

**NATIONWIDE EXPRESS COURIER SERVICES BERHAD**

**REPORT FOR THE QUARTER ENDED  
30 SEPTEMBER 2016  
FOR BURSA SECURITIES ANNOUNCEMENT**

**DATE: 28 NOVEMBER 2016**

**NATIONWIDE EXPRESS COURIER SERVICES BERHAD**  
**(COMPANY NO : 133096-M)**  
**(INCORPORATED IN MALAYSIA)**

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

**For the Period Ended 30 September 2016**

**Except as disclosed otherwise, the figures have not been audited**

	INDIVIDUAL		CUMULATIVE	
	CURRENT QTR ENDED 30 SEPTEMBER 2016 RM'000	CORRESPONDING QTR ENDED 30 SEPTEMBER 2015 RM'000	6 MONTHS CUMULATIVE 30 SEPTEMBER 2016 RM'000	6 MONTHS CUMULATIVE 30 SEPTEMBER 2015 RM'000
Revenue	19,161	22,795	40,420	46,022
Cost of Services	(17,969)	(18,216)	(35,916)	(36,522)
Gross Profit	1,192	4,579	4,504	9,500
Other Income	15	54	27	137
Administrative Expenses	(5,721)	(4,823)	(10,756)	(9,389)
Selling and Marketing Expenses	(377)	(409)	(714)	(837)
(Loss)/Profit Before Tax	(4,891)	(599)	(6,939)	(589)
Income Tax Expense	-	(91)	-	(137)
Net loss of tax	(4,891)	(690)	(6,939)	(726)
<b>Other Comprehensive Loss:</b>				
Currency translation differences arising from consolidation	(149)	(37)	(55)	(50)
<b>Total Comprehensive Loss for the period</b>	<b>(5,040)</b>	<b>(727)</b>	<b>(6,994)</b>	<b>(776)</b>
Loss per share -Basic (sen)	(8.14)	(1.15)	(11.54)	(1.21)

The basic LPS is calculated based on the net loss for the period divided by the weighted average number of shares in issue during the period.

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 31 March 2016 and the accompanying explanatory notes attached to the interim financial statements.

**NATIONWIDE EXPRESS COURIER SERVICES BERHAD**  
**(COMPANY NO : 133096-M)**  
**(INCORPORATED IN MALAYSIA)**

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

As at 30 September 2016

Except as disclosed otherwise, the figures have not been audited

	As at 30 September 2016 RM'000	As at 31 March 2016 RM'000
<b>ASSETS</b>		
<b>Non-current Assets</b>		
Property, Plant and Equipment	25,764	27,351
Deferred Tax Assets	234	234
<b>Current Assets</b>		
Inventories	1,141	742
Trade Receivables	23,299	24,826
Other Receivables	5,549	5,613
Cash and Bank Balances	4,204	6,970
	<u>34,193</u>	<u>38,151</u>
<b>TOTAL ASSETS</b>	<u><b>60,191</b></u>	<u><b>65,736</b></u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the Company</b>		
Share Capital	60,116	60,116
Share Premium	413	413
Reserves	(11,696)	(4,702)
<b>Total Equity</b>	<u>48,833</u>	<u>55,827</u>
<b>Non-current Liability</b>		
Hire purchase	1,203	2,048
Deferred Tax Liabilities	-	-
	<u>1,203</u>	<u>2,048</u>
<b>Current Liabilities</b>		
Other Payables	8,320	6,026
Hire purchase	1,835	1,835
	<u>10,155</u>	<u>7,861</u>
<b>Total Liabilities</b>	11,358	9,909
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><b>60,191</b></u>	<u><b>65,736</b></u>
<b>Net Assets Per Share (sen)</b>	<u>81</u>	<u>93</u>

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 March 2016 and the accompanying explanatory notes attached to the interim financial statements.

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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**For the Period Ended 30 September 2015**

	Share Capital RM '000	Share Premium RM '000	Non - Distributable Exchange Fluctuation Reserve RM '000	Distributable Retained Profits RM '000	Total RM '000
At 1 April 2015	60,116	413	54	1,399	61,982
Total comprehensive loss for the period	-	-	(50)	(726)	(776)
At 30 September 2015	<u>60,116</u>	<u>413</u>	<u>4</u>	<u>673</u>	<u>61,206</u>

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**For the Period Ended 30 September 2016**

Except as disclosed otherwise, the figures have not been audited.

	Share Capital RM '000	Share Premium RM '000	Non - Distributable Exchange Fluctuation Reserve RM '000	Distributable Retained Profits RM '000	Total RM '000
At 1 April 2016	60,116	413	57	(4,759)	55,827
Total comprehensive loss for the period	-	-	(55)	(6,939)	(6,994)
At 30 September 2016	<u>60,116</u>	<u>413</u>	<u>2</u>	<u>(11,698)</u>	<u>48,833</u>

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 March 2015 and the accompanying explanatory notes attached to the interim financial statements.

**NATIONWIDE EXPRESS COURIER SERVICES BERHAD**  
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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**For the Period Ended 30 September 2016**  
**Except as disclosed otherwise, the figures have not been audited**

	<b>6 Months Ended 30 September 2016 RM '000</b>	<b>6 Months Ended 30 September 2015 RM '000</b>
<b>Cash Flow From Operating Activities</b>		
Loss Before Tax	(6,939)	(589)
Adjustments for :		
Depreciation of property, plant and equipment	1,692	1,891
Gain on disposal of property, plant & equipment	-	-
Net impairment loss of trade and other receivables	1,472	715
Interest Income	(27)	(137)
Interest Expense	91	150
Operating Profit Before Working Capital Changes	<u>(3,711)</u>	<u>2,030</u>
(Increase)/Decrease in Inventories	(399)	59
(Decrease)/ Increase in Receivables	325	(5,311)
Increase/(Decrease) in Payables	<u>2,294</u>	<u>(1,535)</u>
Cash Generated used in Operations	(1,491)	(4,757)
Taxation paid	(206)	(165)
Interest paid	(91)	(150)
Tax refund	-	391
Net Cash Used in Operating Activities	<u>(1,788)</u>	<u>(4,681)</u>
<b>Cash Flow From Investing Activities</b>		
Interest received	27	137
Purchase of property, plant and equipment	(105)	(649)
Proceeds from disposal of property, plant and equipment	-	-
Net Cash Used in Investing Activities	<u>(78)</u>	<u>(512)</u>
<b>Cash Flow From Financing Activities</b>		
Repayment of hire purchase financing	<u>(845)</u>	<u>(1,020)</u>
Net Cash Used in Financing Activities	(845)	(1,020)
Net movement in Cash and Cash Equivalents	(2,711)	(6,213)
Effects of exchange rate changes	(55)	(50)
Cash and Cash Equivalents at Beginning of the Period	6,970	13,246
<b>Cash and Cash Equivalents at End of the Period</b>	<u>4,204</u>	<u>6,983</u>
Cash and Bank Balances	2,235	2,130
Fixed Deposit	<u>1,969</u>	<u>4,853</u>
<b>Total Cash and Cash Equivalents</b>	<u>4,204</u>	<u>6,983</u>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 31 March 2016 and the accompanying explanatory notes attached to the interim financial statements.

## **NOTES TO THE INTERIM FINANCIAL STATEMENTS**

### **Selected Explanatory Notes:**

- **Part A – Explanatory Notes Pursuant to MFRS 134 (Interim Financial Reporting)**
- **Part B – Explanatory Notes Pursuant to Appendix 9B of the Listing Requirement of Bursa Malaysia Securities Berhad**

### **Part A – Explanatory Notes Pursuant to MFRS 134**

#### **A1. Basis of Preparation and Changes in Accounting Policies**

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standard ("MFRS") as issued by Malaysian Accounting Standards Board ("MASB"), International Financial Reporting Standards ("IFRS") and the requirements of the Companies Act, 1965 in Malaysia.

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Ringgit Malaysia (RM) and all values are rounded to the nearest thousand (RM'000) except when otherwise indicated.

#### **A2. Significant Accounting Policies**

The significant accounting policies adopted are consistent with those of the statutory financial statements for the financial year ended 31 March 2016 except for the adoption of the following new and revised Financial Reporting Standards ("FRSs"), Amendments to FRSs and IC Interpretations.

##### **(a) Adoption of FRSs, Amendments to FRSs and IC Interpretations**

On 1 April 2016, the Group adopted the following FRSs and Amendments to FRSs, IC Interpretations and Amendments to IC Interpretations:-

Annual Improvements to FRSs 2012 - 2014 Cycle  
Amendments to FRS 11: Accounting for Acquisition of Interests in Joint Operations  
Amendments to FRS 116 and FRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation  
Amendments to FRS 127: Equity Method in Separate Financial Statements  
Amendments to FRS 101: Disclosure Initiatives  
Amendments to FRS 10, FRS 12 and FRS 128: Investment Entities: Applying the Consolidation Exception  
FRS 14: Regulatory Deferral Accounts

The adoption of the above FRSs and Amendments to FRSs did not have any effect on the financial performance or presentation of the financial statements of the Group.

**A2. Significant Accounting Policies (contd.)**

**(b) Standards and interpretations issued but not yet effective**

The Group has not earlier adopted the following new and amended FRSs and IC Interpretations that are not effective:

<b>Description</b>	<b>Effective for annual period beginning on or after</b>
Amendments to FRS 107: Disclosure Initiative	1 January 2017
Amendments to FRS 112: Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017
FRS 15 Revenue from Contracts with Customers	1 January 2018
FRS 9 Financial Instruments	1 January 2018
Amendments to FRS 10 and FRS 128: Sale or Contribution of Assets between an Investor and its Associates or Joint Venture	Deferred

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 effect to the financial statements of the Group upon their initial application, other than for FRS 15: Revenue from Contracts with Customers and FRS 9: Financial Instruments.

**(c) Malaysian Financial Reporting Standards (MFRS Framework)**

On 19 November 2011, the Malaysian Accounting Standards Board (“MASB”) issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards (“MFRS Framework”).

The MFRS Framework is to be applied by all Entities Other than Private Entities for annual period beginning on or after 1 January 2012, with the expectation of entities that are within the scope of MFRS 141 Agriculture (MFRS 141) and IC Interpretation 15 Agreements for the Construction of Real Estate (IC 15), including its parent, significant investor and venturer (herein called “Transitioning Entities”)

Transitioning Entities are allowed to defer adoption of the new MFRSs Framework. The adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2018.

**A2. Significant Accounting Policies (contd.)**

**(c) Malaysian Financial Reporting Standards (MFRS Framework)**

The Group falls within the scope definition of Transitioning Entities and accordingly, will be required to prepare financial statements using the MFRS Framework in its first MFRS interim financial statements for the quarter ending 30 June 2018. In presenting its first MFRS financial statements, the Group will be required to adjust the comparative financial statements prepared under FRS to amount reflecting the application of MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively, against opening retained earnings.

The Group has not completed its assessment of the financial effects of the differences between Financial Reporting Standards and accounting standards under the MFRS Framework. The Group expects to be in a position of fully comply with the requirements on the MFRS Framework for the financial year ending 31 March 2019.

**A3. Auditors' Report on Preceding Annual Financial Statements**

The auditors' report on the financial statements for the year ended 31 March 2016 was unqualified.

**A4. Seasonal and Cyclical Factors**

The business operations of the Group are not affected by any seasonal and cyclical factors.

**A5. 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 financial period ended 30 September 2016.

**A6. Changes in Estimates**

There were no changes in the estimates that have had a material effect in the current quarter results.

**A7. Issuances, Cancellation, Repurchases, Resale and Repayment of Debts and Equity securities**

There were no issuances and repayment of debt and equity securities, share buy-back, share cancellations, share held as treasury shares and resale of treasury shares for the current financial year.

**A8. Dividends Paid**

No dividend was paid in the quarter under review.



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**A9. Segmental Revenue and Results**

The Group is organised into the following business segments:

- i. Express courier services ("Courier") which consist of express courier services and mailroom management services;
- ii. Logistics and Others Services ("Logistics and Others") consist of freight forwarding services, trucking services, warehousing services, customized local and overseas logistics services and distribution services. This segment has been reclassified from previous reporting of freight forwarding services and others services.

Management monitors the operating results of its business separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain respects as explained below, is measured differently from the operating profit or loss in the consolidated financial statements. Group financing (including finance costs), income taxes and segmental reporting on assets and liabilities are managed on a group basis and not allocated to operating segments.

<b>Current Period-to-date September 2016</b>	<b>Courier RM'000</b>	<b>Logistics And Others RM'000</b>	<b>Eliminations RM'000</b>	<b>As per consolidated financial statements RM'000</b>
<b>Revenue</b>				
External	38,710	1,710	-	40,420
Inter-segment	903	464	(1,367)	-
Total revenue	<u>39,613</u>	<u>2,174</u>	<u>(1,367)</u>	<u>40,420</u>
<b>Results</b>				
Segment loss net of tax	<u>(6,427)</u>	<u>(511)</u>	<u>-</u>	<u>(6,938)</u>
<b>Segment assets</b>	<u>65,278</u>	<u>4,151</u>	<u>(9,238)</u>	<u>60,191</u>
<b>Segment liabilities</b>	<u>15,190</u>	<u>10,818</u>	<u>(14,649)</u>	<u>11,359</u>

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**A9. Segmental Revenue and Results (contd.)**

<b>Corresponding Period-to-date September 2015</b>	<b>Courier RM'000</b>	<b>Logistics And Others</b>	<b>Eliminations RM'000</b>	<b>As per consolidated financial statements RM'000</b>
<b>Revenue</b>				
External	43,603	2,419	-	46,022
Inter-segment	951	451	(1,402)	-
<b>Total revenue</b>	<u>44,554</u>	<u>2,870</u>	<u>(1,402)</u>	<u>46,022</u>
<b>Results</b>				
Segment profit/ (loss) net of tax	<u>76</u>	<u>(801)</u>	<u>-</u>	<u>(726)</u>
<b>Segment assets</b>	<u>83,042</u>	<u>5,346</u>	<u>(14,559)</u>	<u>73,829</u>
<b>Segment liabilities</b>	<u>14,361</u>	<u>10,310</u>	<u>(12,048)</u>	<u>12,623</u>

Geographical information

The activities of the Group during the current and previous corresponding year substantially relate to the providing of express courier services, trucking services, freight forwarding services, customised logistics services, mailroom management services, retail and warehousing and are predominantly conducted in Malaysia.

Consequently, revenue and non-current assets information based on the geographical location of customers and assets is predominantly in respect of Malaysia.

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**A10. Notes to the Condensed Consolidated Income Statement of Comprehensive Income**

Profit/ (loss) before tax is arrived at after charging / (crediting) the following items:

	<b>Individual</b>	
	<b>Current</b>	<b>Corresponding</b>
	<b>Quarter</b>	<b>Quarter</b>
	<b>Ended</b>	<b>Ended</b>
	<b>30 September</b>	<b>30 September</b>
	<b>2016</b>	<b>2015</b>
	<b><u>RM'000</u></b>	<b><u>RM'000</u></b>
(a) Interest expense	53	79
(b) Interest income	(15)	(54)
(c) Net impairment loss of trade and other receivables	956	405
(d) Depreciation of property, plant & equipment	841	903
(e) Net (gain)/loss on foreign exchange	<u>(31)</u>	<u>(106)</u>

**A11. Valuation of Property, Plant and Equipment**

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

**A12. Subsequent Material Events**

- (i) On 8 November 2016, NECSB entered into a conditional share acquisition agreement with Ong Eng Lee and Lim Kew Wan to acquire the entire issued and paid-up share capital of Airpak Express (M) Sdn. Bhd. ("Airpak") subject to the terms and conditions contained in the Share Acquisition Agreement ("Proposed Acquisition").

The Proposed Acquisition entails the acquisition of 657,001 ordinary shares of RM1.00 each and 73,000 ordinary shares of RM1.00 each from Ong Eng Lee and Lim Kew Wan respectively, representing the entire issued and paid-up share capital of Airpak by NECSB for a total purchase consideration of approximately RM33.16 million to be satisfied in the following manner:

- RM30.00 million in cash to be paid in the manner set out in Section 2.2 of the announcement dated 8 November 2016; and
- Issuance and allotment of 6,328,021 new ordinary shares of RM0.50 each in Nationwide Express Holdings Berhad ("NEHB") at an issue price of RM0.50 per share, equivalent to approximately RM3.16 million.

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For clarity purposes, NECSB is in the midst of an internal reorganization exercise which involves *inter alia* a proposed exchange of all the existing listed shares of NECSB with new NEHB shares in NEHB via a scheme of arrangement under Section 176 of the Companies Act, 1965 and thereafter a proposed assumption of the listing status of NECSB by NEHB (“Proposed Internal Reorganisation”). The Proposed Acquisition is conditional upon *inter alia*, the completion of the Proposed Internal Reorganisation.

Notwithstanding the completion of the Share Acquisition Agreement, Ong Eng Lee, unconditionally and irrevocably warrants and guarantees to NECSB that Airpak and its subsidiary shall have an aggregate audited consolidated profit after tax as follows:

- RM5.00 million for the financial period commencing 1 June 2016 and ending 31 July 2017 (“Year 1 Guaranteed PAT”); and
- RM5.00 million for the financial period commencing 1 June 2017 and ending 31 July 2018 (“Year 2 Guaranteed PAT”).

The Proposed Acquisition is subject to the following approvals being obtained:

- Bursa Securities for the listing of and quotation for the NEHB Consideration Shares to be issued pursuant to the Proposed Acquisition;
- Shareholders of NECSB or NEHB at the extraordinary general meeting to be convened; and
- Any other authorities and/or parties, if required.

Saved for the Proposed Internal Reorganisation, the Proposed Acquisition is not conditional upon any other proposal undertaken or to be undertaken by the Company.

- (ii) On 14 November 2016, the High Court had granted NECSB an order approving and sanctioning the Proposed Internal Reorganisation By Way of a Members’ Scheme of Arrangement Under Section 176 of the Companies Act, 1965. The Scheme of Arrangement will take effect upon lodgement of the Court Order with the Registrar of Companies.

**A13. Changes in the Composition of the Group**

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

**A14. Changes in Contingent Liabilities**

There are claims amounting to RM218, 460 (2015: Nil) from third parties. On the merits of the cases and as supported by legal advice, no provision has been made in the financial statements.

Save for the above, there is no other contingent liability of the Group as at the date of this announcement.

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**A15. Capital Commitments**

The amount of commitments for purchase of property, plant and equipment not provided for in the interim financial statements as at 30 September 2016 are as follows:

	<b>RM '000</b>
Approved and contracted for	15
Approved but not contracted for	<u>3,895</u>

**A16. Related Party Transactions**

<u>Company</u>	<b>Current Period – to - date 30 September 2016 RM'000</b>
BHR Enterprise Sdn. Bhd. - rental expense payable	40
Percetakan Keselamatan Nasional- delivery and courier services rendered	38
Sdn. Bhd. - rental expense payable	31
Fima Corporation Berhad - rental expense payable	8
- delivery and courier services rendered	28

Fima Corporation Berhad and Percetakan Keselamatan Nasional Sdn. Bhd. are related parties to the Group and the Company by virtue of a common substantial shareholder, BHR Enterprise Sdn. Bhd.

The Directors are of the opinion that the transactions above have been entered into in the normal course of business and established under terms that are not materially different from those obtainable with unrelated parties.

**A17. Acquisition of Property, Plant and Equipment**

As at the end of the financial period ended 30 September 2016, the Group has acquired the following assets: -

	<b>Current Period-to-date 30 September 2016 RM'000</b>
Leasehold improvements	7
Computer/machine/office equipment	95
Furniture & Fittings	3
	<u>105</u>

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**Part B – Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad**

**B1. Review of performance**

**Group Performance**

(RM Million)	<b>Current YTD</b>	<b>Previous YTD</b>	<b>Variance</b>	<b>%</b>
Revenue	40.42	46.02	(5.60)	-12.17
Loss Net of Tax	(6.94)	(0.73)	(6.21)	850.41

The Group revenue for the period ended 30 September 2016 stood at RM40.42 million as compared to RM46.02 million in the previous corresponding period, a decrease of RM5.60 million (12.17%) due to the decrease in revenue contributed by the courier segment during the period.

The Group's loss net of tax for the period has increased to RM6.94 million compared to a loss net of tax of RM0.73 million in the previous corresponding period.

The performance of each business segment is as follows:

**i) Courier Segment**

(RM Million)	<b>Current YTD</b>	<b>Previous YTD</b>	<b>Variance</b>	<b>%</b>
Revenue	39.61	44.55	(4.94)	-11.09
(Loss)/Profit Net of Tax	(6.43)	0.08	(6.51)	8,133.75

The revenue in the courier segment decreased by 11.09% from RM44.55 million in the previous corresponding period to RM39.61 million currently. The decrease was mainly due to the decrease in volume recorded during the period. The loss net of tax stood at RM6.43 million as compared to the profit net of tax of RM0.08 million recorded in the previous corresponding period.

**ii) Logistics and Others Segment**

(RM Million)	<b>Current YTD</b>	<b>Previous YTD</b>	<b>Variance</b>	<b>%</b>
Revenue	2.17	2.87	(0.70)	-24.39
Loss Net of Tax	(0.51)	(0.80)	0.29	-36.25

The revenue decreased by 0.70% from RM2.87 million in the previous corresponding period to RM2.17 million currently due to the decrease in volume in the current period. The loss net of tax was at RM0.51 million as compared to the loss net of tax of RM0.80 million recorded in the previous period.

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**B2. Comparison with preceding quarter's results**

**Group Performance**

	<b>QTR 2</b>	<b>QTR 1</b>		
(RM Million)	<b>FY 2016/2017</b>	<b>FY 2016/2017</b>	<b>Variance</b>	<b>%</b>
Revenue	19.16	21.26	(2.10)	-9.88
Loss Net of Tax	(4.88)	(2.06)	(2.82)	-136.89

During the current quarter, the Group recorded revenue of RM19.16 million, lower by 2.10 million or 9.88% as compared to the revenue recorded in the preceding quarter.

The Group's loss net of tax for the current quarter was RM4.88 million as compared to a loss net of tax of RM2.06 million in the preceding quarter.

The performance of each business segment is as follows:

**i) Courier Segment**

	<b>QTR 2</b>	<b>QTR 1</b>		
(RM Million)	<b>FY 2016/2017</b>	<b>FY 2016/2017</b>	<b>Variance</b>	<b>%</b>
Revenue	18.83	20.78	(1.95)	-9.38
Loss Net of Tax	(4.51)	(1.92)	(2.59)	-134.90

The courier segment recorded a decrease in revenue by RM1.95 million to RM18.83 million in the current quarter as compared with the preceding quarter. The loss net of tax was RM4.51 million as compared to the loss net of tax RM1.92 million recorded in the preceding quarter.

**ii) Logistics and Others Segment**

	<b>QTR 2</b>	<b>QTR 1</b>		
(RM Million)	<b>FY 2016/2017</b>	<b>FY 2016/2017</b>	<b>Variance</b>	<b>%</b>
Revenue	0.98	1.19	(0.21)	-17.31
Loss Net of Tax	(0.37)	(0.14)	(0.23)	164.29

The logistics and others segment recorded revenue slightly lower at RM0.98 million in the current quarter as compared to RM1.19 million in the preceding quarter.

This segment recorded a loss net of tax of RM0.37 million as compared to a loss net of tax of RM0.14 million in the preceding quarter.

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**B3. Current year prospects**

In light of the current economic situation, the Group expects the business environment for the coming quarter to be more challenging.

**B4. Explanatory notes on variances with profit forecasts or profit guarantee**

Not applicable as the Group did not issue any profit forecasts and/or profit guarantee to the public.

**B5. Taxation**

Taxation for the current quarter comprises the following:

	<b>Individual</b>	
	<b>Current Quarter Ended 30- September 2016 RM '000</b>	<b>Corresponding Quarter Ended 30- September 2015 RM '000</b>
Income tax	-	91
Deferred tax	-	-
Total Income Tax Expenses	<u>-</u>	<u>91</u>

The effective tax rate for the previous corresponding quarter was higher than the statutory tax rate mainly due to the profit achieved by a subsidiary and expenses not allowable for tax purpose.

**B6. Corporate Proposals**

Save as disclosed in note A12, there was no other corporate proposals announced in the current quarter ended 30 September 2016.

**B7. Realised/unrealised profits**

	<b>As at 30 Septem 2016</b>	<b>As at 30 September 2015</b>
	<b>RM '000</b>	<b>RM '000</b>
Total retained profits of the Company and its subsidiaries:		
Realised	(12,850)	196
Unrealised	<u>234</u>	<u>(49)</u>
	(12,616)	245
Add : Consolidation adjustment	<u>918</u>	<u>918</u>
Total group retained profits as per consolidated accounts	<u>(11,698)</u>	<u>673</u>



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**B8. Changes in Material Litigation**

There have been no changes in material litigation since the last annual reporting date of 31 March 2016.

**B9. Dividends**

The Directors did not recommend the payment of any dividend for the financial year ended 31 March 2016.

**B10. Loss Per Share**

**Basic**

Basic loss per share is calculated by dividing the net loss for the period attributable to the shareholders by the weighted average number of ordinary shares in issue during the period.

	<b>Current Quarter Ended 30 September 2016 (RM'000)</b>	<b>Corresponding Quarter Ended 30 September 2015 (RM'000)</b>	<b>Current Year Ended 30 September 2016 (RM'000)</b>	<b>Corresponding Year Ended 30 September 2015 (RM'000)</b>
Net loss (RM '000)	(4,891)	(690)	(6,939)	(726)
Weighted average/ number of ordinary shares in issue ( '000)	60,116	60,116	60,116	60,116
Basic LPS (sen)	(8.14)	(1.15)	(11.54)	(1.21)

**B12. Authorisation for Issue**

The interim financial statements were authorized for issue by the Board of Directors in accordance with a resolution of the directors on 28 November 2016.

**BY ORDER OF THE BOARD**

**Mustaffa bin Abdul Razak**  
**Company Secretary**

**28 November 2016**

