

**NATIONWIDE EXPRESS HOLDINGS BERHAD**

**REPORT FOR THE QUARTER ENDED  
31 MARCH 2019  
FOR BURSA SECURITIES ANNOUNCEMENT**

**DATE: 31 MAY 2019**

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

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**For the Year Ended 31 March 2019**

Except as disclosed otherwise, the figures have not been audited

	INDIVIDUAL		CUMULATIVE	
	CURRENT QTR ENDED 31 MARCH 2019 RM'000	CORRESPONDING QTR ENDED 31 MARCH 2018 RM'000	12 MONTHS CUMULATIVE 31 MARCH 2019 RM'000	12 MONTHS CUMULATIVE 31 MARCH 2018 RM'000
Revenue	30,144	18,021	86,521	80,018
Cost of Services	(32,270)	(16,502)	(82,339)	(68,321)
Gross Profit	(2,126)	1,519	4,182	11,697
Other Income	1	14	5	29
Administrative Expenses	(26,404)	(7,061)	(36,211)	(19,717)
Selling and Marketing Expenses	(382)	(437)	(1,312)	(1,394)
Loss Before Tax	(28,911)	(5,965)	(33,336)	(9,385)
Income Tax Expense	61	(95)	(124)	(338)
Loss net of tax	(28,850)	(6,060)	(33,460)	(9,723)
<b>Other Comprehensive Income/(Loss):</b>				
Currency translation differences arising from consolidation	36	392	135	56
Revaluation of land and buildings	46,500	-	46,500	-
Deffered taxation	(11,160)	-	(11,160)	-
<b>Total Comprehensive Income/ (Loss) for the year</b>	<b>6,526</b>	<b>(5,668)</b>	<b>2,015</b>	<b>(9,667)</b>
Loss per share				
-Basic (sen)	(23.41)	(5.04)	(27.15)	(8.10)

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

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 31 March 2019

Except as disclosed otherwise, the figures have not been audited

	As at 31 March 2019 RM'000	Audited As at 31 March 2018 RM'000
<b>ASSETS</b>		
<b>Non-current Assets</b>		
Property, Plant and Equipment	61,447	26,960
Goodwill	11,021	-
Deferred Tax Assets	27	27
<b>Current Assets</b>		
Inventories	583	952
Trade Receivables	18,371	16,174
Other Receivables	5,170	5,014
Cash and Bank Balances	3,616	3,335
	<u>27,740</u>	<u>25,475</u>
<b>TOTAL ASSETS</b>	<b><u>100,235</u></b>	<b><u>52,462</u></b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the Company</b>		
Share Capital	62,310	60,116
Reserves	(27,895)	(29,910)
<b>Total Equity</b>	<u>34,415</u>	<u>30,206</u>
<b>Current Liabilities</b>		
Other Payables	54,660	21,899
Hire purchase	-	357
Deferred tax liabilities	11,160	-
	<u>65,820</u>	<u>22,256</u>
<b>Total Liabilities</b>	65,820	22,256
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>100,235</u></b>	<b><u>52,462</u></b>
Net Assets Per Share (sen)	<u>55</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 Year Ended 31 March 2018**

	Share Capital RM '000	Merger Reserve RM '000	Non - Distributable Exchange Fluctuation Reserve RM '000	Asset revaluation reserve RM '000	Accumulated Losses RM '000	Total RM '000
<b>At 1 April 2017</b>	60,116	413	(60)	-	(20,596)	39,873
Total comprehensive loss for the year	-	-	56	-	(9,723)	(9,667)
<b>At 31 March 2018</b>	<u>60,116</u>	<u>413</u>	<u>(4)</u>	<u>-</u>	<u>(30,319)</u>	<u>30,206</u>

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**For the Year Ended 31 March 2019**

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	Asset revaluation reserve RM '000	Accumulated Losses RM '000	Total RM '000
<b>At 1 April 2018</b>	60,116	413	(4)	-	(30,319)	30,206
Additional paid up capital	2,194	-	-	-	-	2,194
Total comprehensive income/(loss) for the year	-	-	135	35,340	(33,460)	2,015
<b>At 31 March 2019</b>	<u>62,310</u>	<u>413</u>	<u>131</u>	<u>35,340</u>	<u>(63,779)</u>	<u>34,415</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 Year Ended 31 March 2019**

Except as disclosed otherwise, the figures have not been audited

	<b>12 Months Ended 31 March 2019 RM '000</b>	<b>(Audited) 12 Months Ended 31 March 2018 RM '000</b>
<b>Cash Flow From Operating Activities</b>		
Loss Before Tax	(33,336)	(9,385)
Adjustments for :		
Depreciation of property, plant and equipment	3,909	2,894
Gain on disposal of property, plant & equipment	(139)	-
Impairment loss on trade and other receivables	1,296	1,927
Impairment loss goodwill	5,510	-
Impairment loss on property, plant & equipment	9,990	-
Interest Income	(5)	(29)
Interest Expense	411	50
Operating Loss Before Working Capital Changes	<u>(12,364)</u>	<u>(4,543)</u>
Decrease/ (Increase) in Inventories	369	(640)
Increase in Receivables	(4,592)	(1,454)
Increase in Payables	<u>8,195</u>	<u>12,167</u>
Cash Generated (Used in)/from Operations	(8,392)	5,530
Taxation paid	(432)	(348)
Interest paid	(411)	(50)
Tax refund	<u>105</u>	<u>-</u>
Net Cash (Used in)/from Operating Activities	(9,130)	5,132
<b>Cash Flow From Investing Activities</b>		
Interest received	5	29
Purchase of property, plant and equipment	(427)	(4,456)
Acquisition Cost	(8,123)	-
Proceeds from disposal of property, plant and equipment	139	-
Deposits with licensed banks more than 90 days	<u>-</u>	<u>(248)</u>
Net Cash Used in Investing Activities	(8,406)	(4,675)
<b>Cash Flow From Financing Activities</b>		
Proceeds from the issue of Share Capital	2,194	-
Deposit pledged with licensed bank	(20)	(19)
Repayment of hire purchase financing	(357)	(1,689)
Cash advance from Holding	<u>16,000</u>	<u>-</u>
Net Cash Generated from/ (Used) in Financing Activities	17,817	(1,708)
Net movement in Cash and Cash Equivalents	281	(1,251)
Effects of exchange rate changes	-	3
Cash and Cash Equivalents at Beginning of the Year	3,335	4,583
<b>Cash and Cash Equivalents at End of the Year</b>	<u>3,616</u>	<u>3,335</u>
Cash and Bank Balances	3,172	2,247
Fixed Deposit	<u>444</u>	<u>1,088</u>
<b>Total Cash and Cash Equivalents</b>	<u>3,616</u>	<u>3,335</u>

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/amended standards which are applicable to the Group with effect 1 April 2018:

##### **(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 2 Classification and Measurement of Share-based Payment Transactions (Amendments to MFRS 2)	1 January 2018
MFRS 9 Financial Instruments	1 January 2018
MFRS 15 Revenue from Contracts with Customers	1 January 2018
MFRS 140 Transfers of Investment Property (Amendments to MFRS 140)	1 January 2018
Annual Improvements to MFRS Standards 2014 – 2016 Cycle	1 January 2018
IC Interpretation 22 Foreign Currency Transactions and Advance Consideration	1 January 2018

## **A2. Significant Accounting Policies (cont'd)**

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

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 except as mentioned below:

#### **i) MFRS9, Financial Instruments**

The Group adopted MFRS 9, Financial Instruments on 1 April 2018. MFRS 9 replaces the guidance in MFRS 139 Financial Instruments, Recognition and Measurement on the classification and measurement of financial assets and financial liabilities and on hedge accounting.

MFRS 9 contains a new classification and measurement approach for financial assets that reflects the business model in which assets are managed and their cash flow characteristics.

The new standard contains three principles classifications categories for financial assets: measured at amortised cost, fair value through other comprehensive income (FVOCI) and fair value through profit and loss (FVTPL). The standard eliminates the existing MFRS 139 categories of held to maturity, loans and receivables and available for sale.

The Group has applied the requirements of MFRS 9 retrospectively with practical expedients and transitional exemptions as allowed by the standard. However, the initial application of this accounting standard does not have any material financial impact to the prior year financial statements of the Group.

#### **ii) MFRS 15, Revenue from Contracts with Customers**

MFRS 15 replaces the guidance in MFRS 111, Construction Contracts, MFRS 118, Revenue, IC Interpretation 13, Customer Loyalty Programmes, IC Interpretation 15, Agreements for Construction of Real Estate, IC Interpretation 18, Transfers of Assets from Customers and IC Interpretation 131, Revenue - Barter Transactions Involving Advertising Services. MFRS 15 provides a single model for accounting for revenue arising from contracts with customers, focusing on the identification and satisfaction of performance obligations.

Effective 1 April 2018, the Group recognises revenue in accordance to MFRS 15, Revenue from Contracts with Customers. The initial application of this accounting standard does not have any material financial impact to the current year and prior year financial statements of the Group

**A2. Significant Accounting Policies (cont'd)**

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

iii) Revaluation of land and building (property, plant and equipment)

The Group re-assessed its accounting policy for property, plant and equipment with respect to measurement of certain classes of property, plant and equipment after initial recognition. The Group has previously measured all property, plant and equipment, the asset was carried at cost less accumulated depreciation.

During the financial year ended 31 March 2019, the Group elected to change the method of accounting for land and building classified as property, plant and equipment, as the Group believes that the revaluation model more effectively demonstrates the carrying value of the land and building. In addition, the activity in the property markets in which these assets are located provides observable market data on which reliable fair value estimates can be derived.

After initial recognition, the Group uses the revaluation model, whereby land and building will be measured at fair value at the date of the revaluation less any subsequent accumulated impairment losses. The group applied the revaluation model prospectively.

The impact due to recognition of land and buildings in property, plant and equipment at revaluation model is as detailed below:

	<b>Property, Plant and equipment RM'000</b>
<b>As at 1 April 2018*</b>	16,300
Level 3 revaluation recognised due to change in accounting policy	46,500
<b>As at 31 March 2019</b>	<b>62,800</b>

\*The Group changed the accounting policy with respect to measurement of land and building during the financial year ended 31 March 2019.



**A2. Significant Accounting Policies (cont'd)**

**(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 periods beginning on or after</b>
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
IC Interpretation 20 Stripping Cost in the Production Phase of	

**A2. Significant Accounting Policies (cont'd)**

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

<b>Description</b>	<b>Effective for annual periods beginning on or after</b>
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

**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 year ended 31 March 2019.

**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.



**NATIONWIDE EXPRESS HOLDINGS BERHAD**  
**(COMPANY NO: 1185457-K)**  
**Quarterly Announcement For The Quarter Ended 31 March 2019**

**A8. Dividends Paid**

No dividend was paid in the quarter under review.

**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. Segmental performance is evaluated based on operating profit or loss which in certain aspect 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>Previous 12 months to March 2019</b>	<b>Courier &amp; Freight RM'000</b>	<b>Others RM'000</b>	<b>Eliminations RM'000</b>	<b>As per consolidated financial statements RM'000</b>
<b>Revenue</b>				
External	81,626	4,895	-	86,521
Inter-segment	2,616	-	(2,616)	
<b>Total revenue</b>	<b>84,242</b>	<b>4,895</b>	<b>(2,616)</b>	<b>86,521</b>
<b>Results</b>				
Interest Income	(5)	-	-	(5)
Depreciation	3,907	2	-	3,909
<b>Segment (loss)/profit net of tax</b>	<b>(34,121)</b>	<b>661</b>	<b>-</b>	<b>(33,460)</b>
<b>Segment assets</b>	<b>126,333</b>	<b>2,516</b>	<b>(28,614)</b>	<b>100,235</b>
<b>Segment liabilities</b>	<b>105,218</b>	<b>2,603</b>	<b>(42,001)</b>	<b>65,820</b>



**NATIONWIDE EXPRESS HOLDINGS BERHAD**  
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**A9. Segmental Revenue and Results (cont'd)**

<b>Previous 12 months to March 2018</b>	<b>Courier &amp; Freight RM'000</b>	<b>Others RM'000</b>	<b>Eliminations RM'000</b>	<b>As per consolidated financial statements RM'000</b>
<b>Revenue</b>				
External	76,491	3,527	-	80,018
Inter-segment	2,704	-	(2,704)	-
<b>Total revenue</b>	<u>79,195</u>	<u>3,527</u>	<u>(2,704)</u>	<u>80,018</u>
<b>Results</b>				
Interest Income	(29)	-	-	(29)
Depreciation	2,889	5	-	2,894
Segment (loss)/profit net of tax	<u>(10,412)</u>	<u>122</u>	<u>567</u>	<u>(9,723)</u>
<b>Segment assets</b>	<u>62,062</u>	<u>61,443</u>	<u>(71,043)</u>	<u>52,462</u>
<b>Segment liabilities</b>	<u>39,283</u>	<u>4,321</u>	<u>(21,348)</u>	<u>22,256</u>

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.

**NATIONWIDE EXPRESS HOLDINGS BERHAD**  
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**Quarterly Announcement For The Quarter Ended 31 March 2019**

**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 31-Mar 2019 <u>RM'000</u>	Corresponding Quarter Ended 31-Mar 2018 <u>RM'000</u>	Current Year Ended 31-Mar 2019 <u>RM'000</u>	Previous Year Ended 31-Mar 2018 <u>RM'000</u>
(a) Interest expense	133	22	411	118
(b) Interest income	(1)	(14)	(5)	(29)
(c) Net impairment loss of trade and other receivables	3,324	2,830	1,296	1,927
(d) Impairment loss on goodwill	5,510	-	5,510	-
(e) Impairment loss on property, plant and equipment	9,990	-	9,990	-
(f) Depreciation of property, plant & equipment	1,872	709	3,909	2,894
(g) Gain on disposal of property, plant & equipment	(139)	-	(139)	-
(h) Net loss/(gain) on foreign exchange	34	178	(93)	320

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

The Group's freehold land and building have been revalued by an independent professional valuer. The surpluses arising from the revaluations, net of deferred taxation, have been credited to other comprehensive income and accumulated in equity under the revaluation reserve.

**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.



**NATIONWIDE EXPRESS HOLDINGS BERHAD**  
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**Quarterly Announcement For The Quarter Ended 31 March 2019**

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**A12. Subsequent Material Events (cont'd)**

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").

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.



**NATIONWIDE EXPRESS HOLDINGS BERHAD**  
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**Quarterly Announcement For The Quarter Ended 31 March 2019**

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**A.12 Subsequent Material Events (cont'd)**

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.

The Company and Airpak are expected to complete the acquisition via an exchange of letters. Due announcement will be made on the completion of the acquisition, where all the business activities, certain assets and liabilities under Airpak Express (M) Sdn Bhd will be 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 were no contingent liabilities for the Group as at the date of this Announcement (2018: RM339,000). 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 31 March 2019 are as follows:

	<b>RM'000</b>
Approved and contracted for	63
Approved but not contracted for	<u>173</u>

**NATIONWIDE EXPRESS HOLDINGS BERHAD**  
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**A16. Related Party Transactions**

<u>Company</u>	<b>Current Year - to - date 31 March 2018 RM'000</b>
BHR Enterprise Sdn. Bhd. - rental expense payable	80
Percetakan Keselamatan Nasional Sdn Bhd - delivery and courier service rendered	82
- rental expense payable	72
Fima Corporation Berhad - rental expense payable	17
- delivery and courier service rendered	4

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 year ended 31 March 2019, the Group has acquired the following assets: -

	<b>Current Year-to-date 31 March 2019 RM'000</b>
Capital work-in-progress	284
Leasehold improvements	192
Computer/machine/office equipment	213
Furniture & Fittings	22
	711



**NATIONWIDE EXPRESS HOLDINGS BERHAD**  
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**Quarterly Announcement For The Quarter Ended 31 March 2019**

**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>
Revenue	86.52	80.02	8.12
Loss Net of Tax	(33.46)	(9.72)	(244.24)

The Group's revenue for the year ended 31 March 2019 stood at RM86.52 million, a 8.12% higher as compared to RM80.02 million in the previous year. The increase in revenue was contributed by both the courier and logistics business.

The Group's loss net of tax in the current year increased by RM23.74 million due to the impairment charges of RM15.50 million from the loss of goodwill and assets to comply with MFRS 136.

The performance of each business segment is as follows:

**i) Courier and Freight Segment**

(RM Million)	<b>Current YTD</b>	<b>Previous YTD</b>	<b>Variance %</b>
Revenue	84.24	79.2	6.38
Loss Net of Tax	(34.12)	(10.41)	(227.76)

The revenue in the Courier and Freight segment increased by 6.38% from RM79.20 million in the previous year to RM84.24 million currently. The increase was mainly due to the increase in volume of consignments whereby the businesses of Airpak Express (M) Sdn Bhd has been taken over by Nationwide Express Distribution Sdn Bhd recorded during the year.

The loss net of tax in the current year increased by RM23.71 million due to the impairment charges of RM15.50 million from the loss of goodwill and assets to comply with MFRS 136.

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**B1. Review of performance (cont'd)**

**ii) Others Segment**

(RM Million)	<b>Current YTD</b>	<b>Previous YTD</b>	<b>Variance %</b>
Revenue	4.90	3.53	38.81
Profit Net of Tax	0.66	0.12	450.00

The revenue in the Other segment has increased by 38.81% from RM3.53 million in the previous year to RM4.90 million in the current year. The profit net of tax made for the current year to date was RM0.66 million as compared to the profit net of tax of RM0.12 million recorded in the previous year.

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

**Group Performance**

(RM Million)	<b>QTR 4 FY 2018/2019</b>	<b>QTR 3 FY 2018/2019</b>	<b>Variance %</b>
Revenue	30.14	19.05	58.22
Loss Net of Tax	(28.85)	(0.93)	(3,002.15)

During the current quarter, the Group recorded a revenue of RM30.14 million, a 58.22% increase from RM19.05 million in the preceding quarter.

The Group's loss net of tax in the current quarter increased by RM27.92 million due to the impairment charges of RM15.50 million from the loss of goodwill and assets to comply with MFRS 136.

The performance of each business segment is as follows:

**i) Courier and Freight Segment**

(RM Million)	<b>QTR 4 FY 2018/2019</b>	<b>QTR 3 FY 2018/2019</b>	<b>Variance %</b>
Revenue	30.73	19.58	56.95
Loss Net of Tax	(28.83)	(0.81)	(3,459.26)

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**B2. Comparison with preceding quarter's results (cont'd)**

The Courier and Freight segment recorded increase in revenue of RM30.73 million in the current quarter as compared to the preceding quarter of RM19.58 million. The loss net of tax in the current quarter increased by RM28.02 million due to the impairment charges of RM15.50 million from the loss of goodwill and assets to comply with MFRS 136.

**ii) Others Segment**

(RM Million)	QTR 4 FY 2018/2019	QTR 3 FY 2018/2019	Variance %
Revenue	0.01	0.01	0.00
Loss Net of Tax	(0.02)	(0.11)	81.82

The Other segment maintained the revenue of RM0.01 million in the current quarter as compared to the preceding quarter.

This segment has recorded a loss net of tax of RM0.02 million as compared to a loss net of tax of RM0.11 million in the preceding quarter.

**B3. Current year prospects**

The last mile delivery segment of our business remains competitive. Nevertheless, we acknowledged its potential and will focus on this segment to increase sales.

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

The Group did not issue any profit forecasts and/or profit guarantee to the public.



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**B5. Taxation**

Taxation for the current quarter comprises the following:

	<b>Current Quarter Ended 31- March 2019 RM'000</b>	<b>Corresponding Quarter Ended 31- March 2018 RM'000</b>
Income tax	(61)	112
Deferred tax	-	(17)
Total Income Tax Expenses	<u>(61)</u>	<u>95</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 31 March 2019.

**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 year attributable to the shareholders by the weighted average number of ordinary shares in issue during the year.

	<b>Current Quarter Ended 31 March 2019 (RM'000)</b>	<b>Corresponding Quarter Ended 31 March 2018 (RM'000)</b>	<b>Current Year Ended 31 March 2019 (RM'000)</b>	<b>Previous Year Ended 31 March 2018 (RM'000)</b>
Net loss (RM '000)	(28,850)	(6,060)	(33,460)	(9,723)
Weighted average/ number of ordinary shares in issue ( '000)	123,238	120,232	123,238	120,232
Basic LPS (sen)	(23.41)	(5.04)	(27.15)	(8.10)

**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 31 May 2019.

**BY ORDER OF THE BOARD**

**Fatintafrina Binti Mohd Tareh**  
**Fattiadriati Binti Mohd Tareh**  
**Company Secretaries**

**31 May 2019**