sufficient taxable profits will be available, such reductions will be reversed to the extent of the taxable profits.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same taxation authority.

Deferred tax will be recognised as income or expense and included in the profit or loss for the period unless the tax relates to items that are credited or charged, in the same or a different period, directly to equity, in which case the deferred tax will be charged or credited directly to equity.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.15 Provisions

Provisions are recognised when there is a present obligation, legal or constructive, as a result of a past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the effect of the time value of money is material, the amount of a provision will be discounted to its present value at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision will be reversed.

Provisions are not recognised for future operating losses. If the Group has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision.

4.16 Contingent liabilities and contingent assets

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Group does not recognise a contingent liability but discloses its existence in the financial statements.

A contingent asset is a possible asset that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group. The Group does not recognise contingent assets but disclose its existence where inflows of economic benefits are probable, but not virtually certain.

4.17 Employee benefits

(a) Short-term employee benefits

Wages, salaries, social security contributions, paid annual leave, paid sick leave, bonuses and non-monetary benefits are recognised as an expense in the financial year when employees have rendered their services to the Group.

Short-term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

Bonuses are recognised as an expense when there is a present, legal or constructive obligation to make such payments, as a result of past events and when a reliable estimate can be made of the amount of the obligation.

(b) Defined contribution plans

The Company and its subsidiaries incorporated in Malaysia make contributions to a statutory provident fund. The contributions are recognised as a liability after deducting any contribution already paid and as an expense in the period in which the employees render their services.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.18 Foreign currencies

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Ringgit Malaysia, which is the Company's functional and presentation currency.

(b) Foreign currency transactions and balances

Transactions in foreign currencies are converted into Ringgit Malaysia at rates of exchange ruling at the transaction dates. Monetary assets and liabilities in foreign currencies at the end of the reporting period are translated into Ringgit Malaysia at rates of exchange ruling at that date unless hedged by forward foreign exchange contracts, in which case the rates specified in such a forward contracts are used. All exchange differences arising from the settlement of foreign currency transactions and from the translation of foreign currency monetary assets and liabilities are included in profit or loss in the period in which they arise. Non-monetary items initially denominated in foreign currencies, which are carried at historical cost are translated using the historical rate as of the date of acquisition, and non-monetary items which are carried at fair value are translated using the exchange rate that existed when the values were determined for presentation currency purposes.

(c) Foreign operations

Financial statements of foreign operations are translated at exchange rates ruling at the end of the reporting period with respect to the assets and liabilities, and at exchange rates at the dates of the transactions with respect to the statement of comprehensive income. All resulting translation differences are recognised as a separate component of equity.

In the consolidated financial statements, exchange differences arising from the translation of net investment in foreign operations are taken to equity. When a foreign operation is partially disposed of or sold, exchange differences that were recorded in equity are recognised in profit or loss as part of the gain or loss on disposal.

Goodwill and fair value adjustments to the assets and liabilities arising from the acquisition of a foreign operation are treated as assets and liabilities of the acquired entity and translated at the exchange rate ruling at the end of the reporting period.

4.19 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable net of discounts and rebates.

Revenue is recognised to the extent that it is probable that the economic benefits associated with the transaction will flow to the Group, and the amount of revenue and the cost incurred or to be incurred in respect of the transaction can be reliably measured and specific recognition criteria have been met for each of the Group's activities as follows:

(a) Sale of goods

Revenue from sale of goods is recognised when significant risk and rewards of ownership of the goods has been transferred to the customer and where the Group retains neither continuing managerial involvement over the goods, which coincides with delivery of goods and acceptance by customers.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.19 Revenue recognition (Cont'd)

(b) Services

Revenue from logistics services is recognised upon services rendered.

(c) Dividend income

Divided income is recognised when the right to receive payment is established.

(d) Interest income

Interest income is recognised as it accrues, using the effective interest method.

(e) Rental income

Rental income is accounted for on a straight line basis over the lease term of an ongoing lease. The aggregate cost of incentives provided to the lessee is recognised as reduction of rental income over the lease term on a straight line basis.

4.20 Operating Segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

5. ADOPTION OF NEW FRSs AND AMENDMENTS TO FRS

5.1 New FRS, IC Interpretations and amendments adopted

During the current financial year, the Group and the Company have adopted the following new accounting standards and interpretations (including the consequential amendments):-

FRSs and IC Interpretations (including the Consequential Amendments)

FRS 4 Insurance Contracts

FRS 7 Financial Instruments: Disclosures

FRS 8 Operating Segments

FRS 101 (Revised) Presentation of Financial Statements

FRS 123 (Revised) Borrowing Costs

Amendments to FRS 1 and FRS 127: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate

Amendments to FRS 2: Vesting Conditions and Cancellations

Amendments to FRS 7, FRS 139 and IC Interpretation 9

5. ADOPTION OF NEW FRSs AND AMENDMENTS TO FRS (CONT'D)

5.1 New FRS, IC Interpretations and amendments adopted (Cont'd)

Amendments to FRS 101 and FRS 132: Puttable Financial Instruments And Obligations Arising on Liquidation

Amendments to FRS 132: Classification of Rights Issues and the Transitional Provision in Relation to Compound Instruments

IC Interpretation 9 Reassessment of Embedded Derivatives

IC Interpretation 10 Interim Financial Reporting and Impairment

IC Interpretation 11: FRS 2 - Group and Treasury Share Transactions

IC Interpretation 13 Customer Loyalty Programmes

IC Interpretation 14: FRS 119 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

Annual Improvements to FRSs (2009)

The adoption of the above accounting standards and interpretations (including the consequential amendments) did not have any material impact on the Group's financial statements, other than the following:-

(i) FRS 7 requires additional disclosures about the financial instruments of the Group. Prior to 1 January 2010, information about financial instruments was disclosed in accordance with the requirements of FRS 132 - Financial Instruments: Disclosures and Presentation. FRS 7 requires the disclosure of qualitative and quantitative information about exposure to risks arising from financial instruments, including specified minimum disclosures about credit risk, liquidity risk and market risk, including sensitivity analysis to market risk.

The Group has applied FRS 7 prospectively in accordance with the transitional provisions. Accordingly, the new disclosures have not been applied to the comparatives and are included throughout the financial statements for the current financial year.

(ii) FRS 101 (Revised) introduces the statement of comprehensive income, with all items of income and expense recognised in profit or loss, together with all other items of recognised income and expense recognised directly in equity, either in one single statement, or in two linked statements. The Group has elected to present this statement as one single statement.

The revised standard also separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions with owners, with all non-owner changes in equity presented in the statement of comprehensive income as other comprehensive income.

In addition, a statement of financial position is required at the beginning of the earliest comparative period following a change in accounting policy, the correction of an error or the classification of items in the statement.

FRS 101 (Revised) also requires the Group to make new disclosures to enable users of the financial statements to evaluate the Group's objectives, policies and processes for managing capital. This new disclosure is made in Note 35(b) to the financial statements.

Comparative information has been re-presented so that it is in conformity with the requirements of this revised standard.

5. ADOPTION OF NEW FRSs AND AMENDMENTS TO FRS (CONT'D)

5.1 New FRS, IC Interpretations and amendments adopted (Cont'd)

(iii) The Group considers financial guarantee contracts entered into to be insurance arrangements and accounts for them under FRS 4. In this respect, the Group treats the guarantee contracts as a contingent liability until such a time as it becomes probable that the Group will be required to make a payment under the guarantee. The adoption of FRS 4 has no material impact on the financial statements of the Group during the financial year.

5.2 New FRS, IC Interpretations and amendments not adopted

The Group has not applied in advance the following accounting standards and interpretations (including the consequential amendments) that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective for the current financial year:

FRSs/IC Interpretations (including the Consequential Amendments)	Effective Date
FRS 1 (Revised) First-time Adoption of Financial Reporting Standards	1 July 2010
FRS 3 (Revised) Business Combinations	1 July 2010
FRS 124 (Revised) Related Party Disclosures	1 January 2012
FRS 127 (Revised) Consolidated and Separate Financial Statements	1 July 2010
Amendment to FRS 1 (Revised): Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters	1 January 2011
Amendments to FRS 1: Additional Exemptions for First-time Adopters	1 January 2011
Amendments to FRS 2: Scope of FRS 2 and Revised FRS 3 (Revised)	1 July 2010
Amendments to FRS 2: Group Cash-settled Share-based Payment Transaction	1 January 2011
Amendments to FRS 5: Plan to Sell the Controlling Interest in a Subsidiary	1 July 2010
Amendments to FRS 7: Improving Disclosures about Financial Instruments	1 January 2011
Amendments to FRS 138: Consequential Amendments Arising from FRS 3 (Revised)	1 July 2010
Amendments to IC Interpretation 14: Prepayments of a Minimum Funding Requirement	1 July 2011
Amendment to IC Interpretation 9: Scope of IC Interpretation and FRS 3 (Revised)	1 July 2010
IC Interpretation 4 Determining Whether An Arrangement Contains a Lease	1 January 2011
IC Interpretation 12 Service Concession Arrangements	1 July 2010
IC Interpretation 15 Agreements for the Construction of Real Estate	1 January 2012
IC Interpretation 16 Hedges of a Net Investment in a Foreign Operation	1 July 2010
IC Interpretation 17 Distributions of Non-cash Assets to Owners	1 July 2010
IC Interpretation 18 Transfers of Assets from Customers	1 January 2011
IC Interpretation 19 Extinguishing Financial Liabilities with Equity Instruments	1 July 2011
Annual Improvements to FRSs (2010)	1 January 2011

5. ADOPTION OF NEW FRS AND AMENDMENTS TO FRS (CONT'D)

5.2 New FRS, IC Interpretations and amendments not adopted (Cont'd)

The above accounting standards and interpretations (including the consequential amendments) are not relevant to the Group's operations except as follows:-

(i) FRS 3 (Revised) introduces significant changes to the accounting for business combinations, both at the acquisition date and post acquisition, and requires greater use of fair values. In addition, all transaction costs, other than share and debt issue costs, will be expensed as incurred. This revised standard will be applied prospectively and therefore there will be no financial impact on the financial statements of the Group for the current financial year but may impact the accounting for future transactions or arrangements.

(ii) FRS 127 (Revised) requires accounting for changes in ownership interests by the group in a subsidiary, while maintaining control, to be recognised as an equity transaction. When the group loses control of a subsidiary, any interest retained in the former subsidiary will be measured at fair value with the gain or loss recognised in profit or loss. The revised standard also requires all losses attributable to the minority interest to be absorbed by the minority interest instead of by the parent. The Group will apply the major changes of FRS 127 (Revised) prospectively and therefore there will be no financial impact on the financial statements of the Group for the current financial year but may impact the accounting its future transactions or arrangements.

6. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

(a) Critical judgements made in applying accounting policies

There are no critical judgements made by the management in the process of applying the Group and the Company's accounting policies that have significant effects on the amounts recognised in these financial statements.

(b) Key sources of estimation of uncertainties

The key assumptions concerning the future and other key sources of estimation of uncertainties at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next year are discussed below:

(i) Income tax and deferred tax

Judgement is required in determining the capital allowances and deductibility of certain expenses when estimating the provision for income taxes. There were transactions during the ordinary course of business for which the ultimate tax determination is uncertain. The Group recognises liabilities based on estimation of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax, if any, in the periods in which the outcome is known.

(ii) Depreciation of property, plant and equipment

The costs of the vessels, and tug boat and barge are depreciated to their residual values on a straight line basis over the assets' useful lives. Management estimates the useful lives of these assets to be fifty (50) years. These are common life expectancies applied in the shipping industry. Regular and proper maintenance on these assets could impact their economic useful lives and the residual values, therefore future depreciation charges could be revised.

6. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

(b) Key sources of estimation of uncertainties (Cont'd)

(iii) The Group has no major concentration of credit risk as at 31 March 2011 except for trade receivables amounting to RM7.4 million (2010: RM8.7 million) which has exceeded the credit terms granted. The Directors believe that there is no credit risk on these trade receivables based on the Group's historical experience in their collections. Accordingly, no additional allowance for impairment of trade receivables is made for these trade receivables. However, where the amount is not recoverable, the amount not recoverable will have an impact on the consolidated statement of comprehensive income. The maximum exposures of credit risk to other receivables are represented by their carrying amounts in the statements of financial position.

(iv) The methods and assumptions used by the management to determine the fair values of financial instruments are as follows:

(aa) The carrying amounts of financial assets and liabilities maturing within twelve (12) months approximated their fair values due to the relatively short-term maturity of these financial instruments.

(bb) In respect of long-term borrowings, the carrying amounts approximated their fair values as they are on floating rates and repriced to market interest rates for liabilities with similar risk profiles.

(cc) The fair value of the investments in subsidiaries is measured at the Company's interest in the fair values of the subsidiaries' net assets at the end of the reporting period.

The Group establishes the fair value of investment annually by using discounted future cash flow analysis refined to reflect the issuer's specific circumstances and others, where appropriate.

7. PROPERTY, PLANT AND EQUIPMENT

Group

2011	At 1.4.2010 RM	Additions RM	Disposals RM	Written off RM	Depreciation charge for the financial year RM	Exchange rate fluctuation adjustment RM	At 31.3.2011 RM
Carrying amount							
Freehold land	17,146,440	-	-	-	-	-	17,146,440
Buildings	9,823,670	-	-	-	(213,121)	-	9,610,549
Containers	799,486	-	(97,133)	-	(175,940)	-	526,413
Ferry	2,662,200	-	-	-	(106,903)	(189,043)	2,366,254
Motor vehicles	1,339,963	38,000	-	-	(366,000)	-	1,011,963
Office equipment	438,267	247,843	(5,836)	-	(114,672)	-	565,602
Operating equipment	12,441,486	2,139,065	(155,550)	-	(2,375,359)	-	12,049,642
Plant and machinery	260,291	16,800	-	-	(60,889)	-	216,202
Tug boat and barge	2,340,413	-	-	-	(50,964)	-	2,289,449
Vessel equipment	497,206	220,600	-	-	(70,857)	-	646,949
Vessels	55,588,311	431,438	(2,884,275)	(93,318)	(1,730,931)	-	51,311,225
	103,337,733	3,093,746	(3,142,794)	(93,318)	(5,265,636)	(189,043)	97,740,688

	At 31.3.2011		
	Cost RM	Accumulated depreciation RM	Carrying amount RM
Freehold land	17,146,440	-	17,146,440
Buildings	10,200,756	(590,207)	9,610,549
Containers	1,389,678	(863,265)	526,413
Ferry	2,773,125	(406,871)	2,366,254
Motor vehicles	2,037,658	(1,025,695)	1,011,963
Office equipment	1,685,041	(1,119,439)	565,602
Operating equipment	29,647,783	(17,598,141)	12,049,642
Plant and machinery	626,121	(409,919)	216,202
Tug boat and barge	2,502,586	(213,137)	2,289,449
Vessel equipment	877,079	(230,130)	646,949
Vessels	56,816,144	(5,504,919)	51,311,225
	125,702,411	(27,961,723)	97,740,688

7. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Group

2010	At 1.4.2009 RM	Acquisition of a subsidiary RM	Additions RM	Disposals RM	Written off RM	Depreciation charge for the financial year RM	Exchange rate fluctuation adjustment RM	At 31.3.2010 RM
Carrying amount								
Freehold land	296,440	16,850,000	-	-	-	-	-	17,146,440
Buildings	287,117	9,650,703	-	-	-	(114,150)	-	9,823,670
Containers	1,045,057	-	-	(58,225)	-	(187,346)	-	799,486
Ferry	-	-	2,773,125	-	-	(117,453)	6,528	2,662,200
Motor vehicles	1,114,955	223,807	330,513	(10,500)	-	(318,812)	-	1,339,963
Office equipment	284,331	146,712	98,384	(6,898)	-	(84,262)	-	438,267
Operating equipment	-	9,395,351	4,090,400	-	-	(1,044,265)	-	12,441,486
Plant and machinery	311,438	-	36,800	-	-	(87,947)	-	260,291
Tug boat and barge	2,392,368	-	-	-	-	(51,955)	-	2,340,413
Vessel equipment	388,925	-	175,980	(11,223)	-	(56,476)	-	497,206
Vessels	65,410,975	-	516,100	(8,303,718)	(13,079)	(2,021,967)	-	55,588,311
	71,531,606	36,266,573	8,021,302	(8,390,564)	(13,079)	(4,084,633)	6,528	103,337,733

	At 31.3.2010		
	Cost RM	Accumulated depreciation RM	Carrying amount RM
Freehold land	17,146,440	-	17,146,440
Buildings	10,200,756	(377,086)	9,823,670
Containers	1,597,678	(798,192)	799,486
Ferry	2,773,125	(110,925)	2,662,200
Motor vehicles	2,368,721	(1,028,758)	1,339,963
Office equipment	1,458,562	(1,020,295)	438,267
Operating equipment	27,752,718	(15,311,232)	12,441,486
Plant and machinery	609,321	(349,030)	260,291
Tug boat and barge	2,502,586	(162,173)	2,340,413
Vessel equipment	656,479	(159,273)	497,206
Vessels	60,916,061	(5,327,750)	55,588,311
	127,982,447	(24,644,714)	103,337,733

7. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(a) During the financial year, the Group made the following cash payments to purchase property, plant and equipment:

	Group 2011 RM	Group 2010 RM
Purchase of property, plant and equipment	**3,093,746**	8,021,302
Financed by hire purchase arrangements	**(617,500)**	(100,000)
Cash payments on purchase of property, plant and equipment	**2,476,246**	7,921,302

(b) Included in property, plant and equipment are assets acquired under hire purchase arrangements as follows:

	Group 2011 RM	Group 2010 RM
Carrying amount		
Motor vehicles	**159,791**	890,422
Operating equipment	**1,191,887**	504,012
	1,351,678	1,394,434

Details of the terms and conditions of the hire purchase liabilities are disclosed in Note 19 to the financial statements.

(c) Certain assets have been charged to licensed banks for banking facilities granted to the Group as disclosed in Note 20 to the financial statements as follows:

	Group 2011 RM	Group 2010 RM
Carrying amount		
Freehold land	**16,850,000**	16,850,000
Buildings	**9,353,788**	9,551,731
Operating equipment	**1,680,790**	2,289,609
Vessels	**11,899,272**	20,777,258
	39,783,850	49,468,598

(d) Certain operating equipment of the Group amounting to RM1,680,790 (2010: RM2,289,609) are in the process of being registered under the name of a subsidiary.

7. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Company

2011	At 1.4.2010 RM	Depreciation charge for the financial year RM	At 31.3.2011 RM
Carrying amount			
Office equipment	2,313	(957)	1,356

	At 31.3.2011		
	Cost RM	Accumulated depreciation RM	Carrying amount RM
Office equipment	4,786	(3,430)	1,356

Company

2010	At 1.4.2009 RM	Depreciation charge for the financial year RM	At 31.3.2010 RM
Carrying amount			
Office equipment	3,270	(957)	2,313

	At 31.3.2010		
	Cost RM	Accumulated depreciation RM	Carrying amount RM
Office equipment	4,786	(2,473)	2,313

8. INVESTMENTS IN SUBSIDIARIES

	Company 2011 RM	Company 2010 RM
At fair value		
Available-for-sale financial assets:		
- unquoted shares		
At 1 April 2010/2009	**49,323,212**	47,077,786
Acquisition of a subsidiary (Note 32)	**-**	13,577,000
Fair value gain/(losses) transferred to equity	**78,545,751**	(11,331,574)
At 31 March 2011/2010	**127,868,963**	49,323,212

8. INVESTMENTS IN SUBSIDIARIES (CONT'D)

The details of the subsidiaries are as follows:

Name of company	Country of incorporation	Group effective interest 2011	Group effective interest 2010	Principal activities
Bagai Pertama Sdn. Bhd.	Malaysia	**100%**	100%	Shipowner/provision of marine transportation services
Complete Container Services Sdn. Bhd.	Malaysia	**100%**	100%	Shipowner/provision of marine transportation services
Complete Logistic Specialists Sdn. Bhd.	Malaysia	**100%**	100%	Total logistics services provider
Complete Marine Services Sdn. Bhd.	Malaysia	**100%**	100%	Shipowner/provision of marine transportation services
Complete Shipping Sdn. Bhd.	Malaysia	**100%**	100%	Shipowner/provision of marine transportation services
Complete Tug & Barge Sdn. Bhd.	Malaysia	**100%**	100%	Shipowner/provision of marine transportation services
Complete Transport Services Sdn. Bhd.	Malaysia	**100%**	100%	Lorry and trucking services
Dolphin Shipping Agency Sdn. Bhd.	Malaysia	**100%**	100%	Trading of freight
Guper Integrated Logistics Sdn. Bhd.	Malaysia	**60%**	60%	Total logistic services with haulage, forwarding and other associated services
Island Network Sdn. Bhd.	Malaysia	**100%**	100%	General trading
Malsuria Logistics Sdn. Bhd.	Malaysia	**100%**	100%	Shipowner/provision of marine transportation services
Malsuria (M) Sdn. Bhd.	Malaysia	**100%**	100%	Shipowner/provision of marine transportation services
Malsuria Tanker Services Sdn. Bhd.	Malaysia	**100%**	100%	Shipowner/provision of marine transportation services
Sierra Jaya Sdn. Bhd.	Malaysia	**100%**	100%	Shipowner/provision of marine transportation services
Complete International Pte Ltd#	Malaysia	**100%**	100%	Offshore leasing and general trading
Subsidiary of Island Network Sdn. Bhd.				
Complete Biofuel Sdn. Bhd. (formerly known as Island Network Shipbuilders Sdn. Bhd.)	Malaysia	**100%**	100%	Dormant since incorporation

\# *Subsidiary audited by member firm of Crowe Horwath International*

8. INVESTMENTS IN SUBSIDIARIES (CONT'D)

The fair value of the investment in subsidiaries was determined using the discounted cash flow approach. These calculations use 5 years' pre-tax cash flow projections approved by the Board of Directors. Cash flows beyond financial year 2012 are extrapolated using the estimated growth rates stated below.

Fair value was determined by discounting the future cash flows expected from the operations of the subsidiaries over the next 5 years based on the following key assumptions:

(i) The subsidiaries will continue in operations over the next 5 years;

(ii) The growth rate for the respective business segments are as follows:-

Business segments	Average growth rate
Marine	Based on the utilisation of the vessel's capacity
Trading	5%
Logistics	6%

(iii) Gross profit margin is expected to remain constant; and

(iv) Discount rate is based on the weighted average cost of capital at 8% per annum.

The values assigned to the key assumptions represent management's assessment of future trends in the industry which is the subsidiary's operations and is based on both external sources and internal resources (historical data).

The above estimates are particularly sensitive in the following areas:

(i) a 1% decrease in gross profit margin would have resulted in a decrease in the fair values of the investment in subsidiaries of RM12,777,500.

(ii) a 1% increase in the cost of capital used would have resulted in a decreas in the fair values of the investment in subsidiaries of RM5,564,800.

9. INVESTMENT IN AN ASSOCIATE

	Group		Company	
	2011 RM	2010 RM	2011 RM	2010 RM
At fair value				
Available-for-sale financial assets:				
- unquoted shares	-	-	-	1,000

The details of the associate are as follows:

Name of company	Country of incorporation	Group effective interest 2011	Group effective interest 2010	Principal activity
Praslin Express Limited#	Seychelles	**50%**	50%	Passenger ferry services

Associate not audited by Messrs. Crowe Horwath

9. INVESTMENT IN AN ASSOCIATE (CONT'D)

The summarised financial information of the associate is as follows:

	Group	
	2011 RM	2010 RM
Assets and liabilities		
Non-current assets	**258,106**	248,680
Current assets	**131,611**	232,590
Total assets	**389,717**	481,270
Non-current liabilities	**412,216**	-
Current liabilities	**2,660,806**	2,118,804
Total liabilities	**3,073,022**	2,118,804
Results		
Revenue	**19,394**	2,581,097
Loss for the financial year	**(1,541,604)**	(825,234)
Unrecognised amounts of the Group's share of loss of associate:		
- for the current financial year	**(770,802)**	(412,617)
- cumulative	**(1,520,692)**	(749,890)

10. GOODWILL

	Group	
	2011 RM	2010 RM
Balance as at 1 April 2010/2009	**269,228**	-
Acquisition of a subsidiary (Note 32)	**-**	269,228
Balance as at 31 March 2011/2010	**269,228**	269,228

Goodwill arising from business combination has been allocated to a subsidiary for impairment testing. No impairment loss on goodwill was recognised during the current financial year as the recoverable amount of the goodwill is higher than its carrying amount.

The recoverable amount of the goodwill was determined based on value-in-use calculations using cash flow projections based on financial budgets approved by the management covering a period of five (5) years based on the past performance and the expectations of market development.

10. GOODWILL (CONT'D)

(a) The key assumptions used for the cash flow projections are as follows:

	Group	
	2011	**2010**
Gross margin	**41%**	44%
Average growth rate	**6%**	3%
Pre-tax discount rate	**8%**	9%

(b) Sensitivity to changes in assumptions

The management believes that no reasonably possible change in any of the above key assumptions would cause the carrying value of the goodwill to be materially higher than its recoverable amount.

11. INVENTORIES

	Group	
	2011 RM	**2010 RM**
At cost		
Spare parts and consumables	**71,367**	125,594
Trading goods	**566,031**	795,864
	637,398	921,458

12. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2011 RM	**2010 RM**	**2011 RM**	**2010 RM**
Trade receivables				
Third parties	**25,309,721**	36,236,601	**-**	-
Related parties	**1,208,990**	8,084	**-**	-
Less: Impairment of trade receivables - third parties	**(2,256,922)**	(1,688,648)	**-**	-
	24,261,789	34,556,037	**-**	-

12. TRADE AND OTHER RECEIVABLES (CONT'D)

	Group		Company	
	2011	2010	2011	2010
	RM	RM	RM	RM
Other receivables, deposits and prepayments				
Amounts owing by subsidiaries	**-**	-	**26,529,189**	27,731,349
Amount owing by an associate	**17,456**	17,456	**-**	-
Other receivables	**483,023**	1,703,661	**-**	-
Deposits	**1,350,104**	26,300	**3,000**	2,000
Prepayments	**671,927**	101,592	**15,000**	15,000
Less: Impairment of other receivables - third parties	**-**	(68,739)	**-**	-
	2,522,510	1,780,270	**26,547,189**	27,748,349
	26,784,299	36,336,307	**26,547,189**	27,748,349

(a) Trade receivables are non-interest bearing and the normal trade credit terms granted by the Group range from three (3) to four (4) months (2010: three (3) to four (4) months).

(b) Amounts owing by the subsidiaries represent payments made on behalf, which are unsecured, interest-free and repayable within twelve (12) months.

(c) Amount owing by an associate represents advances, which are unsecured, interest-free and repayable within twelve (12) months.

13. CASH AND CASH EQUIVALENTS

	Group		Company	
	2011	2010	2011	2010
	RM	RM	RM	RM
Cash and bank balances	**4,356,142**	4,493,607	**46,509**	20,906
Fixed deposits with licensed banks	**7,428,995**	6,044,944	**2,538,128**	210,845
As per statements of financial position	**11,785,137**	10,538,551	**2,584,637**	231,751
Bank overdrafts included in borrowings (Note 18)	**(645,571)**	(1,787,421)	**-**	-
Fixed deposits pledged to licensed banks (Note 18)	**(1,789,788)**	(1,740,086)	**-**	-
As per statements of cash flows	**9,349,778**	7,011,044	**2,584,637**	231,751

14. SHARE CAPITAL

	2011		2010	
	Number of shares	RM	Number of shares	RM
Ordinary shares of RM0.50 each:				
Authorised	**200,000,000**	**100,000,000**	200,000,000	100,000,000
Issued and fully paid	**120,000,000**	**60,000,000**	120,000,000	60,000,000

15. RETAINED EARNINGS

Company

Subject to the agreement of the tax authorities, at the end of the reporting period, the Company has sufficient tax credits under Section 108 of the Income tax Act 1967 and tax-exempt income to frank the payment of dividends out of its entire retained profits without incurring additional tax liabilities.

At the end of the reporting period, the Company has not elected for the single tier tax system. When the tax credit balance is fully utilised, or by 31 December 2013 at the latest, the Company will automatically move to the single tier tax system. Under the single tier tax system, tax on the Company's profits is a final tax, and dividends distributed to the shareholders will be exempted from tax.

16. OTHER RESERVES

	Group		Company	
	2011 RM	2010 RM	2011 RM	2010 RM
Non-distributable				
Share premium	**4,325,375**	4,325,375	**4,325,375**	4,325,375
Exchange fluctuation reserve	**(430,030)**	(180,930)	**-**	-
Fair value reserve#	**-**	-	**85,950,166**	7,404,415
	3,895,345	4,144,445	**90,275,541**	11,729,790

Fair value reserve represents cumulative fair value changes in the Company's investments in subsidiaries that are accounted for as available-for-sale financial assets as disclosed in Note 8 to the financial statements.

17. TREASURY SHARES

This amount relates to the acquisition cost of treasury shares net of proceeds received from their subsequent sale or issuance.

The shareholders of the Company, by an ordinary resolution passed at the Annual General Meeting held on 23 September 2010, approved the Company's plan to purchase its own shares under a share buy-back scheme.

During the financial year, the Company purchased the following shares under the share buy-back scheme from the open market:-

	Number of Shares	Average Unit Price RM	Total Consideration RM
At 1 April 2010	-	-	-
Purchase during the financial year:			
- January 2011	5,000	0.4288	2,144
At 31 March 2011	5,000	0.4288	2,144

The above purchases were financed by internally generated funds. The shares purchased were retained as treasury shares in accordance with Section 67A of the Companies Act 1965 and are presented as a deduction from the shareholders' equity.

Of the total 120,000,000 issued and fully paid ordinary shares as at 31 March 2011, the number of treasury shares held by the Company amounted to 5,000 (2010 - Nil).

18. BORROWINGS (SECURED)

	Group 2011 RM	Group 2010 RM
Non-current liabilities		
Hire purchase liabilities	**266,545**	117,113
Term loans	**13,618,070**	18,482,747
	13,884,615	18,599,860
Current liabilities		
Bank overdrafts	**645,571**	1,787,421
Bankers' acceptances	**-**	959,000
Hire purchase liabilities	**318,944**	364,312
Term loans	**4,380,311**	5,670,429
	5,344,826	8,781,162
	19,229,441	27,381,022

18. BORROWINGS (SECURED) (CONT'D)

	Group 2011 RM	Group 2010 RM
Total borrowings		
Bank overdrafts (Note 13)	**645,571**	1,787,421
Bankers' acceptances	**-**	959,000
Hire purchase liabilities (Note 19)	**585,489**	481,425
Term loans (Note 20)	**17,998,381**	24,153,176
	19,229,441	27,381,022

The bank overdrafts and bankers' acceptances are secured by:

(a) a facility agreement as principal instrument;
(b) a corporate guarantee from the Company as disclosed in Note 24 to the financial statements;
(c) a corporate guarantee from a company in which certain Directors have interests;
(d) a joint and several guarantee of certain Directors of a subsidiary;
(e) a joint and several guarantee of certain Directors; and
(f) fixed deposits of the Group as disclosed in Note 13 to the financial statements.

Bank overdrafts are charged at an average interest of 1.50% (2010: 1.50%) per annum above the bank's base lending rate.

The bankers' acceptances in the previous financial year are charged at an average interest of 1.50% per annum of the face value of each banker's acceptance plus the prevailing discount rate at the time of transaction.

19. HIRE PURCHASE LIABILITIES

	Group 2011 RM	Group 2010 RM
Minimum hire purchase payments:		
- not later than one (1) year	**351,281**	402,190
- later than one (1) year but not later than five (5) years	**285,026**	124,165
Total minimum hire purchase payments	**636,307**	526,355
Less: Future interest charges	**(50,818)**	(44,930)
Present value of hire purchase liabilities (Note 18)	**585,489**	481,425

Information on financial risks of hire purchase liabilities is disclosed in Note 35(a)(iii) to the financial statements.

20. TERM LOANS

	Group 2011 RM	Group 2010 RM
Non-current portion		
Repayable between one (1) to two (2) years	**4,193,774**	4,725,290
Repayable between two (2) to five (5) years	**7,348,266**	9,429,078
More than five (5) years	**2,076,030**	4,328,379
	13,618,070	18,482,747
Current portion		
Repayable within one (1) year	**4,380,311**	5,670,429
Total term loans (Note 18)	**17,998,381**	24,153,176

The term loans are secured by:

(a) a facility agreement as principal instrument;
(b) a corporate guarantee from the Company as disclosed in Note 24 to the financial statements;
(c) a deed of covenant accompanying the statutory mortgage;
(d) certain property, plant and equipment of the Group as disclosed in Note 7 to the financial statements;
(e) debentures incorporating fixed charges for RM10 million over a vessel of the Group;
(f) a legal assignment of marine insurance policy over a vessel of the Group; and
(g) a personal guarantee of certain Directors and/or Directors of a subsidiary.

The details of the term loans outstanding at the end of the reporting period are as follows:

	Group 2011 RM	Group 2010 RM
Term loan I	-	1,747,987
Term loan II	**4,102,475**	6,360,918
Term loan III	**33,747**	149,667
Term loan IV	**13,862,159**	15,894,604
	17,998,381	24,153,176

20. TERM LOANS (CONT'D)

	Number of monthly instalments	Monthly instalments RM	Commencement date of repayment	Effective interest rate per annum 2011 %	2010 %
Term loan I	60	#	June 2006	-	5.80
Term loan II	60	^	May 2008	**5.30**	5.00
Term loan III	60	9,464	October 2006	**7.80**	7.05
Term loan IV	96	227,879	July 2010	**4.80**	4.05

\# Term loan I is repayable by monthly instalments ranging from RM110,998 to RM117,071 commencing June 2006

^ Term loan II is repayable by monthly instalments ranging from RM184,979 to RM195,839 commencing May 2008

Information on financial risks of term loans and their remaining maturities are disclosed in Note 35(a)(iii) to the financial statements.

21. DEFERRED TAX LIABILITIES

(a) The deferred tax assets and liabilities are made up of the following:

	Group 2011 RM	2010 RM
Balance as at 1 April 2010/2009	**2,657,484**	175,810
Aquisition of a subsidiary (Note 32)	**-**	1,677,828
Recognised in profit or loss (Note 28)	**187,206**	803,846
Balance as at 31 March 2011/2010	**2,844,690**	2,657,484
Presented after appropriate offsetting:		
Deferred tax assets	**(108,800)**	(108,800)
Deferred tax liabilities	**2,953,490**	2,766,284
	2,844,690	2,657,484

21. DEFERRED TAX LIABILITIES (CONT'D)

(b) The components and movements of deferred tax liabilities and assets during the financial year prior to offsetting are as follows:

Deferred tax liabilities of the Group

	Property, plant and equipment RM	Others RM	Total RM
At 1 April 2010	2,624,550	141,734	2,766,284
Recognised in profit or loss	187,206	-	187,206
At 31 March 2011	2,811,756	141,734	2,953,490
At 1 April 2009	195,431	141,734	337,165
Acquisition of a subsidiary	1,677,828	-	1,677,828
Recognised in profit or loss	751,291	-	751,291
At 31 March 2010	2,624,550	141,734	2,766,284

Deferred tax assets of the Group

	Unutilised tax losses RM	Unabsorbed capital allowances RM	Others RM	Total RM
At 1 April 2010	(98,280)	(9,316)	(1,204)	(108,800)
Recognised in profit or loss	-	-	-	-
At 31 March 2011	(98,280)	(9,316)	(1,204)	(108,800)
At 1 April 2009	(98,280)	(61,871)	(1,204)	(161,355)
Recognised in profit or loss	-	52,555	-	52,555
At 31 March 2010	(98,280)	(9,316)	(1,204)	(108,800)

(c) The amounts of temporary differences for which no deferred tax assets have been recognised in the statements of financial position are as follows:

	Group 2011 RM	Group 2010 RM
Unutilised tax losses	**15,563,582**	13,157,923
Unabsorbed capital allowances	**8,070**	8,070
	15,571,652	13,165,993

Deferred tax assets of certain subsidiaries have not been recognised in respect of these items as it is not probable that taxable profits of the subsidiaries will be available against which the deductible temporary differences can be utilised.

22. TRADE AND OTHER PAYABLES

	Group		Company	
	2011 RM	2010 RM	2011 RM	2010 RM
Trade payables				
Third parties	**5,082,820**	9,253,145	**-**	-
Related parties	**1,064,357**	146,270	**-**	-
	6,147,177	9,399,415	**-**	-
Other payables				
Other payables	**991,984**	6,438,373	**-**	6,520
Accruals	**839,597**	423,078	**116,347**	110,912
Retention sum payable	**2,715,400**	2,715,400	**2,715,400**	2,715,400
Amount owing to a Director	**1,961,782**	2,234,699	**-**	-
Amounts owing to subsidiaries	**-**	-	**-**	198,910
Amount owing to an associate	**89,769**	96,789	**-**	-
	6,598,532	11,908,339	**2,831,747**	3,031,742
	12,745,709	21,307,754	**2,831,747**	3,031,742

(a) Trade payables are non-interest bearing and the normal trade credit terms granted to the Group range from three (3) to four (4) months (2010: three (3) to four (4) months).

(b) The retention sum payable represents amount payable to the vendors of Guper Integrated Logistics Sdn. Bhd., a newly acquired subsidiary in the previous financial year. The amount will be fully settled upon the registration of the Group's operating equipment under the name of a subsidiary as disclosed in Note 7 to the financial statements.

(c) Amount owing to a Director represents advances and payments made on behalf, which are unsecured, interest-free and repayable within twelve (12) months.

(d) Amounts owing to the subsidiaries in the previous financial year represented advances and payments made on behalf, which were unsecured, interest-free and repayable within twelve (12) months.

(e) Amount owing to an associate represents advances and payments made on behalf, which are unsecured, interest-free and repayable within twelve (12) months.

23. CAPITAL COMMITMENT

	Group	
	2011	2010
	RM	RM
Capital expenditure in respect of purchase of property, plant and equipment:		
Approved and contracted for	**2,687,175**	-

24. CONTINGENT LIABILITY

	Company	
	2011	2010
	RM	RM
Secured		
Corporate guarantee given to a licensed bank for term loans and bank overdraft granted to certain subsidiaries (Note 20)	**4,540,834**	8,108,905

25. REVENUE

	Group		Company	
	2011	2010	2011	2010
	RM	RM	RM	RM
Sales of goods	**11,315,165**	43,837,514	**-**	-
Rendering of services	**79,234,077**	65,047,819	**-**	-
Lease rental	**747,062**	588,647	**-**	-
Dividend income from subsidiaries (Note 27)	**-**	-	**6,051,540**	4,100,000
	91,296,304	109,473,980	**6,051,540**	4,100,000

26. COST OF SALES

	Group	
	2011	2010
	RM	RM
Inventories sold	**10,613,846**	41,147,841
Services rendered	**62,748,876**	53,535,455
	73,362,722	94,683,296

27. PROFIT/(LOSS) BEFORE TAX

	Group		Company	
	2011 RM	2010 RM	2011 RM	2010 RM
Profit/(Loss) before tax is arrived after charging:				
Auditors' remuneration:				
Statutory audits				
- current financial year	**108,037**	110,668	**20,000**	20,000
- underprovision in the previous financial year	**-**	50	**-**	-
Other services				
- current financial year	**5,000**	5,000	**5,000**	5,000
Bad debts written off	**101,726**	12,249	**-**	-
Depreciation of property, plant and equipment (Note 7)	**5,265,636**	4,084,633	**957**	957
Directors' remuneration:				
- fees	**72,000**	72,000	**72,000**	72,000
- other emoluments	**1,288,333**	1,038,949	**-**	-
Impairment of trade receivables	**147,552**	237,329	**-**	-
Interest expenses on:				
- bank overdrafts	**107,415**	43,710	**-**	-
- bankers' acceptances	**11,039**	71,995	**-**	-
- hire purchase	**57,460**	29,300	**-**	-
- letters of credit	**5,935**	26,760	**-**	-
- term loans	**1,032,903**	826,484	**-**	-
Loss on disposal of property, plant and equipment	**954,324**	6,051,042	**-**	-
Property, plant and equipment written off (Note 7)	**93,318**	13,079	**-**	-
Realised loss on foreign exchange	**359,086**	391,761	**-**	-
Rental of premises	**25,200**	25,200	**-**	-
Rental of machineries	**53,296**	100,428	**-**	-
Unrealised loss on foreign exchange	**67,701**	348,824	**-**	-
And crediting:				
Dividend income from subsidiaries (Note 25)	**-**	-	**6,051,540**	4,100,000
Gain on disposal of property, plant and equipment	**335,029**	-	**-**	-
Interest income from:				
- fixed deposits	**168,474**	223,912	**41,933**	134,335
- others	**38,324**	18,195	**1,055**	1,614
Realised gain on foreign exchange	**66,578**	77,283	**-**	-
Rental income	**51,600**	28,297	**-**	-
Rental recovered	**2,084,426**	-	**-**	-
Write-back of impairment losses on trade and other receivables	**105,680**	-	**-**	-

28. TAX EXPENSE

	Group		Company	
	2011 RM	2010 RM	2011 RM	2010 RM
Current tax expense	**1,246,507**	873,065	**816,958**	24,663
Deferred tax (Note 21)	**230,158**	547,238	**-**	-
	1,476,665	1,420,303	**816,958**	24,663
Under/(Over)provision in the previous financial year:				
- tax expense	**141,554**	(192,175)	**8,125**	4,896
- deferred tax (Note 21)	**(42,952)**	256,608	**-**	-
	98,602	64,433	**8,125**	4,896
	1,575,267	1,484,736	**825,083**	29,559

Current tax expense is calculated at the statutory tax rate of 25% (2010: 25%) of the estimated taxable profits for the fiscal year.

The numerical reconciliations between the tax expense and the product of accounting profit multiplied by the applicable tax rate of the Group and of the Company are as follows:

	Group		Company	
	2011 RM	2010 RM	2011 RM	2010 RM
Statutory tax rate of 25% (2010: 25%)	**1,771,806**	(17,159)	**1,457,366**	965,900
Tax effects in respect of:				
- non-allowable expenses	**1,533,556**	3,406,435	**22,942**	83,763
- non-taxable income	**(1,148,743)**	(1,466,182)	**-**	-
- utilisation of deferred tax assets not recognised in the previous financial year	**(156,510)**	(299,250)	**-**	-
- deferred tax assets not recognised	**757,155**	690,304	**-**	-
- tax exempt income	**(1,280,599)**	(893,845)	**(663,350)**	(1,025,000)
	1,476,665	1,420,303	**816,958**	24,663
Under/(Over)provision of tax expense in the previous financial year	**141,554**	(192,175)	**8,125**	4,896
(Over)/Underprovision of deferred tax in the previous financial year	**(42,952)**	256,608	**-**	-
	1,575,267	1,484,736	**825,083**	29,559

Subject to the agreement of the Inland Revenue Board, certain subsidiaries have unabsorbed capital allowances and unutilised tax losses amounting to approximately RM45,335 (2010: RM45,335) and RM15,956,700 (2010: RM9,417,102) respectively, which are available for offset against their future taxable profits.

29. EARNINGS/(LOSS) PER ORDINARY SHARE

Group

(a) Basic

The basic earnings/(loss) per ordinary share has been calculated based on the consolidated profit/(loss) for the financial year attributable to the equity holders of the Company divided by the weighted average number of ordinary shares in issue during the financial year.

	2011	2010
Consolidated profit/(loss) for the financial year (RM)	**3,862,522**	(2,227,673)
Weighted average number of ordinary shares in issue	**119,998,945**	120,000,000
Basic earnings/(loss) per ordinary share (sen)	**3.2**	(1.9)

(b) Diluted

The diluted earnings per ordinary share is not disclosed as there is no dilutive potential ordinary share.

30. DIVIDEND

	Group and Company			
	2011		2010	
	Gross dividend per share sen	Amount of dividend RM	Gross dividend per share sen	Amount of dividend RM
Final tax exempt dividend in respect of financial year 2010/2009	**3.00**	**3,600,000**	3.00	3,600,000

31. EMPLOYEE BENEFITS

	Group		Company	
	2011 RM	2010 RM	2011 RM	2010 RM
Wages, salaries and bonuses	**6,920,911**	6,138,673	**128,950**	126,925
Contributions to defined contribution plans	**914,912**	593,949	**6,856**	6,619
Social security contributions	**108,428**	62,704	**620**	620
Other benefits	**1,175,946**	966,711	**3,600**	3,600
	9,120,197	7,762,037	**140,026**	137,764

32. ACQUISITION OF A SUBSIDIARY

2010

On 12 October 2009, the Company acquired 600,000 ordinary shares of RM1.00 each, representing the 60% issued and paid-up ordinary share capital of Guper Integrated Logistics Sdn. Bhd., a company incorporated in Malaysia under the Companies Act 1965 which is engaged in rendering total logistic services with haulage, forwarding and other associated services for a cash consideration of RM13,577,000.

The acquired subsidiary had contributed the following results to the Group in the previous financial year:

	2010 RM
Revenue	12,627,776
Profit for the financial year	1,243,142

If the acquisition had occurred on 1 April 2009, the Group's results would have been as follows:

	2010 RM
Revenue	122,123,595
Loss for the financial year	(161,324)

The fair values of the assets and liabilities of the subsidiary at the date of acquisition were as follows:

	Fair value recognised on acquisition RM	Acquiree's carrying amount RM
Property, plant and equipment (Note 7)	36,266,573	23,497,472
Receivables (included impairment loss of RM1,261,377)	11,109,262	11,109,262
Tax recoverable	594,872	594,872
Cash and bank balances	346,765	346,765
Borrowings	(18,126,761)	(18,126,761)
Payables	(6,333,262)	(6,333,262)
Deferred tax liabilities (Note 21(a))	(1,677,828)	(211,000)
Total net assets	22,179,621	10,877,348
Less: Minority interest	(8,871,849)	
Group's share of net assets	13,307,772	
Goodwill (Note 10)	269,228	
Total cost of the business combination (Note 8)	13,577,000	

32. ACQUISITION OF A SUBSIDIARY (CONT'D)

The effects of the acquisition on the cash flow were as follows:

	Group 2010 RM	Company 2010 RM
Purchase consideration to be settled in cash	13,577,000	13,577,000
Add: Bank overdrafts included in borrowings	515,063	-
Less: Retention sum (Note 22(b))	(2,715,400)	(2,715,400)
Less: Cash and bank balances of subsidiary acquired	(346,765)	-
Net cash flow on acquisition	11,029,898	10,861,600

33. RELATED PARTY DISCLOSURES

(a) Identities of related parties

Parties are considered to be related to the Group and the Company if the Group and the Company have the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group/Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Related parties of the Group and of the Company include:

(i) direct and indirect subsidiaries;

(ii) close family members of certain directors of the Company and of the subsidiaries;

(iii) companies in which certain directors of the Company and of the subsidiaries have direct and indirect financial interests; and

(iv) key management personnel which comprises persons (including the directors of the Company and of the subsidiaries) having authority and responsibility for planning, directing and controlling the activities of the Company and of the subsidiaries directly or indirectly.

(b) In addition to the transactions detailed elsewhere in the financial statements, the Group and the Company have carried out the following transactions with the related parties during the financial year:

	Group	
	2011 RM	**2010 RM**
Companies in which certain Directors have interests:		
- revenue from services rendered	**1,899,189**	112,214
- container haulage service charges payable	**4,365,730**	2,746,530
- forwarding service charges payable	**104,468**	-
- insurance premium payable	**212,157**	-
- rental expense payable	**31,200**	31,200
- spare parts, tyres, tyres maintenance services and consumables payable	**2,948,347**	736,968
- tanker and lorry transport service charges payable	**54,530**	80,728

33. RELATED PARTY DISCLOSURES (CONT'D)

(c) Compensation of key management personnel

The remuneration of Directors and other key management personnel is as follows:

	Group		Company	
	2011 RM	2010 RM	2011 RM	2010 RM
Directors:				
- short-term employee benefits	**1,209,163**	995,029	**72,000**	72,000
- contributions to defined contribution plans	**151,170**	115,920	**-**	-
	1,360,333	1,110,949	**72,000**	72,000
Other key management personnel:				
- short-term employee benefits	**144,636**	91,000	**-**	-
- contributions to defined contribution plans	**20,175**	10,920	**-**	-
	164,811	101,920	**-**	-
	1,525,144	1,212,869	**72,000**	72,000

34. OPERATING SEGMENTS

(a) Business segments

Segment information is presented in respect of the Group's business segments, which is based on the Group's management and internal reporting structure.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items mainly comprise interest-earning assets and revenue, interest-bearing borrowings and finance costs.

Segment capital expenditure is the total cost incurred during the period to acquire segment assets that are expected to be used for more than one (1) period.

Inter-segment pricing is determined based on negotiated terms.

The Group's operations comprise the following business segments:

Marine : Provision of marine transportation services

Trading : Trading of goods

Logistics : Total logistic services provider including trading of freight, haulage, lorry and trucking, customs clearance and Inland Port operations

Others : Leasing of passenger ferry and investment holding

34. OPERATING SEGMENTS (CONT'D)

(a) Business segments (Cont'd)

2011	Marine RM	Trading RM	Logistics RM	Others RM	Elimination RM	Total RM
Revenue						
External segment revenue	21,880,058	11,315,164	57,354,020	747,062	-	91,296,304
Inter-segment revenue	2,819,328	-	3,199,697	6,051,540	(12,070,565)	-
	24,699,386	11,315,164	60,553,717	6,798,602	(12,070,565)	91,296,304
Results						
Segment results	2,698,106	522,290	9,047,947	5,782,946	(9,956,111)	8,095,178
Finance costs						(1,214,752)
Interest income						206,798
Profit before tax						7,087,224
Tax expense						(1,575,267)
Profit for the financial year						5,511,957
Other information						
Segment assets	54,525,376	9,730,831	53,241,241	161,297,272	(141,577,970)	137,216,750
Tax recoverable						677,305
Total assets						137,894,055
Segment liabilities	31,256,095	5,063,988	8,220,765	2,860,238	(34,655,377)	12,745,709
Deferred tax liabilities						2,844,690
Borrowings						19,229,441
Tax liabilities						172,339
Total liabilities						34,992,179
Capital expenditure	698,291	-	2,395,455	-	-	3,093,746
Depreciation of property, plant and equipment	2,133,426	67,956	2,956,394	107,860	-	5,265,636
Other non-cash income	170,029	165,000	-	-	-	335,029
Other non-cash expenses	1,161,423	39,959	163,239	-	-	1,364,621

34. OPERATING SEGMENTS (CONT'D)

(a) Business segments (Cont'd)

2010	Marine RM	Trading RM	Logistics RM	Others RM	Elimination RM	Total RM
Revenue						
External segment revenue	20,381,415	43,837,514	44,666,404	588,647	-	109,473,980
Inter-segment revenue	6,998,543	-	1,234,643	4,100,000	(12,333,186)	-
	27,379,958	43,837,514	45,901,047	4,688,647	(12,333,186)	109,473,980
Results						
Segment results	3,427,097	1,348,882	5,146,256	3,723,513	(12,881,351)	764,397
Finance costs						(1,075,141)
Interest income						242,107
Loss before tax						(68,637)
Tax expense						(1,484,736)
Loss for the financial year						(1,553,373)
Other information						
Segment assets	60,450,485	20,881,444	55,376,681	79,968,845	(65,274,178)	151,403,277
Tax recoverable						1,306,987
Total assets						152,710,264
Segment liabilities	33,743,171	18,540,555	11,064,338	3,056,704	(45,097,014)	21,307,754
Deferred tax liabilities						2,657,484
Borrowings						27,381,022
Tax liabilities						122,841
Total liabilities						51,469,101
Capital expenditure	776,672	117,128	4,354,377	2,773,125	-	8,021,302
Depreciation of property, plant and equipment	2,450,082	63,945	1,452,196	118,410	-	4,084,633
Other non-cash income	-	-	-	-	-	-
Other non-cash expenses	6,110,971	562,153	(22,110)	-	-	6,651,014

34. OPERATING SEGMENTS (CONT'D)

(b) Geographical segments

In determining the geographical segments of the Group, revenue is based on the geographical location of customers. Segment assets and capital expenditure are based on the geographical location of assets. The composition of each geographical segment is as follows:

South-East Asia : Marine, logistics and others (investment holding)

South-West Indian Ocean : Trading of goods and others (leasing of passenger ferry)

2011	**Revenue RM**	**Segment assets RM**	**Capital expenditure RM**
South-East Asia	79,981,140	129,321,732	3,093,746
South-West Indian Ocean	11,315,164	8,572,323	-
	91,296,304	137,894,055	3,093,746
2010			
South-East Asia	65,636,466	131,500,962	7,904,174
South-West Indian Ocean	43,837,514	21,209,302	117,128
	109,473,980	152,710,264	8,021,302

(c) Major Customers

Revenue from one major customer, with revenue equal to or more than 10% of Group revenue, amounting to RM12,857,064 (2010 - RM11,600,467) arose from sales of the Marine segment.

35. FINANCIAL INSTRUMENTS

The Group's activities are exposed to a variety of market risks (including foreign currency risk, interest rate risk and equity price risk), credit risk and liquidity risk. The Group's overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

(a) Financial Risk Management Policies

The Group's policies in respect of the major areas of treasury activity are as follows:-

(i) Market Risk

(i) Foreign Currency Risk

The Group is exposed to foreign currency risk on transactions and balances that are denominated in currencies other than Ringgit Malaysia. The currencies giving rise to this risk are primarily United States Dollar, Singapore Dollar, Euro, Indonesian Rupiah. Foreign currency risk is monitored closely on an ongoing basis to ensure that the net exposure is at an acceptable level.

35. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management Policies (Cont'd)

(i) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

The Group's exposure to foreign currency is as follows:-

Group	US Dollar RM	Singapore Dollar RM	Euro RM	Indonesian Rupiah RM	Ringgit Malaysia RM	Total RM
2011						
Financial assets						
Trade and other receivables	2,972,626	-	-	-	23,811,673	26,784,299
Cash and cash equivalents	1,295,996	-	35,172	733	10,453,236	11,785,137
	4,268,622	-	35,172	733	34,264,909	38,569,436
Financial liabilities						
Trade and other payables	518,673	99,623	89,769	-	12,037,644	12,745,709
Borrowings	-	-	-	-	19,229,441	19,229,441
	518,673	99,623	89,769	-	31,267,085	31,975,150
Net financial assets/(liabilities)	3,749,949	(99,623)	(54,597)	733	2,997,824	6,594,286
Less: Net financial assets/(liabilities) denominated in the respective entities functional currencies	(1,311,261)	-	-	-	(2,997,824)	(4,309,085)
	2,438,688	(99,623)	(54,597)	733	-	2,285,201

35. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management Policies (Cont'd)

(i) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

Group	US Dollar RM	Singapore Dollar RM	Euro RM	Indonesian Rupiah RM	Ringgit Malaysia RM	Total RM
2010						
Financial assets						
Trade and other receivables	8,265,751	23,498	-	-	28,047,058	36,336,307
Cash and cash equivalents	505,043	-	1,543	733	10,031,232	10,538,551
	8,770,794	23,498	1,543	733	38,078,290	46,874,858
Financial liabilities						
Trade and other payables	4,415,461	103,448	96,789	-	16,692,056	21,307,754
Borrowings	-	-	-	-	27,381,022	27,381,022
	4,415,461	103,448	96,789	-	44,073,078	48,688,776
Net financial assets/(liabilities)	4,355,333	(79,950)	(95,246)	733	(5,994,788)	(1,813,918)
Less: Net financial assets/(liabilities) denominated in the respective entities functional currencies	(3,628,070)	-	-	-	5,994,788	2,366,718
	727,363	(79,950)	(95,246)	733	-	552,800

35. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management Policies (Cont'd)

(i) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

Foreign currency risk sensitivity analysis

The following table details the sensitivity analysis to a reasonably possible change in the foreign currencies as at the end of the reporting period, with all other variables held constant:-

	Group 2011 Increase/ (Decrease) RM
Effects on profit after tax/equity	
United States Dollar:	
- strengthened by 5%	121,934
- weakened by 5%	(121,934)
Singapore Dollar:	
- strengthened by 5%	(4,981)
- weakened by 5%	4,981
Euro:	
- strengthened by 5%	(2,730)
- weakened by 5%	2,730
Indonesian Rupiah:	
- strengthened by 5%	37
- weakened by 5%	(37)

(ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arises mainly from interest-bearing financial assets and liabilities. The Group's policy is to obtain the most favourable interest rates available. Any surplus funds of the Group will be placed with licensed financial institutions to generate interest income.

Information relating to the Group's exposure to the interest rate risk of the financial liabilities is disclosed in Note 35(a)(iii) to the financial statements.

35. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management Policies (Cont'd)

(i) Market Risk (continued)

(ii) Interest Rate Risk (Cont'd)

Interest rate risk sensitivity analysis

The following table details the sensitivity analysis to a reasonably possible change in the interest rates as at the end of the reporting period, with all other variables held constant:-

	Group 2011 (Increase)/ Decrease RM
Effects on profit after tax/equity	
Increase of 100 basis points (bp)	(139,830)
Decrease of 100 bp	139,830

(iii) Equity Price Risk

The Group does not have any quoted investments and hence is not exposed to equity price risk.

(ii) Credit Risk

The Group's exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade and other receivables. The Group manages its exposure to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis. For other financial assets (including quoted investments, cash and bank balances and derivatives), the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of the trade and other receivables as appropriate. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. Impairment is estimated by management based on prior experience and the current economic environment.

Credit risk concentration profile

The Group's major concentration of credit risk relates to the amount owing by one (1) customer which constituted approximately 13% of its trade receivables as at the end of the reporting period.

35. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management Policies (Cont'd)

(ii) Credit Risk (Cont'd)

Exposure to credit risk

As the Group does not hold any collateral, the maximum exposure to credit risk is represented by the carrying amount of the financial assets as at the end of the reporting period.

The exposure of credit risk for trade receivables by geographical region is as follows:-

	Group	
	2011	**2010**
	RM	**RM**
United States Dollar	**2,972,626**	8,265,751

Ageing analysis

The ageing analysis of the Group's trade receivables as at 31 March 2011 is as follows:-

Group	**Gross Amount RM**	**Individual Impairment RM**	**Collective Impairment RM**	**Carrying Value RM**
2011				
Not past due	16,830,649	-	-	16,830,649
Past due:				
- less than 3 months	4,408,669	-	-	4,408,669
- 3 to 6 months	1,569,966	(375,826)	-	1,194,140
- over 6 months	3,709,427	(1,881,096)	-	1,828,331
	26,518,711	(2,256,922)	-	24,261,789

At the end of the reporting period, trade receivables that are individually impaired were those in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancement.

The collective impairment allowance is determined based on estimated irrecoverable amounts from the sale of goods, determined by reference to past default experience.

Trade receivables that are past due but not impaired

The Group believes that no impairment allowance is necessary in respect of these trade receivables. They are substantially companies with good collection track record and no recent history of default.

Trade receivables that are neither past due nor impaired

A significant portion of trade receivables that are neither past due nor impaired are regular customers that have been transacting with the Group. The Groups uses ageing analysis to monitor the credit quality of the trade receivables. Any receivables having significant balances past due or more than 120 days, which are deemed to have higher credit risk, are monitored individually.

35. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management Policies (Cont'd)

(iii) Liquidity Risk

Liquidity risk arises mainly from general funding and business activities. The Group practises prudent risk management by maintaining sufficient cash balances and the availability of funding through certain committed credit facilities.

The following table sets out the maturity profile of the financial liabilities as at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period):-

Group	Weighted Average Effective Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM	1 - 5 Years RM	Over 5 Years RM
2011						
Hire purchase liabilities	7.85	585,489	636,037	351,281	284,756	-
Trade payables	-	6,147,177	6,147,177	6,147,177	-	-
Other payables and accruals	-	4,546,981	4,546,981	4,546,981	-	-
Amount owing to a Director	-	1,961,782	1,961,782	1,961,782	-	-
Amount owing to an associate	-	89,769	89,769	89,769	-	-
Term loans	4.92	17,998,381	21,462,063	5,141,400	15,637,026	683,637
Bank overdrafts	7.80	645,571	645,571	645,571	-	-
		31,975,150	35,489,380	18,883,961	15,921,782	683,637

35. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management Policies (Cont'd)

(iii) Liquidity Risk (Cont'd)

Group	Weighted Average Effective Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM	1 - 5 Years RM	Over 5 Years RM
2010						
Hire purchase liabilities	7.48	481,425	526,355	402,189	124,166	-
Trade payables	-	9,399,415	9,399,415	9,399,415	-	-
Other payables and accruals	-	9,576,851	9,576,851	9,576,851	-	-
Amount owing to a Director	-	2,234,699	2,234,699	2,234,699	-	-
Amount owing to an associate	-	96,789	96,789	96,789	-	-
Bankers' acceptances	2.31	959,000	959,000	959,000	-	-
Term loans	4.50	24,153,176	28,677,224	6,788,377	18,470,662	3,418,185
Bank overdrafts	7.29	1,787,421	1,787,421	1,787,421	-	-
		48,688,776	53,257,754	31,244,741	18,594,828	3,418,185

Company	Weighted Average Effective Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM	1 - 5 Years RM	Over 5 Years RM
2011						
Other payables and accruals	-	116,347	116,347	116,347	-	-
Retention sum payable	-	2,715,400	2,715,400	2,715,400	-	-
		2,831,747	2,831,747	2,831,747	-	-
2010						
Other payables and accruals	-	117,432	117,432	117,432	-	-
Retention sum payable	-	2,715,400	2,715,400	2,715,400	-	-
Amount owing to subsidiaries	-	198,910	198,910	198,910	-	-
		3,031,742	3,031,742	3,031,742	-	-

35. FINANCIAL INSTRUMENTS (CONT'D)

(b) Capital Risk Management

The Group manages its capital to ensure that entities within the Group will be able to maintain an optimal capital structure so as to support their businesses and maximise shareholders' value. To achieve this objective, the Group may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

The Group manages its capital based on debt-to-equity ratio. The Group's strategies were unchanged from the previous financial year. The debt-to-equity ratio is calculated as net debt divided by total equity. Net debt is calculated as borrowings plus trade and other payables less cash and cash equivalents.

The debt-to-equity ratio of the Group as at the end of the reporting period was as follows:-

	2011 RM	2010 RM
Hire purchase liabilities	**585,489**	481,425
Trade payables	**6,147,177**	9,399,415
Other payables	**6,598,532**	11,908,339
Bank overdrafts	**645,571**	1,787,421
Bankers' acceptances	**-**	959,000
Term loans	**17,998,381**	24,153,176
	31,975,150	48,688,776
Less: Fixed Deposits with licensed banks	**(7,428,995)**	(6,044,944)
Less: Cash and bank balances	**(4,356,142)**	(4,493,607)
Net debt	**20,190,013**	38,150,225
Total equity	**102,901,876**	101,241,163
Debt-to-equity ratio	**0.20**	0.38

Under the requirement of Bursa Malaysia Practice Note No. 17/2005, the Company is required to maintain a consolidated shareholders' equity (total equity attributable to owners of the Company) equal to or not less than the 25% of the issued and paid-up share capital (excluding treasury shares) and such shareholders' equity is not less than RM40 million. The Company has complied with this requirement.

35. FINANCIAL INSTRUMENTS (CONT'D)

(c) Classification Of Financial Instruments

	Group 2011 RM	Company 2011 RM
Financial assets		
Available-for-sale financial assets		
Investment in subsidiaries, at fair value	-	127,868,963
Loans and receivables financial assets		
Trade receivables	24,261,789	-
Other receivables	1,833,127	3,000
Amount owing by subsidiaries	-	26,529,189
Amount owing by an associate	17,456	-
Fixed deposits with licensed banks	7,428,995	2,538,128
Cash and bank balances	4,356,142	46,509
	37,897,509	29,116,826
Financial liabilities		
Other financial liabilities		
Hire purchase liabilities	585,489	-
Term loans	17,998,381	-
Trade payables	6,147,177	-
Other payables	6,598,532	2,831,747
Bank overdrafts	645,571	-
	31,975,150	2,831,747

(d) Fair Values Of Financial Instruments

The carrying amounts of the financial assets and financial liabilities reported in the financial statements approximated their fair values.

The following summarises the methods used to determine the fair values of the financial instruments:-

(i) The financial assets and financial liabilities maturing within the next 12 months approximated their fair values due to the relatively short-term maturity of the financial instruments.

(ii) The fair value of hire purchase payables is determined by discounting the relevant cash flows using current interest rates for similar instruments as at the end of the reporting period.

(iii) The carrying amounts of the term loans approximated their fair values as these instruments bear interest at variable rates.

36. SIGNIFICANT EVENT OCCURING AFTER THE REPORTING PERIOD

On 5 May 2011, the Company subscribed for an additional 1,200,000 new ordinary shares of RM1 each at par in Guper Integrated Logistics Sdn. Bhd. for a total cash consideration of RM1,200,000 to retain its 60% equity interest.

37. SUPPLEMENTARY INFORMATION - DISCLOSURE OF REALISED AND UNREALISED PROFITS/LOSSES

The breakdown of the retained earnings of the Group and of the Company as at the end of the reporting period into realised and unrealised profits are presented in accordance with the directive issued by Bursa Malaysia Securities Berhad and prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants, as follows:-

	Group 2011 RM	Company 2011 RM
Total retained earnings:		
- realised	49,283,657	3,979,810
- unrealised	2,912,391	-
	52,196,048	3,979,810
Less: Consolidation adjustments	(24,382,957)	-
At 31 March	27,813,091	3,979,810

LIST OF PROPERTIES
AS AT 31 MARCH 2011

Registered Owner	Location	Description/ existing use	Tenure of Land	Land Area (m2)	Audited Net Book Value as at 31.3.11	Approximate Age of Building (Years)	Date of Acquisition
Complete Logistic Specialists Sdn Bhd	No. 27, Jalan Berangan, 42000 Port Klang, Selangor Darul Ehsan.	3 Storey Shophouse	Freehold	180	553,201	27	12.11.2007
Guper Integrated Logistics Sdn Bhd	PT3907, Nilai Industrial Estate, 71800 Nilai, Negeri sembilan	Container Yard, Office Building, Warehouse and Custom Complex	Freehold	119,649	22,153,788	17	16.11.2007
	PT3905, Nilai Industrial Estate, 71800 Nilai, Negeri sembilan	Vacant Land	Freehold	2,428	900,000	-	16.11.2007
	PT3906, Nilai Industrial Estate, 71800 Nilai, Negeri sembilan	Vacant Land	Freehold	2,613	950,000	-	16.11.2007
	PT3908, Nilai Industrial Estate, 71800 Nilai, Negeri sembilan	Vacant Land	Freehold	10,986	2,200,000	-	16.11.2007

ANALYSIS BY SIZE OF SHAREHOLDINGS
AS AT 1 AUGUST 2011

Authorised Share Capital	:	RM100,000,000.00
Issued and Paid Up Share Capital	:	RM60,000,000
Class of Shares	:	Ordinary shares of RM0.50 each
Voting Rights	:	1 vote per share
Number of Shareholders	:	1,406

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares	% of Shares
Less than 100	5	0.36	106	0.00
100 - 1,000	209	14.86	189,894	0.16
1,001 - 10,000	708	50.36	3,532,500	2.95
10,001 - 100,000	396	28.16	13,111,700	10.93
100,001 - less than 5% of the shares	85	6.05	39,854,600	33.24
5% and above of Issued shares	3	0.21	63,212,000	52.72
	1,406	100.00	119,900,800	100.00

DIRECTORS' SHAREHOLDINGS

No.	Name	Direct Interest	% of Shares	Deemed Interest	% of Shares
1	Tan Sri Dato' Seri Law Hieng Ding	2,000	-	-	-
2	Law Hee Ling	48,234,400	40.23	3,793,500	3.16
3	Lim Kok Onn	3,132,500	2.61	-	-
4	Hoo Mee Lien	6,777,600	5.65	-	-
5	Chia Kah Ying	1,540,800	1.29	-	-

SUBSTANTIAL SHAREHOLDERS

No.	Name	No. of Shares held through Own Name	No. of Shares held through Nominees	Total Shareholdings	%
1	Law Hee Ling	48,234,400	-	48,234,400	40.23
2	EB Nominees (Tempatan) Sendirian Berhad For Kamarudin Bin Mohd Zain	-	8,200,000	8,200,000	6.84
3	Hoo Mee Lien	6,777,600	-	6,777,600	5.65
	Total	55,012,000	8,200,000	63,212,000	52.72

ANALYSIS BY SIZE OF SHAREHOLDINGS
AS AT 1 AUGUST 2011

LIST OF TOP 30 SHAREHOLDERS

	Names	Share	Percent
1	LAW HEE LING	48,234,400	40.23
2	EB NOMINEES (TEMPATAN) SENDIRIAN BERHAD PLEDGED SECURITIES ACCOUNT FOR KAMARUDIN BIN MOHD ZAIN (SFC)	8,200,000	6.84
3	HOO MEE LIEN	6,777,600	5.65
4	LIM LAY FONG	3,793,500	3.16
5	LIM KOK ONN	3,132,500	2.61
6	MALAYSIA NOMINEES (TEMPATAN) SENDIRIAN BERHAD GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (LPF)	2,808,000	2.34
7	LEMBAGA TABUNG HAJI	2,776,300	2.32
8	AMCORP GROUP BERHAD	2,381,000	1.99
9	CHANDRA SEKARAN A/L SUBRAYAN	2,313,800	1.93
10	CHIA KAH YING	1,540,800	1.29
11	TAN MEE LEY	1,011,000	0.84
12	SIN SIEW WAH	1,000,000	0.83
13	KUNTUM ENTERPRISES SDN BHD	988,900	0.82
14	ECML NOMINEES (TEMPATAN) SDN. BHD PLEDGED SECURITIES ACCOUNT FOR SIEW PENG KUAN	800,000	0.67
15	LOH CHOOI FUN	700,000	0.58
16	TIONG HEW PING	636,900	0.53
17	TAN CHOON LEONG	591,900	0.49
18	TANG TECK PO	582,100	0.49
19	TENG CHU LEN	517,000	0.43
20	KOH SEN CHUN	484,500	0.40
21	SIM AH LEN	468,000	0.39
22	TAN CHOON LEONG	460,100	0.38
23	LAU PIK	420,600	0.35
24	HLG NOMINEE (TEMPATAN) SDN BHD HONG LEONG BANK BHD FOR FOONG CHEE HWA	418,500	0.35
25	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN VUN SU (8045771)	367,000	0.31
26	EB NOMINEES (TEMPATAN) SENDIRIAN BERHAD PLEDGED SECURITIES ACCOUNT FOR YOUNG WONG @ YEO SUAN SAM (SFC)	337,900	0.28
27	CHONG VOON WEI	337,000	0.28
28	TEO YU THIAN	330,000	0.28
29	KOE LIE CHENG	308,100	0.26
30	DING CHOO KING	300,100	0.25
	TOTAL SHARES	**93,017,500**	**77.57**

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Sixth (6th) Annual General Meeting of Complete Logistic Services Berhad will be held at Studio 3 & 4, Lobby Level, Premiere Hotel, Bandar Bukit Tinggi 1/KS6, Jalan Langat, 41200 Klang, Selangor Darul Ehsan on Wednesday, 21 September 2011 at 11.30 a.m. for the following purposes:-

AS ORDINARY BUSINESS

1. To receive the audited financial statements for the financial year ended 31 March 2011 and the Reports of the Directors and Auditors thereon;

2. To approve the payment of Directors' fees of RM72,000 for the financial year ended 31 March 2011; (2010-RM72,000); **(Resolution 1)**

3. To re-elect the following Directors retiring pursuant to Article 95 of the Articles of Association of the Company:-
   (i) Lim Kok Onn; and **(Resolution 2)**
   (ii) Yet Kiong Siang **(Resolution 3)**

4. To re-appoint Tan Sri Dato' Seri Law Hieng Ding as a Director of the Company to hold office until the conclusion of the next Annual General Meeting of the Company pursuant to Section 129(6) of the Companies Act, 1965; **(Resolution 4)**

5. To re-appoint Messrs Crowe Horwath as Auditors for the ensuing year and to authorise the Directors to fix their remuneration; **(Resolution 5)**

AS SPECIAL BUSINESS

6. To consider and, if though fit, pass the following Ordinary Resolutions:-
   (A) Proposed Renewal of Authority to issue shares

   "**THAT** pursuant to Section 132D of the Companies Act 1965 in Malaysia, the Directors be and they are hereby authorised to issue shares in the Company at any time until the conclusion of the next Annual General Meeting and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit provided that the aggregate number of shares to be issued does not exceed ten per centum (10%) of the issued and paid-up share capital of the Company for the time being, subject always to the approval of all the relevant regulatory bodies being obtained for such allotment and issue"; **(Resolution 6)**

AS SPECIAL BUSINESS (CONT'D)

(B) Proposed Renewal of Shareholders' Mandate and Additional Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature pursuant to Paragraph 10.09 of the Bursa Malaysia Securities Berhad Main Market Listing Requirements. **(Resolution 7)**

"**THAT** subject always to the Companies Act 1965 in Malaysia, ("Act") the provisions of the Memorandum and Articles of Association of the Company, the requirements of the Bursa Malaysia Securities Berhad ("Bursa Securities") and the approvals of all relevant authorities, approval be and is hereby given to the Company to enter into recurrent transactions, the nature of which is set out in Section 4 of the Circular to Shareholders (Part B) dated 22 August 2011 for the purposes of Paragraph 10.09 of the Bursa Securities Main Market Listing Requirements, subject to the following:-

(a) the transactions are carried out in the ordinary course of business, at arm's length, on normal commercial terms and on terms not more favourable to the related party than those generally available to the public and are not to the detriment of the minority shareholders;

(b) disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year and that such approval shall continue in force, unless revoked or varied by ordinary resolution of the Company in a general meeting and will, subject to renewal thereat, expire at the conclusion of the next Annual General Meeting of the Company following the passing of this ordinary resolution or at the expiration of the period within which the next Annual General Meeting of the Company is required to be held under the Act (excluding any extension of such period as may be allowed under the Act); and

(c) the Directors and/or any of them be and are hereby authorised to complete and do all such acts and things to give effect to the transactions contemplated and/or authorised by this ordinary resolution".

(C) Proposed Renewal of Authority for Share Buy-Back **(Resolution 8)**

"**THAT** subject always to the Companies Act 1965 in Malaysia ("Act"), the provisions of the Memorandum and Articles of Association of the Company, the requirements of the Bursa Malaysia Securities Berhad ("Bursa Securities") and the approvals of all relevant governmental and/or regulatory authorities, the Company be and is hereby authorised, to the fullest extent permitted by law, to purchase such amount of ordinary shares of RM0.50 each in the Company as may be determined by the Directors of the Company from time to time through the Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company provided that the aggregate number of shares purchased pursuant to this resolution does not exceed ten per centum (10%) of the issued and paid-up share capital of the Company as at the point of purchase and that an amount not exceeding the Company's retained profits and share premium accounts at the time of the purchase(s) will be allocated by the Company for the Share Buy-Back;

AS SPECIAL BUSINESS (CONT'D)

THAT the authority conferred by this resolution will be effective immediately and shall continue in force until:-

(a) the conclusion of the next annual general meeting of the Company following the general meeting at which such resolution was passed at which time it shall lapse unless by ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions; or

(b) the expiration of the period within which the next annual general meeting after that date is required by law to be held; or

(c) revoked or varied by ordinary resolution passed by shareholders in a general meeting,

whichever occurs first;

AND THAT authority be and is hereby given unconditionally and generally to the Directors of the Company to take all such steps as are necessary or expedient to implement, finalise and give full effect to the aforesaid purchase with full powers to assent to any conditions, modifications, variations and/or amendments (if any) as may be imposed by the relevant authorities and with the fullest power to do all such acts and things thereafter (including without limitation, the cancellation or retention as treasury shares of all or any part of the repurchased shares) in accordance with the Act, the provisions of the Memorandum and Articles of Association of the Company and the requirements and/or guidelines of the Bursa Securities and all other relevant governmental and/or regulatory authorities and to do all such things as the said Directors may deem fit and expedient in the best interest of the Company.

7. To transact any other business of which notice shall have been given.

By Order of the Board
Complete Logistic Services Berhad

Chia Ong Leong (MIA 4797)
Chia Kia Hock (LS 1825)
Company Secretaries

Klang, Selangor Darul Ehsan
22 August 2011

NOTICE OF ANNUAL GENERAL MEETING

Notes:

1. A Member of the Company entitled to attend and vote at this meeting is entitled to appoint not more than two (2) proxies to attend this meeting and vote in his stead.Where a holder appoints two (2) proxies to attend and vote at the same meeting,such appointment shall be invalid unless he specified the proportion of his shareholdings to be represented by each proxy.

   A proxy may but need not be a member of the Company.

2. The instrument appointing a proxy shall be in writing under the hand of yhe appointor or his attorney duly authorised in writing or if the appointor is a corporation either under its common seal or under the hand of an officer or attorney duly authorised in writing.

3. The instrument appointing a proxy together with the power of attorney or other authority, if any, under which it is signed or a certified copy thereof, shall be deposited at Registered Office of the Company at 82F, Jalan Pulasan, 41000 Klang, Selangor Darul Ehsan, not less that forty-eight (48) hours before the time set for holding this meeting or at any adjourment thereof.

4. Notes on Special Business

   (i) <u>Authority to directors to issue shares pursuant to Section 132D</u>

   This is a renewal of the mandate obtained at the last Annual General Meeting ("the previous mandate"). The previous mandate was not utilised and no proceeds were raised. The renewed mandate, if passed, will give the Directors the authority to issue shares up to an aggregate amount not exceeding 10% of the issued and paid up share capital of the Company for the time being for such purposes as the Directors would consider in the best interest of the Company. This authority, unless revoked or varied by the Company in general meeting, will expire at the conclusion of the next Annual General Meeting.

   The renewal of this mandate will provide flexibility to the Company for any fund raising activities, including but not limited to any placement of shares to fund future investment projects, working capital and/or acquisitions.

   (ii) <u>Proposed renewal and additional mandate for RRPT</u>

   a) This is a renewal of the mandate obtained at the last Annual General Meeting ("the previous mandate"). The renewed mandate, if passed, will enable the Company to enter into recurrent related party transactions with related parties for the purposes of Paragraph 10.09 of the Bursa Securities Main Market Listing Requirements. This authority, subject to renewal thereat, will expire at the conclusion of the next Annual General Meeting of the Company following the passing of the ordinary resolution or at the expiration of the period within which the next Annual General Meeting of the Company is required to be held under the Companies Act, 1965 (excluding any extension of such period as may be allowed under the Companies Act, 1965) (unless earlier revoked or varied by ordinary resolution of the Company in a general meeting), whichever is the earlier.

   b) Further information on this Mandate is set out in the Circular to Shareholders (Part B) dated 22 August 2011 which is dispatched together with the Company's 2011 Annual Report.

   (iii) <u>Authority to buy back shares</u>

   This is a renewal of the mandate obtained at the last Annual General Meeting ("the previous mandate"). The renewed mandate, if passed, will empower the Directors to purchase the Company's shares of up to a maximum of ten per centum (10%) of the issued and paid-up share capital of the Company by utilising the funds allocated out of the retained profits and share premium accounts of the Company. This authority, unless revoked at a general meeting, will expire at the conclusion of the next Annual General Meeting of the Company.

   Further information on the Proposed Renewal of Authority for Share Buy-back is set out in the Statement to Shareholders (Part A) dated 22 August 2011 which is dispatched together with the Company's 2011 Annual Report.

STATEMENT ACCOMPANYING
NOTICE OF ANNUAL GENERAL MEETING

1. Details of the following Directors who are standing for either re-election or re-appoinment in Agenda 3 and 4 of the Notice of the Sixth Annual General Meeting are set out in the Profile of Directors appearing on pages 4 to 7 of this Annual Report.

    (i) Lim Kok Onn
    (ii) Yet Kiong Siang
    (iii) Tan Sri Dato' Seri Law Hieng Ding

2. Details of attendance of Directors at Board Meeting.

    Five (5) Board Meeting were held during to the financial year ended 31 March 2011. Details of attendance of Directors are as follows:

Director	No. of Meeting attended
Tan Sri Dato' Seri Dr Ting Chew Peh	5/5
Tan Sri Dato' Seri Law Hieng Ding	3/5
Law Hee Ling	5/5
Lim Kok Onn	5/5
Hoo Mee Lien	5/5
Chia Kah Ying	5/5
Yet Kiong Siang	5/5

3. Place, date and time of Board Meeting.

    All the Board Meetings were held at 25 Jalan Berangan, 42000 Port Klang.

Date	Time
25/05/2010	11.30 a.m.
26/07/2010	11.00 a.m.
25/08/2010	11.00 a.m.
24/11/2010	5.00 p.m.
22/02/2011	12.00 noon

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PROXY FORM

Number of Shares held	
CDS Account No.	

COMPLETE LOGISTIC SERVICES BERHAD (716241-X)

I/We ______________________________ NRIC/Company No. ______________________________ of

____

being a member /member of Complete Logistic Services Berhad, hereby appoint ______________________________

____

of ____

or failing him/her, the Chairman of Meeting as my/our proxy to attend and vote for me/us on my/our behalf at the 6th Annual General Meeting of the Company to be held at the Studio 3 & 4, Lobby Level, Premiere Hotel, Bandar Bukit Tinggi 1/KS6, Jalan Langat, 41200 Klang, Selangor Darul Ehsan on Wednesday, 21 September 2011 at 11.30 a.m. or at any adjournment thereof.

My/our proxy is to vote on the resolution as indicated by an "X" in the appropriate spaces below. If this form is returned without any indication as to how the proxy shall vote, the proxy shall vote or abstain as he/she thinks fit.

ORDINARY BUSINESS		FOR	AGAINST
1. To receive Audited Financial Statements and Reports			
2. Approval of Directors' Fees	Resolution 1		
3. Re-election of Directors under Article 95			
(i) Lim Kok Onn	Resolution 2		
(ii) Yet Kiong Siang	Resolution 3		
4. Re-appointment of Director under S129(6) Tan Sri Dato' Seri Law Hieng Ding	Resolution 4		
5. Re-appointment of Messrs Crowe Horwarth as the Company's Auditors for the ensuing year	Resolution 5		
SPECIAL BUSINESS			
6. a) Approval for Directors to allot and issue shares	Resolution 6		
b) Renewal of and new shareholders' mandate for RRPT	Resolution 7		
c) Renewal of shareholders' mandate for Share Buy-Back	Resolution 8		

Dated this ____________________ day of ____________________ 2011

____

Signature /common seal of shareholder

Notes:

1. A member of the Company entitled to attend and vote at this meeting is entitled to appoint not more than two (2) proxies to attend this meeting and vote in his stead. Where a holder appoints two (2) proxies to attend and vote at the same meeting, such appointment shall be invalid unless he specified the proportion of his shareholdings to be represented by each proxy. A proxy may but need not be a member of the Company.
2. The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing or if the appointor is a corporation either under its common seal or under the hand of an officer or attorney duly authorised in writing.
3. The instrument appointing a proxy together with the power of attorney or other authority, if any, under which it is signed or a certified copy thereof, shall be deposited at Registered Office of the Company at No. 82F, Jalan Pulasan, 41000 Klang, Selangor Darul Ehsan, not less that forty-eight (48) hours before the time set for holding this meeting or at any adjournment thereof.

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STAMP

THE COMPANY SECRETARIES
COMPLETE LOGISTIC SERVICES BERHAD

NO. 82F JALAN PULASAN
41000 KLANG
SELANGOR DARUL EHSAN

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