



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

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FIRST QUARTER ENDED 30 JUNE 2014

26 August 2014

Complete Logistic Services Berhad
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COMPLETE LOGISTIC SERVICES BERHAD (716241-X)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2014

RM'000	Note	As at 30.06.2014 Unaudited	As at 31.03.2014 Audited
Assets			
Property, plant and equipment		95,121	92,014
Goodwill on consolidation		272	272
Non-current assets		95,393	92,286
Inventories		392	376
Trade and other receivables		35,465	35,769
Tax recoverable		-	238
Cash and cash equivalents		14,236	11,588
Current assets		50,093	47,971
Total assets		145,486	140,257
Equity and liabilities			
Share capital		60,150	60,000
Treasury shares		(131)	(131)
Other reserves		4,731	4,536
Retained earnings	19	41,570	37,975
Equity attributable to owners of the Company		106,320	102,380
Non-controlling interest		352	339
Total equity		106,672	102,719
Borrowings (secured)	21	10,607	10,312
Deferred tax liabilities		6,105	6,046
Non-current liabilities		16,712	16,358
Trade and other payables		14,207	14,082
Borrowings (secured)	21	7,386	6,439
Tax liabilities		509	659
Current liabilities		22,102	21,180
Total liabilities		38,814	37,538
Total equity and liabilities		145,486	140,257
Net assets per share attributable to owners of the Company (RM)		0.89	0.86

The above condensed consolidated statement of financial position should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.

COMPLETE LOGISTIC SERVICES BERHAD (716241-X)
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**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
FOR THE FIRST QUARTER ENDED 30 JUNE 2014**
(These figures have not been audited)

RM'000	Note	3 months ended	
		30.06.2014	30.06.2013
Revenue	7	34,132	31,794
Cost of sales		(27,607)	(23,237)
Gross profit		6,525	8,557
Other income		609	4,308
Marketing and distribution costs		(117)	(308)
Administration expenses		(1,698)	(2,331)
Other expenses		(577)	(1,637)
Finance costs		(222)	(257)
Profit before tax	26	4,520	8,332
Tax expense	18	(912)	(1,056)
Profit for the period		3,608	7,276
Foreign currency translation		-	(404)
Total comprehensive income		3,608	6,872
Profit attributable to:			
Owners of the Company		3,595	7,256
Non-controlling interest		13	20
Profit for the period		3,608	7,276
Total comprehensive income attributable to:			
Owners of the Company		3,595	6,852
Non-controlling interest		13	20
		3,608	6,872
Earnings per share attributable to owners of the Company:			
Basic (sen)	24	3.0	6.1
Diluted (sen)	24	3.0	6.1

The above condensed consolidated income statement should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.

COMPLETE LOGISTIC SERVICES BERHAD (716241-X)
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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FIRST QUARTER ENDED 30 JUNE 2014

(These figures have not been audited)

RM'000	Attributable to owners of the Company								Total equity
	Non-Distributable				Distributable		Total	Non-controlling interest	
	Share capital	Treasury shares	Share premium	Share issuance scheme reserve	Exchange fluctuation reserve	Retained earnings			
At 1 April 2013	60,000	(131)	4,325	211	-	37,975	102,380	339	102,719
Total comprehensive income for the period	-	-	-	-	-	3,595	3,595	13	3,608
Issuance of shares	150	-	36	-	-	-	186	-	186
Share option value	-	-	-	159	-	-	159	-	159
At 30 June 2014	60,150	(131)	4,361	370	-	41,570	106,320	352	106,672
At 1 April 2012	60,000	(131)	4,325	-	(404)	23,927	87,717	254	87,971
Total comprehensive income for the period	-	-	-	-	404	6,852	7,256	20	7,276
At 30 June 2013	60,000	(131)	4,325	-	-	30,779	94,973	274	95,247

The above condensed consolidated statement of changes in equity should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.

COMPLETE LOGISTIC SERVICES BERHAD (716241-X)
(Incorporated in Malaysia)
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE FIRST QUARTER ENDED 30 JUNE 2014
(These figures have not been audited)

RM'000	3 months ended	
	30.06.2014	30.06.2013
Cash flows from operating activities		
Profit before tax	4,520	8,332
Adjustments for:		
Non-cash items	2,006	2,002
Non-operating items	(64)	(3,977)
Interest income	(51)	(35)
Interest expense	222	257
Operating profit before working capital changes	6,633	6,579
Changes in working capital:		
Inventories	(16)	182
Receivables	304	2,599
Payables	124	(1,685)
Cash generated from operations	7,045	7,675
Net tax paid	(765)	(324)
Net cash from operating activities	6,280	7,351
Cash flows from investing activities		
Interest received	51	35
Net cash outflow from the acquisition of a subsidiary	-	(5,407)
Purchase of property, plant and equipment	(2,258)	(287)
Proceeds from disposal of property, plant and equipment	279	670
Proceeds from issuance of shares	186	-
Net cash used in investing activities	(1,742)	(4,989)
Cash flows from financing activities		
Additional fixed deposits pledged to licensed bank	(3)	-
Interest paid	(222)	(257)
Net repayment of borrowings	(1,668)	(1,399)
Repayment to the directors	-	46
Net cash used in financing activities	(1,893)	(1,610)
Net changes in cash and cash equivalents	2,645	752
Effects of exchange rate changes	-	-
Cash and cash equivalents at the beginning of financial year	11,321	11,359
Cash and cash equivalents at the end of financial year	13,966	12,111
Analysis of cash and cash equivalents		
Fixed deposits	6,336	2,284
Cash and bank balances	7,900	10,091
	14,236	12,375
Fixed deposits pledged to licensed bank	(270)	(264)
	13,966	12,111

The above condensed consolidated statement of cash flow should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.

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PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

1 Basis Of Preparation

This unaudited interim financial report has been prepared in accordance with MFRS 134: Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 March 2014.

The accounting policies adopted by the Group in this interim financial report are consistent with those adopted in the most recent audited financial statements for the financial year ended 31 March 2014 except for the following new MFRS, Amendments to MFRS and IC Interpretations to be applied by the Group for the financial periods beginning on or after 1 April 2014:

- Amendments to MFRS 10, MFRS 12 and MFRS 127: Investment Entities
- Amendments to MFRS 132: Offsetting Financial Assets and Financial Liabilities
- Amendments to MFRS 136: Recoverable Amount Disclosures for Non-financial Assets
- Amendments to MFRS 139: Novation of Derivatives and Continuation of Hedge Accounting
- IC Interpretation 21 Levies

The adoption of the above pronouncements did not have any significant effects on this interim financial report upon their initial application.

The Group has not adopted the following Amendments to MFRS that have been issued but not yet effective:

- MFRS 9: Financial Instruments (IFRS 9 issued by International Accounting Standards Board (IASB) in November 2009 and in October 2010)
- MFRS 9: Financial Instruments (Hedge Accounting and Amendments to MFRS 7, MFRS 9 and MFRS 139)
- Amendments to MFRS 9 and MFRS 7: Mandatory Effective Date of MFRS 9 and Transition Disclosures
- MFRS 14: Regulatory Deferral Accounts
- Amendments to MFRS 119: Defined Benefit Plans – Employee Contributions
- Annual Improvements to MFRSs 2010 – 2012 Cycle
- Annual Improvements to MFRSs 2011 – 2013 Cycle

The Group will adopt the above pronouncements when they become effective in the respective financial periods. These pronouncements are not expected to have any significant effects to the Group upon their initial application.

2 Seasonality Or Cyclicity Of Operations

The business operations of the Group are subject to the forces of supply and demand and thus, could display cyclical trends.

3 Unusual Items Due To Their Nature, Size Or Incidence

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the first quarter ended 30 June 2014.

4 Significant Estimates And Changes In Estimates

With effect from 1 April 2014, the Board reviewed the estimated useful lives of certain property, plant and equipment of the Group and had accounted the revised depreciation charges prospectively. The changes in depreciation rates do not have any significant financial impact to the Group for current quarter under review.

Save as disclosed above, there were no other changes in estimates that had any material effects on the first quarter ended 30 June 2014.

5 Debt And Equity Securities

On 14 April 2014, the Company had increased its issued and paid-up capital from RM60,000,000 to RM60,150,000 through the issuance of 300,000 new ordinary shares of RM0.50 each at RM0.62 per share from the exercise of options under the Share Issuance Scheme. The new ordinary shares issued rank pari passu in all respects with the existing ordinary shares of the Company.

Save as disclosed above, there were no other issuances, repurchases or repayments of debt and equity securities during the quarter ended 30 June 2014.

6 Dividends Paid

There were no dividends paid during the current and previous corresponding quarter.

7 Segmental Information

The Group's operations comprise the following business segments:

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

Shipping : Provision of marine transportation services

Others : Trading of goods, insurance agency and investment holding

RM'000	Logistics	Shipping	Others	Total	Elimination	Group
Results For 3 Months Ended						
30 June 2014						
External revenue	27,558	5,608	966	34,132	-	34,132
Intersegment revenue	1,649	268	3,074	4,991	(4,991)	-
Total revenue	29,207	5,876	4,040	39,123	(4,991)	34,132
Segment profit	5,597	756	185	6,538	-	6,538
Depreciation	(1,292)	(189)	(81)	(1,562)	(285)	(1,847)
Interest income	8	1	42	51	-	51
Finance costs	(222)	-	-	(222)	-	(222)
Profit before tax	4,091	568	146	4,805	(285)	4,520
Tax expense	(782)	(96)	(86)	(964)	52	(912)
Profit after tax	3,309	472	60	3,841	(233)	3,608

7 Segmental Information (continued)

RM'000	Logistics	Shipping	Others	Total	Elimination	Group
Results For 3 Months Ended						
30 June 2013						
External revenue	23,866	6,556	1,372	31,794	-	31,794
Intersegment revenue	860	1,410	10,493	12,763	(12,763)	-
Total revenue	24,726	7,966	11,865	44,557	(12,763)	31,794
Segment profit	4,294	2,257	8,115	14,666	(4,128)	10,538
Depreciation	(1,340)	(203)	(79)	(1,622)	(362)	(1,984)
Interest income	29	5	1	35	-	35
Finance costs	(257)	-	-	(257)	-	(257)
Profit before tax	2,726	2,059	8,037	12,822	(4,490)	8,332
Tax expense	(469)	(222)	(34)	(725)	(331)	(1,056)
Profit after tax	2,257	1,837	8,003	12,097	(4,821)	7,276
Assets and Liabilities As At						
30 June 2014						
Segment/Total assets	91,050	36,265	95,401	222,716	(77,230)	145,486
Segment/Total liabilities	36,430	41,732	11,572	89,734	(50,920)	38,814
30 June 2013						
Segment/Total assets	89,568	36,929	98,375	224,872	(82,869)	142,003
Segment/Total liabilities	35,561	38,266	16,656	90,483	(43,727)	46,756

8 Related Party Disclosures

Significant recurrent related party transactions are as follows:

RM'000	3 months ended	
	30.06.2014	30.06.2013
Companies in which certain Directors have interests:		
Revenue from services rendered	1,541	1,760
Container haulage/transportation/logistics service charges payable	-	590
Forwarding service charges payable	548	148
Spare parts payable	32	10
Rental expense payable	6	8
Rental income receivable	4	3
Warehouse expense payable	20	14

The Directors are of the opinion that the above transactions have been established on terms and conditions that are not materially different from those obtainable in transactions with unrelated parties.

9 Valuation of Property, Plant and Equipment

There was no valuation on property, plant and equipment during the current and previous corresponding quarter.

10 Capital Commitments

As at the end of the reporting quarter, the Group has approved and contracted for capital commitments of RM4.83 million in respect of property, plant and equipment.

11 Contingent Assets And Liabilities

There were no changes in contingent liabilities and contingent assets since the end of last financial year.

12 Changes in Composition of the Group

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

13 Events After The Reporting Period

On 18 August 2014, the Company had increased its issued and paid-up capital from RM60,150,000 to RM60,250,000 through the issuance of 200,000 new ordinary shares of RM0.50 each at RM0.62 per share from the exercise of options under the Share Issuance Scheme. The new ordinary shares issued rank pari passu in all respects with the existing ordinary shares of the Company.

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

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**PART B: EXPLANATORY NOTES PURSUANT TO MAIN MARKET
LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

14 Analysis Of Performance - Comparison With Preceding Year Corresponding Quarter

During the quarter under review, the Group recorded an increase in revenue of RM2.34 million compared to the preceding year corresponding quarter (“corresponding quarter”). However, the Group reported a fall in pre-tax profit by RM3.81 million compared to the corresponding quarter mainly due to a non-recurring income of the gain on bargain purchase amounting to RM3.67 million arising from the acquisition of the entire equity interest in Pengangkutan Sekata Sdn Bhd and its subsidiaries recorded in the corresponding quarter.

(a) Logistics

The logistics segment registered a revenue of RM29.21 million, representing an increase in revenue by RM4.48 million as compared to the corresponding quarter. In line with the increase in revenue for current quarter, this segment reported a pre-tax profit of RM4.09 million which is an increase of RM1.37 million when compared to the corresponding quarter.

(b) Shipping

Revenue of the shipping segment has decreased by RM2.09 million as compared to the corresponding quarter and accordingly this segment recorded a lower pre-tax profit by RM1.49 million as compared to the corresponding quarter.

15 Comparison With Immediate Preceding Quarter

RM'000	3 months ended		Variance
	30.06.2014	31.03.2014	
Revenue	34,132	27,884	6,248
Profit before tax	4,520	1,439	3,081

Revenue and pre-tax profit of the Group in the current quarter increased by RM6.25 million and RM3.08 million respectively as compared to the immediate preceding quarter, mainly contributed by the improved logistic businesses and better cargo movements in the shipping segment.

16 Commentary On Prospects

The Board continues its plan to focus on the land logistic businesses by further expanding its operating equipment and warehousing facilities and at the same time, seeking for new investments via outright acquisition to enhance the overall growth of the Group.

For the shipping segment of the Group, the Board is confident that its shipping business remains viable even though the Board anticipated slow moving demand within the industry.

With its operating growth strategies and favourable performance from the past, the Board is optimistic that the financial performance of the Group will continue to be profitable for the current financial year.

17 Profit Forecast

Not applicable.

18 Tax Expense

RM'000	3 months ended	
	30.06.2014	30.06.2013
Income tax	853	612
Deferred tax	59	444
Total tax expense	912	1,056

Income tax is calculated at the statutory tax rate of 25% of the estimated assessable profit for the period.

The overall effective tax rate of the Group is lower than the statutory tax rate, mainly due to the lower tax rate applied on the income derived from the Malaysian resident shipping subsidiaries of the Company.

19 Retained Earnings

RM'000	As at	As at
	30.06.2014	31.03.2014
Realised	64,174	60,283
Unrealised	(6,105)	(6,055)
	58,069	54,228
Consolidation adjustments	(16,499)	(16,253)
Total retained earnings	41,570	37,975

20 Corporate Proposals

The Company had on 28 May 2014 entered into a Sale and Purchase Agreement ("SPA") for the disposal of the entire equity interest in Gems Logistics Sdn Bhd ("GL") consisting of 100,000 ordinary shares of RM1.00 each for a cash consideration of RM1,500,000. GL will be ceased to be a wholly-owned subsidiary of the Company upon completion of the disposal which was expected in the next quarter.

Save as disclosed above, there were no other corporate proposals announced but not completed as at the reporting date.

21 Borrowings (secured)

RM'000	As at	As at
	30.06.2014	31.03.2014
Short term borrowings:		
Hire purchase	3,962	3,080
Term loans	3,424	3,359
	7,386	6,439
Long term borrowings:		
Hire purchase	3,691	2,505
Term loans	6,916	7,807
	10,607	10,312
Total borrowings	17,993	16,751

22 Changes In Material Litigation

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

23 Proposed Dividend

The Board proposed an interim tax-exempt dividend of 3 sen per share in respect of the financial year ending 31 March 2015 and shall be paid on 3 October 2014 to the shareholders registered in the Records of Depositors at the close of business on 15 September 2014.

24 Earnings Per Share ("EPS")

	3 months ended	
	30.06.2014	30.06.2013
Profit attributable to Owners of the Company (RM'000)	3,595	7,256
Weighted average number of ordinary shares in issue ('000)	119,938	119,681
Effect of dilution ('000)	99	-
Adjusted weighted average number of ordinary shares in issue ('000)	120,037	119,681
Basic EPS (sen)	3.0	6.1
Diluted EPS (sen)	3.0	6.1

25 Auditors' Report On Preceding Annual Financial Statements

The auditors' report on the financial statements for the financial year ended 31 March 2014 was unqualified.

26 Profit Before Tax

	3 months ended	
RM'000	30.06.2014	30.06.2013
Profit before tax is arrived at after crediting/(charging):		
Depreciation	(1,847)	(1,984)
Gain on bargain purchase	-	3,672
Interest expense	(222)	(257)
Interest income	51	35
Other income	558	463
Realised gain/(loss) in foreign exchange	36	(110)
Unrealised gain in foreign exchange	-	17

Save as disclosed above, there were no other material gain or loss on disposal of quoted or unquoted investment or real properties, gain or loss on derivatives or exceptional item for current quarter under review.

27 Authorised For Issue

The condensed consolidated interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 26 August 2014.