

COMPLETE LOGISTIC SERVICES BERHAD. (716241 - X)

(Formerly known as Complete Logistic Services Sdn. Bhd. and prior to that known as Spectral Logistics Sdn. Bhd.)

NOTES TO THE QUARTERLY REPORT ON CONSOLIDATED RESULT FOR THE FIRST QUARTER ENDED 30 JUNE 2007

Part A – Notes In Compliance with FRS 134

1. Basis of preparation

The unaudited interim financial statements have been prepared in accordance with the requirements outlined in the Financial Reporting Standards (“FRS”) 134: Interim Financial Reporting and Chapter 9 Appendix 9B of the 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 2007.

The accounting policies and methods of computation adopted in the interim financial statements are consistent with those adopted in the annual financial statements for the year ended 31 March 2007 which includes the adoption of new/revised FRS effective for the financial period beginning on or after 1 January 2006 and are relevant to the Group.

2. Auditors’ Report on Preceding Annual Financial Statements

The auditors’ report on the Group’s financial statements for the year ended 31 March 2007 was not subject to any qualification.

3. 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.

4. Nature and Amount of Unusual Items

There were no items affecting assets, liabilities, equity, net income or cash flows that are unusual because of their nature, size or incidence for the current quarter.

5. Changes in estimates

There were no changes in the estimates of amounts which give a material effect in the current quarter under review.

6. Segmental Information

The Group’s operations comprise the following business segments:

- Marine : Provision of marine transportation services
- Trading : Trading of goods
- Logistics : Total logistic services provider
- Others : Lorry and trucking services, trading of freights and investment holding

6. Segmental Information (Continued)

The results of the Group for the First Quarter Ended 30.06.2007.

	Marine RM'000	Trading RM'000	Logistics RM'000	Others RM'000	Elimination RM'000	Total RM'000
Revenue						
External segment revenue	7,346	9,472	10,060	3,249	-	30,127
Inter-segment revenue	2,996	-	-	555	(3,551)	-
	<u>10,342</u>	<u>9,472</u>	<u>10,060</u>	<u>3,804</u>	<u>(3,551)</u>	<u>30,127</u>
Results						
Segment results	3,890	441	762	339	-	5,432
Finance costs						(129)
Interest income						74
Profit before tax						<u>5,377</u>
Tax expense						<u>(441)</u>
Profit after tax						<u>4,936</u>

7. Debt and Equity Securities

There were no issuances, cancellations, repurchases, resale and other repayments of debt and equity securities during the current quarter.

8. Dividend

No dividends were paid during the current quarter under review.

9. Valuation of Property, Plant and Equipment

As at 30 June 2007, the Group did not have any revalued assets.

10. Changes in Composition of the Group

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

11. Changes in Contingent Liabilities and Contingent Assets

There were no material contingent liabilities or contingent assets which, upon being enforceable, might have a material impact on the financial position or business of the Group as at 30 June 2007.

12. Subsequent Events

On 20 July 2007, the Company undertook a bonus issue of 26,017,353 new ordinary shares of RM1.00 each in CLSB to the then existing shareholders of the Company on the basis of approximately 92.97 new ordinary shares of RM1.00 each in the Company for every one hundred (100) existing ordinary shares of RM1.00 each held in the Company, capitalized from the retained profits and the share premium reserves.

12. Subsequent Events (Continued)

On 20 July 2007, the Company implemented a share split exercise involving the subdivision of every one (1) existing ordinary share of RM1.00 each in the Company into two (2) ordinary shares of RM0.50 each, resulting in the issued and paid-up share capital of RM54,000,000 comprising 54,000,000 ordinary shares of RM1.00 each being subdivided into 108,000,000 ordinary shares of RM0.50 each.

On 14 August 2007, the Company issued a Prospectus for its Initial Public Offerings ("IPO") involving an offer for sale of 30,668,000 ordinary shares of RM0.50 each and a public issue of 12,000,000 new ordinary shares of RM0.50 each at an offer/issue price of RM1.00 per CLSB share, payable in full on application, in conjunction with its listing on the Main Board of Bursa Securities.

The entire enlarged issued and fully paid-up share capital of the Company comprising 120,000,000 ordinary shares of RM0.50 each is expected to be listed on the Main Board of Bursa Securities on 30 August 2007.

Part B – Additional Information Required by the Listing Requirements of Bursa Malaysia Securities Berhad

13. Review of Performance

For the current quarter ended 30 June 2007, the Group recorded a revenue of RM30.13 million mainly attributable to our marine transportation services, general trading and total logistic services.

In line with the revenue recorded, the Group reported a profit before taxation of RM5.38 million and a profit after taxation of RM4.94 million.

14. Comparison with immediate preceding quarter

There were no comparative figures in the immediate preceding quarter as this is the Group's first quarterly announcement in conjunction with the listing and quotation of the Company on the Main Board of Bursa Securities scheduled on 30 August 2007.

15. Prospects

Bearing any unforeseen circumstances, the Board of Directors is optimistic that the overall performance of the Group as forecast in the Prospectus is achievable. For the financial year ending 31 March 2008, the Group forecasts an increase in profit after tax of 13.3% from RM14.3 million to RM16.3 million, mainly attributable to the higher contribution from the marine transportation services segment.

16. Profit Forecast or Guarantee

The variance between the actual and forecast profit after taxation will only be reported in the final quarter of financial year ending 31 March 2008.

17. Income Tax Expense

	Current Quarter		Cumulative Quarters	
	30.06.2007	30.06.2006*	30.06.2007	30.06.2006*
	RM'000	RM'000	RM'000	RM'000
Current tax	441	N/A	441	N/A

The effective tax rate of the Group for the quarter under review is lower than the statutory tax rate due to the exemption from tax on income of the Group derived from the operations of sea going Malaysian registered vessels pursuant to Section 54A of the Income Tax Act, 1967.

The current tax is in respect of the income of the Group which is not exempted from tax pursuant to Section 54A of the Income Tax Act, 1967.

* There were no comparative figures in the immediate preceding quarter as this is the Group's first quarterly announcement in conjunction with the listing and quotation of the Company on the Main Board of Bursa Securities scheduled on 30 August 2007.

18. Sales of Unquoted Investments and Properties

There were no sales of unquoted investments and properties for the current quarter ended 30 June 2007.

19. Quoted Securities

There was no purchase or disposal of quoted securities for the current quarter ended 30 June 2007. The group did not hold any investments in quoted securities as at 30 June 2007.

20. Status of Corporate Proposals

Pursuant to the Prospectus dated 14 August 2007, the entire enlarged share capital of the Company of 120,000,000 Shares is expected to be listed on the Main Board of Bursa Securities on 30 August 2007.

No utilisation of IPO proceeds status is available yet as the Company is expected to be listed on 30 August 2007

21. Group Borrowings

	Group 30.06.2007 RM'000
Current	
Bankers' acceptances, secured	1,171
Term loans, secured	2,060
	<hr/>
	3,231
Non-Current	
Term loan, secured	5,202
	<hr/>
Total	<hr/> <hr/> 8,433

22. Off Balance Sheet Financial Instruments

There were no off balance sheet financial instruments at the date of issue of this quarterly report.

23. Material Litigation

There was no pending material litigation as at the date of issue of this quarterly report, which in the opinion of the directors would have a material adverse effect on the financial results of the Group.

24. Earnings per Share

Basic earnings per share is calculated by dividing net profit for the period attributable to ordinary equity holders of the Company by the number of ordinary shares of RM1.00 each in issue during the period.

	Current Quarter		Cumulative Quarters	
	30.06.2007	30.06.2006*	30.06.2007	30.06.2006*
Net Profit for the period (RM'000)	4,936	N/A	4,936	N/A
Number of ordinary shares in issue ('000)	27,982	N/A	27,982	N/A
Basic earnings per share (sen)	17.6	N/A	17.6	N/A

Diluted earnings per share was not computed as the Company did not have any convertible financial instruments as at 30 June 2007.

25. Net Assets

Net assets per share is calculated by dividing total net assets by the number of ordinary shares of RM1.00 each in issue during the period.

26. Authorisation for Issue

These unaudited interim financial statements were authorized for release by the Company in accordance with a resolution of the Directors on 28 August 2007.