



## COMPLETE LOGISTIC SERVICES BERHAD. (716241 - X)

### NOTES TO THE QUARTERLY REPORT ON CONSOLIDATED RESULT FOR THE FOURTH QUARTER ENDED 31 MARCH 2011

#### **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 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 2010.

The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the financial statements for the financial year ended 31 March 2010 except for the adoption of the new/revised FRS and IC Interpretations for the financial year beginning 1 April 2010.

FRS 7	Financial Instruments: Disclosures
FRS 8	Operating Segments
FRS 101	Presentation of Financial Statements (Revised)
FRS 123	Borrowing Costs (Revised)
FRS 132	Financial Instruments: Presentation (Revised)
FRS 139	Financial Instruments: Recognition and Measurement
Amendment to FRS 1	First-time Adoption of Financial Reporting Standards
Amendment to FRS 7	Financial Instruments: Disclosures
Amendment to FRS 8	Operating Segments
Amendment to FRS 107	Statement of Cash Flows
Amendment to FRS 108	Accounting Policies, Changes in Accounting Estimates and Errors
Amendment to FRS 110	Events after the Reporting Period
Amendment to FRS 116	Property, Plant and Equipment
Amendment to FRS 123	Borrowing Costs
Amendment to FRS 132	Financial Instruments: Presentation
Amendment to FRS 134	Interim Financial Reporting
Amendment to FRS 136	Impairment of Assets
Amendment to FRS 138	Intangible Assets
IC Interpretation 10	Interim Financial Reporting and Impairment

The adoption of these standards and interpretations are not expected to have significant impact on the financial statements of the Group except for the following:-

#### **FRS 101 Presentation of Financial Statements (Revised)**

Prior to the adoption of the revised FRS 101, the components of the financial statements presented consist of a balance sheet, an income statement, a statement of changes in equity, a cash flow statement and notes to financial statements. With the adoption of the revised FRS 101, the components of the interim financial statements presented comprise statement of financial position, statement of comprehensive income, statement in changes in equity, statement of cash flows and notes to the financial statements. There is no impact on the financial position and results of the Group as this change in accounting policy affects only the presentation financial statements.

## **1. Basis of Preparation (Continued)**

### FRS 8 Operating Segments

FRS 8 required identification and reporting of operating segments based on internal reports that are regularly reviewed by the entity's chief operating decision maker in order to allocate resources to the segment and to assess its performance. The Group presents its segment information based on its business segments, which is also the basis of presenting its monthly internal management reports. The basis of measurement of segment results, segment assets and segment liabilities are same as the basis of measurement for external reporting.

## **2. Auditors' Report on Preceding Annual Financial Statements**

The auditors' report on the Group's financial statements for the financial year ended 31 March 2010 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 including trading of freight, haulage, lorry and trucking, custom clearance and Inland Port operation.

Others : Leasing of passenger ferry and investment holding

## 6. Segmental Information (Continued)

### The results of the Group for the Fourth Quarter Ended 31.03.2011

	Marine	Trading	Logistics	Others	Elimination	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>						
External segment revenue	6,321	716	14,675	-	-	21,712
Inter-segment revenue	-	-	700	500	(1,200)	-
Total Revenue	<u>6,321</u>	<u>716</u>	<u>15,375</u>	<u>500</u>	<u>(1,200)</u>	<u>21,712</u>
<b>Results</b>						
Segment results	(1,211)	(84)	1,286	(160)	-	(169)
Finance costs						(288)
Interest income						<u>67</u>
Loss before tax						(390)
Tax expense						<u>(755)</u>
Loss after tax						<u>(1,145)</u>
Attributable to:						
Equity holders of the Company						(1,208)
Minority interest						<u>63</u>
						<u>(1,145)</u>

## 7. Debt and Equity Securities

During the current financial quarter, the Company had purchased a total of 5,000 ordinary shares of RM0.50 each of its issued share capital from the open market at an average cost of RM0.42 per share. The total consideration paid for the share buy-back was RM2,143.63 and was financed by internally generated funds. The shares purchased are held as treasury shares in accordance with the requirements of Section 67A of the Companies Act, 1965. As at 31 March 2011, a total of 5,000 treasury shares were held by the Company.

Apart from the above, there was no other issuance or repayment of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale / repurchase of treasury shares during the current financial year.

## 8. Dividend Paid

There was no dividend paid in the current quarter under review.

## 9. Valuation of Property, Plant and Equipment

There were no valuations on property, plant and equipment in the current quarter under review.

#### **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 31 March 2011.

#### **12. Subsequent Events**

There were no material events subsequent to the end of the current quarter up to the date of this report.

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

#### **13. Review of Performance**

During the quarter under review, the Group reported a total revenue of RM21.71 million as compared to RM23.90 million in the same quarter of the previous year. The lower revenue in the current quarter was mainly attributable to the decrease in the trading segment.

The Group reported a loss before taxation of RM0.39 million in the current quarter as compared to RM5.74 million in the previous year corresponding quarter. The losses in both quarters arose from the disposal of a vessel in each of the quarters.

#### **14. Comparison With Immediate Preceding Quarter**

The Group reported a total revenue of RM21.71 million as compared to RM22.36 million in the immediate preceding quarter.

The profit before taxation of the Group decreased from RM3.67 million in the immediate preceding quarter to a loss of RM0.39 million in the current quarter. During the quarter under review, there was disposal of a vessel which resulted in a loss of RM0.88 million. All other segments also faced slowdown mainly because of the festive season.

#### **15. Prospects**

The Malaysian economy is projected to grow at a rate of 5.5% for year 2011 as compared to the 7.2% rate achieved for year 2010.

The moderating growth is anticipated amidst a concerted economic programme undertaken by the government to transform the Malaysian economy towards a higher income plane.

With this prevailing scenario, the Board remains cautiously optimistic that the performance of the Group would be satisfactory for the next financial year.

#### **16. Variance on Profit Forecast/Guarantee**

The Group did not issue any profit forecast for the year and there is no profit guarantee issued by the Group.

## 17. Income Tax Expense

	Current Year	Preceding Year	Current Year	Preceding Year
	Quarter	Corresponding	Quarter	Quarter
	<u>31.03.11</u>	<u>31.03.10</u>	<u>31.03.11</u>	<u>31.03.10</u>
	RM'000	RM'000	RM'000	RM'000
Tax expense	<u>(755)</u>	<u>(695)</u>	<u>(1,563)</u>	<u>(1,485)</u>

The effective tax rate of the Group is lower than the statutory tax rate mainly due to:

- (a) the exemption from tax on income from the operations of Malaysian registered sea going vessels pursuant to Section 54A of the Income Tax Act 1967 of certain subsidiaries of the Company;
- (b) the Investment Tax Allowance granted to a subsidiary of the Company

## 18. Sales of Unquoted Investments and Properties

There were no sales of unquoted investments and properties for the current quarter under review.

## 19. Quoted Securities

There was no purchase or disposal of quoted securities for the current quarter ended 31 March 2011. The Group did not hold any investments in quoted securities as at 31 March 2011.

## 20. Status of Corporate Proposals

There are no corporate proposals announced during the current quarter under review.

## 21. Group Borrowings

	Group
	<u>31.3.11</u>
	RM'000
Current	
Bank overdraft	646
Hire purchase	319
Term loans, secured	<u>4,380</u>
	<u>5,345</u>
Non-Current	
Hire purchase	267
Term loan, secured	<u>13,618</u>
	<u>13,885</u>
	<u>19,230</u>

## 22. Off Balance Sheet Financial Instruments

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

## 23. Breakdown of Realised and Unrealised Profits of the Group

Breakdown of Realised and Unrealised Profits or Losses of the Group

	Financial Period Ended 31/03/2011 RM'000	Financial Period Ended 31/12/2010 RM'000
Total retained profits of the Group		
- Realised	30,742	31,737
- Unrealised	<u>(2,926)</u>	<u>(2,713)</u>
Total retained profits as per consolidated accounts	<u>27,816</u>	<u>29,024</u>

## 24. 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.

## 25. Dividend

No dividend has been proposed for the current quarter under review.

## 26. Earnings Per Share

The basic earnings per share for the current quarter and cumulative quarters have been calculated based on the Group's profit after taxation divided by the weighted average number of ordinary shares outstanding (based on ordinary shares of RM0.50 each).

	Current Year Quarter 31.03.11	Preceding Year Corresponding Quarter 31.03.10	Current Year To Date 31.03.11	Preceding Year Corresponding Period 31.03.10
Profit/(loss) attributable to ordinary equity holders of the Company (RM'000)	<u>(1,208)</u>	<u>(6,518)</u>	<u>3,865</u>	<u>(2,227)</u>
Number of ordinary shares in issue ('000)	120,000	120,000	120,000	120,000
Basic earnings per share (sen)	<u>(1.01)</u>	<u>(5.43)</u>	<u>3.22</u>	<u>(1.86)</u>

Diluted earnings per share was not computed as the Company did not have any convertible financial instruments as at 31 March 2011.

**27. Net Assets Per Share**

Net assets per share as at 31 March 2011 is arrived at based on the Group's Net Assets of RM91.72 million over the number of ordinary share of 120,000,000 shares of RM0.50 each. Net assets per share as at 31 March 2010 was arrived at based on the Group's Net Assets of RM91.70 million over the number of ordinary shares of 120,000,000 shares of RM0.50 each.

**28. Authorization for Issue**

These unaudited interim financial statements were authorized for release by the Company in accordance with a resolution of the Directors dated 25 May 2011.