



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

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2013

15 November 2013

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2013

RM'000	Note	As at 30.09.2013 Unaudited	As at 31.03.2013 Audited
ASSETS			
Property, plant and equipment		89,872	80,649
Goodwill on consolidation		272	272
Non-current Assets		90,144	80,921
Inventories		521	702
Trade and other receivables		35,909	31,818
Tax recoverable		508	729
Cash and cash equivalents		13,494	11,623
Current Assets		50,432	44,872
Non-current assets held for sale		-	-
TOTAL ASSETS		140,576	125,793
EQUITY AND LIABILITIES			
Share capital		60,000	60,000
Treasury shares		(131)	(131)
Other reserves		4,325	3,921
Retained earnings	19	33,155	23,927
Equity attributable to owners of the Company		97,349	87,717
Non-controlling interest		287	254
Total Equity		97,636	87,971
Borrowings (secured)	21	12,310	13,815
Deferred tax liabilities		6,668	4,196
Non-current Liabilities		18,978	18,011
Trade and other payables		17,388	14,830
Borrowings (secured)	21	6,000	4,918
Tax liabilities		574	63
Current Liabilities		23,962	19,811
Total Liabilities		42,940	37,822
TOTAL EQUITY AND LIABILITIES		140,576	125,793
Net assets per share attributable to owners of the Company (RM)		0.81	0.73

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 SECOND QUARTER ENDED 30 SEPTEMBER 2013**

(These figures have not been audited)

RM'000	Note	3 months ended		6 months ended	
		30.09.2013	30.09.2012	30.09.2013	30.09.2012
Revenue	7	30,217	25,240	62,011	53,294
Cost of sales		(23,118)	(18,632)	(46,355)	(39,142)
Gross profit		7,099	6,608	15,656	14,152
Other income		698	171	5,006	561
Marketing and distribution costs		(184)	(166)	(492)	(248)
Administration expenses		(2,137)	(2,123)	(4,468)	(4,292)
Other expenses		(1,916)	(1,512)	(3,553)	(2,815)
Finance costs		(268)	(291)	(525)	(565)
Profit before tax	26	3,292	2,687	11,624	6,793
Tax expense	18	(903)	(270)	(1,959)	(504)
Profit for the period		2,389	2,417	9,665	6,289
Foreign currency translation		-	(53)	(404)	2
Total comprehensive income		2,389	2,364	9,261	6,291
Profit attributable to:					
Owners of the Company		2,376	2,394	9,632	6,247
Non-controlling interest		13	23	33	42
Profit for the period		2,389	2,417	9,665	6,289
Total comprehensive income attributable to:					
Owners of the Company		2,376	2,341	9,228	6,249
Non-controlling interest		13	23	33	42
		2,389	2,364	9,261	6,291
Earnings per share attributable to owners of the Company:					
Basic (sen)	24	1.99	2.00	8.05	5.22

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 SECOND QUARTER ENDED 30 SEPTEMBER 2013
(These figures have not been audited)

<u>RM'000</u>	Attributable to owners of the Company						Total	Non- controlling interest	Total equity
	Share capital	Treasury shares	Non-Distributable		Distributable				
			Share premium	Exchange fluctuation reserve	Retained earnings	Total			
At 1 April 2013	60,000	(131)	4,325	(404)	23,927	87,717	254	87,971	
Total comprehensive income for the period	-	-	-	404	9,228	9,632	33	9,665	
At 30 September 2013	60,000	(131)	4,325	-	33,155	97,349	287	97,636	
At 1 April 2012	60,000	(131)	4,325	(364)	11,932	75,762	168	75,930	
Total comprehensive income for the period	-	-	-	2	6,247	6,249	42	6,291	
At 30 September 2012	60,000	(131)	4,325	(362)	18,179	82,011	210	82,221	

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 SECOND QUARTER ENDED 30 SEPTEMBER 2013
(These figures have not been audited)

RM'000	6 months ended	
	30.09.2013	30.09.2012
Cash flows from operating activities		
Profit before tax	11,624	6,793
Adjustments for:		
Non-cash items	4,172	2,951
Non-operating items	(282)	(235)
Interest income	(99)	(93)
Interest expense	525	565
Operating profit before working capital changes	15,940	9,981
Changes in working capital:		
Inventories	181	(427)
Receivables	4,572	(3,013)
Payables	(4,566)	(43)
Cash generated from operations	16,127	6,498
Net tax paid	(760)	(811)
Net cash from/(used in) operating activities	15,367	5,687
Cash flows from investing activities		
Deposit paid for the proposed acquisition of a company	-	(1,000)
Interest received	99	93
Net cash outflow from the acquisition of a subsidiary	(9,079)	-
Purchase of property, plant and equipment	(2,169)	(3,975)
Proceeds from disposal of property, plant and equipment	1,706	1,017
Net cash used in investing activities	(9,443)	(3,865)
Cash flows from financing activities		
Additional fixed deposits pledged to licensed bank	-	1,943
Interest paid	(525)	(565)
Net repayment of borrowings	(2,875)	(429)
Advances from the directors	(653)	1,003
Net cash used in financing activities	(4,053)	1,952
Net changes in cash and cash equivalents	1,871	3,774
Effects of exchange rate changes	-	3
Cash and cash equivalents at the beginning of financial period	11,517	6,594
Cash and cash equivalents at the end of financial period	13,388	10,371
Analysis of cash and cash equivalents		
Fixed deposit	6,300	5,703
Cash and bank balances	7,194	5,911
	13,494	11,614
Bank overdraft	-	(1,243)
Fixed deposits pledged to licensed bank	(106)	-
	13,388	10,371

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 2013.

The accounting policies and methods of computation 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 2013 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 2013:

MFRS 3	<i>Business Combinations</i>
MFRS 10	<i>Consolidated Financial Statements</i>
MFRS 11	<i>Joint Arrangements</i>
MFRS 12	<i>Disclosure of Interests in Other Entities</i>
MFRS 13	<i>Fair Value Measurement</i>
MFRS 119	<i>Employee Benefits (revised)</i>
MFRS 127	<i>Consolidated and Separate Financial Statements (revised)</i>
MFRS 128	<i>Investments in Associates and Joint Ventures (revised)</i>
Amendments to MFRS 1	<i>First-time Adoption of MFRS - Government Loans</i>
Amendments to MFRS 7	<i>Financial Instruments: Disclosures - Offsetting Financial Assets and Financial Liabilities</i>
Amendments to MFRS 10	<i>Consolidated Financial Statements: Transition Guidance</i>
Amendments to MFRS 11	<i>Joint Arrangements: Transition Guidance</i>
Amendments to MFRS 12	<i>Disclosure of Interests in Other Entities: Transition Guidance</i>
Amendments to MFRS 101	<i>Presentation of Items of Other Comprehensive Income</i>
Annual Improvements to IC Interpretations and MFRSs 2009 - 2011 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 Amendments to MFRS issued which have yet effective:

Amendments to MFRS 9	<i>Mandatory Effective Date of MFRS 9 and Transition Disclosures</i>
Amendments to MFRS 10	<i>Consolidated Financial Statements: Investment Entities</i>
Amendments to MFRS 12	<i>Disclosure of Interests in Other Entities: Investment Entities</i>
Amendments to MFRS 127	<i>Consolidated and Separate Financial Statements: Investment Entities</i>
Amendments to MFRS 132	<i>Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities</i>
Amendments to MFRS 136	<i>Impairment of Assets - Recoverable Amount disclosures for Non-Financial Assets</i>
Amendments to MFRS 139	<i>Novation of Derivatives and Continuation of Hedge Accounting</i>
IC Interpretation 21	<i>Levies</i>

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 30 September 2013.

4 Significant Estimates And Changes In Estimates

There were no changes in estimates that had any material effects on the second quarter ended 30 September 2013.

5 Debt And Equity Securities

There were no issuances, repurchases or repayments of debt and equity securities during the quarter ended 30 September 2013.

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:

Shipping : 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 : Insurance agency and investment holding

RM'000	Shipping	Trading	Logistics	Others	Total	Elimination	Group
Results For 3 Months Ended							
30 September 2013							
External revenue	7,153	590	22,386	88	30,217	-	30,217
Intersegment revenue	164	2,169	1,686	8,293	12,312	(12,312)	-
Total revenue	7,317	2,759	24,072	8,381	42,529	(12,312)	30,217
Segment profit	1,323	152	4,353	7,563	13,391	(7,699)	5,692
Depreciation	(227)	(63)	(1,517)	(20)	(1,827)	(369)	(2,196)
Interest income	1	1	35	27	64	-	64
Finance costs	-	(1)	(267)	-	(268)	-	(268)
Profit before tax	1,097	89	2,604	7,570	11,360	(8,068)	3,292
Tax expense	(236)	(14)	(563)	(90)	(903)	-	(903)
Profit after tax	861	75	2,041	7,480	10,457	(8,068)	2,389

7 Segmental Information (continued)

RM'000	Shipping	Trading	Logistics	Others	Total	Elimination	Group
Results For 3 Months Ended							
30 September 2012							
External revenue	7,004	2,013	16,210	13	25,240	-	25,240
Intersegment revenue	-	851	442	25	1,318	(1,318)	-
Total revenue	7,004	2,864	16,652	38	26,558	(1,318)	25,240
Segment profit/(loss)	1,357	249	3,076	(204)	4,478	(5)	4,473
Depreciation	(222)	(87)	(930)	(2)	(1,241)	(307)	(1,548)
Interest income	12	12	24	5	53	-	53
Finance costs	(17)	-	(274)	-	(291)	-	(291)
Profit/(Loss) before tax	1,130	174	1,896	(201)	2,999	(312)	2,687
Tax expense	(130)	(25)	(104)	(11)	(270)	-	(270)
Profit/(Loss) after tax	1,000	149	1,792	(212)	2,729	(312)	2,417
Results For 6 Months Ended							
30 September 2013							
External revenue	13,709	1,884	46,252	166	62,011	-	62,011
Intersegment revenue	1,574	4,182	2,546	16,773	25,075	(25,075)	-
Total revenue	15,283	6,066	48,798	16,939	87,086	(25,075)	62,011
Segment profit	3,580	368	8,647	15,462	28,057	(11,827)	16,230
Depreciation	(430)	(122)	(2,857)	(40)	(3,449)	(731)	(4,180)
Interest income	6	1	64	28	99	-	99
Finance costs	-	(1)	(524)	-	(525)	-	(525)
Profit before tax	3,156	246	5,330	15,450	24,182	(12,558)	11,624
Tax expense	(458)	(38)	(1,032)	(100)	(1,628)	(331)	(1,959)
Profit after tax	2,698	208	4,298	15,350	22,554	(12,889)	9,665
30 September 2012							
External revenue	14,416	3,394	35,450	34	53,294	-	53,294
Intersegment revenue	-	1,538	1,031	569	3,138	(3,138)	-
Total revenue	14,416	4,932	36,481	603	56,432	(3,138)	53,294
Segment profit	2,976	444	7,214	219	10,853	(565)	10,288
Depreciation	(444)	(180)	(1,783)	(2)	(2,409)	(614)	(3,023)
Interest income	16	24	44	9	93	-	93
Finance costs	(42)	(3)	(520)	-	(565)	-	(565)
Profit before tax	2,506	285	4,955	226	7,972	(1,179)	6,793
Tax income/(expense)	69	(59)	(486)	(28)	(504)	-	(504)
Profit after tax	2,575	226	4,469	198	7,468	(1,179)	6,289

7 Segmental Information (continued)

RM'000	Shipping	Trading	Logistics	Others	Total	Elimination	Group
Assets and Liabilities As At							
30 September 2013							
Segment assets/ Total assets	37,448	7,018	84,198	95,799	224,463	(83,887)	140,576
Segment liabilities/ Total liabilities	38,823	6,349	34,949	7,196	87,317	(44,377)	42,940
30 September 2012							
Segment assets/ Total assets	41,252	9,609	67,704	78,671	197,236	(68,477)	128,759
Segment liabilities/ Total liabilities	39,375	7,977	31,819	6,579	85,750	(39,212)	46,538

8 Related Party Disclosures

Significant recurrent related party transactions are as follows:

RM'000	3 months ended		6 months ended	
	30.09.2013	30.09.2012	30.09.2013	30.09.2012
Companies in which certain Directors have interests:				
Revenue from services rendered	1,273	2,536	3,033	4,920
Container haulage/transportation/logistics service charges payable	-	946	1,180	2,086
Forwarding service charges payable	433	123	729	191
Spare parts payable	26	9	46	21
Rental expense payable	8	8	24	16
Rental income receivable	3	3	6	6
Warehouse expense payable	13	-	27	-

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 RM5.6 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

There were no 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)
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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

During the quarter under review, the Group reported an increase in revenue of RM4.98 million as compared to the preceding year corresponding quarter (“corresponding quarter”). In terms of pre-tax profit, the Group recorded an increase of RM0.61 million when compared to the corresponding quarter.

(a) Shipping

The revenue of the shipping segment has increased by RM0.31 million as compared to the corresponding quarter. This segment posted a pre-tax profit of RM1.10 million compared to a pre-tax profit of RM1.13 million in the corresponding quarter. The slight dip in pre-tax profit was mainly caused by higher repair and maintenance costs incurred for the vessels during the current quarter.

(b) Logistics

The logistics segment registered a revenue of RM24.07 million and a pre-tax profit of RM2.60 million, which represents an increase of RM7.42 million and of RM0.71 million in revenue and pre-tax profit respectively when compared to the corresponding quarter. The increase in both revenue and pre-tax profit were contributed by the newly acquired subsidiary, Pengangkutan Sekata Sdn Bhd and its subsidiaries.

(c) Trading

Trading segment posted a revenue of RM2.76 million and a pre-tax profit of RM0.09 million in the current quarter, a slight drop of RM0.11 million in revenue and RM0.09 million in pre-tax profit respectively from the results achieved in the corresponding quarter.

15 Comparison With Immediate Preceding Quarter

RM'000	3 months ended		Variance
	30.09.2013	30.06.2013	
Revenue	30,217	31,794	(1,577)
Profit before tax	3,292	8,332	(5,040)

The Group’s revenue in the current quarter dropped by RM1.58 million when compared against the immediate preceding quarter. The decrease in revenue was attributed mainly to the festive holidays which in turn has curtailed the sales volume.

In terms of pre-tax profit, the current quarter results showed a decrease of RM5.04 million as compared to the immediate preceding quarter. However, after negating the RM3.67 million gain on bargain purchase arising from the acquisition of the entire equity interest in Pengangkutan Sekata Sdn Bhd and its subsidiaries recorded in the immediate preceding quarter, the net decrease in pre-tax profit only amounted to RM1.37 million. Likewise, the decline in pre-tax profit of RM1.37 million was also attributed to the festive holidays during the current quarter where the number of trading days shortened and hence business volume reduced.

16 Commentary On Prospects

The Board will remain focused on its land-based logistic businesses by continuing to invest in efficient operating equipment and warehousing facilities to enhance income growth for the Group while maintaining the on-going businesses of other segments.

While the Group experienced a slowdown in its business activities in this quarter, the Board is optimistic that financial performance of the Group for the remaining financial year will be profitable and will always be on the look out for new growth opportunities for the Group.

17 Profit Forecast

Not applicable.

18 Tax Expense

RM'000	3 months ended		6 months ended	
	30.09.2013	30.09.2012	30.09.2013	30.09.2012
Income tax	814	270	1,426	504
Deferred tax	89	-	533	-
Total tax expense	903	270	1,959	504

Income tax is calculated at the statutory tax rate of 25% of the estimated assessable profit for the period.

Up to 6 months ended 30 September 2013, the overall effective tax rate of the Group is lower than the statutory tax rate, mainly due to the lower tax rate applied on the income derived from the Malaysian resident shipping subsidiaries of the Company.

19 Retained Earnings

RM'000	As at	As at
	30.09.2013	31.03.2013
Realised	23,948	41,210
Unrealised	6,693	4,214
	30,641	45,424
Consolidation adjustments	2,514	(21,497)
Total retained earnings	33,155	23,927

20 Corporate Proposals

On 25 July 2013, the Company had proposed a share issuance scheme involving the issuance of new ordinary shares of RM0.50 each in the Company representing up to 15% of the issued and paid-up share capital of the Company excluding treasury shares to the eligible Directors and employees of the Group and the approvals on this proposal had been obtained from the Bursa Securities on 14 August 2013 as well as the shareholders of the Company at the extraordinary general meeting convened on 25 September 2013.

Save as disclosed above, there were no other corporate proposals announced as at the reporting date.

21 Borrowings (secured)

RM'000	As at 30.09.2013	As at 31.03.2013
Short term borrowings:		
Hire purchase	2,699	1,729
Term loans	3,301	3,189
	<u>6,000</u>	<u>4,918</u>
Long term borrowings:		
Hire purchase	2,824	2,639
Term loans	9,486	11,176
	<u>12,310</u>	<u>13,815</u>
Total borrowings	<u>18,310</u>	<u>18,733</u>

22 Changes In Material Litigation

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

23 Proposed Dividend

No dividend has been proposed during the current quarter.

24 Earnings Per Share ("EPS")

	3 months ended		6 months ended	
	30.09.2013	30.09.2012	30.09.2013	30.09.2012
Profit attributable to Owners of the Company (RM'000)	2,376	2,394	9,632	6,247
Weighted average number of ordinary shares in issue ('000)	119,681	119,681	119,681	119,681
Basic EPS (sen)	1.99	2.00	8.05	5.22

Diluted EPS was not computed as the Company did not have any convertible financial instruments during the period.

25 Auditors' Report On Preceding Annual Financial Statements

The auditors' report on the financial statements for the financial year ended 31 March 2013 was unqualified.

26 Profit Before Tax

RM'000	3 months ended		6 months ended	
	30.09.2013	30.09.2012	30.09.2013	30.09.2012
Profit before tax is arrived at after crediting/(charging):				
Interest income	64	53	99	93
Other income	558	69	1,021	418
Realised gain/(loss) in foreign exchange	51	(27)	161	(25)
Unrealised gain/(loss) in foreign exchange	25	43	8	72
Gain on bargain purchase	-	-	3,672	-
Interest expense	(268)	(291)	(525)	(565)
Depreciation	(2,196)	(1,547)	(4,180)	(3,023)

Save as disclosed above, there were no other gain or loss on disposal of quoted or unquoted investment or real properties, gain or loss on derivatives or exceptional item for current quarter under review.

27 Authorised For Issue

The condensed consolidated interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 15 November 2013.