



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

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2021

22 February 2022

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2021

RM'000	Note	As at 31.12.2021 Unaudited	As at 31.03.2021 Audited
Assets			
Property, plant and equipment		34,811	56,455
Right-of-use assets		27,581	41,087
Investments in associates		24,175	23,398
Other investment		29,340	29,160
Non-current assets		115,907	150,100
Trade and other receivables		50,962	12,220
Tax recoverable		490	151
Cash and cash equivalents		30,579	49,852
Current assets		82,031	62,223
Total assets		197,938	212,323
Equity and liabilities			
Share capital		72,398	72,398
Treasury shares		-	(131)
Other reserves		(26)	(173)
Retained earnings	19	97,850	90,955
Equity attributable to owners of the Company		170,222	163,049
Non-controlling interests		(196)	15
Total equity		170,026	163,064
Borrowings	22	-	12,179
Lease liabilities		15,675	15,597
Deferred tax liabilities		1,541	1,879
Non-current liabilities		17,216	29,655
Trade and other payables		7,797	14,222
Borrowings	22	2,626	4,832
Lease liabilities		273	550
Current liabilities		10,696	19,604
Total liabilities		27,912	49,259
Total equity and liabilities		197,938	212,323
Net assets per share attributable to owners of the Company (RM)		1.32	1.28

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

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

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2021**

(These figures have not been audited)

RM'000	Note	Current quarter 3 months ended		Cumulative quarter 9 months ended	
		31.12.2021	31.12.2020	31.12.2021	31.12.2020
Revenue		42,582	11,352	80,609	32,501
Cost of sales		(39,849)	(9,427)	(74,719)	(28,518)
Gross profit		2,733	1,925	5,890	3,983
Other income		11,168	383	12,446	2,469
Marketing and distribution costs		(32)	(166)	(976)	(503)
Administration and other expenses		(2,684)	(849)	(5,180)	(2,801)
Finance costs		(283)	(188)	(949)	(878)
Profit before share of results		10,902	1,105	11,231	2,270
Share of results of associates		100	318	776	1,463
Profit before tax		11,002	1,423	12,007	3,733
Tax expense	18	68	(171)	(422)	(893)
Profit for the period		11,070	1,252	11,585	2,840
Other comprehensive income		90	-	180	-
Total comprehensive income		11,160	1,252	11,765	2,840
Profit attributable to:					
Owners of the Company		11,301	1,258	11,816	3,089
Non-controlling interests		(231)	(6)	(231)	(249)
Profit for the period		11,070	1,252	11,585	2,840
Total comprehensive income attributable to:					
Owners of the Company		11,391	1,258	11,996	3,089
Non-controlling interests		(231)	(6)	(231)	(249)
Total comprehensive income		11,160	1,252	11,765	2,840
Earnings per share attributable to owners of the Company:					
Basic (sen)	25	8.8	1.0	9.2	2.4
Diluted (sen)	25	8.8	1.0	9.2	2.4

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

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

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2021
(These figures have not been audited)

RM'000	Attributable to owners of the Company						Non-controlling interests	Total equity
	Non-Distributable			Distributable				
	Share capital	Fair value reserve	Share option reserve	Treasury shares	Retained earnings	Total		
At 1 April 2021	72,398	(228)	55	(131)	90,955	163,049	15	163,064
Profit after tax	-	-	-	-	11,816	11,816	(231)	11,585
Fair value changes of equity investment	-	180	-	-	-	180	-	180
Total comprehensive income	-	180	-	-	11,816	11,996	(231)	11,765
Forfeit of Share Issuance Scheme option	-	-	(33)	-	33	-	-	-
Disposal of a subsidiary	-	-	-	-	-	-	(39)	(39)
Disposal of equity in a subsidiary	-	-	-	-	70	70	35	105
Disposal of treasury share	-	-	-	131	-	131	-	131
Changes in a subsidiary's ownership interests that do not result in a loss of control	-	-	-	-	(5,024)	(5,024)	24	(5,000)
At 31 December 2021	72,398	(48)	22	-	97,850	170,222	(196)	170,026
At 1 April 2020	70,477	-	732	(131)	107,351	178,429	1,000	179,429
Profit after tax/Total comprehensive income	-	-	-	-	3,089	3,089	(249)	2,840
Issuance of shares	358	-	(135)	-	-	223	-	223
Dividend	-	-	-	-	(20,326)	(20,326)	-	(20,326)
Share option expenses	-	-	89	-	-	89	-	89
At 31 December 2020	70,835	-	686	(131)	90,114	161,504	751	162,255

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

COMPLETE LOGISTIC SERVICES BERHAD (716241-X)
(Incorporated in Malaysia)
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2021
(These figures have not been audited)

RM'000	9 months ended	
	31.12.2021	31.12.2020
Operating activities		
Profit before tax	12,007	3,733
Adjustments for:		
Non-cash items	(8,539)	891
Non-operating items	(776)	(442)
Interest income	(311)	(1,761)
Interest expense	949	878
Operating profit before working capital changes	3,330	3,299
Changes in working capital:		
Receivables	(33,926)	5,037
Payables	(10,075)	3,770
Cash (used in)/generated from operations	(40,671)	12,106
Net tax paid	(1,201)	(929)
Net cash (used in)/from operating activities	(41,872)	11,177
Investing activities		
Additional investment in an existing subsidiary	(5,000)	-
Interest received	311	1,761
Net cash inflows from the disposal of subsidiaries	20,251	-
Net cash inflows from the acquisition of a subsidiary	597	-
Purchase of property, plant and equipment	(2,871)	(19,151)
Purchase of right-of-use asset	(8,160)	-
Proceeds from disposal of equity in a subsidiary	105	-
Proceeds from disposal of property, plant and equipment	1,856	2,382
Proceeds from disposal of treasury share	131	-
Proceeds from issuance of shares	-	223
Net cash from/(used in) investing activities	7,220	(14,785)
Financing activities		
Drawdown of term loan	-	6,000
Dividend paid	-	(20,326)
Interest paid	(949)	(878)
Repayment from former subsidiaries	19,455	-
Repayment of lease liabilities	(198)	(145)
Repayment of borrowings	(2,805)	(2,872)
(Repayment to)/Advance from director	(124)	2,221
Net cash from/(used in) financing activities	15,379	(16,000)
Net changes in cash and cash equivalents	(19,273)	(19,608)
Cash and cash equivalents at the beginning of financial year	49,687	98,907
Cash and cash equivalents at the end of financial year	30,414	79,299
Analysis of cash and cash equivalents		
Fixed deposits	165	165
Cash and bank balances	30,414	79,299
	30,579	79,464
Fixed deposits pledged to licensed bank	(165)	(165)
	30,414	79,299

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

COMPLETE LOGISTIC SERVICES BERHAD (716241-X)
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PART A: EXPLANATORY NOTES PURSUANT TO 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 2021.

The significant accounting policies adopted by the Group in this interim financial statements are consistent with those adopted in the financial statements as disclosed in the audited financial statements for the year ended 31 March 2021.

During the current financial year, the Group has adopted the following new accounting standard(s) and/or interpretation(s) (including the consequential amendments, if any):-

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

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

Amendments to MFRS 16: Covid-19 - Related Rent Concessions beyond 30 June 2021

The adoption of the above accounting standard(s) and/or interpretation(s) (including the consequential amendments, if any) did not have any material impact on the Group's financial statements.

The Group has not applied in advance the following accounting standard(s) and/or interpretation(s) (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board ("MASB") but are not yet effective for the current financial quarter:

MFRS 17 Insurance Contracts

Amendments to MFRS 3 - Reference to the Conceptual Framework

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

Amendments to MFRS 17 Insurance Contracts

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

Amendments to MFRS 101: Disclosure of Accounting Policies

Amendments to MFRS 108: Definition of Accounting Estimates

Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction

Amendments to MFRS 116: Property, Plant and Equipment – Proceeds before Intended Use

Amendments to MFRS 137: Onerous Contracts – Cost of Fulfilling a Contract

Annual Improvements to MFRS Standards 2018 – 2020

The Group did not early adopt the above accounting standard(s) and/or interpretation(s) (including the consequential amendments, if any) as they are not expected to have material impact on the financial statements of the Group upon their initial applications.

2 Seasonality or cyclicity of operations

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

3 Unusual items due to their nature, size or incidence

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the quarter ended 31 December 2021.

4 Significant estimates and changes in estimates

There were no changes in estimates that had any material effects during the quarter ended 31 December 2021.

5 Debt and equity securities

There were no issuances, repurchases or repayments of debt and equity securities during the quarter ended 31 December 2021.

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 lorry transportation services (tanker, bulk cargo, side curtain), project logistics and door to door delivery services
- Warehousing : Provision of warehouse for renting
- Trading : Trading of building materials
- Others : Trading of goods, insurance agency, investment holding and marine

RM'000	Logistics	Ware- housing	Trading	*Others	Total	Elimination	Group
Results For 3 Months Ended							
31 December 2021							
External revenue	2,377	1,705	38,461	39	42,582	-	42,582
Intersegment revenue	-	-	-	438	438	(438)	-
Total revenue	2,377	1,705	38,461	477	43,020	(438)	42,582
Segment (loss)/profit	(577)	1,417	617	11,314	12,771	(894)	11,877
Depreciation	(427)	(428)	(116)	342	(629)	-	(629)
Interest income	-	-	-	37	37	-	37
Finance costs	(5)	(279)	-	-	(284)	-	(284)
(Loss)/Profit before tax	(1,009)	710	501	11,693	11,895	(894)	11,001
Tax expense	500	(208)	(181)	(42)	69	-	69
(Loss)/Profit after tax	(509)	502	320	11,651	11,964	(894)	11,070
Results For 3 Months Ended							
31 December 2020							
External revenue	7,371	555	-	3,426	11,352	-	11,352
Intersegment revenue	257	-	-	605	862	(862)	-
Total revenue	7,628	555	-	4,031	12,214	(862)	11,352
Segment profit	766	522	-	643	1,931	(182)	1,749
Depreciation	(425)	(78)	-	3	(500)	-	(500)
Interest income	4	-	-	358	362	-	362
Finance costs	(11)	(42)	-	(135)	(188)	-	(188)
Profit before tax	334	402	-	869	1,605	(182)	1,423
Tax expense	(52)	(96)	-	(23)	(171)	-	(171)
Profit after tax	282	306	-	846	1,434	(182)	1,252

* Marine segment had been re-categorised into Others segment due to discontinuation of operation in 1st quarter FY2022.

7 Segmental information (continued)

RM'000	Logistics	Ware- housing	Trading	*Others	Total	Elimination	Group
Results For 9 Months Ended							
31 December 2021							
External revenue	13,598	4,922	60,652	1,437	80,609	-	80,609
Intersegment revenue	-	-	-	480	480	(480)	-
Total revenue	13,598	4,922	60,652	1,917	81,089	(480)	80,609
Segment (loss)/profit	(1,568)	4,110	1,415	11,618	15,575	-	15,575
Depreciation	(1,382)	(1,236)	(232)	(80)	(2,930)	-	(2,930)
Interest income	4	-	1	306	311	-	311
Finance costs	(18)	(932)	-	-	(950)	-	(950)
(Loss)/Profit before tax	(2,964)	1,942	1,184	11,844	12,006	-	12,006
Tax expense	500	(689)	(189)	(43)	(421)	-	(421)
(Loss)/Profit after tax	(2,464)	1,253	995	11,801	11,585	-	11,585
Results For 9 Months Ended							
31 December 2020							
External revenue	21,359	1,696	-	9,446	32,501	-	32,501
Intersegment revenue	683	-	-	2,247	2,930	(2,930)	-
Total revenue	22,042	1,696	-	11,693	35,431	(2,930)	32,501
Segment profit/(loss)	1,388	1,609	-	2,154	5,151	(637)	4,514
Depreciation	(1,389)	(235)	-	(40)	(1,664)	-	(1,664)
Interest income	49	-	-	1,712	1,761	-	1,761
Finance costs	(42)	(139)	-	(697)	(878)	-	(878)
(Loss)/Profit before tax	6	1,235	-	3,129	4,370	(637)	3,733
Tax income/(expense)	(192)	(296)	-	(405)	(893)	-	(893)
(Loss)/Profit after tax	(186)	939	-	2,724	3,477	(637)	2,840

* Marine segment had been re-categorised into Others segment due to discontinuation of operation in 1st quarter FY2022.

8 Related party disclosures

Significant recurrent related party transactions are as follows:

RM'000	3 months ended		9 months ended	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Companies in which certain Directors have interests:				
Revenue from services rendered	229	344	262	800
Forwarding service charges payable	-	87	1	261
Spare parts payable	16	4	52	42
Rental income receivable	-	-	-	8

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

There were no material capital commitments as at the date of this report.

11 Contingent assets and liabilities

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

12 Changes in composition

On 27 August 2021, the Company entered into a sale and purchase agreement for the disposal of 35% equity interest in CIBC Technology Sdn Bhd ("CTSB", formerly known as Sierra Jaya Sdn Bhd) for a cash consideration of RM105,000. The disposal was planned to bring in new business partners for business expansion purpose. Following the completion of the disposal on 25 October 2021, CTSB became a 65% owned subsidiary of the Company.

On 06 October 2021, the Company had incorporated a new wholly-owned subsidiary, Hextar Vision Sdn Bhd, with an issued share capital of RM1.00.

The Company had on 7 May 2021 entered into 2 conditional sale and purchase agreements for the proposed disposals of the entire equity interest in Guper Resources Sdn Bhd ("GR") and Ultra Trinity Sdn Bhd ("UT") for a cash consideration of RM16,946,000 and RM5,506,000 respectively. The proposed disposals had been approved by shareholders at the extraordinary general meeting of the Company convened on 09 September 2021. Following the completion of the disposals on 30 November 2021, GR and UT ceased to be 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

There were no material events subsequent to the end of the current quarter.

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

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

14 Analysis of performance - Comparison with preceding year corresponding quarter

RM'000	3 months ended			9 months ended		
	31.12.2021	31.12.2020	Variance	31.12.2021	31.12.2020	Variance
Revenue	42,582	11,352	31,230	80,609	32,501	48,108
Profit before tax	11,002	1,423	9,579	12,007	3,733	8,274

The revenue of the Group increased by RM31.2 million and RM48.1 million for the quarter under review and 9 months cumulative period as compared to the corresponding periods respectively. The increase in revenue was mainly contributed by the trading segment. The Group also reported higher pre-tax profit in the current quarter and cumulative period due to a one-off gain on disposal of subsidiaries of RM1.2 million which was completed in the quarter under review.

(a) Logistics

RM'000	3 months ended			9 months ended		
	31.12.2021	31.12.2020	Variance	31.12.2021	31.12.2020	Variance
External revenue	2,377	7,371	(4,994)	13,598	21,359	(7,761)
(Loss)/Profit before tax	(1,009)	334	(1,343)	(2,964)	6	(2,970)

The decrease in revenue and pre-tax profit for the current quarter and cumulative period were mainly due to lower business volume resulting from slow business recovery following the reopening of the economy.

(b) Warehousing

RM'000	3 months ended			9 months ended		
	31.12.2021	31.12.2020	Variance	31.12.2021	31.12.2020	Variance
External revenue	1,705	555	1,150	4,922	1,696	3,226
Profit before tax	710	402	308	1,942	1,235	707

Revenue and pre-tax profit of the warehousing segment for the current quarter and the cumulative period, had increased as compared to the corresponding periods mainly attributable to the rental income derived from newly completed warehouses.

(c) Trading

RM'000	3 months ended			9 months ended		
	31.12.2021	31.12.2020	Variance	31.12.2021	31.12.2020	Variance
External revenue	38,461	-	38,461	60,652	-	60,652
(Loss)/Profit before tax	501	-	501	1,184	-	1,184

The Group had expanded the existing trading business into the building materials sector through its existing subsidiaries and a newly acquired subsidiary. This business segment has contributed positively to the Group's revenue and pre-tax profit.

15 Comparison with immediate preceding quarter

RM'000	3 months ended		Variance
	31.12.2021	30.09.2021	
Revenue	42,582	26,978	15,604
Profit before tax	11,002	458	10,544

The Group posted a higher revenue of RM42.6 million against the immediate preceding quarter's revenue of RM27.0 million due to higher revenue generated from its trading business. The pre-tax profit surged up to RM11.0 million mainly caused by the one-off gain on disposal of subsidiaries of RM11.2 million which was completed in the current quarter.

16 Commentary on prospects

While the market is expecting a recovery in local economic activities, the fast spreading Omicron coronavirus variant may pose a threat and cause uncertainty on economic recovery and growth. Such possible constraints may affect the business performance of the Group particularly the logistic business segment. Save as above, the management foresees that there will not be much fluctuation in terms of business performance and operating profitability contributed by other business segments.

17 Profit forecast

Not applicable.

18 Tax expense

RM'000	3 months ended		9 months ended	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Income tax	422	171	760	893
Deferred tax	(490)	-	(338)	-
Total tax expense	(68)	171	422	893

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 gains on the disposal of subsidiaries.

19 Retained earnings

RM'000	As at	As at	Ag
	31.12.2021	31.03.2021	
Realised	144,062	132,869	
Unrealised	(1,537)	(1,882)	
	142,525	130,987	
Consolidation adjustments	(44,675)	(40,032)	
Total retained earnings	97,850	90,955	

20 Corporate proposals

Complete Logistic Specialists Sdn. Bhd., a wholly-owned subsidiary of the Company, had on 17 December 2021 entered into Sale and Purchase Agreements with SJA Freight Services Sdn. Bhd. ("the Purchaser") for the sale of two units of three storey shophouses for a total cash consideration of RM1.2 million ("Proposed Disposal"). A former major shareholder and director of the Company is deemed to be interested in the Proposed Disposal. The Proposed Disposal is expected to be completed in March 2022.

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

21 Utilisation of proceeds

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

RM'000	Intended utilisation	Actual utilisation as at 31.12.2021	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	22,060	22,060	-	-	Within 24 months
Estimated expenses	3,220	3,220	-	-	Upon completion *
	85,600	85,600	-	-	

* The balance of estimated expenses of RM1.78 million had been re-allocated for the Group's working capital purposes.

22 Borrowings

RM'000	As at 31.12.2021	As at 31.03.2021
<u>Secured</u>		
Term loans	233	4,832
<u>Unsecured</u>		
Bills payable	2,393	-
Short term borrowings	2,626	4,832
<u>Secured</u>		
Term loans	-	12,179
Long term borrowings	-	12,179
Total borrowings	2,626	17,011

All borrowings are denominated in Ringgit Malaysia.

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.

25 Earnings per share ("EPS")

	3 months ended		9 months ended	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Profit attributable to Owners of the Company (RM'000)	11,301	1,258	11,816	3,089
Weighted average number of ordinary shares in issue ('000)	128,649	126,995	128,649	126,995
Effect of dilution ('000)	37	42	37	42
Adjusted weighted average number of ordinary shares in issue ('000)	128,686	127,037	128,686	127,037
Basic EPS (sen)	8.8	1.0	9.2	2.4
Diluted EPS (sen)	8.8	1.0	9.2	2.4

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 2021 was unqualified.

28 Profit before tax

RM'000	3 months ended		9 months ended	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Profit before tax is arrived at after crediting/(charging):				
Interest income	38	362	311	1,761
Other income including investment income	55	21	93	708
Interest expense	(283)	(188)	(949)	(878)
Depreciation	(1,016)	(500)	(2,930)	(1,664)
Gain on disposal of property, plant and equipment	(118)	-	807	-
Impairment loss on trade receivables	(582)	-	(582)	-
Reversal of impairment loss on trade receivables	-	-	15	-
Gain on disposal of subsidiaries	11,178	-	11,220	-
Realised loss in foreign exchange	-	(9)	(16)	(7)
Unrealised gain/(loss) in foreign exchange	3	(3)	4	(9)

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