

NATIONWIDE EXPRESS HOLDINGS BERHAD

**REPORT FOR THE QUARTER ENDED
30 SEPTEMBER 2020
FOR BURSA SECURITIES ANNOUNCEMENT**

DATE: 26 NOVEMBER 2020

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

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the Period Ended 30 September 2020

Except as disclosed otherwise, the figures have not been audited

	INDIVIDUAL		CUMULATIVE	
	CURRENT QTR ENDED 30 SEPT 2020 RM'000	CORRESPONDING QTR ENDED 30 SEPT 2019 RM'000	6 MONTHS CUMULATIVE 30 SEPT 2020 RM'000	6 MONTHS CUMULATIVE 30 SEPT 2019 RM'000
Revenue	12,644	20,658	22,918	37,847
Cost of Services	(11,232)	(20,338)	(22,660)	(37,011)
Gross Profit	1,412	320	258	836
Other Income	-	-	-	1
Administrative Expenses	(3,636)	(1,471)	(7,946)	(3,971)
Selling and Marketing Expenses	(307)	(303)	(581)	(628)
Loss Before Tax	(2,531)	(1,454)	(8,269)	(3,762)
Taxation	(588)	(32)	(588)	(64)
Loss net of tax	(3,119)	(1,486)	(8,857)	(3,826)
Other Comprehensive Loss:				
Currency translation differences arising from consolidation	71	42	46	(33)
Total Comprehensive Loss for the period	(3,048)	(1,444)	(8,811)	(3,859)
Loss per share -Basic (sen)	(2.53)	(1.21)	(7.19)	(3.10)

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 2020 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 2020

Except as disclosed otherwise, the figures have not been audited

	As at 30 September 2020 RM'000	Audited As at 31 March 2020 RM'000
ASSETS		
Non-current Assets		
Plant and Equipment	1,474	1,514
Right-of-use Assets	34,350	35,001
Asset held for Sale	21,107	21,107
Current Assets		
Inventories	619	694
Trade Receivables	10,879	12,380
Other Receivables	3,846	3,882
Cash and Bank Balances	1,147	2,002
	16,491	18,958
TOTAL ASSETS	73,422	76,580
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share Capital	61,213	61,213
Other reserves	(111,337)	(102,526)
Revaluation reserve	32,258	32,258
Total Equity	(17,866)	(9,055)
Non-current Liability		
Other payables	13,386	13,191
Lease Liabilities	4,051	4,051
Deferred Tax Liabilities	10,160	10,160
	27,597	27,402
Current Liabilities		
Other Payables	62,148	55,957
Lease Liabilities	1,543	2,276
	63,691	58,233
Total Liabilities	91,288	85,635
TOTAL EQUITY AND LIABILITIES	73,422	76,580
Net Assets Per Share (sen)	(15)	(7)

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 March 2020 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 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
As at 1 April, 2020	61,213	413	85	32,258	(103,024)	(9,055)
Total comprehensive loss for the period	-	-	46	-	(8,857)	(8,811)
At 30 September 2020	61,213	413	131	32,258	(111,881)	(17,866)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the period ended 30 September 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 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	61,213	413	99	35,340	(64,717)	32,348

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 March 2020 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 CASH FLOWS
For the Period Ended 30 September 2020
Except as disclosed otherwise, the figures have not been audited

	6 Months Ended 30 September 2020 RM '000	6 Months Ended 30 September 2019 RM '000
Cash Flow From Operating Activities		
Loss Before Tax	(8,269)	(3,762)
Adjustments for :		
Depreciation of property, plant and equipment	872	2,353
Depreciation of right of use assets	651	-
Loss/(Gain) on disposal of property, plant & equipment	2	(205)
Writeback on trade and other receivables	-	(2,732)
Impairment loss on Goodwill	-	97
Reversal of impairment loss on property, plant & equipment	-	(4,000)
Interest Income	-	(1)
Interest Expense	846	240
Operating Loss Before Working Capital Changes	<u>(5,898)</u>	<u>(8,010)</u>
Decrease/(Increase) in Inventories	75	(1,698)
Decrease in Receivables	1,426	2,381
Increase in Payables	5,012	4,695
Cash Flow Generated from/(Used in) Operations	<u>615</u>	<u>(2,632)</u>
Taxation paid	(36)	(199)
Tax refund	150	279
Net Cash Flow Generated from/(Used in) Operating Activities	<u>729</u>	<u>(2,552)</u>
Cash Flow From Investing Activities		
Interest received	-	1
Purchase of property, plant and equipment	(828)	(188)
Proceeds from disposal of property, plant and equipment	2	205
Net Cash Generated (Used in)/from Investing Activities	<u>(826)</u>	<u>18</u>
Cash Flow From Financing Activities		
Payment of lease liabilities	(733)	-
Advances from Other Substantial Shareholders	-	2,800
Net Cash Generated (Used in)/from Financing Activities	<u>(733)</u>	<u>2,800</u>
Net movement in Cash and Cash Equivalents	(830)	266
Effects of exchange rate changes	(25)	(33)
Cash and Cash Equivalents at Beginning of the Period	2,002	2,447
Cash and Cash Equivalents at End of the Period	<u>1,147</u>	<u>2,680</u>
Cash and Bank Balances	680	2,226
Fixed Deposit	467	454
Total Cash and Cash Equivalents	<u>1,147</u>	<u>2,680</u>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the year ended 31 March 2020 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 2020 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
Amendments to MFRS 3: Definition of a Business	1 January 2020
Amendments to MFRS 101 and MFRS 108: Definition of Material	1 January 2020
Amendments to references to the Conceptual Framework in MFRS Standards	1 January 2020
Amendments to MFRS 9, MFRS 139 and MFRS 7: Interest Rate Benchmark Reform	1 January 2020

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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
Amendments to MFRS 16: Covid-19-Related Rent Concessions	1 June 2020
MFRS 17 Insurance Contracts	1 January 2021
Annual Improvements to MFRS Standards 2018–2020 Cycles	1 January 2022
Amendments to MFRS 116: Property, Plant and Equipment-Proceeds before Intended Use	1 January 2022
Amendments to References to the Conceptual Framework in MFRS 3 Business Combinations	1 January 2022
Amendments to MFRS 137: Onerous Contracts-Cost of Fulfilling a Contract	1 January 2022
Amendments to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2022
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 2020 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 except the revenue was affected by the Conditional Movement Control Order (CMCO) which has been implemented as a preventive measure by the Federal Government of Malaysia in response to the COVID-19 pandemic.



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A6. Changes in Estimates

There were no changes in the estimates that have 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 quarter under review.

A9. Segmental Revenue and Results

The Group is organised into the following business segments:

- (a) Courier - includes courier services to both national and international destinations and mailroom management services.
- (b) Logistic - includes freight forwarding, trucking, warehousing and customised logistics services.
- (c) Others - includes investment holding and retail services.

The Management monitors the operating results of its business separately for the purpose of making decisions on 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 tax and segmental reporting on assets and liabilities are managed on a group basis and not allocated to operating segments.



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Quarterly Announcement for The Quarter Ended 30 September 2020

A9. Segmental Revenue and Results (cont'd)

6 months to September 2020	Courier RM'000	Logistic RM'000	Others RM'000	Eliminations RM'000	As per consolidated financial statements RM'000
Revenue					
External	21,999	919	-	-	22,918
Inter-segment	347	102	426	(875)	-
Total revenue	22,346	1,021	426	(875)	22,918
Results					
Depreciation	1,520	3	-	-	1,523
Segment Loss net of tax	8,697	75	85	-	8,857
Segment assets	86,864	1,081	50	(14,573)	73,422
Segment liabilities	117,872	8,576	3,428	(38,588)	91,288



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A9. Segmental Revenue and Results (cont'd)

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 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>

Geographical information

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

NATIONWIDE EXPRESS HOLDINGS BERHAD

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Quarterly Announcement for The Quarter Ended 30 September 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 30-Sep 2020 <u>RM'000</u>	Corresponding Quarter Ended 30-Sep 2019 <u>RM'000</u>	Current Period Ended 30-Sep 2020 <u>RM'000</u>	Previous Period Ended 30-Sep 2019 <u>RM'000</u>
(a) Interest expense	423	120	846	240
(b) Interest income	-	-	-	(1)
(c) Impairment loss/ (Write back) on trade and other receivables	1	63	-	(2,732)
(d) Reversal of impairment loss on property, plant & equipment	-	(4,000)	-	(4,000)
(e) Impairment loss on goodwill	-	97	-	97
(f) Depreciation of property, plant & equipment	275	1,174	872	2,353
(g) Depreciation of right-of- use assets	221	-	651	-
(h) Loss/(Gain) on disposal of property, plant & equipment	-	(85)	2	(205)
(i) Net loss/(gain) on foreign exchange	53	15	7	(56)



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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

1. Conditional Agreement with Airpak Express (M) Sdn. Bhd. to acquire all of airpak's rights, title and interest in and to its courier service business

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 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).



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Quarterly Announcement for The Quarter Ended 30 September 2020

A12. Subsequent Material Events (cont'd)

1. Conditional Agreement with Airpak Express (M) Sdn. Bhd. to acquire all of airpak's rights, title and interest in and to its courier service business (cont'd)

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 Malaysia Securities Berhad ("Bursa Malaysia") approved 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 Malaysia for an extension of time of up to 2 May 2018 to issue the circular in relation to the Proposed Acquisition was 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 Malaysia 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 whereby the shareholders of the Company approved the Proposed Acquisition thereof.

On 19 September 2018, the Company announced to Bursa Malaysia 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 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 will be taken over by NED.

A12. Subsequent Material Events (cont'd)

2. Practice Note 17

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. In view thereof, the external auditors of the Company have expressed material uncertainty related to the going concern of the Company in the audited financial statements for the financial year ended 31 March 2019.

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 triggered Paragraph 2.1(e) of PN17 of the MMLR.

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"):-
 - 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
 - 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(i) 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;

A12. Subsequent Material Events (cont'd)

2. Practice Note 17 (cont'd)

- (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
- (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.

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A12. Subsequent Material Events (cont'd)

2. Practice Note 17 (cont'd)

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, 2 June 2020, 1 July 2020, 3 August 2020, 1 September 2020, 2 October 2020 and 2 November 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.

3. Proposed disposal of leasehold land

Nationwide Express Courier Services Berhad, a wholly-owned subsidiary of Nationwide Express Holdings Berhad (“NECSB”) had on 8 July 2020 entered into a conditional sale and purchase agreement with the Rubicon Lexington Sdn Bhd for the disposal of property and the buildings erected thereon located at Lot 11A, Persiaran Selangor, Section 15, 40200 Shah Alam, Selangor Darul Ehsan for a cash consideration of RM19,400,000.

Subsequent thereto, the valuation report of the Property has been submitted to Bursa Malaysia Securities Berhad (“Bursa Malaysia”) on 20 July 2020.

Pursuant to Paragraph 9.33(1)(a) of the Listing Requirements, NECSB is required to submit the draft circular in relation to the Proposed Disposal to Bursa Malaysia no later than 2 months from the date of the announcement, i.e. by 8 September 2020.

On 8 September 2020, the Company submitted an application to Bursa Malaysia to seek for an extension of time to 8 December 2020 to submit the draft circular.

Bursa Malaysia vide its letter dated 25 September 2020, granted the Company an extension of time until 8 December 2020 to submit the draft Circular.

A13. Changes in the Composition of the Group

There were no changes in the composition of the Group during the current quarter.



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A14. Changes in Contingent Liabilities

There were no contingent liabilities for the Group as at the date of this Announcement (2019 : RM954,000).

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

A15. Capital Commitments

The amount of commitments for purchase of property, plant and equipment not provided for in the interim financial statements as at 30 September 2020 are as follows:

	RM'000
Approved and contracted for	998
Approved but not contracted for	5,341

A16. Related Party Transactions

<u>Company</u>	Current Period - to – date 30 September 2020 RM'000
BHR Enterprise Sdn. Bhd. - rental expense payable	(40)
- interest charge payable	(240)
Percetakan Keselamatan Nasional Sdn Bhd - delivery and courier service rendered	18
- rental expense payable	(36)
Fima Corporation Berhad - delivery and courier service rendered	3

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.



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Quarterly Announcement for The Quarter Ended 30 September 2020

A17. Acquisition of Property, Plant and Equipment

As at the end of the financial period ended 30 September 2020, the Group has acquired the following assets: -

	Current Period-to-date 30 September 2020 RM'000
Capital work-in-progress	65
Computer/machine/office equipment	21
Furniture and Fittings	9
Leasehold Improvement	579
Motor Vehicle	155
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Quarterly Announcement for The Quarter Ended 30 September 2020

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	22.92	37.85	(39.45)
Loss Net of Tax	(8.86)	(3.83)	(131.33)

The Group's revenue for the period ended 30 September 2020 stood at RM22.92 million, a 39.45% lower as compared to RM37.85 million in the previous corresponding period. The decrease in revenue was contributed by courier business.

The Group's loss net of tax for the period has increased to RM8.86 million compared to a loss net of tax of RM3.83 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	22.35	32.54	(31.32)
Loss Net of Tax	(8.70)	(4.01)	(116.96)

The revenue in the Courier segment decreased by 31.32% from RM32.54 million in the previous corresponding period to RM22.35 million currently.

The loss net of tax stood at RM8.70 million as compared to loss net of tax of RM4.01 million recorded in the previous corresponding period.

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B1. Review of performance (cont'd)

(ii) Logistic Segment

(RM Million)	Current YTD	Previous YTD	Variance %
Revenue	1.02	6.74	(84.87)
(Loss) / Profit Net of Tax	(0.08)	0.30	(126.67)

The revenue in the Logistic segment has decreased from RM6.74 million in the previous corresponding period to RM1.02 million in the current period. The loss net of tax incurred for the current corresponding period to date was RM0.08 million as compared to the profit net of tax of RM0.30 million recorded in the previous corresponding period.

(iii) Others Segment

(RM Million)	Current YTD	Previous YTD	Variance %
Revenue	0.43	0.50	(14.00)
Loss Net of Tax	(0.09)	(0.12)	25.00

The Others segment has recorded a revenue of RM0.43 million in the current period due to the charging of management fees within the Group of companies.

B2. Comparison with preceding quarter's results

Group Performance

(RM Million)	QTR 2 FY 2020/2021	QTR 1 FY 2020/2021	Variance %
Revenue	12.64	10.28	22.96
Loss Net of Tax	(3.12)	(5.74)	45.64

During the current quarter, the Group recorded a revenue of RM12.64 million, a 22.96% increase from RM10.28 million in the preceding quarter.

The loss net of tax incurred for the current quarter was RM3.12 million as compared to the loss net of tax of RM5.74 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 2 FY 2020/2021	QTR 1 FY 2020/2021	Variance %
Revenue	12.29	10.06	22.17
Loss Net of Tax	(3.12)	(5.58)	44.09

The Courier segment recorded a revenue of RM12.29 million in the current quarter as compared to the preceding quarter of RM10.06 million. The loss net of tax in the current quarter was RM3.12 million as compared to the loss net of tax of RM5.58 million in the preceding quarter.

(ii) Logistic Segment

(RM Million)	QTR 2 FY 2020/2021	QTR 1 FY 2020/2021	Variance %
Revenue	0.39	0.63	(38.10)
Profit / (Loss) Net of Tax	0.03	(0.10)	130.00

The revenue in the Logistic segment decreased from RM0.63 million in the preceding quarter to RM0.39 million in the current quarter.

The profit net of tax incurred for the current quarter to date was RM0.03 million as compared to the loss net of tax of RM0.10 million recorded in the preceding quarter.

(iii) Others Segment

(RM Million)	QTR 2 FY 2020/2021	QTR 1 FY 2020/2021	Variance %
Revenue	0.22	0.21	4.76
Loss Net of Tax	(0.03)	(0.06)	50.00

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

(iii) Others Segment (cont'd)

The revenue in the others segment has increased to RM0.22 million in the current quarter as compared to the preceding quarter.

The loss net of tax made for the current quarter to date was RM0.03 million as compared to the loss net of tax of RM0.06 million recorded in the preceding quarter.

B3. Current year prospects

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

B4. Explanatory notes on variances with profit forecast or profit guarantee

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

B5. Taxation

Taxation for the current quarter comprises the following:-

	Current Quarter Ended 30 September 2020 RM'000	Corresponding Quarter Ended 30 September 2019 RM'000
Taxation	588	32
Total	<u>588</u>	<u>32</u>

The effective tax rate for the current quarter was higher than the statutory tax rate mainly due to the sale of Lot 11A and the buildings erected thereon and expenses not allowable for tax purpose.

B6. Corporate Proposals

Save as disclosed in note A12, there was no other corporate proposal announced in the current quarter ended 30 September 2020.

B7. Changes in Material Litigation

There has been no material litigation since the last annual reporting date of 31 March 2020.

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For the current quarter under review, no dividend has been proposed and declared (preceding year corresponding period : nil)

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 2020 (RM'000)	Corresponding Quarter Ended 30 September 2019 (RM'000)	Current Period Ended 30 September 2020 (RM'000)	Previous Period Ended 30 September 2019 (RM'000)
Net loss (RM '000)	(3,119)	(1,486)	(8,857)	(3,826)
Weighted average/ number of ordinary shares in issue ('000)	123,238	123,238	123,238	123,238
Basic LPS (sen)	(2.53)	(1.21)	(7.19)	(3.10)

B10. Authorisation for Issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Board on 26 November 2020.

BY ORDER OF THE BOARD**Shahidatul Nurzihan Binti Ya'acob****Company Secretary****(MIA 36028)****26 November 2020**