



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

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 MARCH 2020

29 June 2020

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2020

RM'000	Note	As at 31.03.2020 Unaudited	As at 31.03.2019 Audited
Assets			
Property, plant and equipment		40,216	131,218
Investments in associates		21,638	-
Right-of-use assets		42,023	-
Non-current assets		103,877	131,218
Inventories		-	245
Trade and other receivables		19,014	33,890
Tax recoverable		-	492
Cash and cash equivalents		99,072	25,060
Current assets		118,086	59,687
Non-current assets held for sale		-	1,850
Total assets		221,963	192,755
Equity and liabilities			
Share capital		70,477	68,850
Treasury shares		(131)	(131)
Other reserves		732	1,028
Retained earnings	19	107,351	81,245
Equity attributable to owners of the Company		178,429	150,992
Non-controlling interests		999	791
Total equity		179,428	151,783
Borrowings (secured)	22	11,368	14,090
Lease liabilities		15,820	-
Deferred tax liabilities		2,235	6,113
Non-current liabilities		29,423	20,203
Trade and other payables		8,624	16,623
Lease liabilities		575	-
Borrowings (secured)	22	3,828	4,146
Tax liabilities		85	-
Current liabilities		13,112	20,769
Total liabilities		42,535	40,972
Total equity and liabilities		221,963	192,755
Net assets per share attributable to owners of the Company (RM)			
		1.41	1.22

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

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

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 MARCH 2020**
(These figures have not been audited)

RM'000	Note	Current quarter 3 months ended		Cumulative quarter 12 months ended	
		31.03.2020	31.03.2019	31.03.2020	31.03.2019
Revenue		16,759	28,893	108,169	124,099
Cost of sales		(14,992)	(24,594)	(90,201)	(101,537)
Gross profit		1,767	4,299	17,968	22,562
Other income		49,048	481	50,532	1,652
Marketing and distribution costs		(187)	(182)	(703)	(684)
Administration expenses		(725)	(1,380)	(4,585)	(5,451)
Other expenses		(10,595)	(1,040)	(12,830)	(3,552)
Finance costs		(431)	(172)	(1,441)	(780)
Profit before share of results		38,877	2,006	48,941	13,747
Share of results of associates		238	-	238	-
Profit before tax		39,115	2,006	49,179	13,747
Tax expense	18	72	(747)	(2,939)	(3,076)
Profit for the period		39,187	1,259	46,240	10,671
Other comprehensive income		-	-	-	-
Total comprehensive income		39,187	1,259	46,240	10,671
Profit attributable to:					
Owners of the Company		39,236	1,257	46,312	10,687
Non-controlling interests		(49)	2	(72)	(16)
Profit for the period		39,187	1,259	46,240	10,671
Total comprehensive income attributable to:					
Owners of the Company		39,236	1,257	46,312	10,687
Non-controlling interests		(49)	2	(72)	(16)
		39,187	1,259	46,240	10,671
Earnings per share attributable to owners of the Company:					
Basic (sen)	25	31.1	1.0	36.7	8.6
Diluted (sen)	25	31.0	1.0	36.5	8.5

The above condensed consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.

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

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 MARCH 2020
(These figures have not been audited)

RM'000	Attributable to owners of the Company						Non-controlling interest	Total equity
	Non-Distributable			Distributable				
	Share capital	Treasury shares	Share option reserve	Retained earnings	Total			
At 1 April 2019	68,850	(131)	1,028	81,245	150,992	791	151,783	
Total comprehensive income	-	-	-	46,312	46,312	(72)	46,240	
Issuance of shares	1,627	-	(658)	-	969	-	969	
Dividend	-	-	-	(20,268)	(20,268)	-	(20,268)	
Acquisition of subsidiary	-	-	-	-	-	280	280	
Share option value	-	-	362	62	424	-	424	
At 31 March 2020	70,477	(131)	732	107,351	178,429	999	179,428	
At 1 April 2018	67,464	(131)	578	70,488	138,399	807	139,206	
Total comprehensive income	-	-	-	10,687	10,687	(16)	10,671	
Issuance of shares	1,386	-	(477)	-	909	-	909	
Share option value	-	-	927	70	997	-	997	
At 31 March 2019	68,850	(131)	1,028	81,245	150,992	791	151,783	

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)
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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 MARCH 2020

(These figures have not been audited)

RM'000	12 months ended	
	31.03.2020	31.03.2019
Operating activities		
Profit before tax	49,180	13,747
Adjustments for:		
Non-cash items	16,151	8,335
Non-operating items	(44,805)	(573)
Interest income	(652)	(295)
Interest expense	48	780
Operating profit before working capital changes	19,922	21,994
Changes in working capital:		
Inventories	245	306
Receivables	(92,161)	1,550
Payables	87,754	587
Cash generated from operations	15,760	24,437
Net tax paid	(2,273)	(1,819)
Net cash from operating activities	13,487	22,618
Investing activities		
Interest received	652	295
Net cash outflow from the acquisition of a subsidiary	(219)	-
Net cash inflow from the disposals of subsidiaries	81,759	-
Purchase of property, plant and equipment	(13,213)	(9,825)
Proceeds from disposal of property, plant and equipment	12,587	1,524
Proceeds from issuance of shares	969	909
Net cash from/(used in) investing activities	82,535	(7,097)
Financing activities		
Drawdown of term loan	5,608	5,000
Dividend paid	(20,268)	-
Interest paid	(48)	(780)
Repayment of lease liabilities	(796)	-
Net repayment of borrowings	(6,690)	(4,879)
Advances from/(Repayment to) a director	184	(1,500)
Net cash used in financing activities	(22,010)	(2,159)
Net changes in cash and cash equivalents	74,012	13,362
Cash and cash equivalents at the beginning of financial year	24,895	11,533
Cash and cash equivalents at the end of financial year	98,907	24,895
Analysis of cash and cash equivalents		
Fixed deposits	165	165
Cash and bank balances	98,907	24,895
	99,072	25,060
Fixed deposits pledged to licensed bank	(165)	(165)
	98,907	24,895

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

COMPLETE LOGISTIC SERVICES BERHAD (716241-X)
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PART A: EXPLANATORY NOTES PURSUANT TO MFRS134

1 Basis of preparation

This unaudited interim financial report has been prepared in accordance with MFRS 134 Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 March 2019.

The accounting policies adopted by the Group in this interim financial report are consistent with those adopted in the most recent audited financial statements for the financial year ended 31 March 2019 except for the following new MFRS, Amendments to MFRS and IC Interpretations to be applied by the Group for the financial periods beginning on or after 1 April 2019:

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

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

The Group has not adopted the following pronouncements that have been issued but not yet effective:

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

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

2 Seasonality or cyclicity of operations

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

3 Unusual items due to their nature, size or incidence

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the quarter ended 31 March 2020.

4 Significant estimates and changes in estimates

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

5 Debt and equity securities

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

6 Dividends paid

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

7 Segmental information

The Group's operations comprise the following business segments:

- Logistics : Total logistic services provider including trading of freight, haulage, lorry and trucking, custom clearance and Inland Port operation
Warehousing : Provision of storage of goods and other related handling services
Marine : Provision of marine transportation services
Others : Trading of goods, insurance agency and investment holding

RM'000	Logistics	Ware- housing	Marine	Others	Total	Elimination	Group
Results for 3 months ended							
31 March 2020							
External revenue	13,150	863	2,466	280	16,759	-	16,759
Intersegment revenue	633	-	141	29,682	30,456	(30,456)	-
Total revenue	13,783	863	2,607	29,962	47,215	(30,456)	16,759
Segment profit/(loss)	1,914	743	(4,101)	73,411	71,967	(31,624)	40,343
Depreciation	(732)	(124)	(82)	(82)	(1,020)	(112)	(1,132)
Interest income	8	-	-	327	335	-	335
Finance costs	(25)	(95)	-	(311)	(431)	-	(431)
Profit/(Loss) before tax	1,165	524	(4,183)	73,345	70,851	(31,736)	39,115
Tax income/(expense)	65	(75)	(92)	17	(85)	157	72
Profit/(Loss) after tax	1,230	449	(4,275)	73,362	70,766	(31,579)	39,187
31 March 2019							
External revenue	23,122	2,206	2,934	631	28,893	-	28,893
Intersegment revenue	1,937	-	-	555	2,492	(2,492)	-
Total revenue	25,059	2,206	2,934	1,186	31,385	(2,492)	28,893
Segment profit/(loss)	2,777	1,857	(865)	(221)	3,548	390	3,938
Depreciation	(1,251)	(262)	(85)	(120)	(1,718)	(124)	(1,842)
Interest income	11	-	-	71	82	-	82
Finance costs	(37)	(40)	-	(95)	(172)	-	(172)
Profit/(Loss) before tax	1,500	1,555	(950)	(365)	1,740	266	2,006
Tax (expense)/income	(333)	(462)	-	12	(783)	36	(747)
Profit/(Loss) after tax	1,167	1,093	(950)	(353)	957	302	1,259

7 Segmental Information (continued)

RM'000	Logistics	Ware- housing	Marine	Others	Total	Elimination	Group
Results For 12 Months Ended							
31 March 2020							
External revenue	86,420	7,317	11,219	3,213	108,169	-	108,169
Intersegment revenue	5,095	-	1,162	34,944	41,201	(41,201)	-
Total revenue	91,515	7,317	12,381	38,157	149,370	(41,201)	108,169
Segment profit/(loss)	11,848	5,966	(3,162)	78,333	92,985	(36,530)	56,455
Depreciation	(4,291)	(986)	(335)	(405)	(6,017)	(470)	(6,487)
Interest income	119	-	1	532	652	-	652
Finance costs	(148)	(588)	-	(705)	(1,441)	-	(1,441)
Profit/(Loss) before tax	7,528	4,392	(3,496)	77,755	86,179	(37,000)	49,179
Tax expense	(1,768)	(1,126)	(92)	(136)	(3,122)	183	(2,939)
Profit/(Loss) after tax	5,760	3,266	(3,588)	77,619	83,057	(36,817)	46,240
31 March 2019							
External revenue	98,599	8,241	14,598	2,661	124,099	-	124,099
Intersegment revenue	6,758	-	2,243	25,979	34,980	(34,980)	-
Total revenue	105,357	8,241	16,841	28,640	159,079	(34,980)	124,099
Segment profit	14,240	6,423	1,796	23,022	45,481	(23,859)	21,622
Depreciation	(5,085)	(977)	(347)	(485)	(6,894)	(496)	(7,390)
Interest income	43	-	-	252	295	-	295
Finance costs	(174)	(180)	-	(426)	(780)	-	(780)
Profit before tax	9,024	5,266	1,449	22,363	38,102	(24,355)	13,747
Tax expense	(1,797)	(1,165)	-	(168)	(3,130)	54	(3,076)
Profit after tax	7,227	4,101	1,449	22,195	34,972	(24,301)	10,671

8 Related party disclosures

Significant recurrent related party transactions are as follows:

RM'000	3 months ended		12 months ended	
	31.03.2020	31.03.2019	31.03.2020	31.03.2019
Companies in which certain Directors have interests:				
Revenue from services rendered	1,177	1,953	7,206	6,917
Forwarding service charges payable	117	379	1,334	1,310
Fuel payable	588	1,041	3,459	4,692
Spare parts payable	37	189	210	1,130
Rental income receivable	6	6	24	24
Warehouse expense payable	-	86	29	148

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

9 Valuation of property, plant and equipment

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

10 Capital commitments

As at the end of the reporting quarter, the Group has approved and contracted for capital commitments of RM7.4 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

The Company had on 16 December 2019 entered into a Sale and Purchase Agreement ("SPA") for the acquisition of 50% equity interest in Channel Legion Sdn Bhd ("Channel") consisting of 250,000 ordinary shares for a total consideration of RM280,000. Following the completion of the acquisition on 10 January 2020, Channel became a subsidiary of the Company by virtue of the Company's controlling power over the Board of Directors ("Board") of Channel where a majority of the Board are dominated by the Company.

The Company had on 13 August 2019 entered into a conditional share purchase agreement ("SPA") with SH Cogent Logistics Pte. Ltd ("Purchaser") for the disposal of 80% of its equity interests in Dolphin Shipping Agency Sdn Bhd, Guper Integrated Logistics Sdn Bhd and Gems Logistics Sdn Bhd (collectively referred to as the "Subject Companies") for a total cash consideration of RM85,600,000 ("Disposal 1"). Following the completion of the disposal on 14 February 2020, the Subject Companies became associates of the Company.

The Company had on 30 March 2020 entered into a transaction for the disposal of the entire equity interest in Bagai Pertama Sdn Bhd ("BP"), Complete Container Services Sdn Bhd ("CCS") and Complete Shipping Sdn Bhd ("CS") for a total cash consideration of RM3,000. Following the completion of the disposal on the same day, BP, CCS and CS have ceased to be wholly-owned subsidiaries of the Company.

Save as disclosed above, there were no other changes in the composition of the Group during the current quarter.

13 Events after the reporting period

On 27 April 2020, the Board has declared and approved the payment of an interim single-tier dividend of 16 sen per ordinary share in respect of the financial year ending 31 March 2021. The interim dividend had been paid on 12 June 2020 to shareholders registered in the Record of Depositors on 14 May 2020.

On 12 May 2020, the Company had increased its paid-up share capital from RM70,477,440 to RM70,835,097 through the issuance of 90,000 new ordinary shares at RM0.55, 149,000 new ordinary shares at RM0.62 and 119,000 new ordinary shares at RM0.68 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.

COMPLETE LOGISTIC SERVICES BERHAD (716241-X)
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**PART B: EXPLANATORY NOTES PURSUANT TO MAIN MARKET
LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

14 Analysis of performance - Comparison with preceding year corresponding quarter

RM'000	3 months ended			12 months ended		
	31.03.2020	31.03.2019	Changes	31.03.2020	31.03.2019	Changes
Revenue	16,759	28,893	(12,134)	108,169	124,099	(15,930)
Profit before tax	39,115	2,006	37,109	49,179	13,747	35,432

Following the completion of the disposals of the subsidiaries during the period (Refer to Note 12 - Disposal 1), the Group recorded a decrease in revenue for the current quarter and for the current financial year as compared to the preceding year corresponding quarter ("corresponding quarter") and the preceding year. In spite of that, the Group reported a higher pre-tax profit from the gain on disposals of subsidiaries.

(a) Logistics

RM'000	3 months ended			12 months ended		
	31.03.2020	31.03.2019	Changes	31.03.2020	31.03.2019	Changes
External revenue	13,150	23,122	(9,972)	86,420	98,599	(12,179)
Profit before tax	1,165	1,500	(335)	7,528	9,024	(1,496)

Revenue and pre-tax profit for the current quarter and for the current financial year have decreased as compared to the corresponding quarter and the preceding year mainly due to the effects from the disposals of subsidiaries (Disposal 1).

(b) Warehousing

RM'000	3 months ended			12 months ended		
	31.03.2020	31.03.2019	Changes	31.03.2020	31.03.2019	Changes
External revenue	863	2,206	(1,343)	7,317	8,241	(924)
Profit before tax	524	1,555	(1,031)	4,392	5,266	(874)

As compared to the corresponding quarter and the last financial year, the decline in revenue and pre-tax profit of the warehousing segment were mainly due to the effects from the disposals of subsidiaries (Disposal 1) for the current quarter and for the current financial year.

(c) Marine

RM'000	3 months ended			12 months ended		
	31.03.2020	31.03.2019	Changes	31.03.2020	31.03.2019	Changes
External revenue	2,466	2,934	(468)	11,219	14,598	(3,379)
(Loss)/Profit before tax	(4,275)	(950)	(3,325)	(3,496)	1,449	(4,945)

For the current quarter and the current financial year, revenue and pre-tax profit of the marine segment experienced a decrease in performance which was mainly caused by lower cargo volume and the impairment losses on vessels as compared to the corresponding quarter and the preceding year.

15 Comparison with immediate preceding quarter

RM'000	3 months ended		Changes
	31.03.2020	31.12.2019	
Revenue	16,759	31,866	(15,107)
Profit before tax	39,115	4,567	34,548

As compared to the immediate preceding quarter, revenue in the current quarter fell by RM15.11 million and pre-tax profit in the current quarter rose by RM32.37 million consequent to the disposals of subsidiaries (Disposal 1) during the period.

16 Commentary on prospects

In view of the uncertainties on the impact of COVID-19, the Board expects the overall market and business to be volatile in the next financial year. The financial performance of the Group is expected to be challenging, the Board will take appropriate measures to mitigate the adverse impacts and continue to focus on developing the vacant lands of the Group while exploring new business opportunities that will enhance the growth of the Group.

17 Profit forecast

Not applicable.

18 Tax expense

RM'000	3 months ended		12 months ended	
	31.03.2020	31.03.2019	31.03.2020	31.03.2019
Income tax	363	260	3,400	2,607
Deferred tax	(435)	487	(461)	469
Total tax expense	(72)	747	2,939	3,076

Income tax is calculated at the statutory tax rate of 24% of the estimated assessable profit for the period.

The overall effective tax rate of the Group is lower than the statutory tax rate mainly due to non-taxable gain arising from the disposal of investments in subsidiaries.

19 Retained earnings

RM'000	As at	As at
	31.03.2020	31.03.2019
Realised	149,670	126,226
Unrealised	(2,243)	(5,943)
	147,427	120,283
Consolidation adjustments	(40,076)	(39,038)
Total retained earnings	107,351	81,245

20 Corporate proposals

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

21 Utilisation of proceeds

The total gross proceeds of RM85.6 million arising from the disposals of subsidiaries (Disposal 1) are proposed to be utilised as follows:

RM'000	Intended utilisation	Actual utilisation as at 31.03.2020	Deviation	Balance	Estimated timeframe
Future investment	40,000	-	-	40,000	Within 24 months
Dividend to shareholders	20,320	-	-	20,320	Within 3 months
Working capital	20,280	-	-	20,280	Within 24 months
Estimated expenses	5,000	3,220	-	1,780	Upon completion *
	85,600	3,220	-	82,380	

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

22 Borrowings (secured)

RM'000	As at 31.03.2020	As at 31.03.2019
Term loans	3,828	4,146
Short term borrowings	3,828	4,146
Term loans	11,368	14,090
Long term borrowings	11,368	14,090
Total borrowings	15,196	18,236

All borrowings are denominated in Ringgit Malaysia. Overall, the total borrowings of the Group decreased by RM3.04 million due to the repayments of term loans during the period.

As at the end of the reporting quarter, all borrowings are at floating rate. Weighted average interest rate for floating rate borrowings is 4.19% per annum.

23 Changes in material litigation

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

24 Proposed dividend

No dividend has been proposed during the current quarter.

25 Earnings per share ("EPS")

	3 months ended		12 months ended	
	31.03.2020	31.03.2019	31.03.2020	31.03.2019
Profit attributable to owners of the Company (RM'000)	39,236	1,257	46,312	10,687
Weighted average number of ordinary shares in issue ('000)	126,214	123,632	126,214	123,632
Effect of dilution ('000)	515	1,513	515	1,513
Adjusted weighted average number of ordinary shares in issue ('000)	126,729	125,145	126,729	125,145
Basic EPS (sen)	31.1	1.0	36.7	8.6
Diluted EPS (sen)	31.0	1.0	36.5	8.5

26 Financial instruments

The Group has not entered into any derivatives and accounted for any financial liabilities carried at fair value as at the reporting date.

27 Auditors' report on preceding annual financial statements

The auditors' report on the financial statements for the financial year ended 31 March 2019 was unqualified.

28 Profit before tax

RM'000	3 months ended		12 months ended	
	31.03.2020	31.03.2019	31.03.2020	31.03.2019
Profit before tax is arrived at after crediting/(charging):				
Interest income	335	82	652	295
Other income including investment income	970	399	1,457	1,357
Interest expense	(431)	(172)	(1,441)	(780)
Depreciation	(1,132)	(1,842)	(6,487)	(7,390)
Provision for and write off of receivables	(773)	(141)	(818)	(141)
Gain on disposal of property, plant and equipment	2,123	-	2,803	-
Impairment of property, plant and equipment	(8,672)	-	(8,672)	-
Gain on disposals of subsidiaries	45,620	-	45,620	-
Realised gain in foreign exchange	11	1	23	39
Unrealised gain/(loss) in foreign exchange	13	21	(8)	170

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