

NATIONWIDE EXPRESS HOLDINGS BERHAD

**REPORT FOR THE QUARTER ENDED
30 JUNE 2017
FOR BURSA SECURITIES ANNOUNCEMENT**

DATE: 29 AUGUST 2017

NATIONWIDE EXPRESS HOLDINGS BERHAD
(COMPANY NO : 1185457-K)
(INCORPORATED IN MALAYSIA)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the Period Ended 30 June 2017

Except as disclosed otherwise, the figures have not been audited

	INDIVIDUAL		CUMULATIVE	
	CURRENT QTR ENDED 30 JUNE 2017 RM'000	CORRESPONDING QTR ENDED 30 JUNE 2016 RM'000	3 MONTHS CUMULATIVE 30 JUNE 2017 RM'000	3 MONTHS CUMULATIVE 30 JUNE 2016 RM'000
Revenue	19,196	21,259	19,196	21,259
Cost of Services	(16,592)	(17,947)	(16,592)	(17,947)
Gross Profit	2,604	3,312	2,604	3,312
Other Income	8	12	8	12
Administrative Expenses	(2,664)	(5,046)	(2,664)	(5,046)
Selling and Marketing Expenses	(351)	(336)	(351)	(336)
Profit/(Loss) Before Tax	(403)	(2,058)	(403)	(2,058)
Income Tax Expense	(100)	-	(100)	-
Net loss of tax	(503)	(2,058)	(503)	(2,058)
Other Comprehensive Loss:				
Currency translation differences arising from consolidation	206	94	206	94
Total Comprehensive Loss for the period	(297)	(1,964)	(297)	(1,964)
Loss per share -Basic (sen)	(0.84)	(3.42)	(0.84)	(3.42)

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 2017 and the accompanying explanatory notes attached to the interim financial statements.

NATIONWIDE EXPRESS HOLDINGS BERHAD
(COMPANY NO : 1185457-K)
(INCORPORATED IN MALAYSIA)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2017

Except as disclosed otherwise, the figures have not been audited

	As at 30 June 2017 RM'000	Audited As at 31 March 2017 RM'000
ASSETS		
Non-current Assets		
Property, Plant and Equipment	25,583	25,398
Deferred Tax Assets	11	11
Current Assets		
Inventories	253	312
Trade Receivables	20,816	17,193
Other Receivables	2,033	4,418
Cash and Bank Balances	1,893	5,347
	<u>24,995</u>	<u>27,270</u>
TOTAL ASSETS	<u><u>50,589</u></u>	<u><u>52,679</u></u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share Capital	60,116	60,116
Reserves	(20,540)	(20,243)
Total Equity	<u>39,576</u>	<u>39,873</u>
Non-current Liability		
Hire purchase	-	357
Deferred Tax Liabilities	-	-
	<u>-</u>	<u>357</u>
Current Liabilities		
Other Payables	9,390	10,760
Hire purchase	1,623	1,689
	<u>11,013</u>	<u>12,449</u>
Total Liabilities	11,013	12,806
TOTAL EQUITY AND LIABILITIES	<u><u>50,589</u></u>	<u><u>52,679</u></u>
Net Assets Per Share (sen)	<u><u>66</u></u>	<u><u>66</u></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 2017 and the accompanying explanatory notes attached to the interim financial statements.

NATIONWIDE EXPRESS HOLDINGS BERHAD
(COMPANY NO : 1185457-K)
(INCORPORATED IN MALAYSIA)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Period Ended 30 June 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	-	-	94	(2,058)	(1,964)
At 30 June 2016	<u>60,116</u>	<u>413</u>	<u>151</u>	<u>(6,817)</u>	<u>53,863</u>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Period Ended 30 June 2017

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

	Share Capital RM '000	Share Premium/ Merger Reserve RM '000	Non - Distributable Exchange Fluctuation Reserve RM '000	Distributable Retained Profits RM '000	Total RM '000
At 1 April 2017	60,116	413	(60)	(20,596)	39,873
Total comprehensive loss for the period	-	-	206	(503)	(297)
At 30 June 2017	<u>60,116</u>	<u>413</u>	<u>146</u>	<u>(21,099)</u>	<u>39,576</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 2017 and the accompanying explanatory notes attached to the interim financial statements.

NATIONWIDE EXPRESS HOLDINGS BERHAD
(COMPANY NO : 1185457-K)
(INCORPORATED IN MALAYSIA)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the Period Ended 30 June 2017

Except as disclosed otherwise, the figures have not been audited

	3 Months Ended 30 June 2017 RM '000	3 Months Ended 30 June 2016 RM '000
Cash Flow From Operating Activities		
Profit/(Loss) Before Tax	(403)	(2,058)
Adjustments for :		
Depreciation of property, plant and equipment	722	851
Net (write-back)/impairment loss of trade and other receivables	(1,846)	516
Interest Income	(8)	(12)
Interest Expense	25	59
Operating Profit Before Working Capital Changes	(1,510)	(644)
(Increase)/Decrease in Inventories	59	(104)
Decrease/(Increase) in Receivables	627	(754)
Increase/(Decrease) in Payables	(1,370)	533
Cash Generated used in Operations	(2,194)	(969)
Taxation paid	(119)	(137)
Interest paid	(25)	(59)
Tax refund	-	-
Net Cash Used in Operating Activities	(2,338)	(1,165)
Cash Flow From Investing Activities		
Interest received	8	12
Purchase of property, plant and equipment	(907)	(51)
Net Cash Used in Investing Activities	(899)	(39)
Cash Flow From Financing Activities		
Repayment of hire purchase financing	(423)	(422)
Net Cash Used in Financing Activities	(423)	(422)
Net movement in Cash and Cash Equivalents	(3,660)	(1,626)
Effects of exchange rate changes	206	94
Cash and Cash Equivalents at Beginning of the Period	5,347	6,970
Cash and Cash Equivalents at End of the Period	1,893	5,438
Cash and Bank Balances	938	3,479
Fixed Deposit	955	1,959
Total Cash and Cash Equivalents	1,893	5,438

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 31 March 2017 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, 2016 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 2017 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:

Description	Effective for annual period beginning on or after
Annual Improvements to MFRSs 2012-2014 Cycle	1 January 2017
Amendments to FRS 107: Disclosure initiative	1 January 2017
Amendments to FRS 112: Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017
Amendments to MFRS 2: Classification and measurement of share-based payment transactions	1 January 2018
FRS 15 Revenue from Contracts with Customers	1 January 2018
FRS 9 Financial Instruments	1 January 2018
Amendments to MFRS 140: Type of Investment Property	1 January 2018
MFRS 16: Leases	1 January 2019
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 full compliance with the requirements of 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 2017 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 June 2017.

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.

NATIONWIDE EXPRESS HOLDINGS BERHAD
(COMPANY NO: 1185457-K)
Quarterly Announcement For The Quarter Ended 30 June 2017

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 investment holding, freight forwarding services, trucking services, warehousing services, customized local and overseas logistics services, retail services and distribution services.

Management monitors the operating results of its business segments 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.

Current Period-to-date June 2017	Courier RM'000	Logistics And Others RM'000	Eliminations RM'000	As per consolidated financial statements RM'000
Revenue				
External	18,557	639	-	19,196
Inter-segment	328	194	(522)	-
Total revenue	<u>18,885</u>	<u>833</u>	<u>(522)</u>	<u>19,196</u>
Results				
Segment profit/ (loss) net of tax	<u>13</u>	<u>(516)</u>	<u>-</u>	<u>(503)</u>
Segment assets	<u>53,645</u>	<u>2,481</u>	<u>(5,537)</u>	<u>50,589</u>
Segment liabilities	<u>14,324</u>	<u>12,052</u>	<u>(15,363)</u>	<u>11,013</u>

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A9. Segmental Revenue and Results (contd.)

Current Period-to-date June 2016	Courier RM'000	Logistics And Others RM'000	Eliminations RM'000	As per consolidated financial statements RM'000
Revenue				
External	20,300	959	-	21,259
Inter-segment	477	233	(710)	-
Total revenue	20,777	1,192	(710)	21,259
Results				
Segment loss net of tax	(1,923)	(135)	-	(2,058)
Segment assets	74,723	4,437	(15,277)	63,883
Segment liabilities	13,143	9,693	(12,816)	10,020

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.

NATIONWIDE EXPRESS HOLDINGS BERHAD
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Quarterly Announcement For The Quarter Ended 30 June 2017

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

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

	Individual	
	Current Quarter Ended 30 June 2017 <u>RM'000</u>	Corresponding Quarter Ended 30 June 2016 <u>RM'000</u>
(a) Interest expense	25	59
(b) Interest income	(8)	(12)
(c) Net (write-back)/ impairment loss of trade and other receivables	(1,846)	516
(d) Depreciation of property, plant & equipment	722	851
(e) Net (gain)/loss on foreign exchange	<u>65</u>	<u>(42)</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

There were no material events subsequent to the end of the current quarter.

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 is a claim amounting to RM407, 460 (2016: RM102, 960) from a third party. On the merits of the case 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.

NATIONWIDE EXPRESS HOLDINGS BERHAD
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Quarterly Announcement For The Quarter Ended 30 June 2017

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 June 2017 are as follows:

	RM '000
Approved and contracted for	30
Approved but not contracted for	<u>4,094</u>

A16. Related Party Transactions

<u>Company</u>	Current Period – to - date 30 June 2017 RM'000
BHR Enterprise Sdn. Bhd. - rental expense payable	(20)
Percetakan Keselamatan Nasional- delivery and courier services rendered	23
Sdn. Bhd. - rental expense payable	(16)
Fima Corporation Berhad - rental expense payable	(4)
- delivery and courier services rendered	(2)

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.

NATIONWIDE EXPRESS HOLDINGS BERHAD
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Quarterly Announcement For The Quarter Ended 30 June 2017

17. Acquisition of Property, Plant and Equipment

As at the end of the financial period ended 30 June 2017, the Group has acquired the following assets: -

	Current Period-to-date 30 June 2017 RM'000
Capital work-in-progress	767
Leasehold improvements	33
Computer/machine/office equipment	103
Furniture & Fittings	4
	<u>907</u>

NATIONWIDE EXPRESS HOLDINGS BERHAD
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Quarterly Announcement For The Quarter Ended 30 June 2017

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)	Current YTD	Previous YTD	Variance	%
Revenue	19.20	21.26	(2.06)	-9.69
Loss Net of Tax	(0.50)	(2.06)	1.56	75.73

The Group revenue for the period ended 30 June 2017 stood at RM19.20 million as compared to RM21.26 million in the previous corresponding period, a decrease of RM2.06 million (9.69%) due to the decrease in administrative expenses during the period.

The Group's loss net of tax for the period has decreased to RM0.50 million compared to a loss net of tax of RM2.06 million in the previous corresponding period.

The performance of each business segment is as follows:

i) Courier Segment

(RM Million)	Current YTD	Previous YTD	Variance	%
Revenue	18.89	20.78	(1.89)	-9.10
Profit/(Loss) Net of Tax	0.01	(1.92)	1.91	99.48

The revenue in the courier segment decreased by 9.10% from RM20.78 million in the previous corresponding period to RM18.89 million currently. The decrease was mainly due to the decrease in volume recorded during the period. The profit net of tax stood at RM0.01 million as compared to the loss net of tax of RM1.92 million recorded in the previous corresponding period.

ii) Logistics and Others Segment

(RM Million)	Current YTD	Previous YTD	Variance	%
Revenue	0.83	1.19	(0.36)	-30.25
Loss Net of Tax	(0.52)	(0.14)	(0.38)	-271.43

The revenue decreased by 30.25% from RM1.19 million in the previous corresponding period to RM0.83 million currently due to the decrease in volume in the current period. The loss net of tax was at RM0.52 million as compared to the loss net of tax of RM0.14 million recorded in the previous period.

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Quarterly Announcement For The Quarter Ended 30 June 2017

B2. Comparison with preceding quarter's results

Group Performance

(RM Million)	QTR 1	QTR 4	Variance	%
	FY 2017/2018	FY 2016/2017		
Revenue	19.20	23.25	(4.05)	-17.42
Loss Net of Tax	(0.50)	(6.35)	6.85	107.87

During the current quarter, the Group recorded revenue of RM19.20 million, lower by 4.05 million or 17.42% as compared to the revenue recorded in the preceding quarter.

The Group's loss net of tax for the current quarter was RM0.50 million as compared to a loss net of tax of RM6.35 million in the preceding quarter.

The performance of each business segment is as follows:

i) Courier Segment

(RM Million)	QTR 1	QTR 4	Variance	%
	FY 2017/2018	FY 2016/2017		
Revenue	18.89	22.91	(4.02)	-17.55
Profit/(Loss) Net of Tax	0.01	(9.18)	9.19	100.11

The courier segment recorded a decrease in revenue by RM4.02 million to RM18.89 million in the current quarter as compared with the preceding quarter. The profit net of tax was RM0.01 million as compared to the loss net of tax RM9.18 million recorded in the preceding quarter.

ii) Logistics and Others Segment

(RM Million)	QTR 1	QTR 4	Variance	%
	FY 2017/2018	FY 2016/2017		
Revenue	0.83	0.84	-0.01	10.37
Loss Net of Tax	(0.52)	(1.10)	0.58	0.53

The logistics and others segment recorded revenue slightly lower at RM0.83 million in the current quarter as compared to RM0.84 million in the preceding quarter.

This segment recorded a loss net of tax of RM0.52 million as compared to a loss net of tax of RM1.10 million in the preceding quarter.

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Quarterly Announcement For The Quarter Ended 30 June 2017

B3. Current year prospects

In light of the current economic situation, the Group expects the business environment for the coming quarter to be as 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:

	Individual	
	Current	Corresponding
	Quarter	Quarter
	Ended	Ended
	30-June	31-June
	2017	2016
	RM '000	RM '000
Income tax	100	-
Deferred tax	-	-
Total Income Tax Expenses	100	-

The effective tax rate for the current 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

There was no corporate proposal announced in the current quarter ended 30 June 2017.

B7. Realised/unrealised profits

	As at	As at
	30 June	30 June
	2017	2016
	RM '000	RM '000
Total retained profits of the Company and its subsidiaries:		
Realised	(29,938)	(8,093)
Unrealised	11	358
	(29,927)	(7,735)
Add : Consolidation adjustment	8,828	918
Total group retained profits as per consolidated accounts	(21,099)	(6,817)

NATIONWIDE EXPRESS HOLDINGS BERHAD
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Quarterly Announcement For The Quarter Ended 30 June 2017

B8. Changes in Material Litigation

There have been no changes in material litigation since the last annual reporting date of 31 March 2017.

B9. Dividends

The Directors did not recommend the payment of any dividend for the financial year ended 31 March 2017.

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.

	Current Quarter Ended 30 June 2017 (RM'000)	Corresponding Quarter Ended 30 June 2016 (RM'000)	Current Year Ended 30 June 2017 (RM'000)	Corresponding Year Ended 30 June 2016 (RM'000)
Net loss (RM '000)	(503)	(2,058)	(503)	(2,058)
Weighted average/ number of ordinary shares in issue ('000)	60,116	60,116	60,116	60,116
Basic LPS (sen)	(0.84)	(3.42)	(0.84)	(3.42)

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 29 August 2017.

BY ORDER OF THE BOARD

Rozilawati binti Haji Basir
Managing Director

29 August 2017