



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

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2020

27 November 2020

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2020

RM'000	Note	As at 30.09.2020 Unaudited	As at 31.03.2020 Audited
Assets			
Property, plant and equipment		50,680	40,216
Right-of-use assets		41,661	42,023
Investments in associates		22,783	21,638
Non-current assets		115,124	103,877
Trade and other receivables		14,302	19,014
Cash and cash equivalents		80,907	99,072
Current assets		95,209	118,086
Total assets		210,333	221,963
Equity and liabilities			
Share capital		70,835	70,477
Treasury shares		(131)	(131)
Other reserves		657	732
Retained earnings	19	88,856	107,351
Equity attributable to owners of the Company		160,217	178,429
Non-controlling interests		757	1,000
Total equity		160,974	179,429
Borrowings (secured)	22	10,278	11,368
Lease liabilities		15,721	15,820
Deferred tax liabilities		2,235	2,235
Non-current liabilities		28,234	29,423
Trade and other payables		16,248	8,623
Borrowings (secured)	22	3,892	3,828
Lease liabilities		550	575
Tax liabilities		435	85
Current liabilities		21,125	13,111
Total liabilities		49,359	42,534
Total equity and liabilities		210,333	221,963
Net assets per share attributable to owners of the Company (RM)		1.26	1.41

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 2020**

(These figures have not been audited)

RM'000	Note	Current quarter 3 months ended		Cumulative quarter 6 months ended	
		30.09.2020	30.09.2019	30.09.2020	30.09.2019
Revenue		12,663	31,341	21,149	59,544
Cost of sales		(11,499)	(25,920)	(19,091)	(49,956)
Gross profit		1,164	5,421	2,058	9,588
Other income		1,005	284	2,086	1,212
Marketing and distribution costs		(172)	(179)	(337)	(356)
Administration expenses		(559)	(1,340)	(1,125)	(2,749)
Other expenses		(419)	(741)	(827)	(1,551)
Finance costs		(334)	(328)	(690)	(647)
Profit before share of results		685	3,117	1,165	5,497
Share of results of associates		835	-	1,145	-
Profit before tax		1,520	3,117	2,310	5,497
Tax expense	18	(399)	(851)	(722)	(1,610)
Profit for the period		1,121	2,266	1,588	3,887
Other comprehensive income		-	-	-	-
Total comprehensive income		1,121	2,266	1,588	3,887
Profit attributable to:					
Owners of the Company		1,313	2,273	1,831	3,904
Non-controlling interests		(192)	(6)	(243)	(16)
Profit for the period		1,121	2,267	1,588	3,888
Total comprehensive income attributable to:					
Owners of the Company		1,313	2,273	1,831	3,904
Non-controlling interests		(192)	(6)	(243)	(16)
Total comprehensive income		1,121	2,267	1,588	3,888
Earnings per share attributable to owners of the Company:					
Basic (sen)	25	1.0	1.8	1.4	3.1
Diluted (sen)	25	1.0	1.8	1.4	3.1

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 2020
(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
	Share capital	Treasury shares					
At 1 April 2020	70,477	(131)	732	107,351	178,429	1,000	179,429
Total comprehensive income	-	-	-	1,831	1,831	(243)	1,588
Issuance of shares	358	-	(135)	-	223	-	223
Dividend	-	-	-	(20,326)	(20,326)	-	(20,326)
Share option expenses	-	-	60	-	60	-	60
At 30 September 2020	70,835	(131)	657	88,856	160,217	757	160,974
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

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 2020
(These figures have not been audited)

RM'000	6 months ended	
	30.09.2020	30.09.2019
Operating activities		
Profit before tax	2,310	5,497
Adjustments for:		
Non-cash items	1,580	3,837
Non-operating items	(1,577)	(529)
Interest income	(1,399)	(255)
Interest expense	690	646
Operating profit before working capital changes	1,604	9,196
Changes in working capital:		
Inventories	-	118
Receivables	4,718	(2,625)
Payables	7,629	1,745
Cash generated from operations	13,951	8,434
Net tax paid	(372)	(705)
Net cash from operating activities	13,579	7,729
Investing activities		
Interest received	1,399	255
Purchase of property, plant and equipment	(13,497)	(7,270)
Proceeds from disposal of property, plant and equipment	2,301	810
Proceeds from issuance of shares	223	969
Net cash used in investing activities	(9,574)	(5,236)
Financing activities		
Drawdown of term loan	-	5,608
Dividend paid	(20,326)	(20,268)
Interest paid	(690)	(646)
Repayment of lease liabilities	(124)	-
Repayment of term loan	(1,026)	(2,060)
(Repayment to)/Advances from a director	(4)	1,048
Net cash used in financing activities	(22,170)	(16,318)
Net changes in cash and cash equivalents	(18,165)	(13,825)
Cash and cash equivalents at the beginning of financial year	98,907	24,895
Cash and cash equivalents at the end of financial period	80,742	11,070
Analysis of cash and cash equivalents		
Fixed deposits	5,240	3,165
Cash and bank balances	75,667	9,818
	80,907	12,983
Bank overdraft	-	(1,748)
Fixed deposits pledged to licensed bank	(165)	(165)
	80,742	11,070

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 2020.

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 2020 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 2020:

- Amendments to MFRS 3 - Definition of a Business
- Amendments to MFRS 4 - Extension of the Temporary Exemption from Applying MFRS 9
- Amendments to MFRS 7, MFRS 9 and MFRS 139 - Interest Rate Benchmark Reform
- Amendments to MFRS 101 and MFRS 108 - Definition of Material
- Amendment to MFRS 101 - Classification of Liabilities as Current or Non-current - Deferral of Effective Date

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 and Amendments to MFRS 17
- Amendments to MFRS 3 - Reference to the Conceptual Framework
- Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16 - Interest Rate Benchmark Reform-Phase 2
- Amendments to MFRS 10 and MFRS 128 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
- Amendments to MFRS 16 - Covid-19 - Related Rent Concessions
- Amendments to MFRS 101 - Classification of Liabilities as Current or Non-current
- Amendments to MFRS 116 - Proceeds before Intended Use
- Amendments to MFRS 137 - Onerous Contracts - Cost of Fulfilling a Contract
- Annual Improvements to MFRS Standards 2018-2020

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 cyclical nature 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 2020.

4 Significant estimates and changes in estimates

There were no changes in estimates that had any material effects during the quarter ended 30 September 2020.

5 Debt and equity securities

There were no issuances, repurchases or repayments of debt and equity securities during the quarter ended 30 September 2020.

6 Dividends paid

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

Interim dividend	30.09.2020	30.09.2019
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 lorry transportation services (tanker, general cargo, side curtain), project logistics and freighting 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	Warehousing	Marine	Others	Total	Elimination	Group
Results for 3 months ended							
30 September 2020							
External revenue	8,923	555	2,594	591	12,663	-	12,663
Intersegment revenue	240	-	-	1,621	1,861	(1,861)	-
Total revenue	9,163	555	2,594	2,212	14,524	(1,861)	12,663
Segment profit	622	516	64	1,367	2,569	(765)	1,804
Depreciation	(467)	(79)	-	(26)	(572)	-	(572)
Interest income	42	-	-	580	622	-	622
Finance costs	(14)	(46)	-	(274)	(334)	-	(334)
Profit before tax	183	391	64	1,647	2,285	(765)	1,520
Tax expense	(117)	(94)	-	(188)	(399)	-	(399)
Profit after tax	66	297	64	1,459	1,886	(765)	1,121

7 Segmental information (continued)

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
Results for 6 months ended							
30 September 2020							
External revenue	13,988	1,141	4,138	1,882	21,149	-	21,149
Intersegment revenue	426	-	-	1,642	2,068	(2,068)	-
Total revenue	14,414	1,141	4,138	3,524	23,217	(2,068)	21,149
Segment profit	622	1,087	(10)	1,521	3,220	(455)	2,765
Depreciation	(964)	(157)	(5)	(38)	(1,164)	-	(1,164)
Interest income	45	-	-	1,354	1,399	-	1,399
Finance costs	(31)	(97)	-	(562)	(690)	-	(690)
(Loss)/Profit before tax	(328)	833	(15)	2,275	2,765	(455)	2,310
Tax expense	(140)	(200)	(9)	(373)	(722)	-	(722)
(Loss)/Profit after tax	(468)	633	(24)	1,902	2,043	(455)	1,588
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

8 Related party disclosures

Significant recurrent related party transactions are as follows:

RM'000	3 months ended		6 months ended	
	30.09.2020	30.09.2019	30.09.2020	30.09.2019
Companies in which certain Directors have interests:				
Revenue from services rendered	228	2,110	456	3,868
Forwarding service charges payable	169	461	174	870
Fuel payable	-	1,082	-	1,952
Spare parts payable	14	61	38	131
Rental income receivable	2	6	8	12
Warehouse expense payable	-	2	-	29

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 RM20.26 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		
	30.09.2020	30.09.2019	Changes	30.09.2020	30.09.2019	Changes
Revenue	12,663	31,341	(18,678)	21,149	59,544	(38,395)
Profit before tax	1,520	3,117	(1,597)	2,310	5,497	(3,187)

The completion of the disposal of subsidiaries in the final quarter of the preceding financial year as well as the Covid-19 Pandemic have resulted in a decrease in the revenue and pre-tax profit of the Group for the current quarter and the 6 months cumulative period as compared to the preceding year corresponding quarter ("corresponding quarter") and period ("corresponding period").

(a) Logistics

RM'000	3 months ended			6 months ended		
	30.09.2020	30.09.2019	Changes	30.09.2020	30.09.2019	Changes
External revenue	8,923	24,483	(15,560)	13,988	47,082	(33,094)
Profit/(Loss) before tax	183	1,891	(1,708)	(328)	3,169	(3,497)

Revenue and pre-tax profit for the current quarter have decreased as compared to the corresponding quarter mainly due to the effects from the disposal of subsidiaries in the final quarter of the preceding financial year and also impact of the Covid-19 Pandemic where the customers of our lorry transport and cement tanker sectors had to shut down their businesses and operations during the Movement Control Order ("MCO") period and the slow recovery during the Recovery Movement Control Order ("RMCO") period.

(b) Warehousing

RM'000	3 months ended			6 months ended		
	30.09.2020	30.09.2019	Changes	30.09.2020	30.09.2019	Changes
External revenue	555	2,287	(1,732)	1,141	4,302	(3,161)
Profit before tax	391	1,406	(1,015)	833	2,584	(1,751)

As compared to the corresponding quarter, the decline in revenue and pre-tax profit of the warehousing segment for the current quarter and the 6 months cumulative period, were mainly due to the effects from the disposals of subsidiaries in the final quarter of the preceding financial year.

(c) Marine

RM'000	3 months ended			6 months ended		
	30.09.2020	30.09.2019	Changes	30.09.2020	30.09.2019	Changes
External revenue	2,594	3,289	(695)	4,138	6,183	(2,045)
Profit/(Loss) before tax	64	174	(110)	(15)	296	(311)

Revenue and pre-tax profit of the marine segment have decreased by RM0.70 million and RM0.11 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 RM2.05 million and RM0.31 million respectively as compared to the corresponding period, mainly due to lower cargo volume during the period resulted from the Covid-19 Pandemic where our vessels were not operating during the MCO period.

15 Comparison with immediate preceding quarter

RM'000	3 months ended		Changes
	30.09.2020	30.06.2020	
Revenue	12,663	8,486	4,177
Profit before tax	1,520	790	730

As compared to the immediate preceding quarter, revenue in the current quarter increased by RM4.18 million and pre-tax profit in the current quarter increased by RM0.73 million mainly arising from the business recovery in the logistics and marine segments during the quarter.

16 Commentary on prospects

The Covid-19 pandemic has affected the overall market and our Group is of no exception. In order to remain sustainable during this difficult time, we are very cautious with our investment and operating expenditures. We will continue to focus on the development of the Group's vacant lands into warehouses or factories. As at the end of the reporting quarter, we have completed the construction of a factory (pending the issuance of Certificate of Completion and Compliance) and one warehouse and one factory are under construction, expected to be completed before the end of the current financial year.

17 Profit forecast

Not applicable.

18 Tax expense

RM'000	3 months ended		6 months ended	
	30.09.2020	30.09.2019	30.09.2020	30.09.2019
Income tax	399	860	722	1,628
Deferred tax	-	(9)	-	(18)
Total tax expense	399	851	722	1,610

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
	30.09.2020	31.03.2020
Realised	133,186	153,070
Unrealised	(2,241)	(2,243)
	130,945	150,827
Consolidation adjustments	(42,089)	(43,476)
Total retained earnings	88,856	107,351

20 Utilisation of proceeds

The total gross proceeds of RM85.6 million arising from the disposals of subsidiaries are to be utilised as follows:

RM'000	Intended utilisation	Actual utilisation as at 30.09.2020	Deviation	Balance	Estimated timeframe
Future investment	40,000	5,000	-	35,000	Within 24 months
Dividend to shareholders	20,320	20,320	-	-	Within 3 months
Working capital	20,280	610	-	19,670	Within 24 months
Estimated expenses	5,000	3,220	-	1,780	Upon completion *
	85,600	29,150	-	56,450	

* The balance of estimated expenses of RM1.78 million will be allocated for the Group's working capital.

21 Corporate proposals

There were no corporate proposals announced as at the reporting date.

22 Borrowings (secured)

RM'000	As at 30.09.2020	As at 31.03.2020
Term loans	3,892	4,146
Short term borrowings	3,892	4,146
Term loans	10,278	14,090
Long term borrowings	10,278	14,090
Total borrowings	14,170	18,236

All borrowings are denominated in Ringgit Malaysia. Overall, the total borrowings of the Group decreased by RM4.07 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 during the current quarter.

25 Earnings per share ("EPS")

	3 months ended		6 months ended	
	30.09.2020	30.09.2019	30.09.2020	30.09.2019
Profit attributable to Owners of the Company (RM'000)	1,313	2,273	1,831	3,904
Weighted average number of ordinary shares in issue ('000)	126,995	126,214	126,995	126,214
Effect of dilution ('000)	27	460	27	460
Adjusted weighted average number of ordinary shares in issue ('000)	127,022	126,674	127,022	126,674
Basic EPS (sen)	1.0	1.8	1.4	3.1
Diluted EPS (sen)	1.0	1.8	1.4	3.1

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 2020 was unqualified.

28 Profit before tax

RM'000	3 months ended		6 months ended	
	30.09.2020	30.09.2019	30.09.2020	30.09.2019
Profit before tax is arrived at after crediting/(charging):				
Interest income	622	124	1,399	255
Other income including investment income	383	49	687	429
Interest expense	(334)	(328)	(690)	(647)
Depreciation	(572)	(1,797)	(1,164)	(3,586)
Provision for and write off of receivables	-	-	-	(45)
Gain on disposal of property, plant and equipment	-	111	-	528
Realised (loss)/gain in foreign exchange	(8)	6	2	19
Unrealised loss in foreign exchange	(8)	(2)	(6)	(18)

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.