



Annual Report 2008



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CORPORATE Information

BOARD OF DIRECTORS

Dato' Adnan bin Shamsuddin

Independent, Non-Executive Chairman

Rozilawati binti Haji Basir

Executive Director / Chief Executive Officer

Tan Sri Dato' Sulaiman bin Sujak

Independent, Non- Executive Director

Dr. Roshayati binti Basir

Non Independent, Non-Executive Director

Yong Kok Liew

Independent, Non-Executive Director

AUDIT COMMITTEE

Tan Sri Dato' Sulaiman bin Sujak

Chairman

Independent, Non- Executive Director

Dr. Roshayati binti Basir

Member

Non Independent, Non-Executive Director

Yong Kok Liew

Member

Independent, Non-Executive Director

NOMINATION COMMITTEE

Tan Sri Dato' Sulaiman bin Sujak

Chairman

Independent, Non- Executive Director

Dr. Roshayati binti Basir

Member

Non Independent, Non-Executive Director

Yong Kok Liew

Member

Independent, Non-Executive Director

REMUNERATION COMMITTEE

Tan Sri Dato' Sulaiman bin Sujak

Chairman

Independent, Non- Executive Director

Dr. Roshayati binti Basir

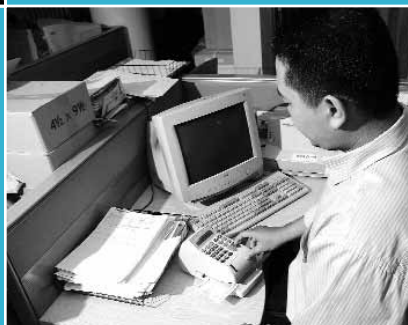
Member

Non Independent, Non-Executive Director

Yong Kok Liew

Member

Independent, Non-Executive Director



ESOS COMMITTEE

Yong Kok Liew

Chairman

Independent, Non-Executive Director

Dato' Adnan bin Shamsuddin

Member

Independent, Non-Executive Director

Rozilawati binti Haji Basir

Member

Executive Director / Chief Executive Officer

Tan Sri Dato' Sulaiman bin Sujak

Member

Independent, Non-Executive Director

Dr. Roshayati binti Basir

Member

Non Independent, Non-Executive Director

REGISTERED OFFICE

Lot 11A, Persiaran Selangor, Seksyen 15
40200 Shah Alam, Selangor Darul Ehsan
Tel No: 03-5163 3333 Fax No: 03-5518 2084
Website: www.nationwide2u.com

CORPORATE OFFICE

Lot 11A, Persiaran Selangor, Seksyen 15
40200 Shah Alam, Selangor Darul Ehsan
Tel No: 03-5163 3333 Fax No: 03-5518 2084
Email address: enquiry@nationwide2u.com
Website: www.nationwide2u.com

COMPANY SECRETARIES

Abu Zahren bin Md Yusof (LS 006986)
Ahmad Najmi bin Mahfodz (MIA 13431)

REGISTRAR

Symphony Share Registrars Sdn. Bhd. (378993-D)
Level 26, Menara Multi Purpose, Capital Square
No. 8, Jalan Munshi Abdullah, 50100 Kuala Lumpur
Tel No: 03-2721 2222 Fax No: 03-2721 2530 / 2531

PRINCIPAL BANKERS

Malayan Banking Berhad
HSBC Bank Malaysia Berhad

AUDITORS

Messrs. Hanafiah Raslan & Mohamad (AF:0002)
Chartered Accountants
Level 23A, Menara Milenium, Jalan Damanlela,
Pusat Bandar Damansara, Damansara Heights
50490 Kuala Lumpur
Tel No: 03-7495 8723 Fax No: 03- 7495 7914 / 7994

STOCK EXCHANGE LISTING

Main Board, Bursa Malaysia Securities Berhad

Our Vision

“To Be The
Premier Total
Logistics
Business
Partner Locally
and Globally”

Our Mission

NATIONWIDE DELIVERS

Dedicated Workforce
Efficient and Excellent Services
Learning Organisation
Intimacy with Business Partners
Value Stakeholders
Exceed Customers' Expectations
Respect for Individual Dignity
Socially Responsible

Our Values



TRUSTWORTHINESS & EXCELLENCE DRIVEN

Our Core Values denote and represent the deeply held beliefs within Nationwide Express. These timeless principles are intrinsic values, which are seen in all our employees through our day-to-day behaviour and attitude. We hold these values close to our hearts as these are the very values, which makes us Nationwide Express!

The Brand

Nationwide Express is a household name and a brand to be reckoned with! It is a brand that was introduced two (2) decades ago, and over the years has evolved into a brand name which is synonymous to courier and express delivery services in the Malaysian logistics scene.

Our brand image is communicated on the basis of our existing core values; namely Trustworthiness and Excellence Driven. Our objectives are simple yet compelling – to instil customers' loyalty and accentuate product superiority. In short, Nationwide Express is in a class above the rest!



We recognise that a strong brand is a valuable corporate asset, and we are aggressively formulating ongoing branding strategies to enhance the present image from a mere courier service to a total logistics service provider. In addition, various marketing and communication initiatives such as advertising, direct marketing, brand associations and public relations will further improve our market presence as well as awareness amongst all stakeholders. A strong brand like ours will not only reflect the services we offer, but portray what WE stand for!

As a household name, we have been awarded numerous brand awards over the last few years, namely:-
the Best Malaysian Brand 2004 - the Logistics Industry in Malaysia at the International Brand and Consumer Fair (IBCOF) 2004; the Superbrands of Malaysia Award 2005; the BrandLaureate Award 2006/2007 – Courier Industry; and the Asia Pacific Super Excellent Brand 2006/2007.

For the financial year 07/08, we continued to enhance Nationwide Express' brand market dominance, brand resilience, brand goodwill, customer loyalty and overall market acceptance. In raising our branding standard, we will strive to display our branding excellence especially in our business activities i.e.



delivering our brand promises, enduring values and impeccable social and business standards. With this, we trust that Nationwide Express' excellent performance, achievement and conformity of products and services – assurance of quality, safety and reliability will be constantly recognised by all.

Nationwide Express' brand achievements are not only recognised as a mark of excellence achieved by us. It also provides Nationwide Express with a significant promotional asset which helps reassure consumers that they are making the right choice and encourages new consumers to join the brand franchise. The awards and recognitions bestowed on Nationwide Express strengthens our brand position, adds prestige and sets Nationwide Express apart from its competitors.

So, "Nationwide Express" your shipments anywhere and anytime, for 'When It Is Nationwide Express, It Is As Good As There!'



Certificate No: 22398

NOTICE OF Annual General Meeting



NOTICE IS HEREBY GIVEN THAT the 22nd Annual General Meeting of Nationwide Express Courier Services Berhad will be held at Dewan Bunga Tanjung, Kelab Shah Alam Selangor, No 1A, Jalan Aerobik 13/43, Persiaran Kayangan, 40704 Shah Alam Selangor on Thursday, 28th August 2008 at 3.00 p.m., for the following purposes :-

Agenda

AS ORDINARY BUSINESS

1. To receive and adopt the Audited Financial Statements for the financial year ended 31st March 2008 and the Reports of the Directors and Auditors thereon.
(Resolution 1)
2. To sanction the declaration of a final dividend of 4.5% (less 26% tax).
(Resolution 2)
3. To approve the payment of Directors' fees for the financial year ending 31st March 2009.
(Resolution 3)
4. To re-elect a Director, Dato' Adnan bin Shamsuddin, who retires in accordance with Article 69 of the Company's Articles of Association.
(Resolution 4)
5. To re-elect a Director, Tan Sri Dato' Sulaiman bin Sujak, who retires in accordance with Section 129 of the Companies Act, 1965.
(Resolution 5)
6. To re-appoint Messrs. Hanafiah Raslan & Mohamad as Auditors of the Company and to authorise the Directors to fix their remuneration.
(Resolution 6)
7. To transact any other ordinary business of which due notice shall have been given.



NOTICE OF DIVIDEND ENTITLEMENT

NOTICE IS ALSO HEREBY GIVEN THAT subject to the approval of the shareholders, a final dividend of 4.5% (less 26% tax) in respect of the financial year ended 31st March 2008 will be paid on 25th September 2008 to shareholders whose names appear in the Company's Record of Depositors on 15th September 2008.

A Depositor shall qualify for entitlement only in respect of:-

- a) Shares transferred into the Depositor's Securities Account before 4.00 p.m. on 15th September 2008 in respect of shares which are exempted from mandatory deposit;
- b) Shares bought on the Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of the Bursa Malaysia Securities Berhad.

BY ORDER OF THE BOARD

ABU ZAHREN BIN MD YUSOF (LS 006986)
AHMAD NAJMI BIN MAHFODZ (MIA 13431)
 Company Secretaries

Shah Alam, Selangor
 6th August 2008

NOTES:

A member of the Company entitled to attend and vote is entitled to appoint a proxy or proxies to attend and vote instead of him. A proxy may not be a Member and a Member may appoint more than two (2) proxies to attend at the same meeting. Where a Member appoints two (2) or more proxies, he shall specify the proportion of his shareholding to be represented by each proxy. The instruments appointing the proxy must be deposited at the Registered Office of the Company by not less than 48 hours before the time of the holding of the Annual General Meeting.

STATEMENT ACCOMPANYING NOTICE OF Annual General Meeting

(1) NAME OF INDIVIDUALS STANDING FOR RE-ELECTION

The Directors who are standing for re-election are as follows:-

- Dato' Adnan bin Shamsuddin, pursuant to Article 69 of the Company's Articles of Association
- Tan Sri Dato' Sulaiman bin Sujak, pursuant to Section 129 of the Companies Act, 1965

The profiles of the Directors standing for re-election are set out on page 42 to 46 of this Annual Report.

(2) DETAILS OF ATTENDANCE OF DIRECTORS AT BOARD MEETINGS

A total of eight (8) Board meetings were held in the financial year ended 31st March 2008. The details of attendance of individual Directors at the Board Meetings held in the financial year ended 31st March 2008 are as follows:-

Directors	No. of Board Meetings	
	Held	Attendance
Dato' Adnan bin Shamsuddin	8	8
Rozilawati binti Haji Basir	8	8
Tan Sri Dato' Sulaiman bin Sujak	8	8
Dr. Roshayati binti Basir	8	8
Yong Kok Liew	8	8

(3) GENERAL MEETING HELD DURING THE FINANCIAL YEAR ENDED 31ST MARCH 2007

Type : 21st ANNUAL GENERAL MEETING
 Date : 10th September 2007
 Time : 3.00 p.m.
 Venue : Cenderawasih Hall, Level 1, Glenmarie Golf & Country Club,
 Jalan Kerjaya Off Jalan Lapangan Terbang Sultan Abdul Aziz
 Shah, 47200 Subang, Selangor

(4) DIRECTORS' SHAREHOLDINGS IN THE COMPANY & ITS SUBSIDIARIES

Directors	The Company		The Subsidiaries
	Direct	Indirect	
Dato' Adnan bin Shamsuddin	0	0	0
Rozilawati binti Haji Basir	0	30,594,923#	*
Tan Sri Dato' Sulaiman bin Sujak	56,000	0	0
Dr. Roshayati binti Basir	0	30,594,923#	*
Yong Kok Liew	0	0	0

- Deemed interested by virtue of her shareholdings in BHR Enterprise Sdn Bhd of more than 15% pursuant to Section 6A of the Companies Act, 1965.

* - By virtue of her major indirect shareholdings in shares of the Company, she is also deemed interested in all shares of the Company's subsidiaries to the extent that the Company has an interest.

(5) FAMILY RELATIONSHIPS WITH ANY DIRECTORS AND/OR MAJOR SHAREHOLDERS OF THE COMPANY

None of the Directors have family relationship with any Directors and/or major shareholders of the Company except for Rozilawati binti Haji Basir and Dr. Roshayati binti Basir who are sisters and have family relationships with BHR Enterprise Sdn Bhd, the major shareholder of the Company.

(6) CONFLICT OF INTEREST

Save for that disclosed in the section on Related Party Transactions, none of the Directors have any conflict of interest with the Company and its subsidiaries.

(7) LIST OF CONVICTIONS FOR OFFENCES WITHIN THE PAST 10 YEARS OTHER THAN TRAFFIC OFFENCES

None of the Directors have any conviction for offences within the past 10 years other than traffic offences.

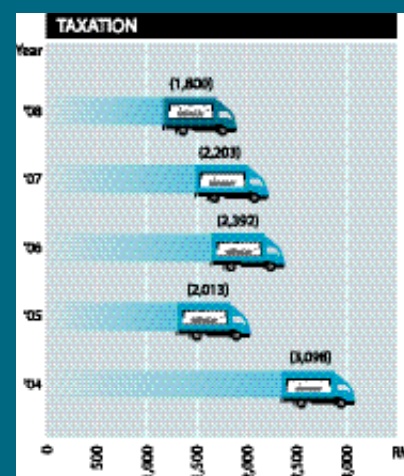
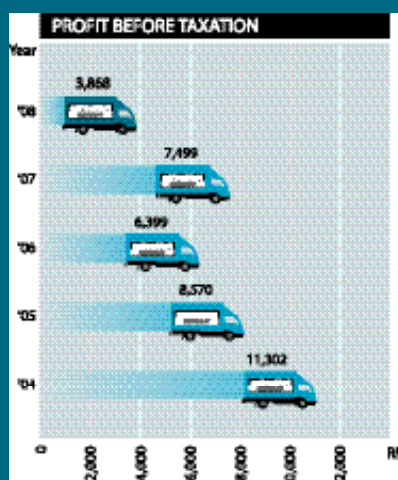
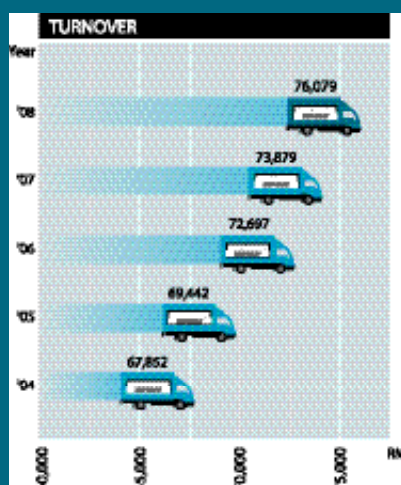
(8) OTHER INFORMATION

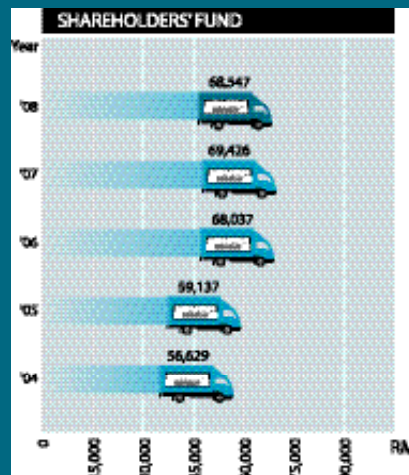
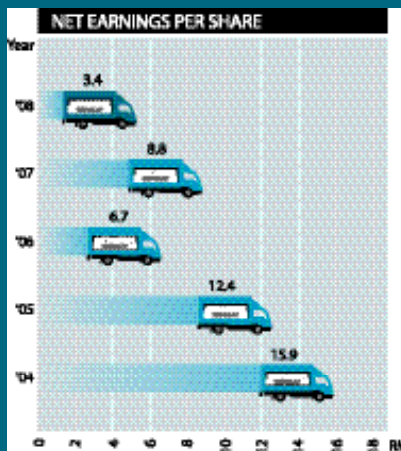
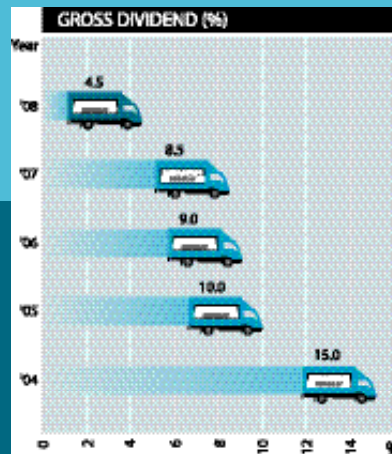
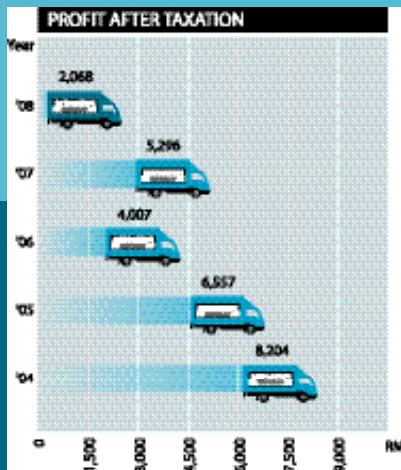
- **Status of Utilisation Of Proceeds Raised from Corporate Exercise**
No proceeds were raised by the Company from any corporate exercise during the financial year.
- **Share Buybacks**
During the financial year, the Company did not enter into any share buyback transactions.
- **Options, Warrants or Convertible Securities**
No options, warrants or convertible securities were exercised during the financial year.
- **American Depositary Receipt (ADR) or Global Depositary Receipt (GDR) Programmes**
During the financial year, the Company did not sponsor any ADR or GDR programme.
- **Imposition Of Sanctions and Penalties**
There were no sanctions or penalties imposed on the Company and its subsidiaries, directors or management by the relevant regulatory bodies during the financial year.
- **Non-Audit Fees**
There were no non-audit fees paid to the External Auditors during the financial year.
- **Profit Estimate, Forecast or Projection**
The Company did not release any profit estimate, forecast or projection for the financial year.
- **Profit Guarantee**
During the financial year, there were no profit guarantees given by the Company.
- **Material Contracts And Contracts Relating To Loans**
There were no material contracts and contracts relating to loans entered into by the Company and its subsidiaries, which involve the Directors or major shareholders since the previous financial year ended 31st March 2007.

FIVE-YEARS Group Financial Review



Financial Year Ended	31/03/04	31/03/05	31/03/06	31/03/07	31/03/08
Turnover (RM'000)	67,852	69,442	72,697	73,879	76,079
Profit Before Taxation (RM'000)	11,302	8,570	6,399	7,499	3,868
Taxation (RM'000)	(3,098)	(2,013)	(2,392)	(2,203)	(1,800)
Profit After Taxation (RM'000)	8,204	6,557	4,007	5,296	2,068
Shareholders' Fund (RM'000)	56,629	59,137	68,037	69,426	68,547
Net Earnings Per Share	15.9	12.4	6.7	8.8	3.4
Gross Dividend (%)	15.0	10.0	9.0	8.5	4.5







Products & Services



At Nationwide Express, we have developed a range of dedicated services tailored to meet your needs. Our present company structure allows us the flexibility to adapt and customize our services to meet your requirements, or even exceed your expectations. The following options are just some of the ways in which we endeavour to serve you best.

COURIER SERVICES

Over the last 22 years, Nationwide Express has grown to become a Malaysian household name with a well-earned reputation in providing fast and reliable door-to-door express deliveries. Our presence in over 180 locations enables us to instantly respond to your urgent collections and delivery instructions. We adhere to rigorous service standards of 24 hour deliveries within Peninsular Malaysia and 48 hours to East Malaysia. And to cater for more demanding shipments, we also provide special arrangements, such as:

* **Regular/standard pick-up**

You can schedule your pick-up for a time that is most convenient to you. Your pick-up can even be pre-arranged to eliminate the need to call our customer service hotline daily.

* **International deliveries**

In order to cater to international demand, we have formed strategic alliances with other reputable international courier companies. With local facilities and affiliates servicing over 190 countries, Nationwide Express is now at the forefront of international delivery services.

* Premium Services

- Diplomat services

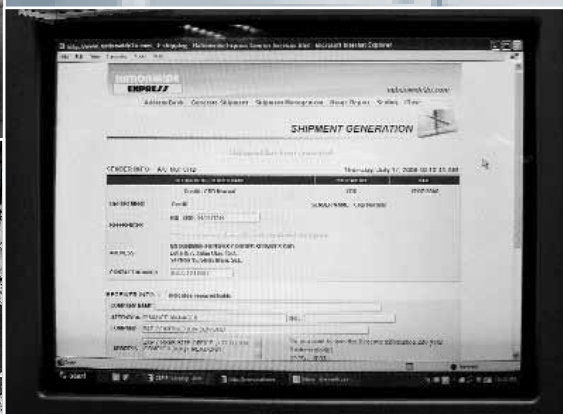
Let your clients enjoy enhanced customer service with a same-day rush delivery service. Coast-to-coast and north-to-south, Nationwide Express is the single solution to all your time-critical or urgent delivery needs. Once the consignments have been successfully delivered to the recipient, we will call you to confirm their safe arrival.

- Late pick-up

We consistently offer the latest possible pick-up time while still providing next-day delivery. This has the dual benefit of allowing you maximum time to work on your material in the evening, whilst still providing the receiving party with an early morning delivery. As long as you adhere to the requirements, delivery can be accomplished during the next day.

- Early delivery

For your most urgent shipments, we also offer early morning deliveries. You will immediately be informed once your delivery has been confirmed, so you can enjoy peace of mind.



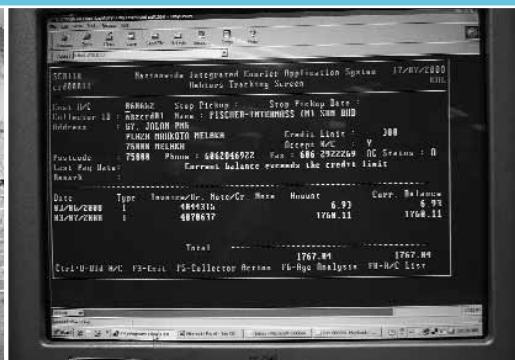
MAILROOM MANAGEMENT SERVICES

* External mailroom

Nationwide Express offers one of the most efficient dispatching solutions in the business. Outsource your mailroom and save costs in salary, compensation, vehicle payments, maintenance, etc. Our dedicated staff are trained to the highest standards in operating procedures, and will work with you to get your package where it needs to be – when it needs to be there. For increased efficiency, we will also install a PC in mailroom.

* Internal mailroom

Benefit from in-house logistics assistance on the spot and save costs. Equipped with a PC, our staff will increase your mailroom efficiency and promote the adoption of best practices in its daily operations.



SPECIAL HANDLING SERVICES

The Special Delivery Department at Nationwide Express focuses on the secure handling of sensitive materials and high value items. This department has a separate sorting hub in addition to a special fleet of vehicles. You can rest assured knowing that all items entrusted to our Special Delivery Department are handled by a group of specially trained staff, and will be safely delivered.

* **Supply Chain Management**

An extensive network, bountiful resources and broad range of services complemented by investments in viable IT solutions and systems – these advantages enable us to offer a total Supply Chain Management Solution to a broad customer base spanning various industries.

* **Customised logistic**

- **Mailroom Outsourcing**

By assigning staff to be permanently based at your office premises, we can provide you with a mailroom service to handle all your outgoing and incoming mails and parcels. You can be assured of same-day delivery for all your mails and parcels within the Klang Valley.



* **E-Commerce Fulfilment**

E-Commerce Fulfilment is a service designed for online store front businesses. A logistics service from Nationwide Express that focuses solely on the e-commerce industry, E-Commerce fulfilment ensures that consignments purchased online are safely delivered to the buyer.

* **e-Shipping**

For your convenience, we have introduced an e-solution known as Nationwide Express Internet Shipping (NEIS). This interactive solution is specially developed to enable you to prepare and manage shipments faster, smarter and more accurately. You'll be glad to know this e-Shipping technology needs no special software or training! NEIS is an easy process that allows anyone with a PC and Internet connection to fully utilize it. You can now print consignments on a regular sheet of paper or label printer by selecting from the online address book. Use NEIS and avoid the hassle of searching for contact details, re-keying or handwriting of consignments, transcribing errors, and manual usage management and tracking.

FREIGHT FORWARDING SERVICES

* Freight forwarding

Nationwide Express Freight Forwarding offers trucking, brokerage, customs clearance, seafreight and airfreight services in addition to warehousing solutions.

* 2/3 days delivery

This solution is designed for your non-urgent deliveries. With efficient planning and arrangement, your company can benefit from the cost savings earned from this solution.

* Warehousing

Nationwide Express provides a warehousing facility to complement the 'Pick, Pack and Ship' service offered to our customers.

* Pick, Pack and Ship

In addition to the traditional warehousing service of break bulking and re-packing of consignments, Nationwide Express also offers direct delivery of goods from warehouse to customer, and return collection of goods from customer to warehouse.

NEW PRODUCTS

* Insurance Coverage

On top of the standard Nationwide Express' liability of RM200.00, we arrange insurance services that offer our customers financial protection against all risks of physical losses or damages from any external causes. Nationwide Express can arrange insurance which offers protection for our customers shipments door-to-door. This service covers against physical losses or damages that could occur due to external causes during transportation. It applies to the direct replacement or repair cost of the shipments transported and transportation charges are automatically insured with your shipment.



* **Super Express B4 6**

A same work day interstate door to door service with money back guaranteed express product. Super Express B4 6 is specially designed for business requiring time definite same work day delivery to help them have a competitive edge while continuing to be the market leaders in their field. Super Express B4 6 is exclusively air flown by Malaysia's first community airline, Firefly, and are currently serving Kuala Lumpur, Selangor, Penang, Langkawi, Kuala Terengganu and Kota Bharu,

* **Community Mailroom**

A mailroom service by Nationwide Express for business communities in and around Plaza Damansara. The mailroom service is designed to provide cost effective, safe and timely dispatching services for a competitive edge. It offers general post office clearing/delivery, same work day delivery, banking, utilities bill payment, door pick-up in Plaza Damansara and many more.



* **Gift Express**

Using our Economy Express boxes, you can send your expression to family, friends and loved ones with our wonderful range of gifts – cuddly teddy bears, creative mugs, unforgettable greeting cards, pen gift sets and many more. Gifts purchased elsewhere can also be send using this service.

* **Travellers Express**

Travellers Express provides you a hassle free and economical service of sending your excess baggage. You can save money and at the same time, shop till you drop. Travellers Express is now available at our retail outlet in MidValley Megamall and Sunway Pyramid.

CORPORATE AGENCY BUSINESS

* **Takaful Nasional Sdn. Bhd.**

As one of the corporate agents of Takaful Nasional, Nationwide Express has the advantage of offering the most accessible and convenient facilities for the public to purchase insurance

policy and road tax renewal. With over 180 stations and agents available throughout the country, there is no doubt that our vast business network can be leveraged to create a new chapter for Nationwide Express as a great one-stop service centre.

* **POS Malaysia Berhad**

We also sell several types of POS Niaga products such as stamp and philately items.

TRACK & TRACE SYSTEM

At Nationwide Express, we make technology work for you and your customers: anytime, anywhere. Our web-based track and trace system allows you to view the latest status on your shipment. You can check a shipment's status as it progresses through our hubs and scanning stations, or view the name of the person who signed for the package just by clicking on the consignment number. Our track and trace system even allows you to track up to 15 consignments simultaneously.

Shipments are constantly tracked via the Nationwide Express network in order to provide timely reports on the status of your goods. We also offer proactive tracking to customers requiring close monitoring of shipments.

General Tracking – No Login ID required.

- Track shipment by reference no (up to 15 shipments)
- Detailed listing (from pickup, transit and delivery location)
- Print details (printer friendly)



Advanced Tracking – Login ID required

- Advanced search capability; search by status, location and pick-up date
- Exception listing i.e. undelivered shipments after certain number of days
- Consolidated (from a range of pickup dates) reporting

INTERNAL PROCESSES AND OPERATIONS

Today's competitive environment makes constant innovation a necessity. In order to stay successful, organizations such as ours must develop internal business practices which promote opportunities for a systematic and continuous improvement. We require innovation not just in the areas of technology and services, but also in the areas of management systems and practices. In this way, we hope to make the organization more effective, thus empowering ourselves to accomplish our goals as well as to overcome upcoming challenges in the modern corporate world.

Nationwide Express has taken steps to re-engineer our operational processes and procedures with a view to enhance and improve the processes, adding value to our customers and eliminating those processes which do not add value. Efforts to improve our systems

performance are being carried out by our Operations team, with a primary focus on implementing dispatch, pick-up and station-sort best practices.



These innovative tactics to improve day-to-day efficiency enable us to better serve our customers and maintain our position as a market leader. For example, various improvements have been continuously undertaken over the last year, allowing our hub to achieve its current handling capacity of

up to 50,000 shipments per day. Further developments include the hiring of dedicated specialists whose task is to handle Dangerous Goods and give appropriate advice to customers who need to ship these items.



With 190 offices and branches throughout the nation and a comprehensive network that spans over four (4) ASEAN countries, Nationwide Express customers are assured of precise time-in-transit connectivity, as well as to-the-door deliveries. Our facilities undergo periodic improvements so as to ensure that our high standards are not compromised. In FY06/07, we fulfilled our objective of creating customer value; our customers were provided with the best possible service via continued enhancement of our innovative technology, time-in-transit, and products and services.

It is no wonder then, that Nationwide Express services undoubtedly represent the best value in the industry. Businesses and consumers who choose Nationwide Express will instantly benefit from the wide portfolio of products and services, reliable integrated network and technology solutions that we offer.



Corporate Social Responsibility



INTRODUCTION

In tandem with the practice of other Malaysian Public Listed Companies (PLCs), Nationwide Express utilises Bursa Malaysia's Corporate Social Responsibility (CSR) framework as a guideline to observe CSR. Nationwide Express inculcates the culture of CSR by disclosing our CSR activities as well as engages CSR as a part of the way we work and think. We believe that CSR is NOT about how we spend the money BUT about how we MAKE money.

Nationwide Express affirms CSR to be our aim by pledging commitment to bring about positive change in the environment, community, workplace and marketplace whilst conducting our daily business. We adopt CSR in an open and transparent business practice that is based on ethical values and respect to deliver sustainable value to the society at large, namely for the community, employees, the environment, shareholders and other stakeholders.

In instilling good CSR practice, Nationwide Express remains focus on our Triple Bottom Line (TBL), namely, excellent economic performance, superior social practices and good environmental practices.

HOW NATIONWIDE EXPRESS USES BURSA MALAYSIA'S CSR FRAMEWORK - CSR CONCEPTS & AGENDA

At Nationwide Express, we fully recognise the ethical imperative to be good corporate citizens and are dedicated to managing our business activities in a manner that is professional and ethically correct. In line with our mission, 'Nationwide Express *D.E.L.I.V.E.R.S.*', we believe in delivering the best to all our stakeholders through adopting the following key CSR concepts throughout Nationwide Express' CSR focal areas, i.e.:-

Go beyond compliance to laws;
Beyond philanthropy and public relations;
Integral throughout business operations and decision making;
Stakeholder engagement;
Dynamic CSR vision/ agenda; and
Cultural transformation.

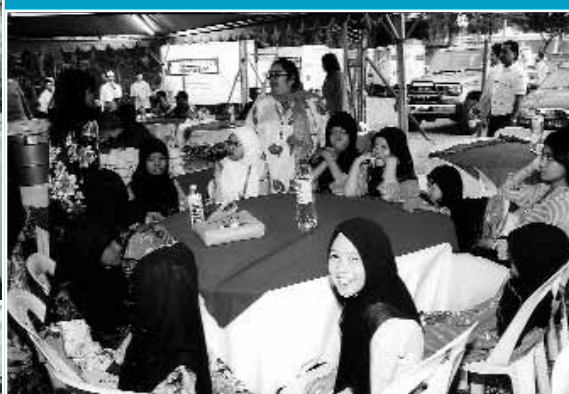
NATIONWIDE EXPRESS' CSR PLEDGE

To our customers

- By providing speedy delivery, competitive prices and excellent customer services
- By being original in the creation and development of all our products and services

To our people

- By developing a performance-based culture to enhance productivity and improve work quality
- By creating an environment of trust, integrity and good morale
- By promoting good staff morale through proper training development and provision of opportunities for career advancement



To our shareholders

- By maintaining our position as a stable company, with good investor relations management
- By focusing on value creation and the delivery of superior returns on investment

To our community

- By assuming our role as a socially responsible corporate citizen
- By adhering closely to national policies and objectives

Nationwide Express' CSR Activities FY 0708

'Majlis Berbuka Puasa' with children from Pusat Nur Hikmah orphanage

On 28th September 2007, Nationwide Express organised a Majlis Berbuka Puasa for children from the Pusat Nur Hikmah orphanage. Employees and our top 10 customers were invited to participate in the experience of sharing our joy with the less fortunate. After a satisfying meal together, the children were made even happier with gifts of hampers, 'duit raya' and baju raya.

Feed a Family in Ramadhan with Islamic Relief Malaysia

Feed the Fasting Programme was organised by Islamic Relief Malaysia, and Nationwide Express came into the picture as their official logistics provider. We helped in the distribution of food items and supplies to the Perkampungan Orang Asli Kg Kala, Batu 12, Gombak on 21st September 2007 and to Perkampungan Orang Asli Bentong on 22nd September 2007.



50th National Merdeka Parade

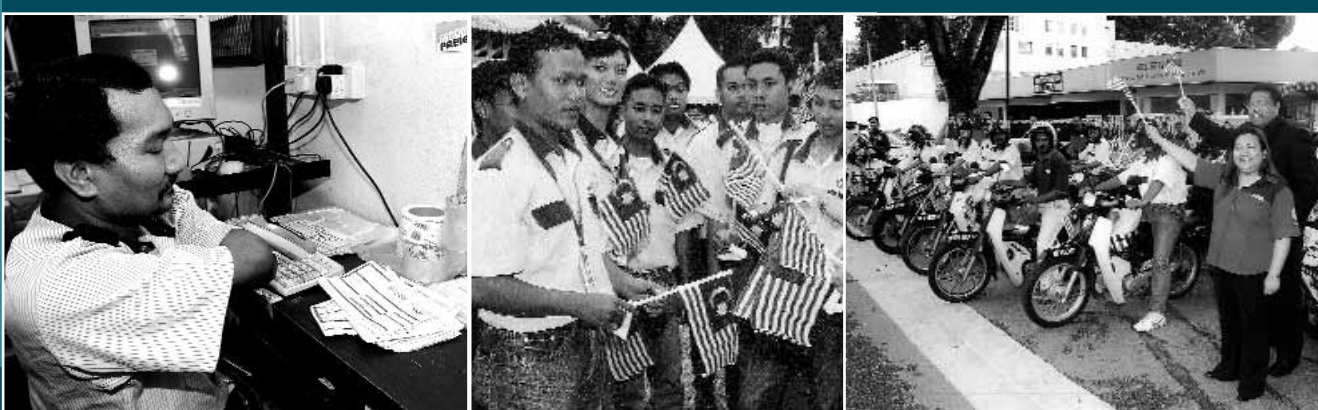
At the 50th National Merdeka Parade held in Shah Alam on 31st August 2007, Nationwide Express is proud to be among the top 5 corporate organizations invited to participate in the celebrations.

Flagging of Jalur Gemilang with kids from Rumah Nur Salam

The 50th Merdeka Celebrations was made more meaningful with the kids from Rumah Nur Salam in Chow Kit, and the celebration was held at the Ampang Business Centre. The children were also given treats like balloons, free t-shirts as well as money packets.

Joint-Humanitarian work with Yayasan Salam

On 18th November 2007, the Operations Team had successfully delivered 7 tonnes of computer software and hardware to Pusat ICT Kuchelong and Pusat ICT Hutan Melor, both in the deep areas of Kelantan. These items were to be used to introduce the children to the computers, and to enhance their ability in understanding more about computers.



Donations to Badan Kebajikan Anak-Anak Yatim Negeri Perlis

During the last Shah Alam – Kangar Royal Classic Car Rally 2008 held in Perlis, Nationwide Express donated RM3,000 to Badan Kebajikan Anak Anak Yatim Negeri Perlis, in conjunction with the Raja of Perlis' Birthday.

Blood Donation Drive

Twice yearly, Nationwide Express organises a blood donation clinic in collaboration with Tabung Darah Negara (the National Blood Bank). These blood donation drives are held in our corporate office and are intended to develop and instil the spirit of helping one another. This year, over 90 staff generously donated blood in aid of the community.

Value Added Products

Launching Ceremony Of Nationwide Express Retail (NER) Store At Mid Valley

The official launching ceremony of Nationwide Express Retail store in MidValley Megamall on 21st August 2007 by YBhg Puan Sri Datin Seri Hamidah Hj Abdul Rahman. Among those present were the management officials of Midvalley as well as corporate partners and customers.

Launching Ceremony Of Hajj And Umrah Package At Institut Kefahaman Islam (IKIM)

The launch ceremony was held at IKIM on 31st July 2007, in promoting our latest hajj and umrah product.

Signing Ceremony Between Nationwide Express Courier Services Berhad And Fly Firefly Sdn. Bhd & Product Launch Of Super Express b4 6

The signing ceremony was held at Kuala Lumpur Golf and Country Club (KLGCC) on 22nd April 2008.

Activities

Hari Raya Celebrations

Nationwide Express employees and customers alike were invited to share in the festivities on 27th October 2007 at the Hari Raya Celebrations held at the CEO's residence.

KSKN Annual Dinner

Held at The Quality Hotel on 29th March 2008, the KSKN Annual Dinner was a sizzling affair. The theme was 'Retro Night' and the guests certainly obliged by dressing in glamorous shades of retro and vintage wear. The night's entertainment included a show by Isma Aliff and Accapan, as well as lucky draw and karaoke.

KSKN Bowling Tournament

Nationwide Express organised an exciting staff bowling tournament at Pyramid Bowl on 2nd February 2008. A total of 28 teams took part, with Mohd Yamin from Sales and Azmini Yusof from Credit emerging victorious in the Men's Challenge and Women's Challenge respectively. Congratulations to the winning team, Kumpulan Perfect Striker and its members – Mohd Yamin, Hasmy, Noraisha and Azmini – as well!



KSKN Futsal Tournament

An exciting staff Futsal Tournament was held on 10th June 2007 at the Indoor Soccer Federation in Shah Alam. Congratulations to all the winners!

Operations Team Sahur with CEO

On 25th September 2007, the operations team and their managers had sahur with the Nationwide Express CEO at 4.30am in the operations centre. The event was meant to give the operations staff a chance to meet with the CEO, thus demonstrating Nationwide Express' belief that there should be no divide between management and staff.

KSKN Contributions to Members

As tokens of appreciation for their loyalty, KSKN is glad to give our members free T-shirts, Hari Raya 'kuih', and financial aids of RM50.00 upon marriage, RM100.00 upon death, and RM100.00 in the event of their being the victims of natural disasters.



KSKN Badminton Tournament

On 13th July 2008, KSKN organised a badminton tournament at the Multipurpose Hall, SUK Building in Shah Alam. Suhairi Sainawi from BSC Ampang won the Men Singles Championship, while Amir Hussain and Mohd Fadzli Yusop, both also from BSC Ampang won the Men Doubles. Mohd Hanafiah and Nor Waziah from Operations and Sales both won the Mix Doubles, and Nor Waziah and Annie Nor Suraya won the Women Doubles.

STATEMENT ON CORPORATE GOVERNANCE





The Board of Directors of Nationwide Express Courier Services Berhad (“the Board”) is committed to ensure that the highest standards of Corporate Governance (“Code”) are practiced throughout the Group as a fundamental part of discharging its responsibilities to safeguard shareholders’ investment and ultimately enhance shareholders’ value.

In view of this, the Board has taken steps to ensure compliance with the Code as follows:-

A. BOARD OF DIRECTORS

Composition of the Board

The Board currently consists of five (5) members, comprising four (4) Non-Executive Directors and one (1) Executive Director/Chief Executive Officer. Three (3) of the Non- Executive Directors are independent. The profile of each Director is set out in the Profile of Directors on pages 42 to 46 of the Annual Report.

The roles of the Chairman, Dato’ Adnan bin Shamsuddin and the Executive Director/Chief Executive Officer, Rozilawati binti Haji Basir are separate with clear distinction of responsibilities between them to provide effective leadership of the Board and the Group.

The Chairman, who is an Independent Non-Executive Director is primarily responsible for ensuring that the Board meets regularly throughout the year and the meetings are conducted in an orderly manner. The Chairman also plays a pivotal role in ensuring that the Directors are effectively apprised on the business and operations of the Group and encourages healthy debate on issues arising at Board meetings to ensure that decisions are arrived after taking into consideration the interests of shareholders, employees, customers and other stakeholders. He is also charged with the responsibility of ensuring the integrity and effectiveness of the relationships between the Non-Executive and Executive Directors.

The Executive Director/ Chief Executive Officer is responsible for the day-to-day management of the Group’s businesses, which include implementing the policies and decisions of the Board, overseeing the operations to ensure organizational effectiveness, and managing the development and implementation of the Company’s business and corporate strategies. The Executive Director/ Chief Executive Officer reports to the Chairman with respect to matters concerning the Board members and is obliged to report and discuss at Board meetings all material matters currently or potentially affecting the Group and its performance, including all strategic projects and regulatory developments.

The Board has a well-balanced number of Executive and Non-Executive Directors, with more than one-third Independent Non-Executive Directors. The Board has ensured the appointment of Independent Directors who are not member of management and the appointees are free of any relationship which could interfere with the exercise of independent opinion and the ability to act in the best interest of the Group. The Board is of the view that its three (3) Independent Non-Executive Directors who have extensive knowledge and experience are justifiable to represent the investment of the public and minority interests.

Board Responsibilities

The Board retains full and effective control of the Group. This includes responsibilities for determining the Company's overall strategic direction as well as development and control of the Group. Key issues such as approval of all corporate announcements including the announcement of the quarterly financial results prior to releasing them to Bursa Securities as well as material agreements, major capital expenditures, budgets and succession planning for the top management are reserved for the Board.

The Board has delegated specific responsibilities to the respective Committees of the Board which operate within clearly defined terms of reference. The Board Committees consist of Audit Committee, Nomination Committee, Remuneration Committee and ESOS Committee. The Board Committees comprise members of the Board, and each Board Committee holds separate meetings throughout the financial year. Meetings of the Board Committees provide an avenue for members of the respective Committees to focus on specific issues to enable full and in-depth discussion of business operations of the Group. Reviews, recommendations, findings and decisions reached at these Board Committees Meetings are reported directly to the Board for its deliberations, approvals and/or endorsements. The members of the various Board Committees are set out on pages 2 and 3 of this Annual Report.

Board Meetings & Supply of Information to the Board

Board meetings are scheduled in advance at the beginning of the new financial year to enable Directors to plan ahead and fit the year's meetings into their own schedules. The Board has at least four (4) regularly scheduled meetings annually, with additional meetings for particular matters convened as and when necessary. Informal meetings and consultations are frequently and freely held to share expertise and experience. A total of eight (8) Board meetings were held during the financial year. Details of the Directors' meetings attendances are disclosed on page 10 of this Annual Report.

To assist the Board in retaining full and effective control of the Group through reviews in the Meetings, the Board deliberates on a formal agenda and schedule of matters arising for approval or notation. During the financial year ended 31st March 2008, the Board reviewed and approved, amongst other matters, the Group's Business Plans, as well as the financial results and performance of the Group's businesses. The Board also reviewed and approved the acquisition and disposal of assets or investment of the Company and its subsidiaries that are material to the Group.

The Board as a whole determines, whether as a full Board or in their individual capacity, to take independent professional advice, where necessary and in appropriate circumstances, in furtherance of their duties, at the Group's expense. Directors also have direct access to the advice and services of the Group's Company Secretary who is responsible for ensuring that Board procedures are followed.

Appointments and Re-election of the Board

The Board has implemented procedures for the nomination and election of Directors via the Nomination Committee. Comprising mainly independent Non-Executive Directors, the Nomination Committee is responsible for identifying and recommending to the Board suitable nominees for appointment to the Board and Board Committees. The Nomination Committee meets as and when required, and at least once every financial year. Newly appointed Directors are briefed by the Chairman, Company Secretary and members of the management on the nature of business and current issues within the Company and the Group. Newly appointed Directors are also given the opportunity to visit and familiarize themselves with the Company's operations to better understand the Company's business.

The Articles of Association of the Company provide that at the first annual general meeting (AGM) of the Company, all the Directors shall retire from office and at least one-third of the Board are subject to retirement by rotation at each subsequent AGM. The Directors to retire in each year are the Directors who have been longest in the office since their appointment and re-appointment. The Articles of Association of the Company also provide that all the Board members including the Executive Director shall retire from office at least in each three (3) years and shall be eligible for re-election. Directors who are over seventy (70) years of age are required to submit themselves for reappointment annually, in accordance with Section 129(6) of the Companies Act, 1965.

Training & Development Programme

All Directors have attended and completed the Mandatory Accreditation Training Programme ("MAP") and fulfilled the Continuing Education Programme ("CEP") requirements as prescribed by the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"). With the repeal of the Practice Note No 15/2003 with effect from 1st January 2005, the directors of public listed company ("PLC") must evaluate and determine the training needs of its directors on a continuous basis. The subject matter of the training must be one that aids the PLC director in the discharge of his duties as a director. During the year, all the Directors have attended various trainings and will continue to undergo other relevant training programmes as appropriate to keep abreast with development on a continuous basis.

B. DIRECTORS' REMUNERATION

Remuneration Policy and Procedure

The Board has set up a Remuneration Committee on 20th December 2000 and its responsibilities include reviewing all annual salaries, incentives and other employment conditions for the Executive Director. Information prepared by independent consultants and appropriate survey data on the remuneration practice of comparable companies is taken into consideration. Meetings of the Remuneration Committee are held as and when necessary, and at least once a year. The Committee members are as listed in the Corporate Information. The remuneration for the Non-Executive Directors is determined by the Board during which the interested Directors will abstain from deliberating. The Company pays its Directors annual fees, which are approved by the shareholders. In addition, members of the Board Committees are paid allowances for each meeting they attend. The Remuneration Committee also considers the Group's proposed bonus/ex-gratia and increment for the year.

Remuneration Package

The remuneration package of Directors is as follows:-

- **Basic Salaries and Fees**

The Remuneration Committee recommends to the Board the basic salary (which is inclusive of statutory employer contributions to the Employees Provident Fund) for the Executive Director after taking into account her performance, the inflation price index and information from independent sources on the rates of salary for similar jobs in a selected group of comparable companies.

- **Annual Incentive (Bonus Scheme)**

The Group sets up a bonus scheme for all employees including the Executive Director. The criteria for the scheme are dependent upon the financial performance of the Company. Bonus payable to the Executive Director is reviewed by the Remuneration Committee and approved by the Board.

- **Retirement Plan**

Contributions are made to the Employees Provident Fund, the national mandatory defined contribution plan in respect of the Executive Director.

- **Employee Share Option Scheme (“ESOS”)**

The ESOS allocation for all Directors and employees of the Group including the Non-Executive and Executive Directors are determined by the ESOS Committee which was established in August 2005 in compliance with the ESOS By-Laws approved by the Board of Directors and shareholders.

- **Other Benefits**

Other benefits include car and driver and medical coverage for the Executive Director.

- Directors' Remuneration**

	Group and Company	
	2008 RM'000	2007 RM'000
Executive director's remuneration:		
Salaries and other emoluments	257	257
Ex-gratia	22	8
Defined contribution plan (EPF)	31	28
Estimated money value of benefit-in-kind	28	29
	<u>338</u>	<u>322</u>
Non-executive director's remuneration:		
Fees	108	108
Other emoluments	35	25
	<u>143</u>	<u>133</u>
Total directors' remuneration (excluding benefits-in-kind)	453	426
Estimated money value of benefits-in-kind	28	29
Total directors' remuneration including benefits-in-kind	<u>481</u>	<u>455</u>

The number of directors of the Company whose total remuneration during the year fell within the following bands is analysed below:

	Number of Directors	
	2008	2007
Executive director:		
RM300,001 – RM350,000	<u>1</u>	<u>1</u>
Non-executive directors:		
Below RM50,000	<u>4</u>	<u>4</u>

C. SHAREHOLDERS

Investors and Shareholders relations

The Group recognizes the importance of timely and thorough dissemination of information to shareholders. In this regards, the Group strictly adheres to disclosure requirements of Bursa Malaysia. The annual report has comprehensive information pertaining to the Group, while various disclosures on quarterly and annual results provide investors with financial information. The Board also has nominated the Chairman, Dato' Adnan bin Shamsuddin who is an Independent Non- Executive Director as the Senior Director, available to discuss any matters or issues with investors and shareholders .

Apart from the mandatory public announcements through Bursa Malaysia, the Group has also set up a website at www.nationwide2u.com to provide corporate, financial and non-financial information.

Annual General Meeting

The Annual General Meeting is the principal forum for dialogue with shareholders. Notice of the Annual General Meeting and annual reports are sent out to shareholders at least twenty one (21) days before the date of the meeting. Beside the usual agenda for the Annual General Meeting, the Board presents the progress and performance of the business as contained in the annual report and provides opportunities for shareholders to raise questions pertaining to the business activities of the Group. All Directors are available to provide responses to questions from the shareholders during these meetings. For re-election of Directors, the Board ensures that full information is disclosed through the notice of meeting regarding Directors who are retiring and who are willing to serve if re-elected. Items of special business included in the notice of the meeting will be accompanied by an explanatory statement to facilitate full understanding and evaluation of the issues involved.

D. ACCOUNTABILITY AND AUDIT

Financial Reporting

For financial reporting through quarterly reports to Bursa Malaysia and the annual report to shareholders, the Directors have a responsibility to present a fair statement of the Group's position and prospects. The Audit Committee assists the Board in scrutinizing information for disclosure to ensure accuracy, adequacy and completeness. The Statement by Directors pursuant to Section 169 of the Companies Act, 1965 is set out on page 71 of this Annual Report.

Internal Controls and Internal Audit Function

The Company continues to maintain and review its internal control procedures to ensure, as far as possible, the protection of its assets and its shareholders' investment. Details of the Group's key elements of internal control and Internal Audit functions are set out in the Statement on Internal Control Report and Audit Committee Report on pages 36 to 38 and 48 to 50 of this Annual Report respectively.

Relationship with Auditors

The role of the Audit Committee in relation to the External Auditors i.e. Messrs Hanafiah Raslan & Mohamad and Internal Auditors are disclosed in the Audit Committee Report set out on pages 48 to 50. The Group has always maintained a close and transparent relationship with its auditors in seeking professional advice and ensuring compliance with the accounting standards in Malaysia. The Head of Internal Auditors who reports functionally to the Audit Committee is present at all Audit Committee meetings. A meeting was held between the External Auditors, Head of Internal Auditors and members of the Audit Committee, without the presence of the Management during the year. Going forward, the Audit Committee will hold at least two (2) meetings a year with the External Auditors, the Internal Auditors or both as promoted by the Amended Code on Corporate Governance and the amended Chapter 15 of the Bursa Malaysia's Listing Requirements.

Statement of Compliance with the Best Practices of the Code

The Group is committed to achieving high standards of Corporate Governance throughout the Group and to the highest level of integrity and ethical standards in all its business dealings. The Board considers that it has complied throughout the financial year with the Best Practices as set out in the Code.

Statement made in accordance with the resolution of the Board of Directors dated 25th June 2008.

DATO' ADNAN BIN SHAMSUDDIN
Chairman

STATEMENT ON Internal Control

Introduction

The Board of Directors recognises the importance of maintaining a sound system of internal control and risk management practices to safeguard the shareholders' investments and the Group's assets. In line with the requirements of the Malaysian Code on Corporate Governance and Bursa Securities, the Board is pleased to provide a statement, which outlines the nature and scope of internal control of the Group.

Responsibility

The Board has overall responsibility for the Group's system of internal control, which includes financial, operational, compliance and risk management necessary for the Group to achieve its business objectives within an acceptable risk profile. The role of management is to implement the Board's policies on risk and control.

The Board takes all the necessary steps to maintain a sound system of internal control by periodically reviewing its adequacy and integrity. A sound system of internal control, however, can only provide reasonable, but not absolute assurance against misstatements, loss, fraud or the breach of a set of regulations and is designed to mitigate rather than to eliminate the risk of failure to achieve business objectives.

The Board has established an ongoing process for identifying, evaluating and managing significant risk faced by the Group. While the Board maintains ultimate control over risk issues, it has delegated to the management the implementation of a system of risk management and internal control within an established framework. This framework encompasses the Company and its subsidiary companies.

Key Elements of Internal Control

The key processes that the Board has established in reviewing the adequacy and integrity of the Group's internal control include the following:

1. Organisation Structure

The Group has appropriate organisational structure, which enables adequate monitoring of activities and ensures effective flow of information across the Group. In addition, lines of responsibility and delegations of authority of the Board and executive management are clearly defined and documented.

2. Audit Committee

The Audit Committee, on behalf of the Board, considers the effectiveness of the operation of internal control procedures in the Group based on the findings and reports from internal auditors, external auditors, and report its conclusion to the Board.

The Audit Committee also review the Group's risk exposure and to ensure that all risk reduction initiatives are implemented as planned. The Committee considers inputs and

recommendations from the internal auditor critically on areas of internal controls and ensures that improvements are put into place.

Its term of reference and the Audit Committee Report are disclosed in pages 48 to 50 of the Annual Report.

3. Business Plan and Budget

All material business proposals are pre-evaluated by the Management Committee in terms of their risk and viability from operational, financial and strategic direction standpoint, before escalating them to the Board for review and approval.

A comprehensive budgeting process is established requiring all key operating companies and business units in the Group to prepare budgets annually, which are discussed and approved by the Board. A budgetary control mechanism is in place for the Management to track any significant variances and to provide corrective measurement accordingly.

In order to ensure coherence in goals and objectives throughout the Group, the overall Group's agreed Key Performance Indicators ("KPI") are translated into individual subsidiary companies' KPI and dissected down further into individuals KPI, which ties to rewards.

4. Information and Communication

The various lines of business provide regular and comprehensive information to Management for monitoring of the Group's performance against the strategic plans approved by the Board.

Policies and procedures are clearly documented and regularly updated to reflect the changing business environment and risk profile or to resolve operational deficiencies.

Performance monitoring including discussions of significant issues are conducted at least quarterly at Heads of Department meetings, which are attended by all Managers at Head Office. On a quarterly basis, the Group holds nationwide alignment meetings, which are attended by all managers including station managers, to resolve significant issues and to ensure coherence in goals and objectives.

5. Competency

The Group has in place experienced and competent employees in areas of responsibility to support the effectiveness of the Group's system of internal control. The Group also provides relevant training to the employees to ensure continuous improvement in their competencies.

6. Internal Audit

The main role of the internal audit function is to review the effectiveness of the system of internal control. In discharging its responsibilities, it exercises impartiality, proficiency and professionalism. The Internal Audit Department's risk-based approach is systematically organised to monitor compliance with procedures and to assess the integrity of the financial information provided.

It works to a program agreed annually with the Audit Committee. The Audit team advises executives and operational management on areas requiring improvements and subsequently monitors the implementation of its recommendations. In the Internal Audit process, no material internal control failures or significant issues were discovered during the financial year.

7. Tender Committee

The Tender Committee, which consists of 5 members from senior management, reviews all significant procurement exercises based on the established policies and procedures of the Company before review and approval by the Chief Executive Officer or the Board

8. Finance Committee

The Finance Committee, which consists of 9 members from the senior management including the Chief Executive Officer, reviews the monthly financial numbers of the Company and of its subsidiary companies to ensure the completeness and accuracy of the information provided. The Committee also ensures that all statutory submissions are submitted on a timely manner and that the Group complies at all times, with the relevant statutory regulations.

9. Senior Management Committee

The Senior Management Committee, which comprises 8 Senior Managers and the Chief Executive Officer, meets at least once a month to review the Group's performance and to ensure that all functions within the organisation are working towards the Group's goals and objectives. Certain major issues are decided at the Senior Management Committee. Any other matters which are beyond the authority of the Senior Management Committee will be escalated to the Board of Directors for decision through the Chief Executive Officer.

Statement made in accordance with the resolutions of the Board of Directors dated 25th June 2008.

STATEMENT OF DIRECTORS' RESPONSIBILITY FOR PREPARING THE ANNUAL AUDIT

This statement is prepared as required by the Listing Requirements of Bursa Malaysia Securities Berhad. The Directors are required to prepare financial statements which give a true and fair view of the state of affairs of the Group and the Company as at the end of each financial year and of their results and their cash flows for that year then ended.

The Directors consider that in preparing the financial statements:-

- the Group and the Company have used appropriate accounting policies and are consistently applied;
- reasonable and prudent judgments and estimates were made; and
- all applicable approved accounting standards in Malaysia have been followed.

The Directors are responsible for ensuring that the Company maintains accounting records that disclose with reasonable accuracy the financial position of the Group and the Company, and which enable them to ensure that the financial statements comply with the Companies Act, 1965. The Directors have general responsibilities for taking such steps that are reasonably available to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

STATEMENT ON Risk Management

The Group has a well-defined organizational structure that is aligned to its business and operations requirement. Clear lines of responsibility and accountability, approval, authorization and control procedures have been laid down and communicated throughout the Group.

The internal control mechanism are embedded in various work processes and procedures at appropriate levels of the Group. These procedures, documented in various Standard Operating Manuals were reviewed and updated regularly, or when it is deemed necessary by the relevant heads of departments.

The Group has in place a formal risk management process for identifying, evaluating, monitoring, and managing significant risks that may materially affect the Group. Continuous effort to identify and assess all types of risks in terms of likelihood and magnitude of impact are currently undertaken as well as to evaluate the adequacy of mechanisms in place to manage, mitigate, avoid or eliminate these risks.

At Nationwide Express, our risk management is based on seven (7) pillars i.e. Commitment, Culture, Partnership, Prioritisation, Action, Continuous Improvement and Communication.

The Group's Risk Management Principles

Commitment

The Group is committed towards risk management, and its commitment is tangible and visible.

Culture

The Group promotes a proactive "risk reduction culture" in its day-to-day operations.

Partnership

Risk management at the Group is built on interaction amongst all parties involved in the business process.

Prioritisation

Analysis of risks leads to effective risk management approach in terms of prioritizing which risks to address.

Action

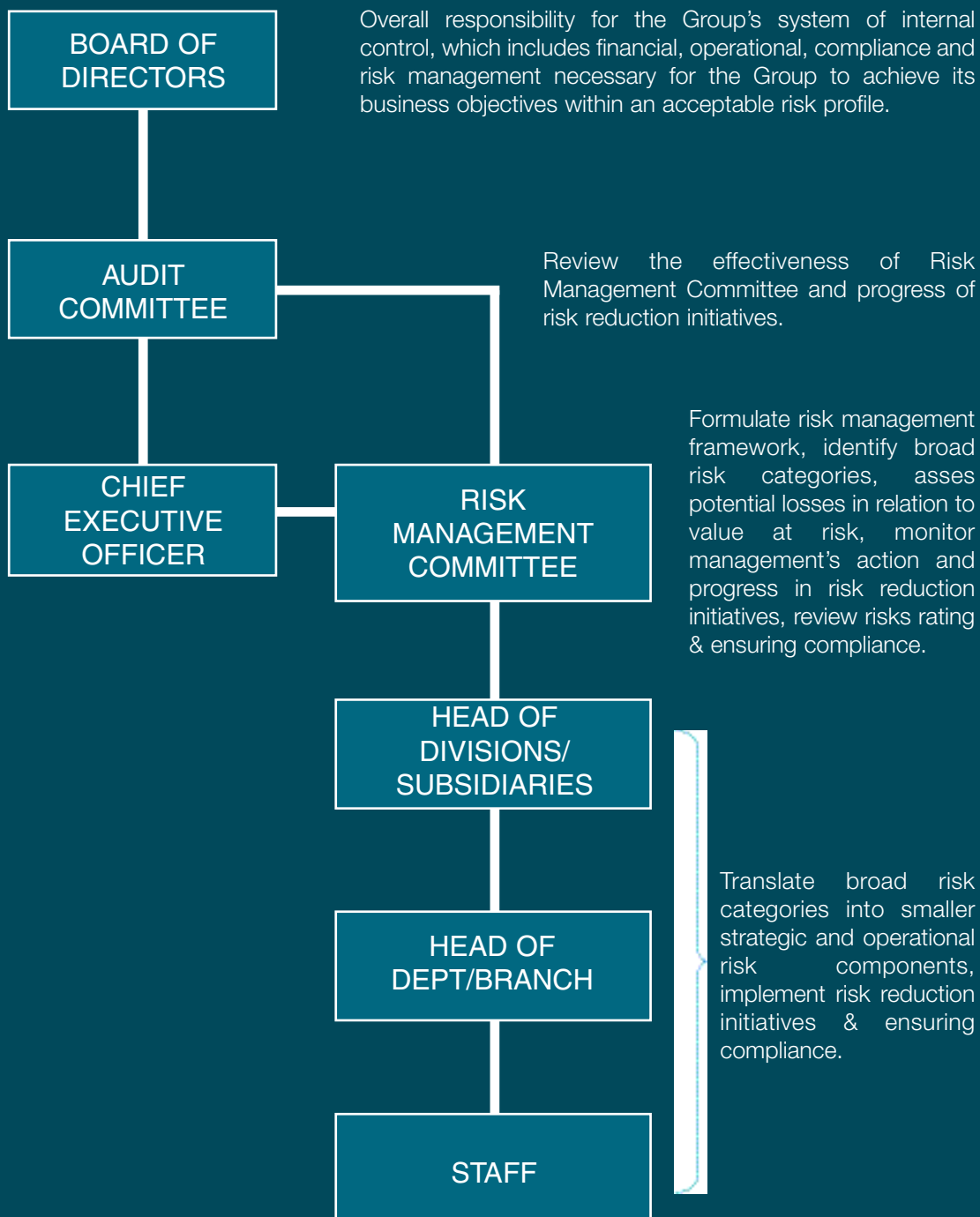
The Group adopts a bias for action in its risks management approach.

Continuous Improvement

The Group seeks for continuous improvement in its risks management results and efficiency.

Communication

Risk knowledge is shared throughout the Group.



BOARD OF DIRECTORS





DATO' ADNAN BIN SHAMSUDDIN
INDEPENDENT, NON-EXECUTIVE CHAIRMAN

B.A (Hons) in Economics (University Malaya)
M.A Economics (University of Southern California)
61 years of age - Malaysian

Dato' Adnan bin Shamsuddin was appointed to the Board on 7th July 2004 and Chairman of the Board on 20th August 2004. He also serves the Company as a Member of the ESOS Committee. He began his career by joining the Administrative and Diplomatic Services, of the Government of Malaysia in April 1971 and was appointed as Assistant Secretary, Ministry of Transport. After four years at the Ministry of Transport, he was awarded a scholarship to pursue graduate studies in United States in 1975. He returned to Malaysia in 1977 and was posted as Director of Air Transport in the Department of Civil Aviation and in 1983, promoted to the post of Deputy Director General of Civil Aviation. When the airport was corporatised in November 1992, he opted to join Malaysia Airports Holdings Berhad and served as Executive Director until he retired in April 2003. Dato' Adnan is also an Independent Non Executive Director of Fima Corporation Berhad.



ROZILAWATI BINTI HAJI BASIR

EXECUTIVE DIRECTOR/ CHIEF EXECUTIVE OFFICER

**B.A (Hons) Degree Social Sciences majoring in Law
(University of Hertfordshire, UK)
Masters in Business Administration in International Business
(University of Bristol, UK)
37 years of age – Malaysian**

Rozilawati binti Haji Basir was appointed as Executive Director/Chief Executive Officer on 31st March 2003, having joined Nationwide Express Courier Services Berhad as a Director on 1st September 2000. She then assumed the position of Executive Director, Business Development on 21st September 2000. She also serves the Company as a Member of the ESOS Committee. She has experience in the areas of corporate strategy, marketing, development of new businesses and entrepreneurship both locally and overseas. She serves as a part-time facilitator for the Open University Malaysia, for their MBA programme. Rozilawati is also a Director of several private companies in Malaysia and Singapore. She is the sister of Dr. Roshayati binti Basir, a Director of the Company and has family relationships with BHR Enterprise Sdn Bhd, the major shareholder of Nationwide Express Courier Services Berhad. She has an indirect interest in the Company via BHR Enterprise Sdn Bhd.

**TAN SRI DATO' SULAIMAN BIN SUJAK**

INDEPENDENT, NON-EXECUTIVE DIRECTOR

Graduate of Royal Air Force College, Cranwell, England
Senior Executive Graduate Programme, Stanford University, USA
Royal College of Defence Studies, London
74 years of age – Malaysian

Tan Sri Dato' Sulaiman bin Sujak was appointed as Director on 2nd January 2003. He also serves the Company as the Chairman of the Audit Committee, Nomination Committee and Remuneration Committee and a Member of the ESOS Committee. He was an advisor (now known as Assistant Governor) of Bank Negara Malaysia and was a Commercial Director of Kumpulan Guthrie Berhad. He was also the Deputy Chairman of Malaysian Airline System Berhad for 24 years. He had served both the Royal Air Force and the Royal Malaysian Air Force and was the first Malaysian Air Force Chief. Currently he is a Director of HSBC Bank Malaysia Berhad, FACB Industries Incorporated Berhad and Cycle & Carriage Bintang Berhad.



DR. ROSHAYATI BINTI BASIR

NON-INDEPENDENT NON-EXECUTIVE DIRECTOR

MBBS (Mal), University of Malaya
Master in Med. Radiology, Universiti Kebangsaan Malaysia
44 years of age, Malaysian

Dr. Roshayati binti Basir, was appointed to the Board on 30th March 2004. She also serves the Company as a Member of the Audit Committee, Nomination Committee, Remuneration Committee and ESOS Committee. She is a doctor by profession. She did her Internship with Hospital Kuala Lumpur in 1989. She then served as Medical Officer (Surgery) with University Kebangsaan Malaysia in 1990 and later in 1992 as Trainee Radiologist. In 1996, she joined Hospital Kuala Lumpur as Radiologist. Currently, she is the Consultant Radiologist with Sunway Medical Centre. She is a Member of the Academy of Medicine (Malaysia). She is the sister of Rozilawati binti Haji Basir, the Executive Director/ Chief Executive Officer of the Company and has family relationships with BHR Enterprise Sdn Bhd, the major shareholder of Nationwide Express Courier Services Berhad. She has an indirect interest in the Company via BHR Enterprise Sdn Bhd.

**YONG KOK LIEW**

INDEPENDENT, NON-EXECUTIVE DIRECTOR

Chartered Institute of Management Accountants, UK
59 years of age - Malaysian

Yong Kok Liew was appointed to the Board on 22nd August 2005. He also serves the Company as the Chairman of the ESOS Committee and a Member of the Audit Committee, Nomination Committee and Remuneration Committee. He is a member of the Malaysian Institute of Accountants and also an associate member of the Chartered Institute of Management Accountants, U.K.

He started his working career in 1969 with Messrs KPMG Peat Marwick. Prior to his present engagement as adviser to Toyo Ink Group Berhad, he was the General Manager of Toyo Ink (M) Sdn Bhd (2001-2007), Senior General Manager, Operations at Kumpulan Fima Berhad (1985-1990), General Manager, Kotak Malaysia (KOM) Sdn Bhd (1981-2000), Group Financial Controller, Kumpulan Fima Berhad (1979-1980), Group Internal Auditor of Kumpulan Fima Berhad (1975-1979) and Financial Accountant, Cold Storage (M) Berhad (1974-1975).



AHMAD NAJMI BIN MAHFODZ
COMPANY SECRETARY



ABU ZAHREN BIN MD YUSOF
COMPANY SECRETARY

Notes :

- Save as herein disclosed, none of the Directors have family relationship with any Directors and/or major shareholders of the Company.
- Save for that disclosed in the section on Related Party Transactions, none of the Directors have any conflict of interest with the Company and its subsidiaries.
- None of the Directors have any conviction for offences within the past ten (10) years other than traffic offences.

REPORT ON AUDIT COMMITTEE

Y Bhg. Tan Sri Dato' Sulaiman bin Sujak

Chairman/Independent, Non-Executive Director

Mr. Yong Kok Liew

Member/Independent, Non-Executive Director

Dr. Roshayati binti Basir

Member/Non-Independent, Non-Executive Director

TERMS OF REFERENCE OF THE AUDIT COMMITTEE**CONSTITUTION**

The Board constitutes and establishes an Audit Committee with authority, responsibilities and specific duties as described below.

COMPOSITION

In line with the Malaysian Code of Corporate Governance, which was revised on 1st October 2007, all three members of the Audit Committee (AC) are Non-Executive Directors (NED). Two (2) AC members, including the AC Chairman are independent NED.

All members of the Audit Committee have a working familiarity with basic finance and accounting practices, and one (1) of the members i.e. Mr. Yong Kok Liew is a member of Malaysian Institute of Accountants (MIA) and also an associate member of Chartered Institute of Management Accountant (UK).

RESPONSIBILITIES AND DUTIES

The functions of an Audit Committee shall be to:-

- Review with the external auditors:-
 - the audit plan
 - their evaluation of the system of internal accounting control
 - the audit report.
- Review the assistance given by the Company's officers to the auditors.
- Review the adequacy of the scope, functions, competency and resources of the internal audit functions and that it has the necessary authority to carry out its work;
- Review the internal audit programme, processes, the results of the internal audit programme, processes or investigation undertaken and whether or not appropriate action is taken on the recommendations of the internal audit function;

- Review the quarterly results and year end financial statements, prior to the approval by the board of directors, focusing particularly on:
 - changes in or implementation of major accounting policy changes;
 - significant and unusual events;
 - compliance with accounting standards and other legal requirement;
- Review any related party transaction and conflict of interest situation that may arise within the listed issuer or group including any transaction, procedure or course of conduct that raises questions of management integrity.
- Review any letter of resignation from the external auditors of the listed issuer; and;
- Review whether there is reason (supported by grounds) to believe that the listed issuer's external auditor is not suitable for re-appointment; and
- Recommend the nomination of persons as external auditors.

MEETINGS

The Committee shall meet at least (4) occasions each year, or more frequently as circumstances dictate.

A meeting was held between the External Auditors i.e. Messrs Hanafiah Raslan & Mohamad, Head of Internal Auditors and members of the Audit Committee, without the presence of the Management during the year. Going forward, the Audit Committee will hold at least two (2) meetings a year with the External Auditors, the Internal Auditors or both as promoted by the Amended Code on Corporate Governance and the amended Chapter 15 of the Bursa Malaysia's Listing Requirements.

ATTENDANCE

Members of the Committee are to be present at all meetings. The quorum for the meeting shall be two (2). The Head of Internal Auditors who reports functionally to the Audit Committee is present at all Audit Committee meetings. The Chairman may request that members of management and representatives of the external auditors to be present at meetings of the Committee.

Five (5) meetings were held during the financial year. The records of attendance are as follows:

AUDIT COMMITTEE MEMBERS	NO	29 MAY 07	3 JUL 2007*	23 AUG 07	28 NOV 07	28 FEB 08
YBhg. Tan Sri Dato' Sulaiman bin Sujak	5/5	Present	Present	Present	Present	Present
Mr. Yong Kok Liew	5/5	Present	Present	Present	Present	Present
Dr. Roshayati binti Basir	5/5	Present	Present	Present	Present	Present

*Special meeting of the Audit Committee

MINUTES

- The Company Secretary shall be the Secretary to the Committee.
- Minutes of each meeting shall be prepared and sent to committee members and the Company Directors who are not members.

FINDINGS AND RECOMMENDATIONS

The Audit Committee shall report its findings and recommendations to the Board but the Committee itself shall have no executive power with respect to those findings and recommendations.

INTERNAL AUDIT ACTIVITIES REPORT

The Internal Audit Department was established on 1st June 1999. At present, there are two (2) personnel in the Department, comprising of (1) Manager and one (1) audit assistant. Its principle functions are to conduct review of operations and procedures, and subsequently highlight findings and suggest recommendations to the Committee for further improvement.

During the financial year, the following audit was conducted:-

TYPE OF AUDIT	AREAS/ENTITIES AUDITED
Compliance with operations, internal control Procedures and review of work processes	5

Key issues, including management's feedback and audit recommendations were highlighted to the Audit Committee. The external auditors have reviewed and endorsed the key issues and management's feedback.

Future Internal Audit Plans were reviewed and approved for execution by the Audit Committee to ensure best practices are followed by the Company. The external auditors have given their views on the nature, scope and approaches of future audits to the Committee.

The quarterly and year-end financial statements were reviewed by the Audit Committee before submitting to the Board. Attention was given on the compliances to the provisions of the Companies Act 1965 and applicable Malaysian Accounting Standards Board's Approved Accounting Standards and other legal and regulatory requirements.

Statement by the Audit Committee in Relation to ESOS Allocation

For the financial year ended 31st March 2008, the Audit Committee noted that no further ESOS were allocated to the employees for the said financial year.



CHAIRMAN'S STATEMENT

On behalf of the Board of Directors, I hereby present the Annual Report and Audited Financial Statements of the Group for the financial year ended 31 March 2008

Dear Shareholders

2007 was a challenging year for Nationwide Express Courier Services Berhad ("Nationwide Express" or "the Group"). We witnessed growth in revenue and at the same time, we have to face the reality of a dip in profit.

On behalf of the Board of Directors, I hereby present the Annual Report and Audited Financial Statements of the Group for the financial year ended 31 March 2008.

Financial Results

For the financial year under review, the Group recorded modest top-line growth as revenue increased to RM76.1 million compared to RM73.9 million the year before. However, due to escalating costs, the Group's profit before tax reduced from RM7.5 million in the previous financial year to RM3.9 million. Correspondingly, the Group posted a lower profit after tax of RM2.1 million relative to RM5.3 million recorded in the preceding year.

Profit for the year under review is notably lower due to a courageous and calculated decision to invest further in our human capital. The Group has invested quite heavily on training, retraining, retention and acquisition of new talents, with the main

objective to remain competitive in the market. Prior to this, Nationwide Express' remuneration package for the supporting staff was not competitive enough to attract and retain productive manpower. This has been addressed, resulting in additional costs – but we strongly believe this move would generate positive results for the Company.

Other than the investment in human capital, the Group has been cautious in its spending. Cost saving initiatives have been diligently carried out since 2007, and this will continue. The importance of cost saving is now even more pressing with the imminent increase in cost of operations due to the spiraling fuel price.

Dividends

Based on the financial performance hereby reported, in respect of the financial year ended 31 March 2008, the Board of Directors has proposed a final dividend of 4.5% less 26% taxation (2007: 2% tax exempt and 4% less 27% tax). The final dividend is subject to the approval of the shareholders at the forthcoming Annual General Meeting.

Outlook

The Group enters the new financial year with a promising yet cautious optimism. We can

already start seeing the fruits of our labour in the first few months of the new financial year, yet we are cautious as we are fully aware of the challenges looming ahead.

Malaysia's economy expanded by 6.3 percent for the whole year of 2007 compared to 5.9 percent in 2006. In the first quarter of 2008, the country's economy remained resilient with real GDP registered growth of 7.1 percent. Services sector continued to be the main catalyst to the growth and according to the report on the midterm review of the Ninth Malaysia Plan, the services sector is projected to sustain its growth momentum at 7.9 percent per annum. While the economic prospect remains positive, continued cost escalation puts forward a probable threat and uncertainty to all businesses.

Moving Forward

Moving forward, we are confident that the Group will perform much better in the new financial year. Mindful of the potential challenges facing the industry and the Group, we are focusing on enhancing resilience, improving productivity and stepping up competitiveness. Business development efforts have been intensified to further fuel growth of the Group. Product enhancement and network expansion via smart partnerships will be just some of our means to stay ahead. Continuous improvement is persistently pursued in all aspects. We will also continue to work aggressively at reducing costs.

Appreciation

On behalf of the Board of Directors, I am indeed grateful to all our stakeholders for your enduring confidence in and support of Nationwide Express. I would like to thank our shareholders, the regulatory bodies, our loyal customers, suppliers and business partners for their support and assistance. I also wish to express my utmost gratitude to my fellow directors for their expert guidance and counsel.

The Board would also like to thank the Management and all employees of the Group for their devotion, commitment and determination to take Nationwide Express to the next phase of growth in our journey. With the support and cooperation of everyone, we shall charge into the future and face challenges with enthusiasm and confidence to successfully realize the Group's vision.

Thank you.

Dato' Adnan Shamsuddin
Chairman



Q&A

Interview with the
Chief
Executive
Officer

Q

What do you think of the financial performance of Nationwide Express Courier Services Berhad (“Nationwide Express” or “the Group”) in 2007/08? We noticed that the revenue has increased but the profits have dropped.

A

2007/08 was a challenging year for Nationwide Express. We witnessed growth in revenue and at the same time, we have to face the fact of a dip in profit. Our revenue grew to RM76.1 million, compared to RM73.9 million the year before. However, due to escalating costs, the Group's profit before tax reduced from RM7.5 million in the previous financial year to RM3.9 million. Correspondingly, the Group posted a lower profit after tax of RM2.1 million relative to RM5.3 million recorded in the preceding year.

Profit for the year under review is notably lower due to a courageous and calculated decision to invest further in our human capital. The Group has invested quite heavily on training, retraining, retention and acquisition of new talents, with the main objective to remain competitive in the market. Prior to this, many of Nationwide Express' remuneration package for the supporting staff was not competitive enough to attract and retain productive manpower. This had to be addressed, particularly after the government increased the minimum wage for the government sector, thus increasing the overall threshold. With the salary repositioning exercise, it had resulted in overall additional cost. We have realigned ourselves in the employment market to be not only more competitive, but to ensure all our employees' take-home pay is no longer below the poverty line. This is our bold step in investing for the future. Needless to say, we strongly believe that you will see the positive result of this move in the months to come.

Q

What is your dividend policy? Why no interim dividend this year?

A

Our dividend policy is simple – dividend is proposed in accordance with the Group's performance. When the Group makes money, which we always endeavor to achieve, we will share the profits with the shareholders. Hence, the final dividends.

Regarding the interim dividends, we have to admit that the Group's performance did not warrant or support for such, although we really would like to do so. It would not be cost effective to have interim dividends, based on our performance at the middle of last financial year. The management had decided that we need to invest for our future growth, namely in our Human Capital. We want to ensure Nationwide Express will be strong, well equipped and dependable for future business expansions.

Q

What were some of Nationwide Express's major events and highlights during the year?

A

For the year under review, we concentrated mostly on enhancing and improving our service levels, and preparing our people for the new challenges to come, by enriching them through training and re-training.

To ensure that Nationwide Express stays competitive in the courier industry, we developed and introduced new products and services, established retail outlets, formed strategic alliances, ventured into new territories and became more aggressive in our promotional activities.

Forging Smart Partnership

FlyFireFly Sdn Bhd (FireFly) – Super Express B4 6

To leap frog ahead in the courier industry particularly in Malaysia and consequently regionally, Nationwide Express Courier Services Berhad entered into a long term partnership with the community airline operator, FlyFireFly Sdn Bhd to purchase the airlines' cargo space in their domestic routes.

With the fleet of over 220 vehicles, we currently transport the bulk of the cargo inter-state through the main highways. Thus, the strategic collaboration would enable Nationwide Express to utilise Firefly's network to transport our courier mail and parcels by air.

Firefly, which is based in Penang and Subang, flies to various major towns/cities in Peninsular Malaysia and some regional destinations. By using air transportation, Nationwide Express will be able to enhance its express courier shipments and increase its operational efficiency while reducing ground transportation movements, saving on toll, vehicle maintenance and fuel cost.

Tahan Insurance Malaysia Berhad – Express Insure

In line with Nationwide Express' objective to offer extra protection for the customers' shipments, another truly Malaysian collaboration was formed between Nationwide Express and Tahan Insurance Malaysia Berhad (Tahan Insurance). Accordingly, a new product underwritten by Tahan Insurance known as Express Insure was introduced by Nationwide

Express as a new solution which insures the customers' shipment for all risks during the course of carriage by Nationwide Express. Coverage will be granted provided the shipment's value is between RM200 and RM30,000 and is not any of Express Insure's excluded cargo list.

Development Of New Products & Services

Super Express B4 6 – Money Back Guarantee

Made possible by our collaboration with FireFly, Super Express B4 6 offers a unique service for businesses requiring "interstate, time definite, same work day deliveries of important shipments" where goods are picked up before 10 am and delivered in the next state by 6 pm on the same work day. The shipments could be important documents or urgent shipments of samples, critical IT or mechanical spare parts and pharmaceutical products, to name a few. Initially, Super Express B4 6 services will be to Penang, Langkawi, Kota Baru, Kuala Terengganu, Kuantan, Kuala Lumpur, Cyberjaya and Putrajaya. It will then grow concurrently with FlyFire as the airline adds more fleet and routes.

Express Insure – Extra Protection For Your Shipments

As mentioned earlier, this is a new product underwritten by Tahan Insurance, known as Express Insure. It was introduced as a solution that insures the customers' shipment for all risks during the course of carriage by Nationwide Express. Coverage will be granted provided the shipment's value is between RM200 and RM30,000 and is not any of Express Insure's excluded cargo list.

Nationwide Express covers the package from point of collection/receipt by Nationwide Express until delivery to the recipient. The Express Insure coverage expires upon recipients's signature and/or stamp on the proof of delivery form indicating that the goods have been received without loss, damage, shortage or any other dispute.

Travellers Express – Hassle Free & Economical

Travellers Express – a door to door service – provides the customers a hassle free and economical service of sending their excess baggage. A service introduced to the travellers to shop till they drop whilst having a peace of mind. The Travellers Express will assist to alleviate the travellers headache or worries on exorbitant charges imposed by airlines for their excess baggage as well as back breaking injuries from carrying the heavy load back.

Gift Express - Sending Expressions Through Gifts

Sending expressions through gifts was made possible through the collaboration with Amcare Sdn Bhd which is known for their wide range of retail gift items – cuddly teddy bears, creative mugs, unforgettable greeting cards, pen gift sets and many more - under the brand name Precious Thots.

Community Mailroom – Bringing Convenience To You

A mailroom service is introduced by Nationwide Express for business communities for a surrounding area. The mailroom service is designed to provide a competitive edge business solution for cost effective, safe and timely dispatching of documents and parcels. The Community Mailroom service operates from our on-site office offering the customers with vast services inclusive of general post office clearing/delivery, same work day delivery, banking services, utilities bills payment and many more.

Nationwide Express Shoppe – Bringing Convenience To You

Nationwide Express Shoppe was established in an effort to bring Nationwide Express' convenience to the customers. Nationwide Express Shoppe is set up to act as a one stop solution centre with an aim to gain more retail customers. The retail outlet is strategically located in the mega shopping malls within the vicinity of Klang Valley namely Mid Valley Mega Mall and Sunway Pyramid. Nationwide Express Shoppe offers numerous products and services under one roof through its collaboration with its strategic partners such as Pos Malaysia Berhad in retailing its stamps and philately products; e-pay Sdn Bhd in retailing various Prepaid Mobile Reloads, IDD & SDD, Internet and Others; Takaful Nasional for the purchase or renewal of Motor insurance, General insurance and Personal Accident Insurance.

Q

We noted that some of the news captions or headlines on the Group were not always about your courier business. Please comment.

A

During 2007/08, some of the major events and highlights included the launch of NER Shoppe, at Midvalley and Sunway Pyramid. NER is a new concept of bringing nearer to the retail customers, providing convenience to our retail customers. It is very much related to courier business, albeit in a slightly different way. It offers gifts, wrapping and many other value added services in addition to courier.

Another milestone is our collaboration with Flyfirefly Sdn Bhd, or better known as Firefly, the first community airline and a subsidiary of Malaysia Airlines (MAS). With this exclusive tie-up, Nationwide Express can now introduce new products as well as improve our service levels with air-flown delivery, which is faster and more secure than other traditional modes of transportation. The collaboration with Firefly gives Nationwide Express a new business opportunity to enter into the airfreight industry – as a consolidator of cargo.

You might have also found some newspaper clippings on Nationwide Classics, which specializes in the warehousing and restoration of classic and vintage cars. For your information, classic cars business is NOT part of the Group. It merely rents Nationwide Express's warehouse space and pays royalty for our brand name.

Q

How has Nationwide Express evolved over the years? It has now several active subsidiaries under its stable. Is this your diversification strategy?

A

Nationwide Express has evolved from a single company established more than 20 years ago to a group of companies of moderate size. Each of the company in the Group operates in different areas of specialization and expertise (only one subsidiary is based on geographical location). We are proud to say that we have grown to be the market leader among the local players, and strive to be recognized in the global arena.

In terms of our structure, we do not consider ourselves as diversified. The Group is actually well structured to concentrate in different specific areas but well within the courier and logistics industry. Nationwide Express is well spread to cater to the different needs of various customers, and at the same time, having enough focus and discipline not to go against and beyond our core business and expertise. In the end, we always converge as one in presenting Nationwide Express.

Q

What is Nationwide Express's competitive edge?

A

Nationwide Express's main competitive edge is its unwavering and trusted service level with its extensive service network all around the country and beyond. Realising this, we still continuously seek for ways to improve our service level as we believe this is the main thrust to succeed in this field. Competitive pricing is also a factor, but we take pride in the fact that our service level always comes first.

Q

Please outline some of the Corporate Social Responsibility ("CSR") initiatives that the Group has undertaken.

A

Having a fleet of over 200 NATWIDE mobiles, close to 1,600 employees and network of 180 throughout Malaysia supports our CSR effort vide contribution in kind. For the financial year 07/08, Nationwide Express collaborated with Yayasan Salam, Yayasan Veteran ATM and National Blood Bank to name a few.

Working in partnership with these independent and non-profit organizations facilitates Nationwide Express to promote a spirit of volunteer service amongst our employees and to provide opportunities for them to work as volunteers with communities in need; at home and abroad, and in various fields, particularly on education, health and community development work.

Nationwide Express regards volunteer work as a meaningful way to bring about change. Volunteer work helps to build strong communities by cultivating an ethic of sharing, helping and caring. These strategic alliances facilitate Nationwide Express to contribute towards the building of civil society. These collaborations has given us the confidence and reinforced our commitment to reach out and share our knowledge and expertise with others, within the limits of our resources and capabilities. In Nationwide Express, sports and social activities are made available to our Employees by the on-the-go Kelab Sukan dan Kebajikan Nationwide Express (KSKN). KSKN provides avenues for our employees to pursue healthy lifestyles via their sporting events, social programmes, local trips, tournaments, annual KSKN dinner and not forgetting, community service.

Amongst the CSR initiatives undertaken by Nationwide Express are as listed below, more particularly described in our CSR Statement:-

(a) Hari Pahlawan Campaign 2007

Organized by the Ministry of Defense through Yayasan Veteran ATM in conjunction with Malaysia's 50th Hari Merdeka to remember the Malaysia's heroic army, and to create awareness among the public about Malaysia's 50th Hari Merdeka.

(b) Cardio Charity Run

Organised by the University Malaya Medical Centre to raise fund for the needy heart patients and create awareness on cardiovascular diseases.

(c) Flood & Rescue Mission

In our capacity as the official logistics partner for Yayasan Salam, Nationwide Express assisted Yayasan Salam to transport relief items for the humanitarian mission.

(d) Feed a Family in Ramadhan

In collaboration with Islamic Relief Malaysia, Nationwide Express assisted in the distribution of food items and supplies to the Perkampungan Orang Asli Kg. Kala, Batu 12, Gombak on 21 September 2007 and to Perkampungan Orang Asli Bentong on 22 September 2007.

(e) 50th National Merdeka Parade

At the 50th National Merdeka Parade held in Shah Alam on 31 August 2007, Nationwide Express was proud to be among the top 5 corporate organizations invited to participate in the celebrations at the Selangor State level.

(f) Flagging of Jalur Gemilang

In inculcating the spirit of nationalism amongst our employees and the public at large, Nationwide Express celebrated National Day by distribution of flags to the public at the toll plaza. In a month long celebration, our 200 NATWIDE truck drivers and 500 motorbike couriers were proud to display Jalur Gemilang on their vehicles. The 50th Merdeka Celebrations at our Ampang Business Centre was made more meaningful with the kids from Rumah NurSalam in Chow Kit.

(g) Joint-Humanitarian Work – ICT Awareness

On 18 November 2007, Nationwide Express assisted Yayasan Salam to deliver 7 tonnes of computer software and hardware to Pusat ICT Kuchelong and Hutan Melor in Kelantan with the aim to introduce the children of the respective areas to the computers and to enhance their ability in understanding more about computers.

(h) Blood Donation Drive

As good corporate citizen, Nationwide Express has over the years organised blood donation clinic in collaboration with Tabung Darah Negara (the National Blood Bank), twice a year. These blood donation drives are intended to develop and instill a spirit of helping one another.

Q

Please share with us the challenges that the Group faced during the financial year. What are the challenges that you anticipate in the new financial year and how do you plan to deal with them?

A

The year 2007 presented us challenges in the form of a more competitive market environment than before, and finding a balance between controlling the ever increasing operating cost with the imperative and crucial investments on human capital. We have been vigilant and careful in our spending with cost control measures and initiatives carried out. We had tightened our belt and put in place better structures to deal with certain costs such as administrative costs, vehicle expenses and other transportation costs. In essence, necessary investments for the future were cautiously undertaken, with cognizant of the impact on current profits.

The spiraling cost issue is expected to be even more persistent in the near future and new financial year, requiring cohesive actions to counter this threat. The cost saving effort (or “war on cost”, as we call it) will continue into the new financial year and be further intensified. New ways of doing things will be explored. We are confident that we are well prepared with our strategies to face the challenges of the new financial year.

Q

In the light of rising fuel costs, what is Nationwide Express' strategy to maintain its costs level and remain competitive?

A

The world price of fuel per barrel is at USD\$127 as at today, and it fluctuates every now and then. Talks of oil wells drying up, fueling the speculation that the world oil reserves have significantly depleted is making the situation worse off. Courier and Logistics is heavily reliant on transportation, as we use transport – air, ground and even sea to move shipments from one place to the next.

With the ever-increasing fuel costs, we are concerned that these increases will have a negative impact on the competitiveness of our business, as well as an employer of 1,600 people. The most direct impact on us would be the cost of us doing business, as the reality is that businesses like ours will not be able to absorb charges.

However, Nationwide Express will strive harder to maintain a balance between ensuring employees are competitively compensated, but more importantly we will strive to ensure the sustainability of the Group. Our war on cost will be intensified, with one of the initiatives just being rolled out very recently: the establishment of a Centralised Procurement.

Q

In the wake of globalization, what are your plans?

A

Even as we speak now, the effect of globalization can already be seen in the courier industry. Moving forward, we will be focusing on enhancing resilience, improving productivity and stepping up competitiveness in order to stay ahead of our competitors. We have to concentrate on our strengths, seize the right opportunities and continue to improve on what we are doing. Business development efforts will be intensified to further fuel growth of the Group. Product enhancement and network expansion via smart partnerships, including overseas, are in the pipeline.

Looking at the labor-intensive industry we are in, the key to obtain optimum efficiency is through our people; and that is why have stressed so much on preparing our human capital, especially so in the light of globalization. In Nationwide Express, learning and development is one of the annual core subjects of focus. Every year, Training Need Analysis (TNA) was done to identify the training needs for the Employees. Our Employees were sent to attend various development programmes to enhance their competency and skills for better performance. We also ensure that our newly recruited front liners such as motorbike couriers, truck drivers and customer service representatives go through on-the-job training (OJT) for better understanding of the job. Last year, we also invested in the development and teambuilding of our leaders and managers to refresh the spirit of being team players. Moving forward, besides TNA, we will start embarking on the competency profiling for selected crucial position to identify the competency gaps.

Q

What is the outlook for the Group? Where do you see Nationwide Express in 5 years' time?

A

I am very positive that the Group will rise to the occasion and come out top in a reassuring manner in the new financial year and many years to come. The ups and downs in profitability that you have witnessed so far were the result of bold but well-thought decisions made for the future. They also brought along many learning curves and lessons for us to chart for the future. And for us, the future is near. We always hear people say that we have to plan for the future. At Nationwide Express, we are already executing our plans.

It is no secret that Nationwide Express wants to be a global player. However, "Going global" is fast becoming a cliché nowadays. We definitely do not plan to leave it as merely a catchphrase. We take actions to make it happen. That is why you see us working with various partners, through 'smart partnerships'. These partnerships enable us to have a global reach. We are venturing into new territories.

At Nationwide Express, we propagate innovation and creativity. During the year under review, we have come up with new and innovative products and services ~ Nationwide Express Shoppe is one such innovation; with products like 'The Travellers Express' and the 'Gift Express', to name a few. We have also introduced an insurance programme for customers to further insure their valuable cargo, over and above our coverage as stipulated in our terms and condition.

We have continuously invested in human capital – our most important asset! Training and re-training, as well as succession planning will make us even readier for the future. We need a pool of strong talented people to drive this Group further ahead.

These are all part of the plan. When the time is right, you will see us making many more announcements that demonstrate our intention and determination. I am looking forward to see Nationwide Express as a commendable global player in 5 years' time.



Senior Management Team



ROZILAWATI BINTI HAJI BASIR
EXECUTIVE DIRECTOR/
CHIEF EXECUTIVE OFFICER



AHMAD NAJMI BIN MAHFODZ
CHIEF FINANCIAL OFFICER/
COMPANY SECRETARY



MOHD SHUKRI BIN A. AZIZ
CHIEF OPERATING OFFICER



HARANI BINTI KHALID
SENIOR MANAGER, CORPORATE AFFAIRS



LIM KEE SEONG
GENERAL MANAGER, BUSINESS
DEVELOPMENT & STRATEGIC



**WAN THAMARATUL IZZAH
BINTI ALI**
SENIOR MANAGER, HUMAN CAPITAL
MANAGEMENT



IZMAN BIN ISMI
HEAD, NATIONWIDE EXPRESS METRO
SDN. BHD.