

ANNUAL REPORT | 20 09



NATIONWIDE
EXPRESS



COVER RATIONALE

At Nationwide Express, we take delivery very seriously and we pride ourselves on being the trusted brand name and company of choice to our customers locally and internationally.

The polaroid picture captures the dedicated staff working tirelessly and planning ahead for our customers for all their delivery needs which is the very essence of the company motto 'A PROMISE DELIVERED' to instill customers' loyalty and accentuate product superiority.



CONTENTS

2 - 3	Corporate Information	37 - 38	Statement on Risk Management
4 - 5	Our Vision, Mission & Values	39 - 44	Board of Directors
6 - 7	The Brand	46 - 49	Report on Audit Committee
8 - 9	Notice of Annual General Meeting	50 - 51	Chairman's Statement
10 - 11	Statement Accompanying Notice of Annual General Meeting	52 - 57	Interview with the Chief Executive Officer
12 - 13	Five Years Group Financial Review	58 - 59	Senior Management Team
14 - 19	Products & Solutions	60 - 117	Financial Statements 2009
20 - 25	Corporate Social Responsibility	118 - 120	Analysis of Shareholdings
26 - 33	Statement on Corporate Governance	121	List of Properties
34 - 36	Statement on Internal Control	122 - 137	Network
36	Statement of Director's Responsibility for Preparing The Annual Audited Accounts		Proxy Form



CORPORATE INFORMATION

Annual Report 2009

Nationwide Express Courier Services Berhad

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

Dr. Roshayati binti Basir

Chairman

Non Independent, Non-Executive Director

Tan Sri Dato' Sulaiman bin Sujak

Member

Independent, Non-Executive Director

Yong Kok Liew

Member

Independent, Non-Executive Director

REMUNERATION COMMITTEE

Dr. Roshayati binti Basir

Chairman

Non Independent, Non-Executive Director

Tan Sri Dato' Sulaiman bin Sujak

Member

Independent, Non-Executive Director

Yong Kok Liew

Member

Independent, Non-Executive Director

CORPORATE INFORMATION

Annual Report 2009

Nationwide Express Courier Services Berhad

3



ESOS COMMITTEE

Yong Kok Liew

Chairman

Independent, Non-Executive Director

Dato' Adnan bin Shamsuddin

Member

Independent, Non-Executive Chairman

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

COMPANY SECRETARIES

Aerman Iskandar Bin Abraham (LS 0008622)

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

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

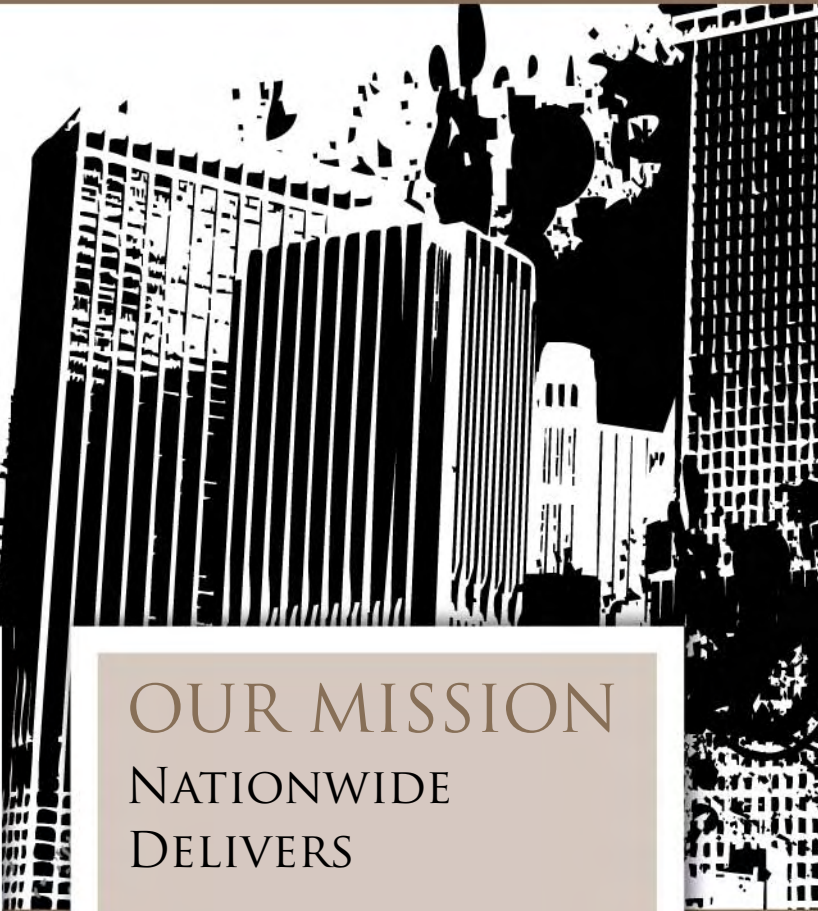
Fax No. : 03-5518 2084

Email address : enquiry@nationwide2u.com

Website : www.nationwide2u.com

STOCK EXCHANGE LISTING

Main Board, Bursa Malaysia Securities Berhad



OUR VISION

“To Be The Premier
Total Logistics
Provider Globally
Providing Innovation
In Services With The
State Of The Art
Technology”

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

Annual Report 2009

Nationwide Express Courier Services Berhad

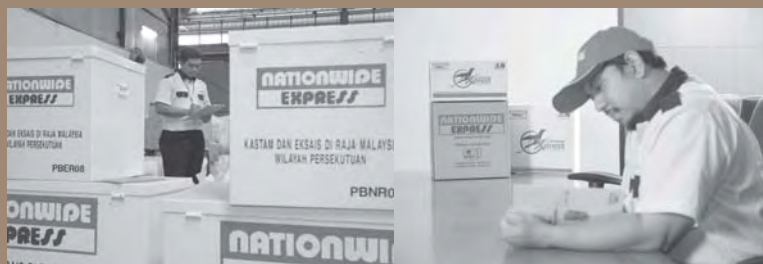
Nationwide Express is a household name and a brand to be reckoned with! It is a brand that was introduced two (2) decades ago, and over the years has evolved into a brand name which is synonymous to courier and express delivery services in the Malaysian logistics scene.

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 for the Logistics Industry category at the International Brand and Consumer Fair 2004;
- the Superbrands of Malaysia Award 2005;
- the BrandLaureate Award 2006/2007 – Courier Industry;
- the Asia Pacific Super Excellent Brand 2006/2007; and
- the Superbrands of Malaysia Award 2008 - Malaysian Choice.



THE BRAND

Annual Report 2009

Nationwide Express Courier Services Berhad

7



Certificate No. 22398

For the financial year 08/09, 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!'





NOTICE OF ANNUAL GENERAL MEETING

Annual Report 2009

Nationwide Express Courier Services Berhad

NOTICE IS HEREBY GIVEN THAT the 23rd 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 **Tuesday, 29th September 2009** at **10.00 a.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 2009** and the Reports of the Directors and Auditors thereon. (Resolution 1)
2. To sanction the declaration of **a final dividend of 4.5% (less 25% tax)**. (Resolution 2)
3. To approve the payment of **Directors' fees** for the financial year ending **31st March 2010**. (Resolution 3)
4. To re-elect a Director, **Mr. Yong Kok Liew**, 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 ANNUAL GENERAL MEETING

Annual Report 2009

Nationwide Express Courier Services Berhad



9

NOTICE OF DIVIDEND ENTITLEMENT

NOTICE IS ALSO HEREBY GIVEN THAT subject to the approval of the shareholders, a final dividend of **4.5% (less 25% tax)** in respect of the financial year ended **31st March 2009** will be paid on **26th October 2009** to shareholders whose names appear in the Company's Record of Depositors on **7th October 2009**.

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 **7th October 2009** 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

AERMAN ISKANDAR BIN ABRAHIM (LS 0008622)

AHMAD NAJMI BIN MAHFODZ (MIA 13431)

Company Secretaries

Shah Alam, Selangor

7th September 2009

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 2 proxies to attend at the same meeting. Where a Member appoints 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

Annual Report 2009

Nationwide Express Courier Services Berhad

(1) NAME OF INDIVIDUALS STANDING FOR RE-ELECTION

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

- **Mr. Yong Kok Liew**, 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 39 to 44 of this Annual Report.

(2) DETAILS OF ATTENDANCE OF DIRECTORS AT BOARD MEETINGS

A total of **9** Board meetings were held in the financial year ended **31st March 2009**. The details of attendance of individual Directors at the Board Meetings held in the financial year ended **31st March 2009** are as follows:-

Directors	No. of Board Meetings	
	Held	Attendance
Dato' Adnan bin Shamsuddin	9	9
Rozilawati binti Haji Basir	9	9
Tan Sri Dato' Sulaiman bin Sujak	9	8
Dr. Roshayati binti Basir	9	7
Yong Kok Liew	9	7

(3) GENERAL MEETING HELD DURING THE FINANCIAL YEAR ENDED 31st MARCH 2008

Type : **22nd ANNUAL GENERAL MEETING**
 Date : 28th August 2008
 Time : 3.00 p.m.
 Venue : Dewan Bunga Tanjung, Kelab Shah Alam Selangor
 No. 1A, Jalan Aerobik 13/43, Persiaran Kayangan,
 40704 Shah Alam, Selangor

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

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

[#] - 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.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

Annual Report 2009

Nationwide Express Courier Services Berhad

11



(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

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 2008.

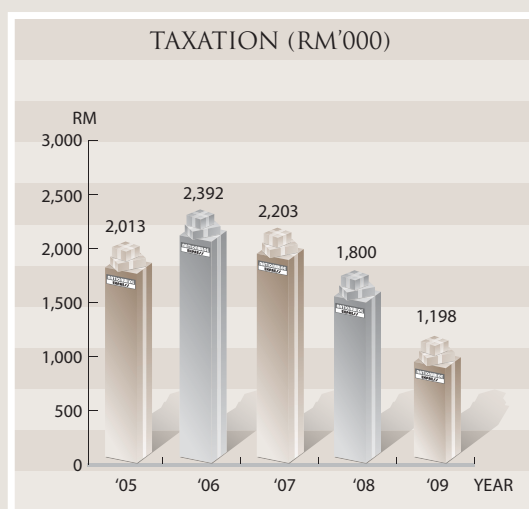
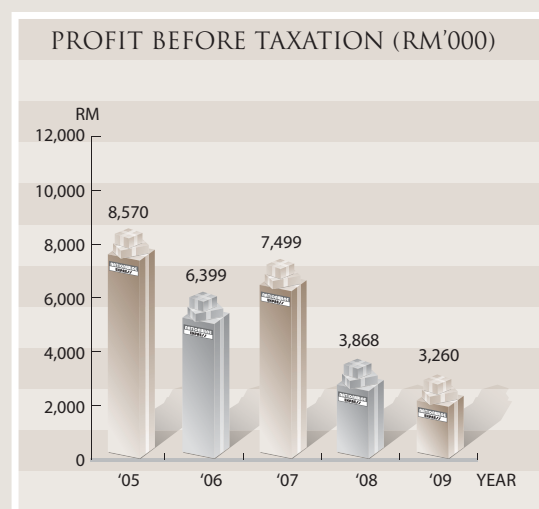
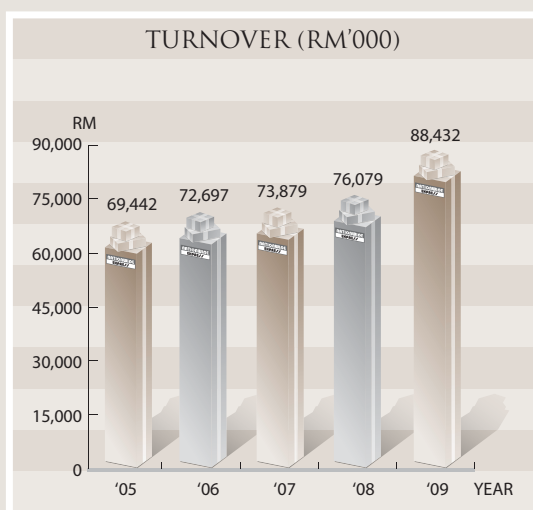


FIVE YEARS GROUP FINANCIAL REVIEW

Annual Report 2009

Nationwide Express Courier Services Berhad

Financial Year Ended	31/03/05	31/03/06	31/03/07	31/03/08	31/03/09
Turnover (RM'000)	69,442	72,697	73,879	76,079	88,432
Profit Before Taxation (RM'000)	8,570	6,399	7,499	3,868	3,260
Taxation (RM'000)	(2,013)	(2,392)	(2,203)	(1,800)	(1,198)
Profit After Taxation (RM'000)	6,557	4,007	5,296	2,068	2,062
Shareholders' Fund (RM'000)	59,137	68,037	69,426	68,547	68,575
Net Earnings Per Share	12.4	6.7	8.8	3.4	3.4
Gross Dividend (%)	10.0	9.0	8.5	4.5	4.5



FIVE YEARS GROUP FINANCIAL REVIEW

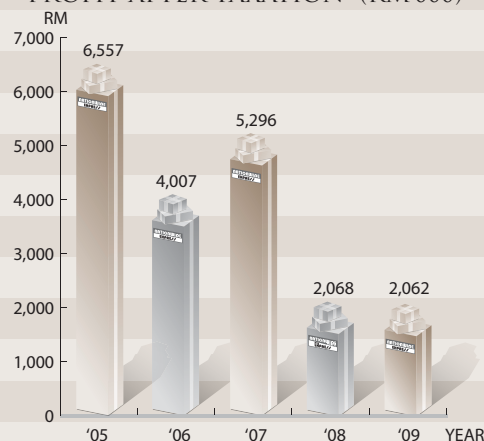
Annual Report 2009

Nationwide Express Courier Services Berhad

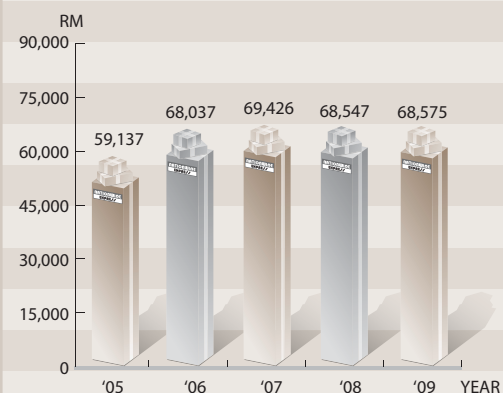
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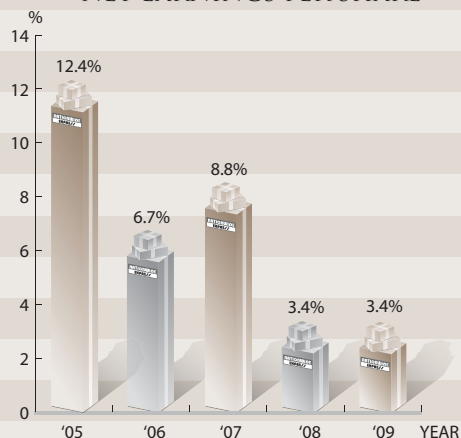
PROFIT AFTER TAXATION (RM'000)



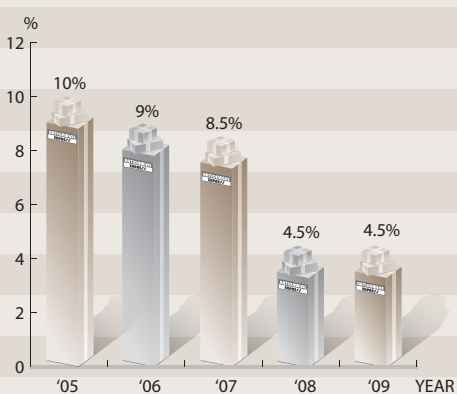
SHAREHOLDER'S FUND (RM'000)



NET EARNINGS PER SHARE



GROSS DIVIDEND (%)





Over the last 24 years we have developed a range of dedicated products and solutions tailored to meet the demands of our discerning customers. As a total logistics solutions provider, we provide an array of products and solutions covering courier, freight forwarding, warehousing, etc.

A. Courier Products & Solutions

To instantly respond to our customers' urgent collections and delivery instructions, we adhere to rigorous express service standards of 24 hours deliveries within Peninsular Malaysia and 48 hours to East Malaysia for our courier products and solutions. We differentiate our courier products and solutions into 2, namely:-

1. Standard courier products and solutions

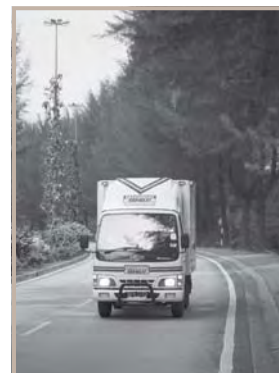
- (a) Schedule pick-up
 - Pre arranged shipments of daily express pick-up at pre arranged address at scheduled times.
- (b) Express pick-up
 - Arrange shipments of non schedule express pick-up by calling our customer service hotline telephone numbers.
- (c) Express lodge-in
 - Self drop-off of express shipment at any of our stations, drop-off centres and/or retail outlets.





2. Premium courier products and solutions

- (a) Express Insure
 - An optional insurance protection program for shipments against all risks during the course of carriage.
- (b) Diplomat service
 - Same work day door to door rush delivery service within Malaysia.
- (c) Late pick-up
 - Through advance arrangement, we provide late pick-up but maintaining next-day delivery of shipments.
- (d) Early delivery
 - Through advance arrangement, your most urgent shipments can be delivered by early morning.





B. Freight Forwarding Products & Solutions

We do not just deliver letters and small packages; we also offer the following freight forwarding products and solutions:-

1. Freight Forwarding

- Movement of bulky shipments either console or chartered vide land, sea and/or air.

2. Warehousing & Distribution (Pick, pack & ship)

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

3. Miscellaneous Freight Forwarding Solutions

- A set of services which include customs clearing services, co loading, dangerous goods handling and customized logistics to cater for client's special requirement excess baggage to all destinations and a special package for Haji and Umrah pilgrims.





C. Customized Products & Solutions

We have established a dedicated team at Nationwide Express to focus on the following authorised products and solutions.

1. High Value Items

- High value items are handled by Special Delivery Department dedicated to ensure high value items are securely delivered utilizing special unit, separate sorting hub and special fleet of vehicles with guards, GPS and other security devices.

2. High Security Items

- Similar with the high value items, our Special Delivery Department is dedicated to handle sensitive material which demands high security.

3. E-Commerce Fulfilment

- 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.





PRODUCTS & SOLUTIONS

18

Annual Report 2009

Nationwide Express Courier Services Berhad

4. e-Shipping

- For our customers convenience, we have introduced an e-solution known Nationwide Express Internet Shipping (NEIS). This interactive solution is specially developed to enable the customers to prepare and manage shipments faster, smarter and more accurately. 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. NEIS enables the customers 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.

5. Mailroom Management Services

(a) Internal Mailroom

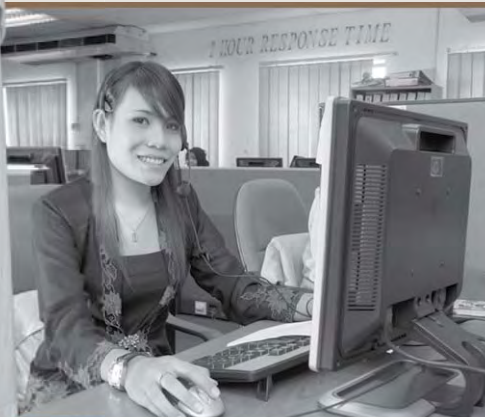
- A central point handling letters, documents and packages for business occupants within in a building.

(b) External Mailroom

- Station in a premise handling outgoing letters, documents and packages for business occupants.

(c) Community Mailroom

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





D. Retail Products and Solutions

We operate a chain of boutique shops offering a range of our products and solutions including that of a courier and logistics services through our retail concept stores.

1. Travellers Express

- For those travellers who like to shop and want hassle free journey home, our retail outlets provide an economical service of sending your baggage, even the excess, fast and cheaper.



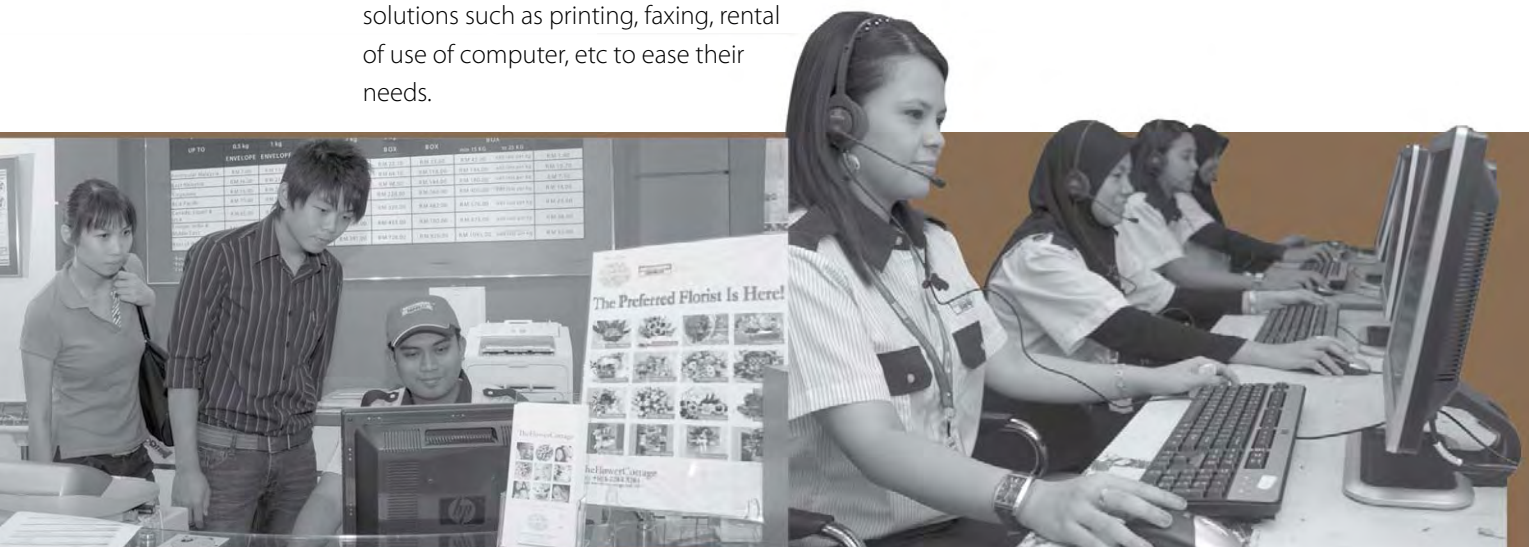
2. Gift Express

- A product created for those who want to purchase and deliver gifts to their loved ones. Our outlets offer you a wonderful range of gifts, greeting cards, boxes, ribbons and wrapper for you to choose from.



3. Office Express

- To cater for those who are always on the move, our retail outlet provide office stationeries and solutions such as printing, faxing, rental of use of computer, etc to ease their needs.



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.

CORPORATE SOCIAL RESPONSIBILITY

Annual Report 2009

Nationwide Express Courier Services Berhad

21



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 staff training and 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 their investment

To our community

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



CORPORATE SOCIAL RESPONSIBILITY

Annual Report 2009

Nationwide Express Courier Services Berhad

NATIONWIDE EXPRESS' CORPORATE ACTIVITIES FY 08/09

Flagging of Jalur Gemilang

The event was held on 22nd August 2008, and the celebration was held at Ampang Business Centre. This has been an annual event to celebrate Malaysia's Hari Kebangsaan, with staffs, customers and business partners coming together under one Malaysian flag. The annual event to celebrate our independence day and the same time to inspired people to cherish and treasure the value of freedom that was achieved.

Sahur with Operations Team

On 26th September 2008, the operations team and their managers had sahur with the Nationwide Express' Management Team at 2.30am in the operations centre. The event was meant to give the operations staff a chance to meet with the management, thus demonstrating Nationwide Express' belief that there should be no divide between management and staff.



Majlis Sambutan Hari Raya

Nationwide Express employees and customers alike were invited to share in the festivities on 11th October 2008 at the Hari Raya Celebrations.

Collaboration with KRU Films Sdn Bhd

Nationwide Express collaborated with KRU Film Sdn Bhd to produce 'Cicakman 2 – Planet Hitam'. The signing ceremony and the launching of Nationwide Express – Cicakman Fleet was held on 4th November 2008 at Cineleisure Damansara. The collaboration emphasised on Nationwide Express as a technology driven company.



NATIONWIDE EXPRESS' CORPORATE ACTIVITIES FY 08/09

Sahabat Korporat Tabung Haji

To signify Nationwide Express as a 'Sahabat Korporat Tabung Haji' a function was held at the Tabung Haji Complex in Kelana Jaya on 5th November 2008. Among the highlights of the function were the distributions of 10,000 copies of Surah Yassin to Tabung Haji, in general and in particular 300 copies for 300 pilgrims of KT21.



Majlis Berbuka Puasa

On 23rd September 2008, Nationwide Express organised a Majlis Berbuka Puasa with orphans from the Rumah Amal Limpahan Kasih (RALK), Kajang. Employees and 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 the Fasting 2008 with Islamic Relief Malaysia

As the official logistics provider for Feed-the-Fasting programme organized by Islamic Relief Malaysia (IRM), Nationwide Express facilitated the distribution of food items and supplies to the community in Wakaf Tapai, Terengganu on 21st September 2008 and Kg Kelemak, Melaka on 27th September 2008.

Piala DYAM Sultan-Sultan (Persatuan Badminton Malaysia)

In support of the Malaysian Badminton Team, Nationwide Express contributed donation to the Persatuan Badminton Malaysia. Cheque was presented to the HRH Raja of Perlis during a dinner ceremony at Istana Hotel.



CORPORATE SOCIAL RESPONSIBILITY

Annual Report 2009

Nationwide Express Courier Services Berhad

NATIONWIDE EXPRESS' CORPORATE ACTIVITIES FY 08/09

Persatuan Bekas Tentera Malaysia

With a mission to honor the memory of those who perished in service protecting the country, Nationwide Express contributed donation to the Persatuan Bekas Tentera Malaysia.



Family Health Planning

In support of the family health planning, Nationwide Express contributed donation to the Family Health Foundation Malaysia, at a dinner held at the Sunway Convention Centre on 23rd August 2008 which was graced by the Patron, DYMM Raja Permaisuri Perak Darul Ridzuan Tuanku Bainun Mohamad Ali.



Blood Donation Drive

Nationwide Express, in collaboration with Tabung Darah Negara (National Blood Bank) had successfully organized a blood donation drive on 24th July 2008 at Nationwide Express' Corporate Office. The event was an expression of Nationwide Express' effort in helping to ensure sufficient supply of safe and quality blood supply for the Malaysian medical purposes.

KSKN Bowling Tournament

An exciting staff bowling tournament organised at Pyramid Bowl on 15th November 2008. A total of 30 teams took part, with Ruzita Salehuddin and Mohd Faizal Ahmad, both from BSC Ampang, emerging victorious in the Women's and Men's Challenge respectively. Congratulations to the winning team, *Selamba Jer* and its members – Zaharin, Mohd Faizal, Rafidah and Ruzita – as well.

CORPORATE SOCIAL RESPONSIBILITY

Annual Report 2009

Nationwide Express Courier Services Berhad



25

NATIONWIDE EXPRESS' CORPORATE ACTIVITIES FY 08/09

KSKN Fitness Talk

Nationwide Express in collaboration with Fitness First organized a talk on health and fitness on 6th August 2008. Members of Kelab Sukan dan Kebajikan Nationwide was given a free Body Mass Index (BMI) analysis and a free gym membership at Fitness First, Subang Jaya. This was one of the efforts by Kelab Sukan dan Kebajikan Nationwide to inculcate a healthy lifestyle among its members.



Majlis Ilmu

Nationwide Express organized Majlis Ilmu for all the Muslim staffs. In hopes of inculcating good values among our employees.



KSKN Contributions to Members

As tokens of appreciation for their loyalty, Kelab Sukan dan Kebajikan Nationwide was glad to give their members financial aids of RM50.00 upon marriage, RM100.00 upon death, and RM100.00 in the event of their being victims of natural disasters.

KSKN trip to the Elephant Orphanage Sanctuary

Kelab Sukan dan Kebajikan Nationwide organized a visit to the Elephant Orphanage Sanctuary situated at Kuala Gandah, Pahang. A total of 40 club members and their families join in the trip. Among the activities were elephant feeding, riding and bathing the elephants. Kelab Sukan dan Kebajikan Nationwide also contributed in kind to the Elephant Sanctuary. This effort by Kelab Sukan dan Kebajikan Nationwide was to raise the awareness of protecting the wildlife.

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STATEMENT ON CORPORATE GOVERNANCE



STATEMENT ON CORPORATE GOVERNANCE

Annual Report 2009

Nationwide Express Courier Services Berhad



27

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 5 members, comprising 4 Non-Executive Directors and 1 Executive Director/Chief Executive Officer. 3 of the Non- Executive Directors are independent. The profile of each Director is set out in the Profile of Directors on pages 39 to 44 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 3 Independent Non-Executive Directors who have extensive knowledge and experience are justifiable to represent the investment of the public and minority interests.



STATEMENT ON CORPORATE GOVERNANCE

Annual Report 2009

Nationwide Express Courier Services Berhad

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 page 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 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 9 Board meetings were held during the financial year. Details of the Directors' meetings attendances are disclosed on page 2 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 2009, 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.

STATEMENT ON CORPORATE GOVERNANCE

Annual Report 2009

Nationwide Express Courier Services Berhad



29

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 3 years and shall be eligible for re-election. Directors who are over 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.



STATEMENT ON CORPORATE GOVERNANCE

Annual Report 2009

Nationwide Express Courier Services Berhad

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.