

NATIONWIDE EXPRESS HOLDINGS BERHAD

**REPORT FOR THE QUARTER ENDED
30 SEPTEMBER 2018
FOR BURSA SECURITIES ANNOUNCEMENT**

DATE: 29 NOVEMBER 2018

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

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the Period Ended 30 September 2018

Except as disclosed otherwise, the figures have not been audited

	INDIVIDUAL		CUMULATIVE	
	CURRENT QTR ENDED 30 SEPTEMBER 2018 RM'000	CORRESPONDING QTR ENDED 30 SEPTEMBER 2017 RM'000	6 MONTHS CUMULATIVE 30 SEPTEMBER 2018 RM'000	6 MONTHS CUMULATIVE 30 SEPTEMBER 2017 RM'000
Revenue	21,712	19,801	37,325	38,997
Cost of Services	(18,809)	(16,919)	(34,170)	(33,511)
Gross Profit	<u>2,903</u>	<u>2,882</u>	<u>3,155</u>	<u>5,486</u>
Other Income	-	3	1	11
Administrative Expenses	(3,512)	(3,965)	(6,154)	(6,629)
Selling and Marketing Expenses	(337)	(281)	(647)	(633)
Loss Before Tax	<u>(946)</u>	<u>(1,361)</u>	<u>(3,645)</u>	<u>(1,765)</u>
Income Tax Expense	(15)	(34)	(36)	(135)
Loss net of tax	<u>(961)</u>	<u>(1,395)</u>	<u>(3,681)</u>	<u>(1,900)</u>
Other Comprehensive Loss:				
Currency translation differences arising from consolidation	1	(136)	1	70
Total Comprehensive Loss for the period	<u>(960)</u>	<u>(1,531)</u>	<u>(3,680)</u>	<u>(1,830)</u>
Loss per share -Basic (sen)	(0.78)	(2.32)	(2.99)	(3.16)

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 2018 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 September 2018

Except as disclosed otherwise, the figures have not been audited

	As at 30 September 2018 RM'000	Audited As at 31 March 2018 RM'000
ASSETS		
Non-current Assets		
Property, Plant and Equipment	27,305	26,960
Goodwill	16,047	-
Deferred Tax Assets	27	27
Current Assets		
Inventories	624	952
Trade Receivables	21,590	16,174
Other Receivables	7,078	5,014
Cash and Bank Balances	3,260	3,335
	<u>32,552</u>	<u>25,475</u>
TOTAL ASSETS	<u>75,931</u>	<u>52,462</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share Capital	62,310	60,116
Reserves	(33,485)	(29,910)
Total Equity	<u>28,825</u>	<u>30,206</u>
	-	
Current Liabilities		
Other Payables	47,106	21,899
Hire purchase	-	357
	<u>47,106</u>	<u>22,256</u>
Total Liabilities	47,106	22,256
TOTAL EQUITY AND LIABILITIES	<u>75,931</u>	<u>52,462</u>
Net Assets Per Share (sen)	<u>46.26</u>	<u>50</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 2018 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 September 2017

	Share Capital RM '000	Merger Reserve RM '000	Non - Distributable Exchange Fluctuation Reserve RM '000	Accumulated Losses RM '000	Total RM '000
At 1 April 2017	60,116	413	(60)	(20,596)	39,873
Total comprehensive loss for the period	-	-	70	(1,900)	(1,830)
At 30 September 2017	<u>60,116</u>	<u>413</u>	<u>10</u>	<u>(22,496)</u>	<u>38,043</u>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the Period Ended 30 September 2018

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

	Share Capital RM '000	Merger Reserve RM '000	Non - Distributable Exchange Fluctuation Reserve RM '000	Accumulated Losses RM '000	Total RM '000
At 1 April 2018	60,116	413	(4)	(30,319)	30,206
Additional paid up capital	2,194	-	-	-	2,194
Total comprehensive loss for the period	-	-	106	(3,681)	(3,575)
At 30 September 2018	<u>62,310</u>	<u>413</u>	<u>102</u>	<u>(34,000)</u>	<u>28,825</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 2018 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 September 2018

Except as disclosed otherwise, the figures have not been audited

	6 Months Ended 30 September 2018 RM '000	6 Months Ended 30 September 2017 RM '000
Cash Flow From Operating Activities		
Loss Before Tax	(3,645)	(1,765)
Adjustments for :		
Depreciation of property, plant and equipment	1,362	1,458
Property, plant and equipment written off		
Gain on disposal of property, plant & equipment		
Bad debt written off		
Net impairment loss/ (write-back) of trade and other receivables	1,923	(2,119)
Net impairment loss of inventories		
Interest Income	(1)	(11)
Interest Expense	121	44
Operating Profit Before Working Capital Changes	(240)	(2,393)
Decrease/ (Increase) in Inventories	328	(12)
(Increase)/ Decrease in Receivables	(9,152)	11
Increase in Payables	25,314	2,315
Cash Generated used in Operations	16,250	(79)
Taxation paid	(217)	(238)
Interest paid	(121)	(44)
Tax refund	-	
Net Cash Used in Operating Activities	15,912	(361)
Cash Flow From Investing Activities		
Interest received	1	11
Purchase of property, plant and equipment	(1,778)	(2,768)
Acquisition Cost	(16,047)	-
Proceeds from disposal of property, plant and equipment	-	
Net Cash Used in Investing Activities	(17,824)	(2,757)
Cash Flow From Financing Activities		
Proceeds from the issue of Share Capital	2,194	-
Proceeds from Rights issue	-	-
Refund of deposit pledged with licensed bank	-	-
Drawdown of hire purchase financing	-	-
Repayment of hire purchase financing	(357)	(844)
Dividends paid	-	-
Net Cash Generated from/ (Used) in Financing Activities	1,837	(844)
Net movement in Cash and Cash Equivalents	(75)	(3,962)
Effects of exchange rate changes	-	70
Cash and Cash Equivalents at Beginning of the Period	3,335	5,347
Cash and Cash Equivalents at End of the Period	3,260	1,455
Cash and Bank Balances	2,819	1,042
Fixed Deposit	441	413
Overdraft	-	-
Total Cash and Cash Equivalents	3,260	1,455

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial

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 2018 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

The Group adopted the following FRSs and Amendments to FRSs, IC Interpretations and Amendments to IC Interpretations:-

MFRS 14	: Regulatory Deferral Accounts
Amendments to MFRS 12	: Annual Improvements to FRS Standards 2014-2016 Cycle
Amendments to MFRS 10, MFRS 128	: Investment Entities : Applying the Consolidation Exception
Amendments to MFRS 11	: Accounting for Acquisitions of Interests in Joint Operations
Amendments to MFRS 101	: Disclosure Initiative
Amendments to MFRS 116	: Clarification of Acceptable Methods of Depreciation and MFRS 138
Amendments to MFRS 127	: Equity Method in Separate Financial Statements

A2. Significant Accounting Policies (contd.)

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.

(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 periods beginning on or after
MFRS 9 Prepayment Features with Negative Compensation (Amendments to MFRS 9)	1 January 2019
MFRS 16 Leases	1 January 2019
MFRS 128 Long-term Interests in Associates and Joint Ventures (Amendments to MFRS 128)	1 January 2019
Annual Improvements to MFRS Standards 2015 – 2017 Cycle	1 January 2019
MFRS 119 Plan Amendment Curtailment or Settlement (Amendments to MFRS 119)	1 January 2019
IC Interpretation 23 Uncertainty over Income Tax Treatments	1 January 2019
MFRS 2 Shared - Based Payment	1 January 2020
MFRS 3 Business Combinations (Amendment to MFRS 3)	1 January 2020
MFRS 6 Exploration for and Evaluation of Mineral Resources (Amendments to MFRS 6)	1 January 2020
MFRS 14 Regulatory Deferral Accounts (Amendments to MFRS 14)	1 January 2020
MFRS 101 Presentation of Financial Statements (Amendments to MFRS 101)	1 January 2020
MFRS 108 Accounting Policies, Changes in Accounting Policies Estimates and Errors (Amendment to MFRS 108)	1 January 2020
MFRS 134 Interim Financial Reporting (Amendment to MFRS 134)	1 January 2020
MFRS 137 Provisions, Contingent Liabilities and Contingent Liabilities and Contingent Assets (Amendment to MFRS 137)	1 January 2020
MFRS 138 Intangible Assets (Amendments to MFRS 138)	1 January 2020
IC Interpretation 12 Service Concession Arrangement (Amendment to IC Interpretation 12)	1 January 2020
IC Interpretation 19 Extinguishing Financial Liabilities with Equity Instruments (Amendment to IC Interpretation 19)	1 January 2020

A2. Significant Accounting Policies (contd.)

(b) Standards and interpretations issued but not yet effective

Description	Effective for annual periods beginning on or after
IC Interpretation 20 Stripping Cost in the Production Phase of a Surface Mine (Amendment to IC Interpretation 20)	1 January 2020
IC Interpretation 22 Foreign Currency Transaction and Advance Consideration (Amendment to IC Interpretation 22)	1 January 2020
IC Interpretation 132 Intangible Assets - Web Site Costs (Amendment to IC Interpretation 132)	1 January 2020
MFRS 17 Insurance Contracts	1 January 2021
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate 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 September 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 2018 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 2018.

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
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Quarterly Announcement For The Quarter Ended 30 September 2018

A9. Segmental Revenue and Results

The Group is organised into the following business segments:

- i. Express courier and freight services which consist of express courier services, mailroom management services, freight forwarding services, trucking services and warehousing; and
- ii. Others consist of investment holding, retail services and customized overseas logistics 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.

Current 6 months to September 2018	Courier & freight RM'000	Others RM'000	Eliminations RM'000	As per consolidated financial statements RM'000
Revenue				
External	32,444	4,881	-	37,325
Inter-segment	1,486	-	(1,486)	-
Total revenue	33,930	4,881	(1,486)	37,325
Results				
Interest Income	1	-	-	1
Dividend Income	-	-	-	-
Depreciation	1,362	0.34	-	1,362
Segment profit/(loss) net of tax	(4,476)	795	-	(3,682)
Segment assets	87,968	2,853	(14,890)	75,931
Segment liabilities	72,578	2,805	(28,277)	47,106

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A9. Segmental Revenue and Results (contd.)

Corresponding 6 months to September 2017	Courier & freight RM'000	Others RM'000	Eliminations RM'000	As per consolidated financial statements RM'000
Revenue				
External	37,574	1,423	-	38,997
Inter-segment	666	394	(1,060)	-
Total revenue	38,240	1,817	(1,060)	38,997
Results				
Interest Income				-
Dividend Income				-
Depreciation				-
Segment loss net of tax	(880)	(1,020)	-	(1,900)
Segment assets	50,702	3,201	(1,583)	52,320
Segment liabilities	14,151	12,311	(11,685)	14,777

Geographical information

The activities of the Group during the current and previous corresponding year substantially relate to the provision 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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Quarterly Announcement For The Quarter Ended 30 September 2018

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

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

	Individual		Cumulative	
	Current Quarter Ended 30-Sep 2018 <u>RM'000</u>	Corresponding Quarter Ended 30-Sep 2017 <u>RM'000</u>	Current Period Ended 30-Sep 2018 <u>RM'000</u>	Corresponding Period Ended 30-Sep 2017 <u>RM'000</u>
(a) Interest expense	120	32	121	53
(b) Interest income	-	(3)	(1)	(15)
(c) Net (write- back)/impairment loss of trade and other receivables	(923)	(272)	(1,923)	956
(d) Depreciation of property, plant & equipment	693	737	1,362	841
(e) Net (gain)/loss on foreign exchange	(121)	6	(122)	(31)

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

On 16 October 2017, Nationwide Express Distribution Sdn. Bhd., a wholly-owned subsidiary of the Company, had entered into a conditional agreement with Airpak Express (M) Sdn. Bhd. ("Airpak") to acquire all of Airpak's rights, title and interest in and to its courier service business as a going concern, including certain assets and liabilities of Airpak, free from all encumbrances and subject to the terms and conditions contained in the Acquisition Agreement.

The Proposed Acquisition entails the acquisition of the Business to be satisfied in the following manner:

- RM15.00 million in cash to be paid in the manner set out in Section 2.2.8 of the announcement dated 16 October 2017; and
- Issuance and allotment of 3,005,810 new ordinary shares in Nationwide Express Holdings Berhad ("NEHB").

A.12 Subsequent Material Events (Contd.)

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 NEHB at the extraordinary general meeting to be convened; and
- Any other authorities and/or parties, if required.

The Proposed Acquisition is not conditional upon any other proposal undertaken or to be undertaken by the Company.

On 18 January 2018, NEHB has entered into a supplemental letter with Airpak in respect of the Acquisition Agreement ("Supplemental Letter") to mutually agree that the Consideration Shares shall upon completion, be allotted and issued at an issue price at RM0.73 per Share ("Issue Price"), based on the five (5) day volume average weighted price of NEHB Shares up to and including 13 October 2017 (being the last trading day immediately prior to the execution of the Acquisition Agreement).

On 13 February 2018, a second supplemental letter was entered with Airpak in respect of the Acquisition Agreement ("Second Supplemental Letter") to mutually agree to extend the time for the fulfillment of the Conditions Precedent for a further period of one (1) month, i.e. on or before 12 March 2018.

On 12 March 2018, a third supplemental letter was entered with Airpak in respect of the Acquisition Agreement ("Third Supplemental Letter") to mutually agree to extend the time for the fulfillment of the Conditions Precedent for a further period of two (2) months, i.e. on or before 11 May 2018.

On 30 March 2018, Bursa Securities had resolve to approve the listing of 3,005,810 new NEHB Shares to be issued pursuant to the Proposed Acquisition.

On 17 April 2018, an application to seek the approval of Bursa Securities for an extension of time of up to 2 May 2018 to issue the circular in relation to the Proposed Acquisition has been submitted to Bursa Securities.

On 30 April 2018, a fourth supplemental letter was entered with Airpak in respect of the Acquisition Agreement ("Fourth Supplemental Letter") to mutually agree to extend the time for the fulfillment of the Conditions Precedent up to and including 17 May 2018.

On 3 May 2018, Bursa Securities had approved the Company's application for extension of time of up to 2 May 2018 for NEHB to issue the circular in relation to the Proposed Acquisition.

On 17 May 2018, the Company held its Extraordinary General Meeting in relation to the Proposed Acquisition. The shareholders of NEHB had duly approved the Proposed Acquisition during the meeting.

On 19 September 2018, the Company has announced to Bursa on the issuance of 3,005,810 units of new ordinary NEHB Shares pursuant to the proposed acquisition.



NATIONWIDE EXPRESS HOLDINGS BERHAD

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Quarterly Announcement For The Quarter Ended 30 September 2018

A.12 Subsequent Material Events (Contd.)

On 19 September 2018, the Company and Airpak have agreed and approved to satisfy the Conditions Precedent as stated in the agreement by both parties signing a letter to close the acquisition phase. With effective 1 October 2018, all the business activities, certain assets and liabilities under Airpak Express (M) Sdn Bhd are taken over by Nationwide Express Distribution Sdn. Bhd.

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 RM237,480 from third parties (2017: RM407,460). 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.

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 2018 are as follows:

	RM'000
Approved and contracted for	244
Approved but not contracted for	<u>335</u>

A16. Related Party Transactions

<u>Company</u>		Current Period - to - date 30 September 2018 RM'000
BHR Enterprise Sdn. Bhd.	- rental expense payable	40
Percetakan Keselamatan Nasional Sdn Bhd	- delivery and courier service rendered	222
	- rental expense payable	36
Fima Corporation Berhad	- rental expense payable	16
	- delivery and courier service rendered	8

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A16. Related Party Transactions (contd.)

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 2018, the Group has acquired the following assets: -

	Current Period-to-date 30 September 2018 RM'000
Capital work-in-progress	197
Leasehold improvements	89
Computer/machine/office equipment	141
Furniture & Fittings	14
	441

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	37.33	39.00	(4.28)
Loss Net of Tax	(3.68)	(1.90)	(93.68)

The Group's revenue for the period ended 30 September 2018 stood at RM37.33 million, a 4.28% lower as compared to RM39.00 million in the previous corresponding period. The decrease in revenue was contributed by both the courier and logistics business.

The Group's loss net of tax for the period has increased to RM3.68 million compared to a loss net of tax of RM1.90 million in the previous corresponding period.

NATIONWIDE EXPRESS HOLDINGS BERHAD
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Quarterly Announcement For The Quarter Ended 30 September 2018

B1. Review of performance (Contd.)

The performance of each business segment is as follows:

i) Courier and Freight Segment

(RM Million)	Current YTD	Previous YTD	Variance %
Revenue	33.93	38.24	(11.27)
Loss Net of Tax	(4.48)	(0.88)	(409.09)

The revenue in the courier segment decreased by 11.27% from RM38.24 million in the previous corresponding period to RM33.93 million currently. The decrease was mainly due to the decrease in volume of consignments recorded during the period. The loss net of tax increased to RM4.48 million as compared to the loss net of tax of RM0.88 million recorded in the previous corresponding period.

ii) Others Segment

(RM Million)	Current YTD	Previous YTD	Variance %
Revenue	4.88	1.82	168.13
Profit/(Loss) Net of Tax	0.79	(1.02)	177.45

The revenue has increased by 168.13% from RM1.82 million in the previous corresponding period to RM4.88 million in the current period. The profit net of tax made for the current year to date was RM0.79 million as compared to the loss net of tax of RM1.02 million recorded in the previous corresponding period.

B2. Comparison with preceding quarter's results

Group Performance

(RM Million)	QTR 2 FY 2018/2019	QTR 1 FY 2018/2019	Variance %
Revenue	21.71	15.61	39.08
Loss Net of Tax	(0.96)	(2.72)	64.71

During the current quarter, the Group recorded a revenue of RM21.71 million, a 39.08% increase from RM15.61 million in the preceding quarter.

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B2. Comparison with preceding quarter's results (Contd.)

The increase in revenue has resulted in a reduction to the Group's loss net of tax for the current quarter to RM0.96 million as compared to a loss net of tax of RM2.72 million in the preceding quarter.

The performance of each business segment is as follows:

i) Courier Segment

(RM Million)	QTR 2 FY 2018/2019	QTR 1 FY 2018/2019	Variance %
Revenue	15.85	16.12	(1.68)
Loss Net of Tax	(1.83)	(2.53)	27.67

The courier segment recorded a decrease in revenue of RM15.85 million in the current quarter as compared with the preceding quarter of RM16.12 million. However, the loss net of tax has reduced 27.67% to RM1.83 million in the current quarter from RM2.53 million in the preceding quarter.

ii) Others Segment

(RM Million)	QTR 2 FY 2018/2019	QTR 1 FY 2018/2019	Variance %
Revenue	4.88	-	0.00
Loss Net of Tax	0.87	(0.19)	557.89

The others segment recorded a revenue of RM4.88 million in the current quarter as compared nil in the preceding quarter.

This segment has recorded a profit net of tax of RM0.87 million as compared to a loss net of tax of RM0.19 million in the preceding quarter.

B3. Current year prospects

The industry continues to be competitive. Nevertheless, the completion of our acquisition of Airpak Express (M) Sdn Bhd gives us access to new segments of the market. We expect this business to contribute positively to the Group's performance going forward.

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Quarterly Announcement For The Quarter Ended 30 September 2018

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:

	Current Quarter Ended 30- September 2018 RM'000	Corresponding Quarter Ended 30- September 2017 RM'000
Income tax	15	34
Total Income Tax Expenses	<u>15</u>	<u>34</u>

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

Save as disclosed in note A12, there was no other corporate proposal announced in the current quarter ended 30 September 2018.

B7. Changes in Material Litigation

There has been no material litigation since the last annual reporting date of 31 March 2018.

B8. Dividends

The Directors did not recommend the payment of any dividend for the financial year ended 31 March 2018.



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B9. 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 September 2018 (RM'000)	Corresponding Quarter Ended 30 September 2017 (RM'000)	Current Period Ended 30 September 2018 (RM'000)	Corresponding Period Ended 30 September 2017 (RM'000)
Net loss (RM '000)	(961)	(1,395)	(3,681)	(1,900)
Weighted average/ number of ordinary shares in issue ('000)	123,238	60,116	123,238	60,116
Basic LPS (sen)	(0.78)	(2.32)	(2.98)	(3.16)

B10. Authorisation for Issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 29 November 2018.

BY ORDER OF THE BOARD

Fatintafrina Binti Mohd Tareh
Fattiadriati Binti Mohd Tareh
Company Secretaries

29 November 2018