

NATIONWIDE EXPRESS HOLDINGS BERHAD

**REPORT FOR THE QUARTER ENDED
30 SEPTEMBER 2019
FOR BURSA SECURITIES ANNOUNCEMENT**

DATE: 27 NOVEMBER 2019

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

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the Period Ended 30 September 2019

Except as disclosed otherwise, the figures have not been audited

| | INDIVIDUAL | | CUMULATIVE | |
|--|--|--|--|--|
| | CURRENT QTR ENDED 30 SEPTEMBER 2019 RM'000 | CORRESPONDING QTR ENDED 30 SEPTEMBER 2018 RM'000 | 6 MONTHS CUMULATIVE 30 SEPTEMBER 2019 RM'000 | 6 MONTHS CUMULATIVE 30 SEPTEMBER 2018 RM'000 |
| Revenue | 20,658 | 21,712 | 37,847 | 37,325 |
| Cost of Services | (20,338) | (18,809) | (37,011) | (34,170) |
| Gross Profit | <u>320</u> | <u>2,903</u> | <u>836</u> | <u>3,155</u> |
| Other Income | - | - | 1 | 1 |
| Administrative Expenses | (1,471) | (3,512) | (3,971) | (6,154) |
| Selling and Marketing Expenses | (303) | (337) | (628) | (647) |
| Loss Before Tax | <u>(1,454)</u> | <u>(946)</u> | <u>(3,762)</u> | <u>(3,645)</u> |
| Income Tax Expense | (32) | (15) | (64) | (36) |
| Loss net of tax | <u>(1,486)</u> | <u>(961)</u> | <u>(3,826)</u> | <u>(3,681)</u> |
| Other Comprehensive Loss: | | | | |
| Currency translation differences arising from consolidation | 42 | 1 | (33) | 1 |
| Total Comprehensive Loss for the period | <u>(1,444)</u> | <u>(960)</u> | <u>(3,859)</u> | <u>(3,680)</u> |
| Loss per share -Basic (sen) | (1.21) | (0.78) | (3.10) | (2.99) |

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 2019 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 2019

Except as disclosed otherwise, the figures have not been audited

| | As at 30 September 2019 RM'000 | Audited As at 31 March 2019 RM'000 |
|---|--------------------------------------|---|
| ASSETS | | |
| Non-current Assets | | |
| Property, Plant and Equipment | 68,422 | 66,579 |
| Goodwill | 7,213 | 7,310 |
| Current Assets | | |
| Inventories | 2,321 | 623 |
| Trade Receivables | 17,184 | 18,444 |
| Other Receivables | 5,884 | 4,408 |
| Cash and Bank Balances | 2,680 | 2,447 |
| | <u>28,069</u> | <u>25,922</u> |
| TOTAL ASSETS | <u>103,704</u> | <u>99,811</u> |
| EQUITY AND LIABILITIES | | |
| Equity attributable to equity holders of the Company | | |
| Share Capital | 61,213 | 61,213 |
| Other reserves | (64,205) | (60,346) |
| Revaluation reserve | 35,340 | 35,340 |
| Total Equity | <u>32,348</u> | <u>36,207</u> |
| Non-current Liability | | |
| Deferred Tax Liabilities | 11,133 | 11,133 |
| | <u>11,133</u> | <u>11,133</u> |
| Current Liabilities | | |
| Other Payables | 60,223 | 52,471 |
| Hire purchase | - | - |
| | <u>60,223</u> | <u>52,471</u> |
| Total Liabilities | 71,356 | 63,604 |
| TOTAL EQUITY AND LIABILITIES | <u>103,704</u> | <u>99,811</u> |
| Net Assets Per Share (sen) | <u>53</u> | <u>59</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 2019 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 2019

| | 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 |
|--|-----------------------------|------------------------------|---|--|----------------------------------|------------------|
| At 1 April 2019 | 61,213 | 413 | 132 | 35,340 | (60,891) | 36,207 |
| Total comprehensive loss for the period | - | - | (33) | - | (3,826) | (3,859) |
| At 30 September 2019 | <u>61,213</u> | <u>413</u> | <u>99</u> | <u>35,340</u> | <u>(64,717)</u> | <u>32,348</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 | Asset revaluation 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>-</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 2019 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 2019
Except as disclosed otherwise, the figures have not been audited

| | 6 Months Ended 30 September 2019 RM '000 | 6 Months Ended 30 September 2018 RM '000 |
|---|---|---|
| Cash Flow From Operating Activities | | |
| Loss Before Tax | (3,762) | (3,645) |
| Adjustments for : | | |
| Depreciation of property, plant and equipment | 2,353 | 1,362 |
| Gain on disposal of property, plant & equipment | (205) | - |
| (Write back)/Impairment loss on trade and other receivables | (2,732) | 1,923 |
| Impairment loss on goodwill | 97 | - |
| Reversal of Impairment loss on property, plant & equipment | (4,000) | - |
| Interest Income | (1) | (1) |
| Interest Expense | 240 | 121 |
| Operating Loss Before Working Capital Changes | (8,010) | (240) |
| (Increase)/Decrease in Inventories | (1,698) | 328 |
| Decrease/(increase)/in Receivables | 2,381 | (9,152) |
| Increase in Payables | 4,695 | 25,193 |
| Cash (Used in)/Generated from Operations | (2,632) | 16,129 |
| Taxation paid | (199) | (217) |
| Tax refund | 279 | - |
| Net (Used in)/Generated from Operating Activities | (2,552) | 15,912 |
| Cash Flow From Investing Activities | | |
| Interest received | 1 | 1 |
| Purchase of property, plant and equipment | (188) | (1,778) |
| Acquisition Cost | - | (16,047) |
| Proceeds from disposal of property, plant and equipment | 205 | - |
| Net Cash Generated/(Used in) Investing Activities | 18 | (17,824) |
| Cash Flow From Financing Activities | | |
| Proceeds from the issue of Share Capital | - | 2,194 |
| Repayment of hire purchase financing | - | (357) |
| Cash advance from Major Shareholder | 2,800 | - |
| Net Cash Generated from Financing Activities | 2,800 | 1,837 |
| Net movement in Cash and Cash Equivalents | 266 | (75) |
| Effects of exchange rate changes | (33) | - |
| Cash and Cash Equivalents at Beginning of the Period | 2,447 | 3,335 |
| Cash and Cash Equivalents at End of the Period | 2,680 | 3,260 |
| Cash and Bank Balances | 2,226 | 2,819 |
| Fixed Deposit | 454 | 441 |
| Total Cash and Cash Equivalents | 2,680 | 3,260 |

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 31 March 2019 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 2019 except for the adoption of the following new and amended standards.

(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:-

| 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 |

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:

| Description | Effective for annual periods beginning on or after |
|--|---|
| 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 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 |



NATIONWIDE EXPRESS HOLDINGS BERHAD

(COMPANY NO: 1185457-K)

Quarterly Announcement For The Quarter Ended 30 September 2019

A2. Significant Accounting Policies (cont'd)

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

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 2019 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 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.

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. Courier - Includes courier services solutions by sea, air and land to both national and international destinations and mailroom management services.
- ii. Logistic - Includes freight forwarding services, trucking services and warehousing services and customised overseas logistics services.
- iii. Others - Includes investment holding and retail services.

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Quarterly Announcement For The Quarter Ended 30 September 2019
A9. Segmental Revenue and Results (cont'd)

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.

| Previous 6 months to September 2019 | Courier RM'000 | Logistic RM'000 | Others RM'000 | Eliminations RM'000 | As per consolidated financial statements RM'000 |
|--|---------------------------|----------------------------|--------------------------|--------------------------------|--|
| Revenue | | | | | |
| External | 31,391 | 6,456 | - | - | 37,847 |
| Inter-segment | 1,145 | 279 | 504 | (1,928) | - |
| Total revenue | <u>32,536</u> | <u>6,735</u> | <u>504</u> | <u>(1,928)</u> | <u>37,847</u> |
| Results | | | | | |
| Interest Income | 1 | - | - | - | 1 |
| Depreciation | 2,349 | 4 | - | - | 2,353 |
| Segment (Loss)/profit net of tax | (4,010) | 301 | (117) | - | (3,826) |
| Segment assets | <u>129,895</u> | <u>7,290</u> | <u>1,240</u> | <u>(34,721)</u> | <u>103,704</u> |
| Segment liabilities | <u>102,291</u> | <u>15,002</u> | <u>2,182</u> | <u>(48,119)</u> | <u>71,356</u> |



NATIONWIDE EXPRESS HOLDINGS BERHAD

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Quarterly Announcement For The Quarter Ended 30 September 2019

A9. Segmental Revenue and Results (cont'd)

| Previous 6 months to September 2018 | Courier RM'000 | Logistic RM'000 | Others RM'000 | Eliminations RM'000 | As per consolidated financial statements RM'000 |
|--|---------------------------|----------------------------|--------------------------|--------------------------------|--|
| Revenue | | | | | |
| External | 30,079 | 7,246 | - | - | 37,325 |
| Inter-segment | 660 | 826 | - | (1,486) | - |
| Total revenue | <u>30,739</u> | <u>8,072</u> | <u>-</u> | <u>(1,486)</u> | <u>37,325</u> |
| Results | | | | | |
| Interest Income | 1 | - | - | - | 1 |
| Depreciation | 1,356 | 6 | - | - | 1,362 |
| Segment (loss)/profit net of tax | <u>(3,926)</u> | <u>576</u> | <u>(331)</u> | <u>-</u> | <u>(3,681)</u> |
| Segment assets | <u>71,692</u> | <u>5,811</u> | <u>11</u> | <u>(1,583)</u> | <u>75,931</u> |
| Segment liabilities | <u>46,056</u> | <u>11,218</u> | <u>1,517</u> | <u>(11,685)</u> | <u>47,106</u> |

Geographical information

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

NATIONWIDE EXPRESS HOLDINGS BERHAD
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Quarterly Announcement For The Quarter Ended 30 September 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 30 Sep 2019 <u>RM'000</u> | Corresponding Quarter Ended 30 Sep 2018 <u>RM'000</u> | Current Period Ended 30 Sep 2019 <u>RM'000</u> | Previous Period Ended 30 Sep 2018 <u>RM'000</u> |
| (a) Interest expense | 120 | 120 | 240 | 121 |
| (b) Interest income | - | - | (1) | (1) |
| (c) Impairment loss/ (Write back) on trade and other receivable | 63 | (923) | (2,732) | (1,923) |
| (d) Impairment loss on goodwill | 97 | - | 97 | - |
| (e) Reversal of impairment loss on property, plant & equipment | (4,000) | - | (4,000) | - |
| (f) Depreciation of property, plant & equipment | 1,174 | 693 | 2,353 | 1,362 |
| (g) Gain on disposal of property, plant & equipment | (85) | - | (205) | - |
| (h) Net loss/(gain) on foreign exchange | 15 | (121) | (56) | (122) |

A11. Valuation of Property, Plant and Equipment

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

The Group's 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

- (i) 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 30 September 2019

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.



NATIONWIDE EXPRESS HOLDINGS BERHAD

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Quarterly Announcement For The Quarter Ended 30 September 2019

A.12 Subsequent Material Events (cont'd)

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.

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 are claims amounting to RM954,000 (2018: RM237,480) 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.

A15. Capital Commitments

There were no contractual commitments for the acquisition of property, plant and equipment during the current quarter.

**NATIONWIDE EXPRESS HOLDINGS BERHAD****(COMPANY NO: 1185457-K)****Quarterly Announcement For The Quarter Ended 30 September 2019****A16. Related Party Transactions**

| <u>Company</u> | | Current Period - to - date 30 September 2019 RM'000 |
|---|---|--|
| BHR Enterprise Sdn. Bhd. | - rental expense payable | (40) |
| | - interest charge payable | 240 |
| Percetakan Keselamatan Nasional Sdn Bhd | - delivery and courier service rendered | 32 |
| | - rental expense payable | (36) |
| Fima Corporation Berhad | - rental expense payable | (8) |
| | - 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 period ended 30 September 2019, the Group has acquired the following assets: -

| | Current Period-to-date 30 September 2019 RM'000 |
|-----------------------------------|--|
| Capital work-in-progress | 84 |
| Leasehold improvements | 4 |
| Computer/machine/office equipment | 99 |
| | <hr/> |
| | 188 |



NATIONWIDE EXPRESS HOLDINGS BERHAD

(COMPANY NO: 1185457-K)

Quarterly Announcement For The Quarter Ended 30 September 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) | Current YTD | Previous YTD | Variance % |
|-----------------|------------------------|-------------------------|-------------------|
| Revenue | 37.85 | 37.33 | 1.39 |
| Loss Net of Tax | (3.83) | (3.68) | (4.08) |

The Group's revenue for the period ended 30 September 2019 stood at RM37.85 million, a 1.39% higher as compared to RM37.33 million in the previous corresponding period. The increase in revenue was contributed by courier business.

The Group's loss net of tax for the period has increased to RM3.83 million compared to a loss net of tax of RM3.68 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 | 32.54 | 30.74 | 5.86 |
| Loss Net of Tax | (4.01) | (3.93) | (2.04) |

The revenue in the Courier segment increased by 5.86% from RM30.74 million in the previous corresponding period to RM32.54 million currently.

The loss net of tax stood at RM4.01 million as compared to loss net of tax of RM3.93 million recorded in the previous corresponding period.

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Quarterly Announcement For The Quarter Ended 30 September 2019

B1. Review of performance (cont'd)

ii) Logistic Segment

| (RM Million) | Current YTD | Previous YTD | Variance % |
|-------------------|------------------------|-------------------------|-------------------|
| Revenue | 6.74 | 8.07 | (16.48) |
| Profit Net of Tax | 0.30 | 0.58 | (48.28) |

The revenue in the Logistic segment has decreased from RM8.07 million in the previous corresponding period to RM6.74 million in the current period. The profit net of tax incurred for the current period to date was RM0.30 million as compared to the profit net of tax of RM0.58 million recorded in the previous corresponding period.

iii) Others Segment

| (RM Million) | Current YTD | Previous YTD | Variance % |
|-----------------|------------------------|-------------------------|-------------------|
| Revenue | 0.50 | - | >100.00 |
| Loss Net of Tax | (0.12) | (0.33) | 63.64 |

The Others segment has recorded a revenue of RM0.50 million in the current period and this is due to the collection of management fees within the Group of companies.

B2. Comparison with preceding quarter's results

Group Performance

| (RM Million) | QTR 2 FY 2019/2020 | QTR 1 FY 2019/2020 | Variance % |
|-----------------|-------------------------------|-------------------------------|-------------------|
| Revenue | 20.66 | 17.19 | 20.19 |
| Loss Net of Tax | (1.49) | (2.34) | 36.32 |

During the current quarter, the Group recorded a revenue of RM20.66 million, a 20.19% increase from RM17.19 million in the preceding quarter.

The loss net of tax incurred for the current quarter was RM1.49 million as compared to the loss net of tax of RM2.34 million recorded in the preceding quarter.

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

Group Performance (cont'd)

The performance of each business segment is as follows:

i) Courier Segment

| (RM Million) | QTR 2 FY 2019/2020 | QTR 1 FY 2019/2020 | Variance % |
|-----------------|-------------------------------------|-------------------------------------|-------------------|
| Revenue | 15.86 | 16.68 | (4.92) |
| Loss Net of Tax | (1.67) | (2.34) | 28.63 |

The Courier segment recorded a decrease in revenue of RM15.86 million in the current quarter as compared to the preceding quarter of 16.68 million. The loss net of tax in the current quarter was RM1.67 million as compared to the loss net of tax of RM2.34 million in the preceding quarter.

ii) Logistic Segment

| (RM Million) | QTR 2 FY 2019/2020 | QTR 1 FY 2019/2020 | Variance % |
|--------------------------|-------------------------------------|-------------------------------------|-------------------|
| Revenue | 5.79 | 0.95 | 509.47 |
| Profit/(Loss) Net of Tax | 0.32 | (0.02) | 1700.00 |

The revenue in the Logistic segment has increased from RM0.95 million in the preceding quarter to RM5.79 million due to Hajj project in the current quarter.

The profit net of tax incurred for the current quarter to date was RM0.32 million as compared to the loss net of tax of RM0.02 million recorded in the preceding quarter.

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

iii) Others Segment

| (RM Million) | QTR 2 FY 2019/2020 | QTR 1 FY 2019/2020 | Variance % |
|--------------------------|-------------------------------------|-------------------------------------|-------------------|
| Revenue | 0.25 | 0.25 | 0.00 |
| (Loss)/Profit Net of Tax | (0.14) | 0.02 | (800.00) |

The revenue in the Others segment maintained at RM0.25 million in the current quarter.

The loss net of tax made for the current quarter to date was RM0.14 million as compared to the profit net of tax of RM0.02 million recorded in the preceding quarter.

B3. Current year prospects

The business remains challenging for the Company. Management continues with its effort to secure additional sales and managing costs down to improve profitability.

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.

B5. Taxation

Taxation for the current quarter comprises the following:

| | Current Quarter Ended 30 September 2019 RM'000 | Corresponding Quarter Ended 30 September 2018 RM'000 |
|----------------------------------|---|---|
| Income tax | 32 | 15 |
| Deferred tax | - | - |
| Total Income Tax Expenses | 32 | 15 |

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.



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B6. Corporate Proposals

Save as disclosed in note A12, there was no other corporate proposal announced in the current quarter ended 30 September 2019.

B7. Changes in Material Litigation

There has been no material litigation since the last annual reporting date of 31 March 2019.

B8. Dividends

The Directors did not recommend the payment of any dividend for the financial year ended 31 March 2019.

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 2019 (RM'000) | Corresponding Quarter Ended 30 September 2018 (RM'000) | Current Period Ended 30 September 2019 (RM'000) | Previous Period Ended 30 September 2018 (RM'000) |
|---|---|---|--|---|
| Net loss (RM '000) | (1,486) | (961) | (3,826) | (3,681) |
| Weighted average/ number of ordinary shares in issue ('000) | 123,238 | 123,238 | 123,238 | 123,238 |
| Basic LPS (sen) | (1.21) | (0.78) | (3.10) | (2.99) |

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 27 November 2019.

BY ORDER OF THE BOARD

Fatintafrina Binti Mohd Tareh
Fattiadriati Binti Mohd Tareh
Company Secretaries

27 November 2019