



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

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FIRST QUARTER ENDED 30 JUNE 2021

23 September 2021

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
FOR THE FIRST QUARTER ENDED 30 JUNE 2021

RM'000	Note	As at 30.06.2021 Unaudited	As at 31.03.2021 Audited
Assets			
Property, plant and equipment		57,511	56,455
Right-of-use assets		40,853	41,087
Investments in associates		23,731	23,398
Other investment		28,620	29,160
Non-current assets		150,715	150,100
Trade and other receivables		14,364	12,220
Tax recoverable		97	151
Cash and cash equivalents		33,995	49,852
Current assets		48,456	62,223
Total assets		199,171	212,323
Equity and liabilities			
Share capital		72,398	72,398
Treasury shares		(131)	(131)
Other reserves		(746)	(173)
Retained earnings	19	86,188	90,955
Equity attributable to owners of the Company		157,709	163,049
Non-controlling interests		-	15
Total equity		157,709	163,064
Borrowings	22	12,679	12,179
Lease liabilities		15,552	15,597
Deferred tax liabilities		1,619	1,879
Non-current liabilities		29,850	29,655
Trade and other payables		7,683	14,222
Borrowings	22	3,396	4,832
Lease liabilities		533	550
Current liabilities		11,612	19,604
Total liabilities		41,462	49,259
Total equity and liabilities		199,171	212,323
Net assets per share attributable to owners of the Company (RM)		1.23	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)
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**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
FOR THE FIRST QUARTER ENDED 30 JUNE 2021**

(These figures have not been audited)

RM'000	Note	Current quarter 3 months ended 30.06.2021	30.06.2020	Cumulative quarter 3 months ended 30.06.2021	30.06.2020
Revenue		11,049	8,486	11,049	8,486
Cost of sales		(9,519)	(7,592)	(9,519)	(7,592)
Gross profit		1,530	894	1,530	894
Other income		1,129	1,081	1,129	1,081
Marketing and distribution costs		(861)	(165)	(861)	(165)
Administration and other expenses		(1,241)	(974)	(1,241)	(974)
Finance costs		(342)	(356)	(342)	(356)
Profit before share of results		215	480	215	480
Share of results of associates		332	310	332	310
Profit before tax		547	790	547	790
Tax expense	18	(323)	(323)	(323)	(323)
Profit for the period		224	467	224	467
Other comprehensive income		(540)	-	(540)	-
Total comprehensive income		(316)	467	(316)	467
Profit attributable to:					
Owners of the Company		224	518	224	518
Non-controlling interests		-	(51)	-	(51)
Profit for the period		224	467	224	467
Total comprehensive income attributable to:					
Owners of the Company		(316)	518	(316)	518
Non-controlling interests		-	(51)	-	(51)
		(316)	467	(316)	467
Earnings per share attributable to owners of the Company:					
Basic (sen)	25	0.2	0.4	0.2	0.4
Diluted (sen)	25	0.2	0.4	0.2	0.4

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)
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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FIRST QUARTER ENDED 30 JUNE 2021
(These figures have not been audited)

	Attributable to owners of the Company						Non-controlling interests	Total equity
	Non-Distributable			Distributable				
RM'000	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	-	-	-	-	224	224	-	224
Fair value changes of equity investment	-	(540)	-	-	-	(540)	-	(540)
Total comprehensive income	-	(540)	-	-	224	(316)	-	(316)
Exercise of Share Issuance Scheme option	-	-	(33)	-	33	-	-	-
Disposal of a subsidiary	-	-	-	-	-	-	(39)	(39)
Changes in a subsidiary's ownership interests that do not result in a loss of control	-	-	-	-	(5,024)	(5,024)	24	(5,000)
At 30 June 2021	72,398	(768)	22	(131)	86,188	157,709	-	157,709
At 1 April 2020	70,477	-	732	(131)	107,351	178,429	1,000	179,429
Profit after tax/Total comprehensive income	-	-	-	-	518	518	(51)	467
Issuance of shares	358	-	(135)	-	-	223	-	223
Dividend	-	-	-	-	(20,326)	(20,326)	-	(20,326)
Share option expenses	-	-	30	-	-	30	-	30
At 30 June 2020	70,835	-	627	(131)	87,543	158,874	949	159,823

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 2021
(These figures have not been audited)

RM'000	3 months ended	
	30.06.2021	30.06.2020
Operating activities		
Profit before tax	547	790
Adjustments for:		
Non-cash items	966	829
Non-operating items	(332)	(310)
Interest income	(172)	(777)
Interest expense	342	356
Operating profit before working capital changes	1,351	888
Changes in working capital:		
Receivables	674	7
Payables	(6,066)	(475)
Cash (used in)/generated from operations	(4,041)	420
Net tax paid	(530)	(176)
Net cash (used in)/from operating activities	(4,571)	244
Investing activities		
Additional investment in an existing subsidiary	(5,000)	-
Interest received	172	777
Net cash inflows from the disposal of subsidiaries	136	-
Purchase of property, plant and equipment	(5,130)	(1,919)
Proceeds from issuance of shares	-	223
Net cash used in investing activities	(9,822)	(919)
Financing activities		
Dividend paid	-	(20,326)
Interest paid	(342)	(356)
Repayment of lease liabilities	(62)	(63)
Repayment of borrowings	(936)	(508)
Repayment to director	(124)	(4)
Net cash used in financing activities	(1,464)	(21,257)
Net changes in cash and cash equivalents	(15,857)	(21,932)
Cash and cash equivalents at the beginning of financial year	49,852	98,907
Cash and cash equivalents at the end of financial year	33,995	76,975
Analysis of cash and cash equivalents		
Fixed deposits	165	20,297
Cash and bank balances	33,995	56,843
	34,160	77,140
Fixed deposits pledged to licensed bank	(165)	(165)
	33,995	76,975

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 first quarter ended 30 June 2021.

4 Significant estimates and changes in estimates

There were no changes in estimates that had any material effects on the first quarter ended 30 June 2021.

5 Debt and equity securities

There were no issuances, repurchases or repayments of debt and equity securities during the quarter ended 30 June 2021.

6 Dividends paid

The following dividends were paid during the current and previous corresponding quarter:

Interim dividend	30.06.2021	30.06.2020
For the financial year ended	-	31 March 2021
Approved and declared on	-	27 April 2020
Date paid	-	12 June 2020
Number of ordinary shares on which dividends were paid	-	127,037,200
Dividend per share (single-tier)	-	16 sen
Net dividend paid RM)	-	20,325,952

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
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							
30 June 2021							
External revenue	8,036	1,619	410	984	11,049	-	11,049
Intersegment revenue	-	-	-	21	21	(21)	-
Total revenue	8,036	1,619	410	1,005	11,070	(21)	11,049
Segment profit/(loss)	(759)	1,441	1,163	(383)	1,462	540	2,002
Depreciation	(460)	(403)	(421)	(1)	(1,285)	-	(1,285)
Interest income	2	-	-	170	172	-	172
Finance costs	(7)	(335)	-	-	(342)	-	(342)
(Loss)/Profit before tax	(1,224)	703	742	(214)	7	540	547
Tax expense	(45)	(267)	-	(11)	(323)	-	(323)
(Loss)/Profit after tax	(1,269)	436	742	(225)	(316)	540	224

7 Segmental information (continued)

RM'000	Logistics	Ware- housing	Marine	Others	Total	Elimination	Group
Results For 3 Months Ended							
30 June 2020							
External revenue	5,065	586	1,544	1,291	8,486	-	8,486
Intersegment revenue	186	-	-	21	207	(207)	-
Total revenue	5,251	586	1,544	1,312	8,693	(207)	8,486
Segment profit	-	571	(74)	154	651	310	961
Depreciation	(497)	(78)	(5)	(12)	(592)	-	(592)
Interest income	3	-	-	774	777	-	777
Finance costs	(17)	(51)	-	(288)	(356)	-	(356)
(Loss)/Profit before tax	(511)	442	(79)	628	480	310	790
Tax expense	(23)	(106)	(9)	(185)	(323)	-	(323)
(Loss)/Profit after tax	(534)	336	(88)	443	157	310	467

8 Related party disclosures

Significant recurrent related party transactions are as follows:

RM'000	3 months ended	
	30.06.2021	30.06.2020
Companies in which certain Directors have interests:		
Revenue from services rendered	16	228
Forwarding service charges payable	1	5
Spare parts payable	26	24
Rental income receivable	-	6

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 RM3.7 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

On 18 May 2021, the Company entered into a sale and purchase agreement for the disposal of the entire equity interest in Malsuria Logistics Sdn Bhd ("ML") for cash consideration of RM2,000. Following the completion of the disposal on the same day, ML ceased to be a subsidiary of the Company.

On 25 May 2021, the Company entered into a sale and purchase agreement for the disposal of 65% equity interest in Ecocentre Sdn Bhd ("ECO") for cash consideration of RM73,000. Following the completion of the disposal on 31 May 2021, ECO ceased to be a subsidiary of the Company.

On 27 May 2021, the Company entered into a sale and purchase agreement for the acquisition of 50% equity interest in Channel Legion Sdn Bhd ("CL") for cash consideration of RM5,000,000. Following the completion of the acquisition on 31 May 2021, CL became a wholly-owned subsidiary 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 16 August 2021, the Company entered into a sale and purchase agreement for the acquisition of 100% equity interest in Hextar Marketing Sdn Bhd ("HMSB") for cash consideration of RM200,000. Following the completion of the acquisition on 25 August 2021, HMSB became a wholly-owned subsidiary of the Company.

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 cash consideration of RM105,000. The disposal was planned to bring in new business partners for business expansion purpose. Upon completion of the disposal, CTSB will become a 65% owned subsidiary 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

RM'000	3 months ended		Variance
	30.06.2021	30.06.2020	
Revenue	11,049	8,486	2,563
Profit before tax	547	790	(243)

The Group reported higher revenue for the quarter under review by RM2.56 million as compared to the corresponding quarter. The increase in revenue for the current quarter was mainly contributed from logistics business. Nevertheless, the Group reported a lower pre-tax profit in current quarter mainly due to higher business operating costs as compared to the corresponding quarter.

(a) Logistics

RM'000	3 months ended		Variance
	30.06.2021	30.06.2020	
External revenue	8,036	5,065	2,971
Loss before tax	(1,224)	(511)	(713)

The increase in revenue for the current quarter was mainly due to higher business volume and higher pre-tax loss in the current quarter was mainly due to higher business operating costs.

(b) Warehousing

RM'000	3 months ended		Variance
	30.06.2021	30.06.2020	
External revenue	1,619	586	1,033
Profit before tax	703	442	261

As compared to the corresponding quarter, the increase in revenue and pre-tax profit of the warehousing segment were mainly due to the rental income contributed from a newly completed warehouse.

(c) Marine

RM'000	3 months ended		Variance
	30.06.2021	30.06.2020	
External revenue	410	1,544	(1,134)
(Loss)/Profit before tax	742	(79)	821

Revenue for the current quarter has decreased as compared to the corresponding quarter mainly due to disposal of subsidiaries and operating assets in current and immediate preceding quarter. Higher pre-tax profit recorded in current quarter mainly resulted from gain on disposal of operating assets.

15 Comparison with immediate preceding quarter

RM'000	3 months ended		Variance
	30.06.2021	31.03.2021	
Revenue	11,049	9,846	1,203
Profit before tax	547	543	4

As compared to the immediate preceding quarter, revenue in the current quarter increased by RM1.2 million mainly arising from business recovery in logistics segment. Lower pre-tax profit in the current quarter consequent to the higher operating costs as compared to the immediate preceding quarter.

16 Commentary on prospects

While the Covid-19 pandemic remains a threat to the economic and business environment, the opening of the economy in phases made possible in part by the accelerated vaccination progress by the Government bodes well for our business. Economic activities will resume as more SME industries will be allowed to operate under Phase 2 of Malaysia's national Recovery Plan. Together with this, we anticipate that our business operations will slowly recover. The Group will continue to expand its existing warehousing and trading business segments while at the same time be on the lookout for business opportunities.

17 Profit forecast

Not applicable.

18 Tax expense

RM'000	3 months ended	
	30.06.2021	30.06.2020
Income tax	323	323
Deferred tax	-	-
Total tax expense	323	323

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 higher than the statutory tax rate, mainly due to certain non-allowable expenses.

19 Retained earnings

RM'000	As at	As at
	30.06.2021	31.03.2021
Realised	132,389	132,869
Unrealised	(1,616)	(1,882)
	130,773	130,987
Consolidation adjustments	(44,585)	(40,032)
Total retained earnings	86,188	90,955

20 Corporate proposals

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 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. As such, the proposed disposals shall be completed within three months from the unconditional date of 09 September 2021. Upon completion of the disposal, GR and UT will cease to be wholly-owned subsidiaries of the Company.

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 30.06.2021	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	20,280	2,110	-	18,170	Within 24 months
Estimated expenses	5,000	3,220	-	1,780	Upon completion *
	85,600	65,650	-	19,950	

* 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 30.06.2021	As at 31.03.2021
Term loans	3,396	4,832
Short term borrowings	3,396	4,832
Term loans	12,679	12,179
Long term borrowings	12,679	12,179
Total borrowings	16,075	17,011

All borrowings are denominated in Ringgit Malaysia. Overall, the total borrowings of the Group decreased by RM0.94 million due to repayment 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 3.35% per annum.

23 Changes in material litigation

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

24 Proposed dividend

No dividend has been proposed.

25 Earnings per share ("EPS")

	3 months ended	
	30.06.2021	30.06.2020
Profit attributable to Owners of the Company (RM'000)	224	518
Weighted average number of ordinary shares in issue ('000)	128,330	126,679
Effect of dilution ('000)	294	(477)
Adjusted weighted average number of ordinary shares in issue ('000)	128,624	126,202
Basic EPS (sen)	0.2	0.4
Diluted EPS (sen)	0.2	0.4

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	
	30.06.2021	30.06.2020
Profit before tax is arrived at after crediting/(charging):		
Interest income	172	777
Other income including investment income	26	304
Interest expense	(342)	(356)
Depreciation	(1,285)	(592)
Gain on disposal of property, plant and equipment	928	-
Gain on disposals of subsidiaries	3	-
Realised gain in foreign exchange	2	10
Unrealised gain in foreign exchange	3	2

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.