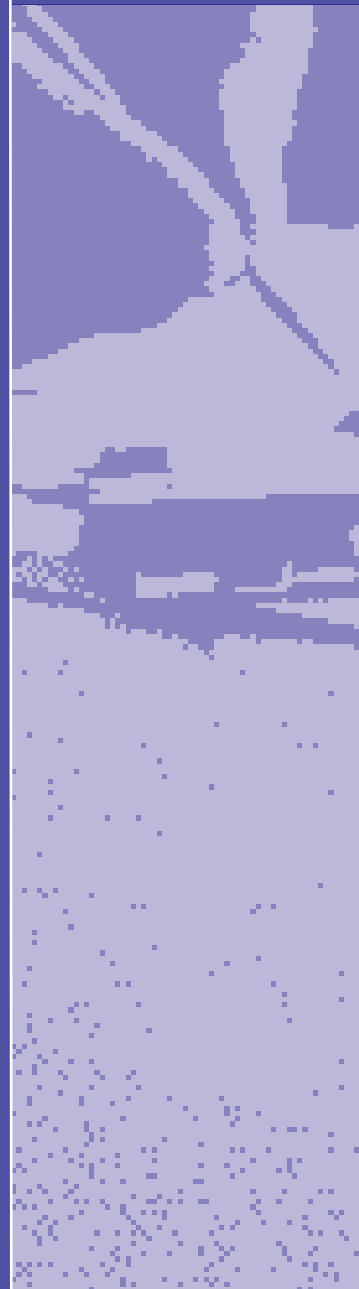


FINANCIAL  
STATEMENTS

2006

PENYATA  
KEWANGAN

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The Directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 March 2006.

## PRINCIPAL ACTIVITIES

The principal activities of the Group consist of providing express courier services, trucking services, freight forwarding services, customised logistics services, mailroom management services and warehousing. The principal activities of the Company are those of providing express courier and customised logistics services.

The principal activities of the subsidiaries are described in Note 13 to the financial statements.

There have been no significant changes in the nature of the principal activities during the financial year.

## RESULTS

	<b>Group RM'000</b>	<b>Company RM'000</b>
Net profit for the year	<u>4,007</u>	<u>2,727</u>

There were no material transfers to or from reserves or provisions during the financial year other than as disclosed in the statements of changes in equity.

In the opinion of the Directors, the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature.

## DIVIDENDS

The amounts of dividend paid or declared by the Company since 31 March 2005 were as follows:

	<b>RM'000</b>
In respect of the financial year ended 31 March 2005 as reported in the Directors' report of that year:	
Ordinary final dividend of 7% less 28% taxation paid on 22 September 2005	3,029
In respect of the financial year ended 31 March 2006:	
Ordinary interim dividend of 2.5% less 28% taxation paid on 27 January 2006	<u>1,082</u>
	<u>4,111</u>

**DIVIDENDS (CONTD.)**

At the forthcoming Annual General Meeting, a final dividend in respect of the financial year ended 31 March 2006, of 6.5% less 28% (2005: 7% less 28%) taxation on 60,116,200 (2005: 60,108,300) ordinary shares, amounting to a total dividend of RM2,813,438 (2005: RM3,029,458) will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in shareholders' equity as an appropriation of retained profits in the next financial year ending 31 March 2007.

**DIRECTORS**

The names of the Directors of the Company in office since the date of the last report and at the date of this report are:

Y.Bhg. Dato' Adnan bin Shamsuddin  
Cik Rozilawati binti Haji Basir  
Y.Bhg. Dato' Sulaiman bin Sujak  
Dr. Roshayati binti Basir  
Encik Yong Kok Liew (appointed on 22 August 2005)  
Encik Eddy Chieng Ing Huong (resigned on 22 August 2005)  
Encik Bazlan bin Osman (resigned on 1 June 2005)

In accordance with the Company's Articles of Association, Dr. Roshayati binti Basir and Encik Yong Kok Liew retire at the forthcoming Annual General Meeting and being eligible, offer themselves for re-election.

Y.Bhg. Dato' Sulaiman bin Sujak retires, pursuant to Section 129(2) of the Companies Act, 1965 and a resolution is being proposed for his re-election as Director under the provision of Section 129(6) of the said Act to hold office until the next Annual General Meeting of the Company.

**DIRECTORS' BENEFITS**

Neither at the end of the financial year, nor at any time during the year, did there subsist any arrangement to which the Company was a party, whereby the Directors might acquire benefits by means of acquisition of shares in or debentures of the Company or any other body corporate, other than as may arise from the share options granted pursuant to Nationwide Express Courier Services Berhad's Employee Share Option Scheme ("ESOS").

## DIRECTORS' BENEFITS (CONTD.)

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than the benefit included in the aggregate amount of emoluments received or due and receivable by the Directors as shown in Note 6 to the financial statements or the fixed salary of a full-time employee of the Company) by reason of a contract made by the Company or a related corporation with any Director or with a firm of which he is a member, or with a company in which he has a substantial financial interest other than the options to subscribe for shares in the Company of RM1.00 each pursuant to the ESOS. The option period is for five calendar years commencing from 19 December 2005 to 11 September 2010. The Directors' unexercised ESOS entitlement since 12 September 2005 are as follows:

	Number of Ordinary Shares of RM1.00 Each at Option Price of RM1.35			As at 31 March 2006
	As at 1 April 2005	Granted	Exercised	
Y.Bhg. Dato' Adnan bin Shamsuddin	-	230,000	-	230,000
Cik Rozilawati binti Haji Basir	-	600,000	-	600,000
Y.Bhg. Dato' Sulaiman bin Sujak	-	190,000	-	190,000
Dr. Roshayati binti Basir	-	190,000	-	190,000

## DIRECTORS' INTERESTS

According to the register of Directors' shareholdings, the interests of Directors in office at the end of the financial year in shares in the Company and its related corporations during the financial year were as follows:

Company	Number of Ordinary Shares of RM1 Each				31 March 2006
	1 April 2005	Rights Issue on 29 April 2005	Bought	Sold	
<b>Direct Interest</b>					
Y.Bhg. Dato' Sulaiman bin Sujak	48,000	8,000	-	-	56,000
<b>Indirect Interest</b>					
Cik Rozilawati binti Haji Basir	24,137,464	4,022,909	1,834,550	-	29,994,923
Dr. Roshayati binti Basir	24,137,464	4,022,909	1,834,550	-	29,994,923

**DIRECTORS' INTERESTS (CONTD.)**

Cik Rozilawati binti Haji Basir and Dr. Roshayati binti Basir, by virtue of their interest in shares in the Company are also deemed interested in shares of all the Company's subsidiaries to the extent the Company has an interest.

None of the other Directors in office at the end of the financial year had any other interest in shares in the Company or its related corporations during the financial year.

**ISSUE OF SHARES**

On 29 April 2005, the Company made a rights issue of 8,586,900 new ordinary shares at an issue price of RM1.10 per share on the basis of one (1) rights share for every five (5) existing shares held in the Company at 5 p.m. on 18 March 2005.

The Company's entire issued and paid-up share capital comprising 60,108,300 ordinary shares of RM1.00 each after the rights issue has been transferred from the Second Board to the Main Board of Bursa Malaysia Securities Berhad under 'Trading / Services' sector with effect from 9.00 a.m., Monday, 9 May 2005.

On 27 December 2005, the Company implemented an Employee Share Option Scheme ("the ESOS Scheme") for a period of five (5) calendar years commencing from 12 September 2005 to 11 September 2010. The ESOS Scheme is governed by the By-Laws, which were approved by the Company's shareholders on 15 February 2005.

The total number of options available under the ESOS Scheme is 9,016,200 at a subscription price of RM1.35 per share, based on a 10% discount of the five (5) days' weighted average market price commencing from 19 December 2005 to 23 December 2005.

During the financial year, the issued and paid-up share capital of the Company increased from 60,108,300 ordinary shares to 60,116,200 ordinary shares by the issuance of 7,900 ordinary shares for cash pursuant to the Company's ESOS at the exercise price of RM1.35 per ordinary share.

**EMPLOYEE SHARE OPTION SCHEME ("ESOS")**

On 27 December 2005, the Company implemented an Employee Share Option Scheme ("the ESOS Scheme") for a period of five (5) calendar years commencing from 12 September 2005 to 11 September 2010. The ESOS Scheme is governed by the By-Laws, which were approved by the Company's shareholders on 15 February 2005.

## EMPLOYEE SHARE OPTION SCHEME ("ESOS") (CONTD.)

The main features of the ESOS Scheme are as follows:-

- (a) Total number of options offered under the Scheme shall not exceed in aggregate fifteen per centum (15%) of the total issued and paid-up capital of the Company at any one time at the point of granting of the options during the existence of the scheme; provided that:-
  - (i) Not more than fifty per centum (50%) of the new Company's shares available under the ESOS Scheme should be allocated, in aggregate, to Eligible Directors and senior management; and
  - (ii) Not more than ten per centum (10%) of the new Company's shares available under the ESOS Scheme should be allocated to any individual Eligible Director or Eligible Employee who, either individually or collectively through persons connected with him, holds twenty per centum (20%) or more of the issued and paid-up share capital of the Company.
- (b) The ESOS Committee may from time to time decide the conditions of eligibility to be fulfilled by an Eligible Person in order to participate in the ESOS Scheme.
- (c) The criteria to be applied by the ESOS Committee in determining the actual entitlement of a selected employee shall be based on the grade of the selected employee and may include, without limitations, the length of service, contributions, dedication and performance of the selected employee and any other considerations deemed fit by the ESOS Committee. The ESOS Committee's decision shall be final and binding.

The total number of options available under the ESOS Scheme is 9,016,200 at a subscription price of RM1.35 per share, based on a 10% discount of the five (5) weighted average market price commencing from 19 December 2005 to 23 December 2005.

### Number of Ordinary Shares of RM1.00 Each at Option Price of RM1.35 '000

At 1 April 2005	-
Granted	8,245
Exercised	(8)
At 31 March 2006	<u>8,237</u>

**EMPLOYEE SHARE OPTION SCHEME ("ESOS") (CONTD.)**

In respect of the ESOS, the Company has been granted an exemption by the Companies Commission of Malaysia from having to disclose the names of the option holders of less than 118,000 shares. The names of option holders (other than Directors of the Company) and the number of options granted in respect of the ESOS which are 118,000 shares and above are set as below:

	<b>Number of Options Over Ordinary Shares of RM1 Each</b>			
	<b>As at</b>			<b>As at</b>
	<b>1 April</b>	<b>Granted</b>	<b>Exercised</b>	<b>31 March</b>
	<b>2005</b>			<b>2006</b>
Kumarayah A/L Khrishnasamy	-	200,000	-	200,000
Mohamad Nor bin Abas	-	200,000	-	200,000
Mohd Shukri bin A.Aziz	-	200,000	-	200,000
Zamri bin Rahman	-	200,000	-	200,000

**OTHER STATUTORY INFORMATION**

- (a) Before the income statements and balance sheets of the Group and of the Company were made out, the Directors took reasonable steps:
- (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that there were no known bad debts and that adequate provision had been made for doubtful debts; and
  - (ii) to ensure that any current assets which were unlikely to realise their values as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.
- (b) At the date of this report, the Directors are not aware of any circumstances which would render:
- (i) it necessary to write off any bad debts or the amount of the provision for doubtful debts inadequate to any substantial extent; and
  - (ii) the values attributed to the current assets in the financial statements of the Group and of the Company misleading.
- (c) At the date of this report, the Directors are not aware of any circumstances which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.



#### **OTHER STATUTORY INFORMATION (CONTD.)**

- (d) At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.
- (e) As at the date of this report, there does not exist:
  - (i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
  - (ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.
- (f) In the opinion of the Directors:
  - (i) no contingent liability or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet their obligations when they fall due; and
  - (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

#### **AUDITORS**

The auditors, Hanafiah Raslan & Mohamad, have expressed their willingness to continue in office.

Signed on behalf of the Board in accordance with a resolution of the Directors

Dato' Adnan bin Shamsuddin

Rozilawati binti Haji Basir

Shah Alam, Selangor  
6 July 2006

## STATEMENT BY DIRECTORS

PURSUANT TO SECTION 169(15) OF THE COMPANIES ACT, 1965

We, Dato' Adnan bin Shamsuddin and Rozilawati binti Haji Basir, being two of the Directors of Nationwide Express Courier Services Berhad, do hereby state that, in the opinion of the Directors, the accompanying financial statements set out on pages 86 to 116 are drawn up in accordance with applicable MASB Approved Accounting Standards in Malaysia and the provisions of the Companies Act, 1965 so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2006 and of the results and the cash flows of the Group and of the Company for the year then ended.

Signed on behalf of the Board in accordance with a resolution of the Directors

Dato' Adnan bin Shamsuddin

Rozilawati binti Haji Basir

Shah Alam, Selangor  
6 July 2006

## STATUTORY DECLARATION

PURSUANT TO SECTION 169(16) OF THE COMPANIES ACT, 1965

I, Amilia binti Sabtu, being the Officer primarily responsible for the financial management of Nationwide Express Courier Services Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 86 to 116 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by  
the abovenamed Amilia binti Sabtu  
at Kuala Lumpur in the Federal Territory  
on 6 July 2006

Amilia binti Sabtu

Before me,

We have audited the accompanying financial statements set out on pages 86 to 116. These financial statements are the responsibility of the Company's Directors.

It is our responsibility to form an independent opinion, based on our audit, on the financial statements and to report our opinion to you, as a body, in accordance with Section 174 of the Companies Act, 1965 and for no other purpose. We do not assume responsibility to any other person for the content of this report.

We conducted our audit in accordance with applicable Approved Standards on Auditing in Malaysia. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Directors, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion:

- (a) the financial statements have been properly drawn up in accordance with the provisions of the Companies Act, 1965 and applicable MASB Approved Accounting Standards in Malaysia so as to give a true and fair view of:
  - (i) the financial position of the Group and of the Company as at 31 March 2006 and of the results and the cash flows of the Group and of the Company for the year then ended; and
  - (ii) the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements; and

- (b) the accounting and other records and the registers required by the Act to be kept by the Company and by its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

We have considered the financial statements and the auditors' reports thereon of the subsidiary of which we have not acted as auditors, as indicated in Note 13 to the financial statements, being financial statements that have been included in the consolidated financial statements.

We are satisfied that the financial statements of the subsidiaries that have been consolidated with the financial statements of the Company are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations required by us for those purposes.

The auditors' reports on the financial statements of the subsidiaries were not subject to any qualification and in respect of subsidiaries incorporated in Malaysia, did not include any comment required to be made under Section 174(3) of the Act.

Hanafiah Raslan & Mohamad  
AF: 0002  
Chartered Accountants

Abdul Rauf bin Rashid  
No. 2305/05/08(J)  
Partner

Kuala Lumpur, Malaysia  
6 July 2006

	Note	Group		Company	
		2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000
Revenue	3	72,697	69,442	64,208	63,381
Other income	4	780	893	974	851
		<u>73,477</u>	<u>70,335</u>	<u>65,182</u>	<u>64,232</u>
Delivery expenses		(26,593)	(24,191)	(25,204)	(23,668)
Staff costs	5	(27,299)	(25,211)	(24,056)	(22,430)
Depreciation		(2,236)	(2,129)	(2,108)	(2,051)
Other operating expenses	7	(10,949)	(10,445)	(9,086)	(9,005)
Profit from operations		<u>6,400</u>	<u>8,359</u>	<u>4,728</u>	<u>7,078</u>
Finance (expense)/ income, net	8	(1)	211	(21)	201
Profit before taxation		<u>6,399</u>	<u>8,570</u>	<u>4,707</u>	<u>7,279</u>
Taxation	9	(2,392)	(2,013)	(1,980)	(1,837)
Net profit for the year		<u>4,007</u>	<u>6,557</u>	<u>2,727</u>	<u>5,442</u>
Earnings per share (sen) Basic	10	<u>6.7</u>	<u>12.4</u>		

The accompanying notes form an integral part of the financial statements.

# BALANCE SHEETS

AS AT 31 MARCH 2006

		Group		Company	
	Note	2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000
NON-CURRENT ASSETS					
Property, plant and equipment	12	32,096	32,035	31,738	31,637
Investment in subsidiaries	13	-	-	436	436
Deferred tax assets	14	527	933	199	530
		<u>32,623</u>	<u>32,968</u>	<u>32,373</u>	<u>32,603</u>
CURRENT ASSETS					
Trade receivables	15	22,099	20,694	16,941	16,010
Other receivables	16	5,409	4,703	11,901	8,885
Cash and bank balances	17	17,321	10,726	12,564	8,475
		<u>44,829</u>	<u>36,123</u>	<u>41,406</u>	<u>33,370</u>
CURRENT LIABILITIES					
Borrowings	22	571	539	571	539
Trade payables	18	396	2,695	180	272
Other payables	19	5,144	2,846	4,105	3,292
		<u>6,111</u>	<u>6,080</u>	<u>4,856</u>	<u>4,103</u>
NET CURRENT ASSETS		<u>38,718</u>	<u>30,043</u>	<u>36,550</u>	<u>29,267</u>
		<u>71,341</u>	<u>63,011</u>	<u>68,923</u>	<u>61,870</u>
FINANCED BY:					
Share capital	20	60,116	51,522	60,116	51,522
Share premium		413	-	413	-
Reserves	21	7,508	7,615	5,090	6,474
Shareholders' equity		<u>68,037</u>	<u>59,137</u>	<u>65,619</u>	<u>57,996</u>
Borrowings	22	3,304	3,874	3,304	3,874
		<u>71,341</u>	<u>63,011</u>	<u>68,923</u>	<u>61,870</u>

The accompanying notes form an integral part of the financial statements.

Group	Note	Share capital RM'000	Share premium RM'000	Non-Distributable		Total RM'000
				Exchange fluctuation reserve RM'000	Distributable Retained profits RM'000	
At 1 April 2004		42,935	-	(248)	13,942	56,629
Net profit for the year		-	-	-	6,557	6,557
Dividends	11	-	-	-	(4,018)	(4,018)
Bonus issue	20	8,587	-	-	(8,587)	-
Currency translation differences, representing net loss not recognised in income statement		-	-	(31)	-	(31)
At 31 March 2005		51,522	-	(279)	7,894	59,137
At 1 April 2005		51,522	-	(279)	7,894	59,137
Net profit for the year		-	-	-	4,007	4,007
Dividends	11	-	-	-	(4,111)	(4,111)
Rights issue	20	8,586	410	-	-	8,996
Issue of ordinary shares pursuant to ESOS		8	3	-	-	11
Currency translation differences representing net loss not recognised in income statement		-	-	(3)	-	(3)
At 31 March 2006		60,116	413	(282)	7,790	68,037

Company	Note	Share capital RM'000	Share premium RM'000	Distributable		Total RM'000
				Retained profits RM'000		
At 1 April 2004		42,935	-	13,637		56,572
Net profit for the year		-	-	5,442		5,442
Dividends	11	-	-	(4,018)		(4,018)
Bonus issue		8,587	-	(8,587)		-
At 31 March 2005		51,522	-	6,474		57,996
At 1 April 2005		51,522	-	6,474		57,996
Issue of ordinary shares pursuant to ESOS		8	3	-		11
Net profit for the year		-	-	2,727		2,727
Dividends	11	-	-	(4,111)		(4,111)
Rights issue	20	8,586	410	-		8,996
At 31 March 2006		60,116	413	5,090		65,619

The accompanying notes form an integral part of the financial statements.

# CASH FLOW STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2006

	<b>Group</b>		<b>Company</b>	
	<b>2006</b>	<b>2005</b>	<b>2006</b>	<b>2005</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Profit before taxation	6,399	8,570	4,707	7,279
Adjustments for:				
Depreciation	2,236	2,129	2,108	2,051
Property, plant and equipment written off	-	35	-	35
Provision for doubtful debts				
- trade	1,412	1,573	865	1,236
- non trade	312	-	312	92
Interest expense	251	44	251	44
Interest income	(250)	(255)	(230)	(245)
Operating profit before working capital changes	10,360	12,096	8,013	10,492
Increase in receivables	(2,233)	(4,679)	(3,632)	(2,633)
Increase/(decrease) in payables	(1)	(583)	719	(1,422)
Cash generated from operations	8,126	6,834	5,100	6,437
Interest paid	(251)	(44)	(251)	(44)
Taxation paid	(3,597)	(4,022)	(3,140)	(3,718)
Net cash generated from operating activities	4,278	2,768	1,709	2,675
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest received	250	255	230	245
Purchase of property, plant and equipment	(2,297)	(10,723)	(2,208)	(10,440)
Property, plant and equipment written off	-	(35)	-	(35)
Net cash used in investing activities	(2,047)	(10,503)	(1,978)	(10,230)



	<b>Group</b>		<b>Company</b>	
	<b>2006</b>	<b>2005</b>	<b>2006</b>	<b>2005</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Dividends paid	(4,111)	(4,018)	(4,111)	(4,018)
Drawdown of term loan	-	4,500	-	4,500
Proceeds from rights issue	8,996	-	8,996	-
Proceeds from share issue	11	-	11	-
Repayment of term loan	(538)	(87)	(538)	(87)
Net cash generated from financing activities	<u>4,358</u>	<u>395</u>	<u>4,358</u>	<u>395</u>
<b>NET INCREASE/(DECREASE) IN CASH AND BANK BALANCES</b>	6,589	(7,340)	4,089	(7,160)
<b>EFFECTS OF EXCHANGE RATE CHANGES</b>	6	(31)	-	-
<b>CASH AND BANK BALANCES AT BEGINNING OF YEAR</b>	<u>10,726</u>	<u>18,097</u>	<u>8,475</u>	<u>15,635</u>
<b>CASH AND BANK BALANCES AT END OF YEAR (NOTE 17)</b>	<u>17,321</u>	<u>10,726</u>	<u>12,564</u>	<u>8,475</u>

## 1. CORPORATE INFORMATION

The principal activities of the Group consist of providing express courier services, trucking services, freight forwarding services, customised logistics services, mailroom management services and warehousing. The principal activities of the Company are those of providing express courier and customised logistics services.

The principal activities of the subsidiaries are described in Note 13 to the financial statements. There have been no significant changes in the nature of the principal activities during the financial year.

The Company is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Board of Bursa Malaysia Securities Berhad. The principal place of business of the Company is located at Lot 6 & 7, Jalan Utas 15/7, Seksyen 15, 40000 Shah Alam, Selangor Darul Ehsan.

The number of employees in the Group and in the Company at the end of the financial year were 1,540 (2005: 1,487) and 1,391 (2005: 1,345) respectively.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 6 July 2006.

## 2. SIGNIFICANT ACCOUNTING POLICIES

### (a) Basis of Preparation

The financial statements of the Group and of the Company have been prepared under the historical cost convention.

The financial statements comply with the provisions of the Companies Act, 1965 and applicable MASB Approved Accounting Standards in Malaysia.

### (b) Basis of Consolidation

The consolidated financial statements include the financial statements of the Company and all its subsidiaries. Subsidiaries are those companies in which the Group has power to exercise control over the financial and operating policies so as to obtain benefits therefrom.

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

### (b) Basis of Consolidation (Contd.)

Subsidiaries are consolidated using the acquisition method of accounting. Under the acquisition method of accounting, the results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate. The assets and liabilities of a subsidiary are measured at their fair values at the date of acquisition and these values are reflected in the consolidated balance sheet. The difference between the cost of an acquisition and the fair value of the Group's share of the net assets of the acquired subsidiary at the date of acquisition is included in the consolidated balance sheet as goodwill or reserve arising on consolidation.

Intragroup transactions, balances and resulting unrealised gains are eliminated on consolidation and the consolidated financial statements reflect external transactions only. Unrealised losses are eliminated on consolidation unless costs cannot be recovered.

The gain or loss on disposal of a subsidiary is the difference between net disposal proceeds and the Group's share of its net assets together with any unamortised balance of goodwill and exchange differences which were not previously recognised in the consolidated income statement.

### (c) Investments in Subsidiaries

The Company's investments in subsidiaries are stated at cost less impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 2(1).

On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is recognised in the income statement.

### (d) Property, Plant and Equipment and Depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 2(1).

Capital work-in-progress is not depreciated. Leasehold land is depreciated over the leasehold period of 73 years. Depreciation of other property, plant and equipment is provided for on a straight line basis to write off the cost of each asset to its residual value over the estimated useful life at the following annual rates:

Leasehold buildings	2%
Leasehold improvements	25% - 50%
Motor vehicles	14.28%
Office equipment	12.5% - 33.3%
Furniture and fittings	12.5% - 14.28%

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

### (e) Cash and Cash Equivalents

For the purposes of the cash flow statements, cash and cash equivalents include cash on hand and at bank, and deposits with financial institutions which have an insignificant risk of changes in value.

### (f) Leases

A lease is recognised as a finance lease if it transfers substantially to the Group all the risks and rewards incident to ownership. All other leases are classified as operating leases.

#### (i) Finance leases

Assets acquired by way of hire purchase or finance leases are stated at an amount equal to the lower of their fair values and the present value of the minimum lease payments at the inception of the leases, less accumulated depreciation and impairment losses. The corresponding liability is included in the balance sheet as borrowings. In calculating the present value of the minimum lease payments, the discount factor used is the interest rate implicit in the lease, when it is practicable to determine; otherwise, the Company's incremental borrowing rate is used.

Lease payments are apportioned between the finance costs and the reduction of the outstanding liability. Finance costs, which represent the difference between the total leasing commitments and the fair value of the assets acquired, are recognised as an expense in the income statement over the term of the relevant lease so as to produce a constant periodic rate of charge on the remaining balance of the obligations for each accounting period.

The depreciation policy for leased assets is consistent with that for depreciable property, plant and equipment as described in Note 2(d).

#### (ii) Operating leases

Operating lease payments are recognised as an expense in the income statement on a straight-line basis over the term of the relevant lease.

### (g) Provisions for Liabilities

Provisions for liabilities are recognised when the Group has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

### (h) Income Tax

Income tax on the profit or loss for the year comprises current and deferred tax. Current tax is the expected amount of income taxes payable in respect of the taxable profit for the year and is measured using the tax rates that have been enacted at the balance sheet date.

Deferred tax is provided for, using the liability method, on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts in the financial statements. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. Deferred tax is not recognised if the temporary difference arises from goodwill or negative goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is recognised in the income statement except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also recognised directly in equity, or when it arises from a business combination that is an acquisition, in which case the deferred tax is included in the resulting goodwill or negative goodwill.

### (i) Employee Benefits

#### (i) Short term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees of the Group. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences, and short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

#### (ii) Defined contribution plan

As required by law, companies in Malaysia make contributions to the state pension scheme, the Employee Provident Fund ("EPF"). The Group's foreign subsidiary makes contributions to its country's statutory pension scheme. Such contributions are recognised as an expense in the income statement as incurred.

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

### (j) Revenue Recognition

Revenue is recognised when it is probable that the economic benefits associated with the transaction will flow to the enterprise and the amount of the revenue can be measured reliably.

Revenue from services rendered is recognised net of service taxes and discounts as and when the services are performed.

### (k) Foreign Currencies

#### (i) Foreign currency transactions

Transactions in foreign currencies are initially recorded in Ringgit Malaysia at rates of exchange ruling at the date of the transaction. At each balance sheet date, foreign currency monetary items are translated into Ringgit Malaysia at exchange rates ruling at that date. All exchange rate differences are taken to the income statement.

Financial statements of the Company's foreign consolidated subsidiary are translated at year-end exchange rates with respect to the assets and liabilities, and at exchange rates at the dates of the transactions with respect to the income statement. All resulting translation differences are included in the exchange fluctuation reserve in shareholders' equity.

#### (ii) Foreign entities

The principal exchange rate used for every unit of foreign currency ruling at the balance sheet date is as follows:

	<b>2006</b>	<b>2005</b>
	<b>RM</b>	<b>RM</b>
Singapore Dollar	<u>2.28</u>	<u>2.30</u>

### (l) Impairment of Assets

At each balance sheet date, the Group reviews the carrying amounts of its assets to determine whether there is any indication of impairment. If any such indication exists, impairment is measured by comparing the carrying values of the assets with their recoverable amounts. Recoverable amount is the higher of net selling price and value in use, which is measured by reference to discounted future cash flows.

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

### (l) Impairment of Assets (Contd.)

An impairment loss is charged as an expense in the income statement immediately. Reversal of impairment losses recognised in prior years is recorded when the impairment losses recognised for the asset no longer exist or have decreased.

### (m) Financial Instruments

Financial instruments are recognised in the balance sheet when the Group has become a party to the contractual provisions of the instrument.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual agreement. Interest, dividends and gains and losses relating to a financial instrument classified as a liability, are reported as expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity. Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

#### (i) Receivables

Receivables are carried at anticipated realisable values. Bad debts are written off when identified. An estimate is made for doubtful debts based on a review of all outstanding amounts as at the balance sheet date.

#### (ii) Payables

Payables are stated at cost which is the fair value of the consideration to be paid in the future for goods and services received.

#### (iii) Equity instruments

Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

The transaction costs of an equity transaction are accounted for as a deduction from equity, net of tax. Equity transaction costs comprise only those incremental external costs directly attributable to the equity transaction which would otherwise have been avoided.

### 3. REVENUE

Revenue of the Group and the Company consists of the following:

	<b>Group</b>		<b>Company</b>	
	<b>2006</b>	<b>2005</b>	<b>2006</b>	<b>2005</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Domestic courier services	70,049	66,876	61,653	60,934
Foreign courier services	2,648	2,566	2,471	2,363
Management fees receivable from subsidiaries	-	-	84	84
	<u>72,697</u>	<u>69,442</u>	<u>64,208</u>	<u>63,381</u>

### 4. OTHER INCOME

Included in other income are the following:

	<b>Group</b>		<b>Company</b>	
	<b>2006</b>	<b>2005</b>	<b>2006</b>	<b>2005</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Sundry income	780	538	908	433
Rental receivable from subsidiaries	-	-	66	63
Recovery of debts written off	-	355	-	355

### 5. STAFF COSTS

	<b>Group</b>		<b>Company</b>	
	<b>2006</b>	<b>2005</b>	<b>2006</b>	<b>2005</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Wages and salaries	24,153	22,206	21,279	19,729
Social security costs	363	331	332	308
Defined contribution plan (EPF)	2,558	2,422	2,237	2,157
Other staff related expenses	225	252	208	236
	<u>27,299</u>	<u>25,211</u>	<u>24,056</u>	<u>22,430</u>

Included in staff costs of the Group and of the Company are executive directors' remuneration amounting to RM287,616 (2005: RM332,826) as further disclosed in Note 6.



## 6. DIRECTORS' REMUNERATION

		<b>Group and Company</b>	
		<b>2006</b>	<b>2005</b>
		<b>RM'000</b>	<b>RM'000</b>
<b>Directors of the Company:</b>			
<b>Executive:</b>			
Salaries and other emoluments		257	257
Bonus		-	40
Defined contribution plan (EPF)		31	36
Benefits-in-kind		27	18
		<u>315</u>	<u>351</u>
<b>Non-Executive:</b>			
Other emoluments		17	21
Fees		99	122
		<u>116</u>	<u>143</u>
Total		<u>431</u>	<u>494</u>
		<b>Group and Company</b>	
		<b>2006</b>	<b>2005</b>
		<b>RM'000</b>	<b>RM'000</b>
	<b>Note</b>		
<b>Analysis excluding benefits-in-kind:</b>			
Total executive directors' remuneration excluding benefits-in-kind	5	288	333
Total non-executive directors' remuneration	7	<u>116</u>	<u>143</u>
Total directors' remuneration excluding benefits-in-kind		<u>404</u>	<u>476</u>

## 6. DIRECTORS' REMUNERATION (CONTD.)

The number of directors of the Company whose total remuneration during the year fall within the following bands is as follows:

	Number of Directors	
	2006	2005
<b>Executive Director:</b>		
RM300,001 - RM350,000	<u>1</u>	<u>1</u>
<b>Non-Executive Directors:</b>		
Below RM50,000	<u>4</u>	<u>5</u>

## 7. OTHER OPERATING EXPENSES

Included in other operating expenses are:

Note	Group		Company	
	2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000
Auditors' remuneration				
Statutory audit				
- current year	62	60	51	45
- overprovision in prior year	(2)	(13)	-	-
Directors' fee 6	116	143	116	143
Rental of premises	2,045	1,816	1,733	1,488
Rental of equipment and motor vehicles	253	248	116	94
Provision for doubtful debts				
- trade	1,412	1,573	865	1,236
- non trade	312	-	312	92
Gain on foreign exchange	<u>(1)</u>	<u>(42)</u>	<u>(1)</u>	<u>-</u>

## 8. FINANCE (EXPENSE)/INCOME, NET

Included in net finance (expense)/income are the following:

	Group		Company	
	2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000
Term loan interest expense	(251)	(44)	(251)	(44)
Interest income from deposits	<u>250</u>	<u>255</u>	<u>230</u>	<u>245</u>

## 9. TAXATION

	<b>Group</b>		<b>Company</b>	
	<b>2006</b>	<b>2005</b>	<b>2006</b>	<b>2005</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Tax expense for the year:				
Malaysian income tax	1,646	2,106	1,279	1,823
Deferred tax (Note 14):				
Relating to origination and reversal of temporary differences	307	495	288	487
Over/(under) recognition of deferred tax asset in prior year	99	(539)	43	(473)
	<u>406</u>	<u>(44)</u>	<u>331</u>	<u>14</u>
Under/(over) provision in prior year:				
Malaysian income tax	340	(49)	370	-
	<u>340</u>	<u>(49)</u>	<u>370</u>	<u>-</u>
	<u>2,392</u>	<u>2,013</u>	<u>1,980</u>	<u>1,837</u>

Domestic income tax is calculated at the Malaysian statutory tax rate of 28 % (2005: 28%) of the estimated assessable profit for the year. Taxation for Singapore's subsidiary is calculated at the rate prevailing in Singapore.

A reconciliation of income tax expense applicable to profit before taxation at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and of the Company is as follows:

	<b>2006</b>	<b>2005</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Group</b>		
Profit before taxation	<u>6,399</u>	<u>8,570</u>
Taxation at Malaysian statutory tax rate of 28 % (2005: 28%)	1,792	2,400
Effect of income subject to tax rate of 20% (2005: 20%)	(70)	(80)
Effect of different tax rates in Singapore	(37)	(22)
Effect of expenses not deductible for tax purposes	268	303
Over/(under) recognition of deferred tax asset in prior year	99	(539)
Under/(over) provision of income tax in prior years	340	(49)
Tax expense for the year	<u>2,392</u>	<u>2,013</u>

**9. TAXATION (CONTD.)**

	<b>2006</b>	<b>2005</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Company</b>		
Profit before taxation	<u>4,707</u>	<u>7,279</u>
Taxation at Malaysian statutory tax rate of 28 % (2005: 28%)	1,318	2,038
Effect of expenses not deductible for tax purposes	249	272
Over/(under) recognition of deferred tax asset in prior year	43	(473)
Underprovision of income tax in prior years	<u>370</u>	<u>-</u>
Tax expense for the year	<u>1,980</u>	<u>1,837</u>

**10. EARNINGS PER SHARE****(a) Basic**

Basic earnings per share is calculated by dividing the net profit attributable to shareholders by the weighted average number of ordinary shares in issue during the financial year.

	<b>2006</b>	<b>2005</b>
<b>Group</b>		
Net profit attributable to shareholders (RM'000)	4,007	6,557
Weighted average number of ordinary shares in issue ('000)	59,509	53,067
Basic earnings per share (sen)	<u>6.7</u>	<u>12.4</u>

**(b) Diluted**

For the financial year ended 31 March 2006, diluted earnings per share has not been presented as the assumed conversion of ESOS in the financial year had an anti-dilutive effect on the earnings per share of the Group.

## 11. DIVIDENDS

	Amount		Net Dividends per Ordinary Share	
	2006 RM'000	2005 RM'000	2006 Sen	2005 Sen
In respect of the financial year ended 31 March 2006:				
- Interim dividend of 2.5% less 28% taxation paid on 27 January 2006	1,082	-	1.8	-
In respect of the financial year ended 31 March 2005:				
- Interim dividend of 3% less 28% taxation paid on 12 January 2005	-	927	-	2.2
- Final dividend of 7% less 28% taxation paid on 22 September 2005	3,029	-	5.0	-
In respect of the financial year ended 31 March 2004:				
- Final dividend of 10% less 28% taxation paid on 8 September 2004	-	3,091	-	7.2
	<u>4,111</u>	<u>4,018</u>	<u>6.8</u>	<u>9.4</u>

At the forthcoming Annual General Meeting, a final dividend in respect of the financial year ended 31 March 2006, of 6.5% less 28% (2005: 7% less 28%) taxation on 60,116,200 (2005: 60,108,300) ordinary shares, amounting to a total dividend of RM2,813,438 (2005: RM3,029,458) will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in shareholders' equity as an appropriation of retained profits in the next financial year ending 31 March 2007.

## 12. PROPERTY, PLANT AND EQUIPMENT

Group	Capital work-in- progress RM'000	Leasehold buildings RM'000	Leasehold land RM'000	Leasehold improvements RM'000	Motor vehicles RM'000	Computer/ Machine/Office equipment RM'000	Furniture and fittings RM'000	Total RM'000
<b>Cost</b>								
At 1 April 2005	10,761	5,209	14,202	2,602	11,465	9,611	1,540	55,390
Additions	1,257	-	-	159	-	814	37	2,267
Transfers	(11,459)	6,363	2,623	79	-	2,385	9	-
Adjustment for the year	30	-	-	-	-	-	-	30
At 31 March 2006	589	11,572	16,825	2,840	11,465	12,810	1,586	57,687
<b>Accumulated depreciation</b>								
At 1 April 2005	-	765	1,273	2,241	9,250	8,402	1,424	23,355
Charge for the year	-	168	213	174	797	846	38	2,236
At 31 March 2006	-	933	1,486	2,415	10,047	9,248	1,462	25,591

## 12. PROPERTY, PLANT AND EQUIPMENT (CONTD.)

Group (Contd.)		Capital work-in- progress RM'000	Leasehold buildings RM'000	Leasehold land improvements RM'000	Leasehold land improvements RM'000	Motor vehicles RM'000	Computer/ Machine/Office equipment RM'000	Furniture and fittings RM'000	Total RM'000
Net book value									
At 31 March 2006		589	10,639	15,339	425	1,418	3,562	124	32,096
At 31 March 2005		10,761	4,444	12,929	361	2,215	1,209	116	32,035
Details at 1 April 2004									
Cost		1,687	5,209	14,202	2,533	10,716	8,846	1,498	44,691
Accumulated depreciation		-	661	1,078	2,056	8,560	7,509	1,386	21,250
Depreciation									
Year ended 31 March 2005		-	104	195	181	725	890	34	2,129

## 12. PROPERTY, PLANT AND EQUIPMENT (CONTD.)

Company	Capital work-in- progress RM'000	Leasehold buildings RM'000	Leasehold land RM'000	Leasehold improvements RM'000	Motor vehicles RM'000	Computer/ Machine/Office equipment RM'000	Furniture and fittings RM'000	Total RM'000
<b>Cost</b>								
At 1 April 2005	10,761	5,209	14,202	2,457	11,112	9,113	1,442	54,296
Additions	1,257	-	-	156	-	729	37	2,179
Transfers	(11,459)	6,363	2,623	79	-	2,386	8	-
Adjustment for the year	30	-	-	-	-	-	-	30
At 31 March 2006	589	11,572	16,825	2,692	11,112	12,228	1,487	56,505
<b>Accumulated depreciation</b>								
At 1 April 2005	-	765	1,273	2,152	8,896	8,243	1,330	22,659
Charge for the year	-	168	212	132	778	781	37	2,108
At 31 March 2006	-	933	1,485	2,284	9,674	9,024	1,367	24,767



## 12. PROPERTY, PLANT AND EQUIPMENT (CONTD.)

Company (Contd.)		Capital work-in- progress RM'000	Leasehold buildings RM'000	Leasehold land RM'000	Leasehold improvements RM'000	Motor vehicles RM'000	Computer/ Machine/Office equipment RM'000	Furniture and fittings RM'000	Total RM'000
<b>Net book value</b>									
At 31 March 2006		589	10,639	15,340	408	1,438	3,204	120	31,738
At 31 March 2005		10,761	4,444	12,929	305	2,216	870	112	31,637
<b>Details at 1 April 2004</b>									
Cost		1,687	5,209	14,202	2,392	10,364	8,635	1,402	43,891
Accumulated depreciation		-	661	1,078	1,992	8,218	7,395	1,299	20,643
<b>Depreciation</b>									
Year ended 31 March 2005		-	104	195	160	713	848	31	2,051

Leasehold land and building of the Group and Company with a carrying value of RM7,500,000 (2005: RM7,500,000) has been pledged as security for borrowings as disclosed in Note 22.

### 13. INVESTMENTS IN SUBSIDIARIES

	<b>Company</b>	
	<b>2006</b>	<b>2005</b>
	<b>RM'000</b>	<b>RM'000</b>
Unquoted shares, at cost	812	812
Less: Accumulated impairment losses	(376)	(376)
	<u>436</u>	<u>436</u>

Details of the subsidiaries are as follows:

<b>Name of Company</b>	<b>Paid-up Capital</b>	<b>Country of Incorporation</b>	<b>Effective Interest (%)</b>		<b>Principal Activities</b>
			<b>2006</b>	<b>2005</b>	
Nationwide Express Freight Forwarders Sdn. Bhd.	RM500,000	Malaysia	100	100	Trucking, freight forwarding and warehousing services
Nationwide Express Metro Sdn. Bhd.	RM25,000	Malaysia	100	100	Customised logistics and mailroom management services
Nationwide Express Courier Pte. Ltd.*	SGD100,000	Singapore	100	100	Express courier and customised logistics services
Nationwide Express Distribution Sdn. Bhd.	RM2	Malaysia	100	100	Dormant
Nationwide Express Logistics Sdn. Bhd.	RM2	Malaysia	100	100	Dormant

\* Audited by a firm of auditors other than Hanafiah Raslan & Mohamad

#### 14. DEFERRED TAX ASSETS

	<b>Group</b>		<b>Company</b>	
	<b>2006</b>	<b>2005</b>	<b>2006</b>	<b>2005</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
At 1 April	(933)	(889)	(530)	(544)
Recognised in the income statement (Note 9)	406	(44)	331	14
At 31 March	<u>(527)</u>	<u>(933)</u>	<u>(199)</u>	<u>(530)</u>

Presented after appropriate offsetting as follows:

Deferred tax assets	(527)	(933)	(199)	(530)
Deferred tax liabilities	-	-	-	-
	<u>(527)</u>	<u>(933)</u>	<u>(199)</u>	<u>(530)</u>

The components and movements of deferred tax liabilities and assets during the financial year prior to offsetting are as follows:

##### Deferred Tax Liabilities of the Group:

	<b>Accelerated Capital Allowance RM'000</b>
At 1 April 2005	418
Recognised in income statement	297
At 31 March 2006	<u>715</u>
At 1 April 2004	511
Recognised in income statement	(93)
At 31 March 2005	<u>418</u>

##### Deferred Tax Assets of the Group:

	<b>Provisions for Doubtful Debts RM'000</b>	<b>Tax Losses RM'000</b>	<b>Provisions for Liabilities RM'000</b>	<b>Total RM'000</b>
At 1 April 2005	(1,027)	(149)	(175)	(1,351)
Recognised in income statement	(93)	96	106	109
At 31 March 2006	<u>(1,120)</u>	<u>(53)</u>	<u>(69)</u>	<u>(1,242)</u>
At 1 April 2004	(1,128)	(199)	(73)	(1,400)
Recognised in income statement	101	50	(102)	49
At 31 March 2005	<u>(1,027)</u>	<u>(149)</u>	<u>(175)</u>	<u>(1,351)</u>

**14. DEFERRED TAX ASSETS (CONTD.)****Deferred Tax Liabilities of the Company:**

	<b>Accelerated Capital Allowance RM'000</b>
At 1 April 2005	397
Recognised in income statement	<u>277</u>
At 31 March 2006	<u>674</u>
At 1 April 2004	486
Recognised in income statement	<u>(89)</u>
At 31 March 2005	<u>397</u>

**Deferred Tax Assets of the Company:**

	<b>Provisions for Doubtful Debts RM'000</b>	<b>Provisions for Liabilities RM'000</b>	<b>Total RM'000</b>
At 1 April 2005	(778)	(149)	(927)
Recognised in income statement	<u>(27)</u>	<u>81</u>	<u>54</u>
At 31 March 2006	<u>(805)</u>	<u>(68)</u>	<u>(873)</u>
At 1 April 2004	(959)	(71)	(1,030)
Recognised in income statement	<u>181</u>	<u>(78)</u>	<u>103</u>
At 31 March 2005	<u>(778)</u>	<u>(149)</u>	<u>(927)</u>

**15. TRADE RECEIVABLES**

	<b>Group</b>		<b>Company</b>	
	<b>2006 RM'000</b>	<b>2005 RM'000</b>	<b>2006 RM'000</b>	<b>2005 RM'000</b>
Trade receivables	25,567	24,318	19,284	18,789
Provision for doubtful debts	<u>(3,468)</u>	<u>(3,624)</u>	<u>(2,343)</u>	<u>(2,779)</u>
	<u>22,099</u>	<u>20,694</u>	<u>16,941</u>	<u>16,010</u>

## 15. TRADE RECEIVABLES (CONTD.)

The Group's normal trade credit term is 30 days (2005: 30 days). Other credit terms are assessed and approved on a case-by-case basis.

The Group has no significant concentration of credit risk that may arise from exposure to a single debtor or to groups of debtors.

## 16. OTHER RECEIVABLES

	Group		Company	
	2006	2005	2006	2005
	RM'000	RM'000	RM'000	RM'000
Due from subsidiaries	-	-	7,092	4,702
Due from related companies	186	262	116	116
Tax recoverable	2,063	461	1,880	389
Deposits	1,404	1,353	1,292	1,259
Prepayment	877	1,433	775	1,411
Sundry receivables	1,335	1,338	1,294	1,244
	<u>5,865</u>	<u>4,847</u>	<u>12,449</u>	<u>9,121</u>
Provision for doubtful debts	(456)	(144)	(548)	(236)
	<u>5,409</u>	<u>4,703</u>	<u>11,901</u>	<u>8,885</u>

The amounts due from subsidiaries and related companies are unsecured, interest-free and have no fixed terms of repayment.

## 17. CASH AND BANK BALANCES

	Group		Company	
	2006	2005	2006	2005
	RM'000	RM'000	RM'000	RM'000
Cash on hand and at banks	8,487	5,061	4,454	3,527
Deposits with licensed banks	8,834	5,665	8,110	4,948
	<u>17,321</u>	<u>10,726</u>	<u>12,564</u>	<u>8,475</u>

**17. CASH AND BANK BALANCES (CONTD.)**

Deposits of the Group amounting to RM438,433 (2005: RM444,433) are pledged to licensed banks for credit facilities granted to a subsidiary.

The weighted average effective interest rates per annum of deposits at the balance sheet date were as follows:

	<b>Group</b>		<b>Company</b>	
	<b>2006</b>	<b>2005</b>	<b>2006</b>	<b>2005</b>
	<b>% p.a.</b>	<b>% p.a.</b>	<b>% p.a.</b>	<b>% p.a.</b>
Licensed banks	<u>3.28</u>	<u>2.75</u>	<u>3.25</u>	<u>2.75</u>

The average maturity of deposits as at the end of the financial year were as follows:

	<b>Group</b>		<b>Company</b>	
	<b>2006</b>	<b>2005</b>	<b>2006</b>	<b>2005</b>
	<b>Days</b>	<b>Days</b>	<b>Days</b>	<b>Days</b>
Licensed banks	<u>24</u>	<u>31</u>	<u>18</u>	<u>31</u>

**18. TRADE PAYABLES**

The normal trade credit terms granted to the Group is 30 days (2005: 30 days).

**19. OTHER PAYABLES**

	<b>Group</b>		<b>Company</b>	
	<b>2006</b>	<b>2005</b>	<b>2006</b>	<b>2005</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Sundry payables	530	434	290	361
Accruals	<u>4,614</u>	<u>2,412</u>	<u>3,815</u>	<u>2,931</u>
	<u>5,144</u>	<u>2,846</u>	<u>4,105</u>	<u>3,292</u>

## 20. SHARE CAPITAL

	Number of Ordinary Shares of RM1 Each		Amount	
	2006 '000	2005 '000	2006 RM'000	2005 RM'000
<b>Authorised:</b>				
At 1 April/31 March	100,000	100,000	100,000	100,000
<b>Issued and fully paid-up:</b>				
At 1 April	51,522	42,935	51,522	42,935
Rights issue	8,586	-	8,586	-
Bonus issue	-	8,587	-	8,587
Issue of ordinary shares pursuant to ESOS	8	-	8	-
At 31 March	60,116	51,522	60,116	51,522

On 29 April 2005, the Company made a rights issue of 8,586,900 new ordinary shares at an issue price of RM1.10 per share on the basis of one (1) rights share for every five (5) existing shares held in the Company at 5 p.m. on 18 March 2005.

During the financial year, the issued and paid-up share capital of the Company increased from 60,108,300 ordinary shares to 60,116,200 ordinary shares by the issuance of 7,900 ordinary shares for cash pursuant to the Company's ESOS at the exercise price of RM1.35 per ordinary share.

## 21. RESERVES

	Group		Company	
	2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000
Exchange fluctuation reserve				
- non-distributable	(282)	(279)	-	-
Retained profits				
- distributable	7,790	7,894	5,090	6,474
	7,508	7,615	5,090	6,474

As at 31 March 2006, the Company has tax exempt profits available for distribution of approximately RM1,415,952 (2005: RM1,415,952) out of its retained profits as tax free dividends, subject to the agreement of the Inland Revenue Board.

The Company has sufficient tax credit under Section 108 of the Income Tax Act, 1967 and the balance in the tax exempt income account to frank the payment of dividends out of its entire retained profits as at 31 March 2006.

**22. BORROWINGS**

	<b>Group</b>		<b>Company</b>	
	<b>2006</b>	<b>2005</b>	<b>2006</b>	<b>2005</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Short term borrowings				
Secured:				
Term loans	571	539	571	539
Long term borrowings				
Secured:				
Term loans	3,304	3,874	3,304	3,874
Total borrowings	3,875	4,413	3,875	4,413
Maturity of borrowings:				
Within one year	571	539	571	539
More than 1 year and less than 2 years	605	571	605	571
More than 2 years and less than 5 years	2,699	3,303	2,699	3,303
	3,875	4,413	3,875	4,413

The effective interest rate of the borrowings is 6 % (2005: 6%) per annum.

The term loans are secured against first legal charge over the leasehold land and building of the Company as disclosed in Note 12.

**23. SIGNIFICANT RELATED PARTY TRANSACTIONS**

	<b>Group</b>		<b>Company</b>	
	<b>2006</b>	<b>2005</b>	<b>2006</b>	<b>2005</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Delivery and courier charges payable to subsidiaries:				
- Nationwide Express Freight Forwarders Sdn. Bhd.	-	-	(628)	(8,191)
- Nationwide Express Courier Pte. Ltd.	-	-	(1,468)	(1,311)
Delivery and courier forwarding charges receivable from a subsidiary:				
- Nationwide Express Metro Sdn. Bhd.	-	-	128	86



### 23. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONTD.)

	Group		Company	
	2006	2005	2006	2005
	RM'000	RM'000	RM'000	RM'000
Delivery and courier charges receivable from a related party:				
- Percetakan Keselamatan Nasional Sdn. Bhd. *	171	218	110	186
Management fees receivable from subsidiaries:				
- Nationwide Express Freight Forwarders Sdn. Bhd.	-	-	42	42
- Nationwide Express Metro Sdn. Bhd.	-	-	42	42
Management fees payable to a related party:				
- Kumpulan Fima Berhad *	-	(3)	-	(3)
Printing charges payable to a related party:				
- Percetakan Keselamatan Nasional Sdn. Bhd.*	(5)	(55)	(5)	(55)
Rental fees receivable from subsidiaries:				
- Nationwide Express Freight Forwarders Sdn. Bhd.	-	-	35	32
- Nationwide Express Metro Sdn. Bhd.	-	-	31	31

\* Kumpulan Fima Berhad and Percetakan Keselamatan Nasional are related parties to the Company by virtue of a common substantial shareholder, BHR Enterprise Sdn. Bhd.

The Directors are of the opinion that all 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 in transactions with unrelated parties.

### 24. CAPITAL COMMITMENTS

	Group and Company	
	2006	2005
	RM'000	RM'000
Approved and contracted for	38	959
Approved but not contracted for	6,466	5,400
	<u>6,504</u>	<u>6,359</u>

**25. CONTINGENT LIABILITIES**

	<b>Group</b>		<b>Company</b>	
	<b>2006</b>	<b>2005</b>	<b>2006</b>	<b>2005</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Claims from third parties	182	180	122	119

The Directors are of the opinion that based on the merit of the cases and supported by legal advice, no provision for the consequential loss is required to be made in the financial statements.

**26. SEGMENTAL REPORTING**

The Group operates predominantly in Malaysia and, is principally involved in the freight forwarding and courier services. Accordingly, the Directors are of the opinion that the financial information by industry and geographical segment is not necessary to be presented.

**27. FINANCIAL INSTRUMENTS****(a) Financial Risk Management Objectives and Policies**

The Group's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's businesses whilst managing its interest rate, foreign exchange, liquidity and credit risks. These resources are managed and allocated centrally to ensure that all business units of the Group maintain the required level of capital and liquidity. The Group operates within clearly defined guidelines and the Group's policy is not to engage in speculative transactions.

**(b) Interest Rate Risk**

A portion of the Group's income and operating cash flows are affected by changes in market interest rates. Interest rate exposure arises from the Group's deposits with licensed banks and finance companies.

The Group actively manages its interest rate risk by maintaining a portfolio of financial instruments guided by its investment guidelines and policies, and regular reviews of interest rates and market expectations.

## 27. FINANCIAL INSTRUMENTS (CONTD.)

### (c) Foreign Exchange Risk

The Group mainly operates locally. However, a proportion of the Group's purchases and sales are made in Singapore Dollars. Foreign exchange denominated liabilities and assets together with expected cash flows from highly probable purchases and sales give rise to foreign exchange exposure. The Group keeps this exposure to an acceptable level.

### (d) Liquidity/Funding Risk

The Group defines liquidity/funding risk as the risk that funds will not be available to meet liabilities as they fall due.

The Group manages its operating cash flows and the availability of funding to ensure that all funding needs are met. As part of its overall liquidity management, the Group maintains sufficient levels of cash or cash convertible instruments to meet its working capital requirements. To ensure availability of funds, the Group closely monitors its cash flow position on a regular basis.

### (e) Credit Risk

Credit risk, or the risk of counter-parties defaulting, is controlled by the application of credit approvals, limits and monitoring procedures. Credit risk is minimised and monitored via strictly limiting the Group's associations to business partners with high creditworthiness. Trade receivables are monitored on an on-going basis via Group management reporting procedures.

The Group does not have any significant exposure to any individual customer or counter party nor does it have any major concentration of credit risk related to any financial instruments.

### (f) Fair Values

The fair values of financial assets and liabilities approximate their respective carrying values on the balance sheet of the Group and the Company as at 31 March 2006.

## 28. CURRENCY

All amounts are stated in Ringgit Malaysia.

Para Pengarah dengan sukacitanya membentangkan laporan mereka bersama penyata kewangan Kumpulan dan Syarikat yang telah diaudit untuk tahun kewangan berakhir 31 Mac 2006.

### AKTIVITI ASAS

Aktiviti asas Kumpulan termasuk menyediakan perkhidmatan kurier ekspres, perkhidmatan pengangkutan, perkhidmatan urusan penghantaran, perkhidmatan logistik khusus, perkhidmatan pengurusan bilik surat-menyurat dan pergudangan. Aktiviti asas Syarikat adalah menyediakan kurier ekspres dan perkhidmatan logistik khusus.

Aktiviti asas subsidiari-subsidiari dijelaskan di dalam Nota 13 pada penyata kewangan.

Tidak terdapat perubahan ketara dalam bidang aktiviti asas dalam tahun kewangan.

### HASIL

	<b>Kumpulan RM'000</b>	<b>Syarikat RM'000</b>
Keuntungan bersih sepanjang tahun	4,007	2,727

Tidak terdapat pindahan penting kepada atau daripada rizab atau peruntukan sepanjang tahun kewangan selain daripada yang dinyatakan di penyata perubahan dalam ekuiti.

Pada pendapat para Pengarah, keputusan operasi Kumpulan dan Syarikat sepanjang tahun kewangan tidak terjejas secara ketara oleh sebarang perkara, urusaniaga atau acara penting dan bersifat luarbiasa.

### DIVIDEN

Jumlah dividen yang dibayar atau diisytiharkan oleh Syarikat semenjak 31 Mac 2005 adalah seperti berikut:

**RM'000**

Berhubung tahun kewangan berakhir 31 Mac 2005 seperti yang dinyatakan dalam laporan Para Pengarah pada tahun tersebut:

Dividen akhir biasa sebanyak 7% ditolak cukai 28% dibayar pada  
22 September 2005

3,029

## DIVIDEN (SAMB.)

RM'000

Berhubung tahun kewangan berakhir 31 Mac 2006

Dividen interim biasa sebanyak 2.5% ditolak cukai 28% yang dibayar pada  
27 Januari 2006

1,082

4,111

Pada Mesyuarat Agung Tahunan yang akan datang, dividen akhir berhubung tahun kewangan berakhir pada 31 Mac 2006, sebanyak 6.5% ditolak cukai 28% (2005: 7% ditolak cukai 28%) bagi 60,116,200 (2005: 60,108,300) saham biasa, dengan dividen berjumlah RM2,813,438 (2005: RM3,029,458) akan dicadangkan untuk kelulusan pemegang saham. Penyata kewangan untuk tahun kewangan semasa tidak menunjukkan cadangan dividen ini. Dividen ini, jika diluluskan oleh pemegang saham, akan dikira di dalam equiti pemegang saham sebagai pengasingan keuntungan tertahan dalam tahun kewangan berakhir pada 31 Mac 2007.

## PARA PENGARAH

Nama Pengarah Syarikat yang berkhidmat dari tarikh laporan terakhir dan tarikh laporan ini adalah:

Y.Bhg. Dato' Adnan bin Shamsuddin

Cik Rozilawati binti Haji Basir

Y.Bhg. Dato' Sulaiman bin Sujak

Dr. Roshayati binti Basir

Encik Yong Kok Liew

(dilantik pada 22 Ogos 2005)

Encik Eddy Chieng Ing Huong

(bersara pada 22 Ogos 2005)

Encik Bazlan bin Osman

(bersara pada 1 Jun 2005)

Menurut Tataurusn Pertubuhan Syarikat, Dr. Roshayati binti Basir dan Encik Yong Kok Liew akan bersara pada Mesyurat Agung Tahunan yang akan datang dan berkelayakan, menawarkan diri mereka untuk pelantikan semula.

Y.Bhg. Dato' Sulaiman bin Sujak bersara, selaras dengan Seksyen 129(2) Akta Syarikat, 1965 dan satu resolusi akan dicadangkan bagi perlantikan semula beliau sebagai Pengarah di bawah peruntukan Seksyen 129(6) Akta tersebut untuk memegang jawatan sehingga Mesyuarat Agung Tahunan Syarikat yang berikutnya.

## MANFAAT PENGARAH

Pada penghujung tahun atau disepanjang tahun kewangan, tidak terdapat mana-mana urusan yang melibatkan Syarikat, di mana para Pengarah mungkin mendapat manfaat dari pengambilalihan saham atau debentur syarikat atau lain-lain badan korporat, selain daripada opsyen saham yang diberikan selaras dengan Skim Opsyen Saham Pekerja ("ESOS") Nationwide Express Courier Services Berhad.

Sejak dari penghujung tahun kewangan sebelumnya, tiada Pengarah yang telah menerima atau layak untuk menerima manfaat, (selain daripada manfaat yang termasuk dalam jumlah emolumen diterima atau tertanggung dan patut diterima oleh Pengarah seperti yang dinyatakan pada Nota 6 penyata kewangan atau gaji tetap bagi pekerja sepenuh masa Syarikat) dari segi kontrak dengan syarikat atau badan yang berkait dengan mana-mana Pengarah atau firma di mana beliau adalah ahli, atau dengan syarikat di mana beliau mempunyai kepentingan kewangan yang ketara selain daripada opsyen untuk melanggan saham dalam syarikat pada RM1.00 setiap satu tertakluk kepada ESOS. Tempoh opsyen adalah 5 tahun kewangan bermula daripada 19 Disember 2005 sehingga 11 September 2010. Faedah ESOS yang tidak dilaksanakan oleh para Pengarah adalah seperti berikut:

**Bilangan Saham Biasa pada  
RM1.00 setiap satu pada Harga Opsyen RM1.35**

	1 April 2005	Diberikan	Dilaksanakan	31 Mac 2006
--	-----------------	-----------	--------------	----------------

Y.Bhg. Dato' Adnan bin Shamsuddin	-	230,000	-	230,000
Cik Rozilawati binti Haji Basir	-	600,000	-	600,000
Y.Bhg. Dato' Sulaiman bin Sujak	-	190,000	-	190,000
Dr. Roshayati binti Basir	-	190,000	-	190,000

## KEPENTINGAN PENGARAH

Menurut daftar pegangan saham Para Pengarah, kepentingan Para Pengarah yang berkhidmat pada akhir tahun kewangan dalam saham Syarikat dan syarikat berkaitan adalah seperti berikut:

**Bilangan Saham Biasa pada RM1 setiap satu.**

Syarikat	Hak Terbitan				
Kepentingan Langsung	1 April 2005	pada 29 April 2005	Belian	Jualan	31 Mac 2006
Y.Bhg. Dato' Sulaiman bin Sujak	48,000	8,000	-	-	56,000
<b>Kepentingan Tidak Langsung</b>					
Cik Rozilawati binti Haji Basir	24,137,464	4,022,909	1,834,550	-	29,994,923
Dr. Roshayati binti Basir	24,137,464	4,022,909	1,834,550	-	29,994,923

### **KEPENTINGAN PENGARAH (SAMB.)**

Cik Rozilawati binti Haji Basir dan Dr. Roshayati binti Basir, melalui kepentingan mereka dalam saham Syarikat, juga dianggap mempunyai kepentingan dalam kesemua saham Syarikat subsidiari setakat mana Syarikat memiliki kepentingan.

Tiada di antara Para Pengarah lain yang berkhidmat pada akhir tahun kewangan memiliki apa-apa kepentingan dalam saham Syarikat atau syarikat berkaitan sepanjang tahun kewangan.

### **TERBITAN SAHAM**

Pada 29 April 2005, Syarikat telah membuat terbitan hak sebanyak 8,586,900 saham biasa yang baru pada harga terbitan RM1.10 setiap saham pada kadar satu (1) hak untuk setiap lima (5) saham sedia ada yang dipegang di dalam Syarikat sehingga jam 5 petang pada 18 Mac 2005.

Pada 9 Mei 2005 berkuatkuasa dari jam 9 pagi, terbitan keseluruhan dan saham modal berbayar Syarikat mengandungi 60,108,300 saham biasa bernilai RM1.00 sesaham selepas Terbitan Hak, telah dipindahkan daripada Papan Kedua ke Papan Utama Bursa Malaysia Securities Berhad di bawah sektor "Dagang/Khidmat".

Pada 27 Disember 2005, Syarikat telah melaksanakan Skim Opsyen Saham Pekerja ("ESOS") untuk tempoh 5 tahun kewangan bermula daripada 12 September 2005 sehingga 11 September 2010. Skim ESOS adalah tertakluk di bawah Undang-Undang Kecil yang diluluskan oleh pemegang saham pada 15 Februari 2005.

Jumlah bilangan opsyen terdapat di bawah Skim ESOS adalah 9,016,200 pada harga langganan RM1.35 setiap satu, berdasarkan diskaun 10% pada purata wajaran harga pasaran saham bagi 5 hari urusan bermula daripada 19 Disember 2005 sehingga 23 Disember 2005.

Dalam tahun kewangan, saham biasa diterbitkan dan berbayar Syarikat telah meningkat daripada 60,108,300 saham biasa kepada 60,116,200 saham biasa sehubungan dengan terbitan 7,900 saham biasa dengan tunai untuk ESOS Syarikat pada harga laksanaan RM1.35 setiap satu saham biasa.

### **SKIM OPSYEN SAHAM PEKERJA ("ESOS")**

Pada 27 Disember 2005, Syarikat telah melaksanakan Skim Opsyen Saham Pekerja ("ESOS") untuk tempoh 5 tahun kewangan bermula daripada 12 September 2005 sehingga 11 September 2010. Skim ESOS adalah tertakluk di bawah Undang-Undang Kecil yang diluluskan oleh pemegang saham pada 15 Februari 2005.

**SKIM OPSYEN SAHAM PEKERJA ("ESOS") (SAMB.)**

Terma-terma ketaranya adalah seperti berikut:

- (a) Jumlah bilangan saham yang diterbitkan di bawah ESOS hendaklah tidak melebihi 15% daripada modal saham yang diterbitkan pada bila-bila masa sepanjang tempoh ESOS; dengan syarat bahawa:-
  - (i) Tidak melebihi 50% daripada saham baru Syarikat di bawah ESOS hendaklah diperuntukkan, secara agregat, kepada pengarah eksekutif dan pengurusan kanan Kumpulan; dan
  - (ii) Tidak melebihi 10% daripada saham baru Syarikat di bawah ESOS diperuntukkan kepada mana-mana pekerja individu atau pengarah eksekutif yang secara berseorangan atau berkumpulan melalui individu yang berkaitan dengannya, memegang 20% atau lebih dalam modal terbitan dan berbayar Syarikat.
- (b) Jawatankuasa Opsyen yang dilantik oleh Lembaga Pengarah untuk mentadbir ESOS boleh mengikut pertimbangannya pada bila-bila masa dalam tempoh skim, memberikan opsyen kepada pekerja yang layak atau pengarah eksekutif Kumpulan untuk melanggan saham biasa yang baru.
- (c) Kriteria yang diguna pakai oleh Jawatankuasa Opsyen dalam menentukan jumlah opsyen bagi pekerja yang layak berdasarkan gred pekerja tersebut dan termasuk, tanpa sekatan, tempoh perkhidmatan, sumbangan, dedikasi dan prestasi pekerja yang layak dan kriteria-kriteria lain mengikut pertimbangan Jawatankuasa Opsyen. Keputusan Jawatankuasa Opsyen adalah muktamad dan termaktub.

Jumlah bilangan opsyen terdapat di bawah Skim ESOS adalah 9,016,200 pada harga langganan RM1.35 setiap satu, berdasarkan diskaun 10% pada purata pasaran harga pasaran saham bagi 5 hari urusan bermula daripada 19 Disember 2005 sehingga 23 Disember 2005.

**Bilangan Saham Biasa pada  
RM1.00 setiap satu pada Harga Opsyen RM1.35  
'000**

1 April 2005	-
Diberikan	8,245
Dilaksanakan	(8)
31 Mac 2006	<u>8,237</u>



### SKIM OPSYEN SAHAM PEKERJA ("ESOS") (SAMB.)

Berhubung dengan ESOS, Syarikat telah diberikan pengecualian oleh Suruhanjaya Syarikat Malaysia daripada menamakan pekerja yang telah diberikan opsyen untuk melanggan kurang daripada 118,000 saham biasa. Nama-nama pemegang opsyen (selain daripada para Pengarah Syarikat) dan jumlah bilangan opsyen yang diberikan berhubung dengan ESOS iaitu 118,000 saham biasa dan ke atas adalah seperti berikut:

	Bilangan Opsyen ke atas Saham Biasa RM1 setiap satu			Pada 31 Mac 2006
	Pada 1 April 2005	Diberikan	Dilaksanakan	
Kumarayah A/L Khrishnasamy	-	200,000	-	200,000
Mohamad Nor bin Abas	-	200,000	-	200,000
Mohd Shukri bin A.Aziz	-	200,000	-	200,000
Zamri bin Rahman	-	200,000	-	200,000

### MAKLUMAT BERKANUN LAIN

- (a) Sebelum penyata pendapatan dan lembaran imbalan Kumpulan dan Syarikat dibuat, Para Pengarah mengambil beberapa langkah sewajarnya seperti berikut:
  - (i) untuk memastikan tindakan yang betul telah diambil berkaitan penghapusan hutang lapuk dan membuat peruntukan hutang ragu dan mereka berpuas hati bahawa tiada hutang lapuk yang diketahui dan peruntukan secukupnya telah dibuat untuk hutang ragu; dan
  - (ii) untuk memastikan bahawa aset semasa yang tidak mungkin direalisasikan melalui urusan perniagaan biasa pada nilainya seperti yang ditunjukkan di dalam rekod perakaunan telah dikurang kira nilainya pada amaun yang dijangka boleh direalisasikan:
- (b) Pada tarikh laporan ini Para Pengarah tidak berpengetahuan berkenaan apa-apa keadaan yang akan menyebabkan:
  - (i) Hutang lapuk yang dihapus kira atau jumlah peruntukan hutang ragu tidak mencukupi sehingga ke peringkat yang menjejaskan; dan
  - (ii) Nilai-nilai yang dikaitkan kepada aset semasa di dalam penyata kewangan Kumpulan dan Syarikat adalah mengelirukan.
- (c) Pada tarikh laporan, Para Pengarah tidak berpengetahuan akan apa-apa keadaan yang timbul yang mengakibatkan pematuhan kepada kaedah penilaian aset atau tanggungan Kumpulan dan Syarikat yang masih wujud, memesongkan atau tidak sesuai.

**MAKLUMAT BERKANUN LAIN (SAMB.)**

- (d) Pada tarikh laporan ini, Para Pengarah tidak berpengetahuan bahawa adanya mana-mana keadaan melainkan yang tidak ditangani di dalam laporan ini atau penyata kewangan Kumpulan dan Syarikat yang mungkin menyebabkan mana-mana amaun yang dinyatakan di dalam penyata kewangan mengelirukan atau tidak sesuai.
- (e) Pada tarikh laporan ini, tidak wujud:
  - (i) Apa-apa cagaran ke atas aset Kumpulan atau Syarikat yang telah timbul sejak akhir tahun kewangan yang menjamin liabiliti mana-mana orang lain; atau
  - (ii) Apa-apa liabiliti luar jangka berkaitan Kumpulan atau Syarikat yang telah timbul sejak akhir tahun kewangan.
- (f) Pada pandangan Para Pengarah:
  - (i) Tiada liabiliti luar jangka atau liabiliti lain yang telah dikuatkuasakan atau berkemungkinan boleh dikuatkuasakan dalam tempoh dua belas bulan selepas berakhirnya tahun kewangan yang akan atau boleh memberi kesan terhadap keupayaan Kumpulan atau Syarikat untuk memenuhi kewajipan bila tiba masanya; dan
  - (ii) Tiada perkara, urusaniaga atau peristiwa penting dan luarbiasa keadaannya yang telah timbul dalam tempoh di antara akhir tahun kewangan dan tarikh laporan ini yang berkemungkinan menjejaskan dengan ketara operasi Kumpulan atau Syarikat dalam tahun di mana laporan dibuat.

**JURUAUDIT**

Juruaudit, Hanafiah Raslan & Mohamad, telah menyatakan kesanggupan mereka untuk dilantik semula.

Ditandatangani bagi pihak Lembaga menurut resolusi Para Pengarah.

Dato' Adnan bin Shamsuddin

Rozilawati binti Haji Basir

Shah Alam, Selangor  
6 Julai 2006