

NATIONWIDE EXPRESS HOLDINGS BERHAD

**REPORT FOR THE QUARTER ENDED
31 MARCH 2020
FOR BURSA SECURITIES ANNOUNCEMENT**

DATE: 30 JUNE 2020

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

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the Year Ended 31 March 2020
Except as disclosed otherwise, the figures have not been audited

	INDIVIDUAL		CUMULATIVE	
	CURRENT QTR ENDED 31 MARCH 2020 RM'000	<i>Restated</i> CORRESPONDING QTR ENDED 31 MARCH 2019 RM'000	12 MONTHS CUMULATIVE 31 MARCH 2020 RM'000	<i>Restated</i> 12 MONTHS CUMULATIVE 31 MARCH 2019 RM'000
Revenue	13,177	30,144	66,001	86,521
Cost of Services	(15,180)	(32,177)	(68,161)	(83,254)
Gross Profit	<u>(2,003)</u>	<u>(2,033)</u>	<u>(2,160)</u>	<u>3,267</u>
Other Income	11	10	16	14
Administrative Expenses	(23,285)	(23,689)	(31,673)	(33,346)
Selling and Marketing Expenses	(328)	(382)	(1,249)	(1,312)
Loss Before Tax	<u>(25,605)</u>	<u>(26,094)</u>	<u>(35,066)</u>	<u>(31,377)</u>
Income Tax Expense	24	133	(182)	(52)
Loss net of tax	<u>(25,581)</u>	<u>(25,961)</u>	<u>(35,248)</u>	<u>(31,429)</u>
Other Comprehensive Loss:				
Currency translation differences arising from consolidation	1	258	(48)	136
Revaluation of land and buildings, net of tax	(2,754)	35,340	(2,754)	35,340
Total Comprehensive Loss for the year	<u>(28,334)</u>	<u>9,637</u>	<u>(38,050)</u>	<u>4,047</u>
Loss per share				
-Basic (sen)	(20.76)	(21.07)	(28.60)	(25.50)

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 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 31 March 2020

Except as disclosed otherwise, the figures have not been audited

	As at 31 March 2020 RM'000	Restated As at 31 March 2019 RM'000
ASSETS		
Non-current Assets		
Property, Plant and Equipment	36,369	66,803
Asset held for Sale	21,538	-
Goodwill	-	6,229
Current Assets		
Inventories	693	623
Trade Receivables	12,314	18,444
Other Receivables	4,528	4,408
Cash and Bank Balances	967	2,447
	<u>18,502</u>	<u>25,922</u>
TOTAL ASSETS	<u>76,409</u>	<u>98,954</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share Capital	61,213	61,213
Other reserves	(102,443)	(61,203)
Revaluation reserve	32,586	35,340
Total Equity	<u>(8,644)</u>	<u>35,350</u>
Non-current Liability		
Other payables	13,191	-
Lease Liabilities	3,604	-
Deferred Tax Liabilities	10,181	11,133
	<u>26,976</u>	<u>11,133</u>
Current Liabilities		
Other Payables	55,354	52,471
Lease Liabilities	2,723	-
	<u>58,077</u>	<u>52,471</u>
Total Liabilities	85,053	63,604
TOTAL EQUITY AND LIABILITIES	<u>76,409</u>	<u>98,954</u>
Net Assets Per Share (sen)	<u>(14)</u>	<u>58</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)
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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the Year Ended 31 March 2020

	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 Mar 2019, as reported	61,213	413	132	35,340	(60,891)	36,207
Prior year adjustment	-	-	-	-	(857)	(857)
At 31 March 2019, as restated	61,213	413	132	35,340	(61,748)	35,350
Effect of adoption MFRS 16	-	-	-	-	(5,944)	(5,944)
As at 1 April, 2019	61,213	413	132	35,340	(67,692)	29,406
Total comprehensive loss for the year	-	-	(48)	(2,754)	(35,248)	(38,050)
At 31 March 2020	61,213	413	84	32,586	(102,940)	(8,644)

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
At 1 April 2018	60,116	413	(4)	-	(30,319)	30,206
Additional paid up capital	1,097	-	-	-	-	1,097
Total comprehensive loss for the year	-	-	136	35,340	(30,572)	4,904
At 31 March 2019	61,213	413	132	35,340	(60,891)	36,207

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
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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For the Year Ended 31 March 2020
Except as disclosed otherwise, the figures have not been audited

	12 Months Ended 31 March 2020 RM '000	<i>Restated</i> 12 Months Ended 31 March 2019 RM '000
Cash Flow From Operating Activities		
Loss Before Tax	(35,066)	(31,377)
Adjustments for :		
Depreciation of property, plant and equipment	4,674	3,677
Depreciation of right-of-used leased assets	334	-
Gain on disposal of property, plant & equipment	(205)	(139)
Impairment loss on trade and other receivables	1,193	3,036
Impairment loss on Goodwill	6,229	8,124
Inventories written down	-	19
Impairment loss on property, plant & equipment	2,593	5,736
Impairment loss on right-of-used leased assets	1,327	-
Interest Income	(16)	(14)
Interest Expense	1,659	361
Operating Loss Before Working Capital Changes	<u>(17,278)</u>	<u>(10,577)</u>
Decrease in Inventories	(70)	310
Decrease/(increase) in Receivables	4,436	(4,400)
(Decrease)/Increase in Payables	698	5,828
Cash Flow Used in Operations	<u>(12,214)</u>	<u>(8,839)</u>
Taxation paid	(542)	(405)
Interest paid	-	(1)
Tax refund	550	105
Net Cash Flow Used in Operating Activities	<u>(12,206)</u>	<u>(9,140)</u>
Cash Flow From Investing Activities		
Interest received	16	14
Purchase of property, plant and equipment	(181)	(1,677)
Acquisition Cost	-	(5,874)
Proceeds from disposal of property, plant and equipment	205	139
Net Cash Generated from/(Used in) Investing Activities	<u>40</u>	<u>(7,398)</u>
Cash Flow From Financing Activities		
Repayment of hire purchase financing	-	(357)
Payment of leased liabilities	(2,266)	-
Advance from from Major Shareholder	13,000	-
Advance from Ultimate Holding Company	-	16,000
Net Cash Generated from Financing Activities	<u>10,734</u>	<u>15,643</u>
Net movement in Cash and Cash Equivalents	(1,432)	(895)
Effects of exchange rate changes	(48)	7
Cash and Cash Equivalents at Beginning of the Year	2,447	3,335
Cash and Cash Equivalents at End of the Year	<u>967</u>	<u>2,447</u>
Cash and Bank Balances	500	1,325
Fixed Deposit	467	1,122
Total Cash and Cash Equivalents	<u>967</u>	<u>2,447</u>

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

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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

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

(c) Prior Year Adjustment

Prior year adjustments in respect of the acquisition of Airpak (M) Sdn. Bhd. ("Airpak") on 1 June 2018 have been included in the Net Assets as at 31 March 2019 in accordance with MFRS 3 Business Combinations. These arose from the finalisation of the Purchase Price Allocation (PPA) exercise in current year. The adjustments pertained to the recognition of the fair value of the net assets acquired in the Airpak's business acquisition.

The reclassification has been made retrospectively and the effects on the consolidated statement of financial position as at 31 March 2019 are as follows:

	<u>As previously stated</u>	<u>Adjustment</u>	<u>As restated</u>
As at 31 March 2019			
Property, plant and equipment	66,579	224	66,803
Goodwill	7,310	(1,081)	6,229
Depreciation of Motor Vehicle	<u>2,816</u>	<u>857</u>	<u>3,673</u>

(d) MFRS 16, Leases

The Group has initially adopted MFRS 16, Leases which is effective for annual periods beginning on or after 1 April 2019.

MFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. As a result, the Group, as a lessee has recognised right-of-use assets representing its right to use the underlying assets and lease liabilities representing its obligation to make lease payments.

Lessor accounting remains similar to the previous standard, MFRS 117 Leases –i.e. lessors continue to classify leases as finance or operating leases.

The Group has applied MFRS 16 using the cumulative effect method of adoption with the date of initial application on 1 January 2019. Accordingly, the comparative information presented for 2019 has not been restated – i.e. it is presented, as previously reported, under MFRS 117 and related interpretations.

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A2. Significant Accounting Policies (cont'd)

(d) MFRS 16, Leases (cont'd)

The impact of adopting MFRS 16 are as follows:

Increase/(decrease)	Group
As at 1 April 2019	RM'000
Right-of-use assets	5,944
Less : Impairment as at 1 April 2019 (Adjusted to Accumulated losses b/f)	<u>(5,944)</u>
Right-of-use assets, net	<u>-</u>
Lease liabilities (current)	2,266
Lease liabilities (non-current)	3,678

Set out below are the carrying amounts of right-of-use assets recognized and the movements during the year:

Right of use	RM'000
As at 1 April 2019, net	-
Addition	1,661
Depreciation	<u>(333)</u>
As at 31 March 2020 (Pre-impairment)	1,328
Less : Impairment during the year	<u>(1,328)</u>
As at 31 March 2020 (Post-impairment)	<u>-</u>

Set out below are the carrying amounts of lease liabilities and the movements during the year.

Lease Liabilities	RM'000
As at 1 April 2019	5,944
Addition	1,661
Accretion of interest	988
Payments	<u>(2,266)</u>
As at 31 March 2020	<u>6,327</u>
Analysed as:	
Current	2,723
Non-Current	<u>3,604</u>
Total Lease Liabilities	<u>6,327</u>

NATIONWIDE EXPRESS HOLDINGS BERHAD

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Quarterly Announcement for The Quarter Ended 31 March 2020

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 year ended 31 March 2020 except the revenue was effected by the Movement Control Order (MCO) which has been implemented as a preventive measure by the Federal Government of Malaysia in response to the COVID-19 pandemic.

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 current year 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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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.

12 months to March 2020	Courier RM'000	Logistic RM'000	Others RM'000	Eliminations RM'000	As per consolidated financial statements RM'000
Revenue					
External	58,208	7,793	-	-	66,001
Inter-segment	1,840	529	1,008	(3,377)	-
Total revenue	<u>60,048</u>	<u>8,322</u>	<u>1,008</u>	<u>(3,377)</u>	<u>66,001</u>
Results					
Interest Income	16	-	-	-	16
Depreciation	4,997	11	-	-	5,008
Segment Loss net of tax	<u>34,982</u>	<u>97</u>	<u>169</u>	<u>-</u>	<u>35,248</u>
Segment assets	<u>89,226</u>	<u>400</u>	<u>1,356</u>	<u>(14,573)</u>	<u>76,409</u>
Segment liabilities	<u>111,827</u>	<u>8,510</u>	<u>2,351</u>	<u>(37,635)</u>	<u>85,053</u>



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A9. Segmental Revenue and Results (cont'd)

<i>Restated*</i> Previous 12 months to March 2019	Courier RM'000	Logistic RM'000	Others RM'000	Eliminations RM'000	As per consolidated financial statements RM'000
Revenue					
External	78,236	8,285	-	-	86,521
Inter-segment	1,390	1,226	-	(2,616)	-
Total revenue	<u>79,626</u>	<u>9,511</u>	<u>-</u>	<u>(2,616)</u>	<u>86,521</u>
Results					
Interest Income	14	-	-	-	14
Depreciation*	3,660	13	-	-	3,673
Segment Loss net of tax*	<u>30,234</u>	<u>450</u>	<u>745</u>	<u>-</u>	<u>31,429</u>
Segment assets	<u>123,582</u>	<u>6,383</u>	<u>47,551</u>	<u>(78,562)</u>	<u>98,954</u>
Segment liabilities	<u>83,865</u>	<u>14,395</u>	<u>7,371</u>	<u>(42,027)</u>	<u>63,604</u>

Geographical information

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

NATIONWIDE EXPRESS HOLDINGS BERHAD

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Quarterly Announcement for The Quarter Ended 31 March 2020

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 2020 <u>RM'000</u>	<i>Restated*</i> Corresponding Quarter Ended 31 Mar 2019 <u>RM'000</u>	Current Year Ended 31 Mar 2020 <u>RM'000</u>	<i>Restated*</i> Previous Year Ended 31 Mar 2019 <u>RM'000</u>
(a) Interest expense	1,206	120	1,659	361
(b) Interest income	(11)	(10)	(16)	(14)
(c) Impairment loss on trade and other receivable	3,835	3,324	1,193	3,036
(d) Impairment loss on goodwill	6,035	8,124	6,229	8,124
(e) Impairment loss on property, plant & equipment	7,093	5,736	2,593	5,736
(f) Impairment loss on right of use leased assets	1,327	-	1,327	-
(g) Depreciation of property, plant & equipment	1,220	778*	4674	3,677*
(h) Depreciation on right- of-used leased assets	334	-	334	-
(i) Gain on disposal of property, plant & equipment	-	(139)	(205)	(139)
(j) Inventories write down	-	19	-	19
(k) Net gain on foreign exchange	24	34	(48)	(93)

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.



NATIONWIDE EXPRESS HOLDINGS BERHAD

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Quarterly Announcement for The Quarter Ended 31 March 2020

A12. Subsequent Material Events

- (i) On 16 October 2017, Nationwide Express Distribution Sdn. Bhd. (“NED”), 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 the Company.

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

- Bursa Securities for the listing of and quotation for the Company Consideration Shares to be issued pursuant to the Proposed Acquisition;
- Shareholders of the Company 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, NED 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 the Company 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.

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Quarterly Announcement for The Quarter Ended 31 March 2020

A.12 Subsequent Material Events (cont'd)

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

The parties are expected to complete the Proposed Acquisition via an exchange of letters. Due announcement will be made on the completion of the Proposed Acquisition, where all the business activities, certain assets and liabilities under Airpak are taken over by NED.

- (ii) The external auditors of the Company have expresss material uncertainty related to the going concern of the Company in the audited fianncial statements for the financial year ended 31 March 2019. Based on the consolidated quarter results as at 31 December 2019, the shareholders' equity of the Company is below 50% of its issued share capital.

Pursuant to paragraphs 8.04 and 2.1(e) of the PN17 of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Malaysia"), the Company announced on 24 February 2020 that it has triggered Paragraph 2.1(e) of PN17 of the MMLR.

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Quarterly Announcement for The Quarter Ended 31 March 2020

A.12 Subsequent Material Events (cont'd)

In line with PN17, the Company is required to comply with the following:-

- (a) Regularise its condition in the following manner:-
 - (i) Within twelve (12) months from the date of the first announcement (“First Announcement”):-
 - (aa) submit a regularisation plan to the Securities Commission Malaysia (“SC”) if the plan will result in a significant change in the business direction or policy of the Company; or
 - (bb) submit a regularisation plan to Bursa Malaysia if the plan will not result in a significant change in the business direction or policy of the Company and obtain Bursa Malaysia’s approval to implement the plan.
 - (ii) implement the plan within the timeframe stipulated by the SC or Bursa Malaysia as the case may be; and
- (b) Announce within three (3) months from the First Announcement, on whether the regularisation plan will result in a significant change in the business direction or policy of the Company.
- (c) Announce the status of its regularisation plan and the number of months to the end of the relevant timeframes referred to in paragraph 2(a) above, as may be applicable, on a monthly basis until further notice from Bursa Malaysia;
- (d) Announce its compliance or non-compliance with a particular obligation imposed pursuant to PN17, on an immediate basis;
- (e) Announce the details of the regularisation plan and sufficient information to demonstrate that the Company is able to comply with all the requirements set out in PN17 after implementation of the regularisation plan, which the announcement must include a timeline for the complete implementation of the regularisation plan and to be announced by the Company’s Principal Adviser; and
- (f) Where the Company fails to regularise its condition, to announce the dates of the suspension and de-listing of its listed securities, immediately upon notification of suspension and de-listing by Bursa Malaysia.

In the event the Company fails to comply with any part of its obligations to regularise its condition within timeframes permitted by Bursa Malaysia, Bursa Malaysia shall:-

- (a) suspended the trading of the Company’s listed securities on the sixth market day after the date of notification by Bursa Malaysia; and

A.12 Subsequent Material Events (cont'd)

- (b) de-list the Company subject to the Company's right to appeal against the de-listing which appeal by the Company must be submitted to Bursa Malaysia within five (5) from the date of notification of de-listing by Bursa Malaysia.

As at the First Announcement, the Company is formulating a plan to regularise its financial condition ("Regularisation Plan") and the announcement on the same will be made in due course in accordance to the Listing Requirements.

With reference to the First Announcement made on 24 February 2020 and the announcement dated 24 March 2020, the Company announced that in compliance with paragraph 4.1(c) of PN 17 of the MMLR, the Company is presently looking into formulating a Regularisation Plan to address its financial condition and that the Company is required to submit a Regularisation Plan to the relevant regulatory authorities on or before 23 February 2021, for approval to implement the Regularisation Plan, which is approximately twelve (12) months from the date of the First Announcement.

By virtue of Bursa Malaysia's circular dated 26 March 2020, in view of the imposition of the Movement Control Order arising from the COVID-19 pandemic, PN17 companies whose First Announcement was made between 2 January 2019 to 31 December 2019 is accorded a longer timeframe of twenty-four (24) months (instead of the existing 12 months) from the date of the First Announcement to submit their regularisation plans.

Accordingly, with reference to the First Announcement made on 24 February 2020 and the announcements made on 24 March 2020, 2 April 2020, 4 May 2020, 22 May 2020 and 2 June 2020, the Company is now required to submit a Regularisation Plan to the relevant regulatory authorities on or before 23 February 2022, for approval to implement the Regularisation Plan.

As at current, the Company is still working towards the Regularisation Plan in compliance with paragraph 4.1(c) of PN 17 of the MMLR. The Company at this stage cannot determine if the Regularisation Plan will result in a significant change of business direction or policy of the Company in line with paragraph 4.1(b) of PN17.

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 RM600,000 (2019: RM954,000) from third parties. On the merits of the cases and as supported by legal advice, no provision has been made in the financial statements.

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



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A15. Capital Commitments

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

A16. Related Party Transactions

<u>Company</u>		Current Year - to - date 31 March 2020 RM'000
BHR Enterprise Sdn. Bhd.	- rental expense payable	(80)
	- interest charge payable	480
Percetakan Keselamatan Nasional Sdn Bhd	- delivery and courier service rendered	60
	- rental expense payable	(72)
Fima Corporation Berhad	- rental expense payable	(6)
	- delivery and courier service rendered	5

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 2020, the Group has acquired the following assets: -

	Current Year-to-date 31 March 2020 RM'000
Capital work-in-progress	12
Leasehold improvements	37
Computer/machine/office equipment	131
	<hr/>
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Part B – Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad

B1. Review of performance

Group Performance

(RM Million)	Current YTD	(restated*) Previous YTD	Variance %
Revenue	66.00	86.52	(23.72)
Loss Net of Tax	(35.25)	(31.43)*	(12.15)

The Group's revenue for the year ended 31 March 2020 stood at RM66.00 million, a 23.72% lower as compared to RM86.52 million in the previous year. The decrease in revenue was contributed by courier business.

The Group's loss net of tax for the year has increased to RM35.25 million compared to a loss net of tax of RM31.43 million in the previous year.

The performance of each business segment is as follows:

i) Courier Segment

(RM Million)	Current YTD	(restated*) Previous YTD	Variance %
Revenue	60.05	79.63	(24.59)
Loss Net of Tax	(34.98)	(31.08)*	(12.55)

The revenue in the Courier segment decreased by 24.59% from RM79.63 million in the previous year to RM60.05 million currently.

The loss net of tax stood at RM34.98 million as compared to loss net of tax of RM31.08 million recorded in the previous year.

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B1. Review of performance (cont'd)

ii) Logistic Segment

(RM Million)	Current YTD	Previous YTD	Variance %
Revenue	8.32	9.51	(12.51)
Loss Net of Tax	(0.10)	(0.45)	77.78

The revenue in the Logistic segment has decreased from RM9.51 million in the previous year to RM8.32 million in the current year. The loss net of tax incurred for the current year to date was RM0.10 million as compared to the loss net of tax of RM0.45 million recorded in the previous year.

iii) Others Segment

(RM Million)	Current YTD	Previous YTD	Variance %
Revenue	1.01	-	>100.00
Loss Net of Tax	(0.17)	(0.75)	77.33

The Others segment has recorded a revenue of RM1.01 million in the current year 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 4 FY 2019/2020	QTR 3 FY 2019/2020	Variance %
Revenue	13.17	14.98	(12.08)
Loss Net of Tax	(25.58)	(5.84)	(338.01)

During the current quarter, the Group recorded a revenue of RM13.17 million, a 12.08% decrease from RM14.98 million in the preceding quarter.

The loss net of tax incurred for the current quarter was RM25.58 million as compared to the loss net of tax of RM5.84 million recorded in the preceding quarter.

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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 4 FY 2019/2020	QTR 3 FY 2019/2020	Variance %
Revenue	12.92	14.59	(11.45)
Loss Net of Tax	(25.51)	(5.46)	(367.22)

The Courier segment recorded a revenue of RM12.92 million in the current quarter as compared to the preceding quarter of 14.59 million. The loss net of tax in the current quarter was RM25.51 million as compared to the loss net of tax of RM5.46 million in the preceding quarter.

ii) Logistic Segment

(RM Million)	QTR 4 FY 2019/2020	QTR 3 FY 2019/2020	Variance %
Revenue	0.71	0.87	(18.39)
Loss Net of Tax	(0.03)	(0.37)	91.89

The revenue in the Logistic segment has decreased from RM0.87 million in the preceding quarter to RM0.71 million in the current quarter.

The loss net of tax incurred for the current quarter to date was RM0.03 million as compared to the loss net of tax of RM0.37 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 4 FY 2019/2020	QTR 3 FY 2019/2020	Variance %
Revenue	0.25	0.26	(3.85)
Loss Net of Tax	(0.04)	(0.01)	(300.00)

The revenue in the Others segment has decreased to RM0.25 million in the current quarter as compared to the preceding quarter.

The loss net of tax made for the current quarter to date was RM0.04 million as compared to the loss net of tax of RM0.01 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 31 March 2020 RM'000	Corresponding Quarter Ended 31 March 2019 RM'000
Income tax	58	(133)
Deferred tax	(82)	-
Total Income Tax Expenses	<u>(24)</u>	<u>(133)</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.

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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 31 March 2020.

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 do not recommend the payment of any dividend for the financial year ended 31 March 2020.

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.

	Current Quarter Ended 31 March 2020 (RM'000)	<i>(restated)</i> Corresponding Quarter Ended 31 March 2019 (RM'000)	Current Year Ended 31 March 2020 (RM'000)	<i>(restated)</i> Previous Year Ended 31 March 2019 (RM'000)
Net loss (RM '000)	(25,581)	(25,961)	(35,248)	(31,429)
Weighted average/ number of ordinary shares in issue ('000)	123,238	123,238	123,238	123,238
Basic LPS (sen)	(20.76)	(21.07)	(28.60)	(25.50)

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 30 June 2020.

BY ORDER OF THE BOARD

Mustaffa bin Abdul Razak
Company Secretary

30 June 2020