



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

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2019

25 November 2019

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2019

RM'000	Note	As at 30.09.2019 Unaudited	As at 31.03.2019 Audited
Assets			
Property, plant and equipment		134,621	131,218
Right-of-use assets		8,942	-
Non-current assets		143,563	131,218
Inventories		127	245
Trade and other receivables		36,489	33,890
Tax recoverable		-	492
Cash and cash equivalents		12,983	25,060
Current assets		49,599	59,687
Non-current assets held for sale		1,850	1,850
Total assets		195,012	192,755
Equity and liabilities			
Share capital		70,477	68,850
Treasury shares		(131)	(131)
Other reserves		595	1,028
Retained earnings	19	64,880	81,245
Equity attributable to owners of the Company		135,821	150,992
Non-controlling interests		775	791
Total equity		136,596	151,783
Borrowings (secured)	21	17,555	14,090
Lease liabilities		8,365	-
Deferred tax liabilities		6,095	6,113
Non-current liabilities		32,015	20,203
Trade and other payables		19,334	16,623
Borrowings (secured)	21	5,977	4,146
Lease liabilities		659	-
Current liabilities		26,401	20,769
Total liabilities		58,416	40,972
Total equity and liabilities		195,012	192,755
Net assets per share attributable to owners of the Company (RM)		1.08	1.22

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 2019**
(These figures have not been audited)

RM'000	Note	Current quarter 3 months ended		Cumulative quarter 6 months ended	
		30.09.2019	30.09.2018	30.09.2019	30.09.2018
Revenue		31,341	31,191	59,544	61,683
Cost of sales		(25,920)	(25,031)	(49,956)	(49,817)
Gross profit		5,421	6,160	9,588	11,866
Other income		284	534	1,212	793
Marketing and distribution costs		(179)	(174)	(356)	(344)
Administration expenses		(1,340)	(1,494)	(2,749)	(2,979)
Other expenses		(741)	(593)	(1,551)	(1,242)
Finance costs		(328)	(203)	(647)	(418)
Profit before tax		3,117	4,230	5,497	7,676
Tax expense	18	(851)	(1,012)	(1,610)	(1,754)
Profit for the period		2,266	3,218	3,887	5,922
Other comprehensive income		-	-	-	-
Total comprehensive income		2,266	3,218	3,887	5,922
Profit attributable to:					
Owners of the Company		2,272	3,226	3,903	5,925
Non-controlling interest		(6)	(8)	(16)	(3)
Profit for the period		2,266	3,218	3,887	5,922
Total comprehensive income attributable to:					
Owners of the Company		2,272	3,226	3,903	5,925
Non-controlling interest		(6)	(8)	(16)	(3)
Total comprehensive income		2,266	3,218	3,887	5,922
Earnings per share attributable to owners of the Company:					
Basic (sen)	24	1.8	2.6	3.1	4.8
Diluted (sen)	24	1.8	2.6	3.1	4.8

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 2019

(These figures have not been audited)

RM'000	Attributable to owners of the Company		Share option reserve	Retained earnings	Total	Non- controlling interests	Total equity
	Non-Distributable	Distributable					
	Share capital	Treasury shares					
At 1 April 2019	68,850	(131)	1,028	81,245	150,992	791	151,783
Total comprehensive income	-	-	-	3,903	3,903	(16)	3,887
Issuance of shares	1,627	-	(658)	-	969	-	969
Dividend	-	-	-	(20,268)	(20,268)	-	(20,268)
Share option expenses	-	-	225	-	225	-	225
At 30 September 2019	70,477	(131)	595	64,880	135,821	775	136,596
At 1 April 2018	67,464	(131)	578	70,488	138,399	807	139,206
Total comprehensive income	-	-	-	5,925	5,925	(3)	5,922
Share option expenses	-	-	154	-	154	-	154
At 30 September 2018	67,464	(131)	732	76,413	144,478	804	145,282

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 2019
(These figures have not been audited)

RM'000	6 months ended	
	30.09.2019	30.09.2018
Operating activities		
Profit before tax	5,497	7,676
Adjustments for:		
Non-cash items	3,837	3,762
Non-operating items	(529)	75
Interest income	(255)	(155)
Interest expense	646	418
Operating profit before working capital changes	9,196	11,776
Changes in working capital:		
Inventories	118	277
Receivables	(2,625)	3,736
Payables	1,745	(1,483)
Cash generated from operations	8,434	14,306
Net tax paid	(705)	(949)
Net cash from operating activities	7,729	13,357
Investing activities		
Interest received	255	155
Purchase of property, plant and equipment	(7,270)	(3,683)
Proceeds from disposal of property, plant and equipment	810	629
Proceeds from issuance of shares	969	-
Net cash used in investing activities	(5,236)	(2,899)
Financing activities		
Drawdown of term loan	5,608	-
Dividend paid	(20,268)	-
Interest paid	(646)	(418)
Repayment of term loan	(2,060)	(2,451)
Advances from/(Repayment to) a director	1,048	(1,500)
Net cash used in financing activities	(16,318)	(4,369)
Net changes in cash and cash equivalents	(13,825)	6,089
Cash and cash equivalents at the beginning of financial year	24,895	11,533
Cash and cash equivalents at the end of financial year	11,070	17,622
Analysis of cash and cash equivalents		
Fixed deposits	3,165	165
Cash and bank balances	9,818	17,622
	12,983	17,787
Bank overdraft	(1,748)	-
Fixed deposits pledged to licensed bank	(165)	(165)
	11,070	17,622

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 2019.

The accounting policies 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 2019 except for the following new MFRS, Amendments to MFRS, IC Interpretations and Amendments to IC Interpretations to be applied by the Group for the financial periods beginning on or after 1 April 2019:

- MFRS 16 Leases
- IC Interpretations 23 Uncertainty over Income Tax Treatments
- Amendments to MFRS 9 - Prepayment Features with Negative Compensation
- Amendments to MFRS 119 - Plan Amendment, Curtailment or Settlement
- Amendments to MFRS 128 - Long-term Interests in Associates and Joint Ventures
- Annual Improvements to MFRS Standards 2015 - 2017 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 pronouncements that have been issued but not yet effective:

- MFRS 17 Insurance Contracts
- Amendments to MFRS 3 - Definition of a Business
- Amendments to MFRS 10 and MFRS 128 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
- Amendments to MFRS 101 and MFRS 108 - Definition of Material
- Amendments to References to the Conceptual Framework in MFRS Standards

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 2019.

4 Significant estimates and changes in estimates

There were no changes in estimates that had any material effects during the quarter ended 30 September 2019.

5 Debt and equity securities

On 17 July 2019, the Company had increased its paid-up share capital from RM68,850,085 to RM70,477,440 through the issuance of 1,211,400 new ordinary shares at RM0.62, 87,500 new ordinary shares at RM0.68 and 289,000 new ordinary shares at RM0.55 from the exercise of options under the Share Issuance Scheme. The new ordinary shares issued rank pari passu in all respects with the existing ordinary shares of the Company.

Save as disclosed above, there were no other issuances, repurchases or repayments of debt and equity securities during the quarter ended 30 September 2019.

6 Dividends paid

The following dividends were paid during the current and previous corresponding financial year ended:

Interim dividend	30.09.2019	30.09.2018
For the financial year ended	31 March 2020	-
Approved and declared on	18 July 2019	-
Date paid	26 August 2019	-
Number of ordinary shares on which dividends were paid	126,679,200	-
Dividend per share (single-tier)	16 sen	-
Net dividend paid (RM)	20,268,672.00	-

7 Segmental information

The Group's operations comprise the following business segments:

- Logistics : Total logistic services provider including trading of freight, haulage, lorry and trucking, custom clearance and Inland Port operation
- Warehousing : Provision of storage of goods and other related handling services
- 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 September 2019							
External revenue	24,483	2,287	3,289	1,282	31,341	-	31,341
Intersegment revenue	1,484	-	120	3,112	4,716	(4,716)	-
Total revenue	25,967	2,287	3,409	4,394	36,057	(4,716)	31,341
Segment profit	3,078	1,855	258	2,827	8,018	(2,900)	5,118
Depreciation	(1,190)	(299)	(84)	(104)	(1,677)	(120)	(1,797)
Interest income	45	-	-	79	124	-	124
Finance costs	(42)	(150)	-	(136)	(328)	-	(328)
Profit before tax	1,891	1,406	174	2,666	6,137	(3,020)	3,117
Tax expense	(508)	(347)	-	(5)	(860)	9	(851)
Profit after tax	1,383	1,059	174	2,661	5,277	(3,011)	2,266

7 Segmental information (continued)

RM'000	Logistics	Ware- housing	Marine	Others	Total	Elimination	Group
Results for 3 months ended							
30 September 2018							
External revenue	24,903	2,059	3,482	747	31,191	-	31,191
Intersegment revenue	55	-	891	263	1,209	(1,209)	-
Total revenue	24,958	2,059	4,373	1,010	32,400	(1,209)	31,191
Segment profit	3,776	1,557	769	87	6,189	-	6,189
Depreciation	(1,271)	(238)	(87)	(120)	(1,716)	(124)	(1,840)
Interest income	11	-	-	73	84	-	84
Finance costs	(45)	(47)	-	(111)	(203)	-	(203)
Profit/(Loss) before tax	2,471	1,272	682	(71)	4,354	(124)	4,230
Tax expense	(641)	(331)	-	(50)	(1,022)	10	(1,012)
Profit/(Loss) after tax	1,830	941	682	(121)	3,332	(114)	3,218
Results for 6 months ended							
30 September 2019							
External revenue	47,082	4,302	6,183	1,977	59,544	-	59,544
Intersegment revenue	3,563	-	120	3,993	7,676	(7,676)	-
Total revenue	50,645	4,302	6,303	5,970	67,220	(7,676)	59,544
Segment profit	5,583	3,448	466	3,633	13,130	(3,655)	9,475
Depreciation	(2,395)	(562)	(170)	(219)	(3,346)	(240)	(3,586)
Interest income	57	-	-	198	255	-	255
Finance costs	(76)	(302)	-	(269)	(647)	-	(647)
Profit before tax	3,169	2,584	296	3,343	9,392	(3,895)	5,497
Tax expense	(874)	(675)	-	(79)	(1,628)	18	(1,610)
Profit after tax	2,295	1,909	296	3,264	7,764	(3,877)	3,887
30 September 2018							
External revenue	48,713	3,859	7,755	1,356	61,683	-	61,683
Intersegment revenue	3,790	-	1,365	1,637	6,792	(6,792)	-
Total revenue	52,503	3,859	9,120	2,993	68,475	(6,792)	61,683
Segment profit	6,620	2,816	1,950	278	11,664	-	11,664
Depreciation	(2,581)	(475)	(175)	(245)	(3,476)	(248)	(3,724)
Interest income	22	-	-	132	154	-	154
Finance costs	(95)	(96)	-	(227)	(418)	-	(418)
Profit/(Loss) before tax	3,966	2,245	1,775	(62)	7,924	(248)	7,676
Tax expense	(1,056)	(590)	-	(116)	(1,762)	8	(1,754)
Profit/(Loss) after tax	2,910	1,655	1,775	(178)	6,162	(240)	5,922

8 Related party disclosures

Significant recurrent related party transactions are as follows:

RM'000	3 months ended		6 months ended	
	30.09.2019	30.09.2018	30.09.2019	30.09.2018
Companies in which certain Directors have interests:				
Revenue from services rendered	2,110	1,627	3,868	3,385
Forwarding service charges payable	461	235	870	579
Fuel payable	1,082	1,142	1,952	2,306
Spare parts payable	62	354	132	613
Rental income receivable	6	6	12	12
Warehouse expense payable	2	12	29	34

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 RM3.39 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

RM'000	3 months ended			6 months ended		
	30.09.2019	30.09.2018	Changes	30.09.2019	30.09.2018	Changes
Revenue	31,341	31,191	150	59,544	61,683	(2,139)
Profit before tax	3,117	4,230	(1,113)	5,497	7,676	(2,179)

During the quarter under review, the Group recorded a slight increase in revenue of RM0.15 million as compared to the preceding year corresponding quarter (“corresponding quarter”) derived from improved sales from trading segment. However, the Group reported a lower pre-tax profit of RM1.11 million as compared to the corresponding quarter mainly due to lower margin in logistics segment.

For the 6 months cumulative period, the Group reported a decrease in revenue of RM2.14 million and a lower pre-tax profit by RM2.18 million compared to the preceding year corresponding quarter (“corresponding quarter”) mainly due to the decrease in logistics and marine businesses.

(a) Logistics

RM'000	3 months ended			6 months ended		
	30.09.2019	30.09.2018	Changes	30.09.2019	30.09.2018	Changes
External revenue	24,483	24,903	(420)	47,082	48,713	(1,631)
Profit before tax	1,891	2,471	(580)	3,169	3,966	(797)

Revenue and pre-tax profit of the logistics segment decreased by RM0.42 million and RM0.58 million as compared to the corresponding quarter mainly due to lower volume of the cement transportation business during the quarter.

For 6 months cumulative period, revenue and pre-tax profit of the logistics segment decreased by RM1.63 million and RM0.80 million respectively as compared to the corresponding period mainly due to drop in volume of the haulage and cement transportation businesses during the period.

(b) Warehousing

RM'000	3 months ended			6 months ended		
	30.09.2019	30.09.2018	Changes	30.09.2019	30.09.2018	Changes
External revenue	2,287	2,059	228	4,302	3,859	443
Profit before tax	1,406	1,272	134	2,584	2,245	339

Revenue and pre-tax profit of the warehousing segment have increased by RM0.23 million and RM0.13 million respectively as compared to the corresponding quarter.

For 6 months cumulative period, revenue of the warehousing segment increased by RM0.44 million as compared to the corresponding period and accordingly, pre-tax profit increased by RM0.34 million as compared to the corresponding period mainly contributed by newly completed warehouses of the Group.

14 Analysis of performance - Comparison with preceding year corresponding quarter (continued)

(c) Marine

RM'000	3 months ended			6 months ended		
	30.09.2019	30.09.2018	Changes	30.09.2019	30.09.2018	Changes
External revenue	3,289	3,482	(193)	6,183	7,755	(1,572)
Profit before tax	174	682	(508)	296	1,775	(1,479)

Revenue and pre-tax profit of the marine segment have decreased by RM0.19 million and RM0.51 million respectively as compared to the corresponding quarter, mainly due to lower cargo volume during the quarter.

For 6 month cumulative period, revenue and pre-tax profit of the marine segment have decreased by RM1.57 million and RM1.48 million respectively as compared to the corresponding period, mainly due to lower cargo volume during the period.

15 Comparison with immediate preceding quarter

RM'000	3 months ended		
	30.09.2019	30.06.2019	Changes
Revenue	31,341	28,203	3,138
Profit before tax	3,117	2,380	737

Revenue of the Group in the current quarter has increased by RM3.14 million mainly arising from the business improvement in the logistics and marine segments. Accordingly, the Group's pre-tax profit increased by RM0.74 million mainly due to improved performance in the logistics and marine businesses during the quarter.

16 Commentary on prospects

With the ongoing corporate exercise of the Group, the Group will focus on developing the existing vacant lands of the Group, to construct either warehouses or factories for renting to customers. The Board will continue to explore new business opportunities that will enhance the growth of the Group.

17 Profit forecast

Not applicable.

18 Tax expense

RM'000	3 months ended		6 months ended	
	30.09.2019	30.09.2018	30.09.2019	30.09.2018
Income tax	860	1,022	1,628	1,762
Deferred tax	(9)	(10)	(18)	(8)
Total tax expense	851	1,012	1,610	1,754

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 slightly lower than the statutory tax rate due to the tax exemption on shipping income.

19 Retained earnings

RM'000	As at 30.09.2019	As at 31.03.2019
Realised	110,237	126,226
Unrealised	(6,113)	(5,943)
	104,124	120,283
Consolidation adjustments	(39,244)	(39,038)
Total retained earnings	64,880	81,245

20 Corporate proposals

On 13 August 2019, the Company entered into a conditional share purchase agreement ("SPA") with SH Cogent Logistics Pte. Ltd ("Purchaser") for the proposed disposals of its 80% equity interests in Dolphin Shipping Agency Sdn Bhd, Guper Integrated Logistics Sdn Bhd and Gems Logistics Sdn Bhd (collectively referred to as the "Subject Companies"), together with the Included Lands but without the Excluded Lands as defined in the SPA, to the Purchaser for a total cash consideration of RM85,600,000, and three (3) shareholders' agreements to regulate the relationship of both parties as shareholders in the conduct of the business operations of the Subject Companies following the completion of the proposed disposals. Barring any unforeseen circumstances, the proposed disposals are expected to be completed by the third quarter of this financial year.

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

21 Borrowings (secured)

RM'000	As at 30.09.2019	As at 31.03.2019
Short term borrowings:		
Bank overdraft	1,748	-
Term loans	4,229	4,146
	5,977	4,146
Long term borrowings:		
Term loans	17,555	14,090
	17,555	14,090
Total borrowings	23,532	18,236

All borrowings are denominated in Ringgit Malaysia.

Overall, the total borrowings of the Group increased by RM5.30 million, mainly due to the drawdown of term loan which amounted to RM5.61 million.

As at the end of the reporting quarter, all borrowings are at floating rate. Weighted average interest rate for floating rate borrowings is 5.04% per annum.

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	
	30.09.2019	30.09.2018	30.09.2019	30.09.2018
Profit attributable to Owners of the Company (RM'000)	2,272	3,226	3,903	5,925
Weighted average number of ordinary shares in issue ('000)	126,214	123,442	126,214	123,442
Effect of dilution ('000)	460	-	460	-
Adjusted weighted average number of ordinary shares in issue ('000)	126,674	123,442	126,674	123,442
Basic EPS (sen)	1.8	2.6	3.1	4.8
Diluted EPS (sen)	1.8	2.6	3.1	4.8

25 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.

26 Auditors' report on preceding annual financial statements

The auditors' report on the financial statements for the financial year ended 31 March 2019 was unqualified.

27 Profit before tax

RM'000	3 months ended		6 months ended	
	30.09.2019	30.09.2018	30.09.2019	30.09.2018
Profit before tax is arrived at after crediting/(charging):				
Interest income	124	84	255	154
Other income including investment income	160	450	957	639
Interest expense	(328)	(203)	(647)	(418)
Depreciation	(1,797)	(1,840)	(3,586)	(3,724)
Provision for and write off of receivables	-	-	(45)	-
Realised gain in foreign exchange	6	42	19	42
Unrealised (loss)/gain in foreign exchange	(2)	139	(18)	94

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