

# FINANCIAL STATEMENT

42	Director's Report
48	Statement by Director's
48	Statutory Declaration
49	Independent Auditors' Report
54	Statements of Comprehensive Income
55	Statement of Financial Position
56	Statement of Changes in Equity
57	Statement of Cash Flow
58	Notes to the Financial Statements
94	Supplementary Information

# DIRECTOR'S REPORT

The Directors hereby present their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 March 2017.

## PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding.  
The principal activities of the subsidiaries are described in Note 14 to the financial statements.

## RESULTS

	Group RM'000	Company RM'000
Net loss for the year	(15,837)	(550)

There was no material transfer to or from reserves or provisions during the financial year other than as disclosed in the financial statement.

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

## DIVIDENDS

The Directors do not recommend the payment of any dividends for the financial year ended 31 March 2017.

## DIRECTORS

The names of the Directors of the Company in office since the date of the incorporation to the date of this report are:

Rozilawati binti Haji Basir*	(First Director, resigned on 29 April 2016, appointed on 14 December 2016)
Harani binti Khalid*	(First Director, resigned on 14 December 2016)
Izman bin Ismi	(Appointed on 29 April 2016, resigned on 14 December 2016)
Tan Sri Datin Paduka Siti Sa'diah binti Sheikh Bakir	(Appointed on 14 December 2016)
Yong Kok Liew*	(Appointed on 14 December 2016)
Mukhnizam bin Mahmud	(Appointed on 14 December 2016)
Azizah binti Abdul Rahman	(Appointed on 14 December 2016)

\* Directors of the Company and subsidiaries

## DIRECTOR'S REPORT

The name of the directors of the subsidiaries of the Company in office since the beginning of the financial year to the date of this report are:

Loh Siew Sim  
Izman bin Ismi  
(Appointed on 31 May 2016)  
Dato' Adnan bin Shamsuddin  
(Retired on 30 August 2016)  
Dr. Roshayati binti Basir  
(Resigned on 14 April 2016)  
Tan Sri Dato' Sulaiman bin Sujak  
(Resigned on 31 May 2016)

### DIRECTORS' BENEFITS

Neither at the end of the financial year, nor at any time during the year, did there subsist any arrangement to which the Company was a party, whereby the Directors might acquire benefits by means of acquisition of shares in or debentures of the Company or any other body corporate.

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than the benefits included in the aggregate amount of emoluments received or due and receivable by the Directors or the fixed salary of a full-time employee of the Company as shown in Note 9 to the financial statements) by reason of a contract made by the Company or a related corporation with any Director or with a firm of which the Director is a member or with a company in which the director has a substantial financial interest, other than as disclosed in Note 23 to the financial statements.

### INDEMNITIES TO DIRECTORS OR OFFICERS

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been the director or officer of the Company.

### DIRECTORS' INTERESTS

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

The Company	Number of ordinary shares			
	At date of incorporation 27 April 2016	Internal reorganisation	Sold	31 March 2017
<b>Direct Interest</b>				
<u>Director of the Company</u>				
Rozilawati binti Haji Basir	1	3,656,512	-	3,656,513
Mukhnizam bin Mahmud	-	2,600	-	2,600
<b>Indirect Interest</b>				
<u>Director of the Company</u>				
Rozilawati binti Haji Basir <sup>(1)</sup>	-	65,899,358	-	65,899,358

## DIRECTOR'S REPORT

### DIRECTORS' INTERESTS (CONT'D)

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

	Number of ordinary shares			
	At date of incorporation 27 April 2016	Acquired	Sold	31 March 2017
<b>BHR Enterprise Sdn. Bhd.</b> <b>- Holding company</b>				
<b>Direct Interest</b>				
<u>Director of the Company</u>				
Rozilawati binti Haji Basir	19,060,163	-	-	19,060,163
<b>Indirect Interest</b>				
<u>Director of the Company</u>				
Rozilawati binti Haji Basir <sup>(1)</sup>	38,120,326	-	-	38,120,326
	Number of preference shares			
	At date of incorporation 27 April 2016	Acquired	Sold	31 March 2017
<b>BHR Enterprise Sdn. Bhd.</b> <b>- Holding company</b>				
<b>Indirect Interest</b>				
<u>Director of the Company</u>				
Rozilawati binti Haji Basir <sup>(2)</sup>	4	-	-	4
	Number of ordinary shares			
	At date of incorporation 27 April 2016	Option exercised/ Acquired	Sold	31 March 2017
<b>Fima Corporation Berhad</b> <b>- Related company</b>				
<b>Indirect Interest</b>				
<u>Director of the Company</u>				
Rozilawati binti Haji Basir <sup>(3)</sup>	150,497,658	53,600	-	150,551,258

## DIRECTORS' INTERESTS (CONT'D)

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

	← At date of incorporation 27 April 2016	Number of ordinary shares		→ 31 March 2017
Kumpulan Fima Berhad - Related company		Acquired	Sold	
<b>Direct Interest</b>				
<u>Director of the Company</u>				
Rozilawati binti Haji Basir	100,000	100,000	-	200,000
<b>Indirect Interest</b>				
<u>Director of the Company</u>				
Rozilawati binti Haji Basir <sup>(4) (5)</sup>	167,173,200	634,000	-	167,807,200

<sup>(1)</sup> Deemed interested by virtue of her direct shareholdings in BHR Enterprise Sdn. Bhd. ("BHR"), the holding company of the Company.

<sup>(2)</sup> Deemed interested by virtue of her mother, Puan Sri Datin Hamidah binti Abdul Rahman's direct shareholding of preference shares in the BHR.

<sup>(3)</sup> Deemed interested in Fima Corporation Berhad ("FCB") by virtue of:

(i) Fima Metal Box Holdings Sdn. Bhd.'s ("Fima Metal Box") direct shareholding in FCB. Fima Metal Box is a wholly-owned subsidiary of the Company and is a major shareholder of FCB.

(ii) BHR direct shareholding of 52.16% equity interest in FCB.

(iii) Her sister, Roshayati binti Basir and her mother, Puan Sri Datin Hamidah binti Abdul Rahman's direct shareholding in FCB.

<sup>(4)</sup> Rozilawati Binti Haji Basir ("Rozilawati") is deemed interested by virtue of the following:

(i) Her shareholding in BHR of more than 20%. BHR is the major shareholder of the Kumpulan Fima Berhad ("KFIMA").

(ii) Her mother, Puan Sri Datin Hamidah Binti Abdul Rahman's shareholding in KFIMA and her shareholding of preference shares in BHR.

(iii) Her sister, Roshayati Binti Basir's direct shareholding in KFIMA and her shareholding in BHR of more than 20%.

(iv) Her brother, Ahmad Riza bin Basir's ("Ahmad Riza") indirect shareholding in KFIMA which is held through M&A Nominees (Tempatan) Sdn. Bhd., Subur Rahmat Sdn Bhd ("SRSB") and his wife, Zailini binti Zainal Abidin. Ahmad Riza and his wife are deemed interested by virtue of their interest in SRSB pursuant to Section 8 of the Companies Act, 2016.

<sup>(5)</sup> Deemed interested by virtue of Rozilawati's direct and indirect shareholding in KFIMA which is held under M&A Nominees (Tempatan) Sdn. Bhd.. Rozilawati is the sister of Rozana Zeti.

Other than as stated above, none of the other Directors in office at the end of the financial year had any interest in shares in the Company or its related corporations during the financial year.

## DIRECTOR'S REPORT

### ISSUE OF SHARES

During the financial year, the Company increased its issued and paid up ordinary share capital from RM2 to RM60,116,200 by way of the following issue:

Exchange of the entire 60,116,200 issued and fully paid-up ordinary shares of RM1.00 each in NECSB ("NECSB Shares") with 120,232,400 new ordinary shares of RM0.50 each in the Company ("NEHB Shares"), on the basis of two (2) new NEHB Shares for every one (1) existing NECSB Share held ("Share exchange") as detailed in Note 30 to the financial statements.

### OTHER STATUTORY INFORMATION

- (a) Before the statements of comprehensive income and statements of financial position of the Group and of the Company were made out, the Directors took reasonable steps:
  - (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that there were no known bad debts and that adequate provision has been made for doubtful debts; and
  - (ii) to ensure that any current assets which were unlikely to realise their values as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.
- (b) At the date of this report, the Directors are not aware of any circumstances which would render:
  - (i) it necessary to write off any bad debts or the amount of the provision for doubtful debts inadequate to any substantial extent in respect of the financial statements of the Group and of the Company; and
  - (ii) the values attributed to the current assets in the financial statements of the Group and of the Company misleading.
- (c) At the date of this report, the Directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (d) At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.
- (e) As at the date of this report, there does not exist any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person.
- (f) Contingent liabilities of the Group and of the Company is disclosed in Note 25.
- (g) In the opinion of the Directors:
  - (i) no contingent liability or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet their obligations when they fall due; and
  - (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

## DIRECTOR'S REPORT

### SIGNIFICANT EVENTS

In addition to the significant events disclosed elsewhere in this report, other significant events are disclosed in Note 30 to the financial statements.

### SUBSEQUENT EVENTS

Details of subsequent events are disclosed in Note 31 to the financial statements.

### AUDITORS

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

The auditors' remuneration is disclosed in Note 7 to the financial statements. No payment has been made to indemnify the auditors during or since the financial year.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 31st July 2017.

**Rozilawati binti Haji Basir**

**Yong Kok Liew**

## **STATEMENT BY DIRECTORS PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT, 2016**

We, Rozilawati binti Haji Basir and Yong Kok Liew, being two of the Directors of Nationwide Express Holdings Berhad, do hereby state that, in the opinion of the Directors, the accompanying financial statements set out on pages 54 to 93 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2017 and of their financial performance and cash flows for the year then ended.

The supplementary information set out on page 94 have been prepared in accordance with the Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 31st July 2017.

**Rozilawati binti Haji Basir**

**Yong Kok Liew**

## **STATUTORY DECLARATION PURSUANT TO SECTION 251(1)(B) OF THE COMPANIES ACT, 2016**

I, Amilia binti Sabtu, being the officer primarily responsible for the financial management of Nationwide Express Holdings Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 54 to 93 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by  
the abovenamed Amilia binti Sabtu  
at Shah Alam in Selangor Darul Ehsan  
on 31st July 2017.

**Amilia binti Sabtu**

Before me,



# INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF NATIONWIDE EXPRESS HOLDINGS BERHAD (INCORPORATED IN MALAYSIA)

## Report on the audit of the financial statements

### *Opinion*

We have audited the financial statements of Nationwide Express Holdings Berhad, which comprise the statement of financial position as at 31 March 2017 of the Group and of the Company, and statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 54 to 93.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 March 2017, and of their financial performance and their cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

### *Basis for opinion*

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the financial statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Independence and other ethical responsibilities*

We are independent of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

### *Key Audit Matters*

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditors' responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis of our audit opinion on the accompanying financial statements.

### **Revenue recognition (Refer to Notes 2.18 and 4 to the financial statements)**

The Group's revenue is mainly derived from express courier services rendered and mailroom management services. Revenue from courier services recognized by the Group during the year amounted to RM83,440,000 .

We identified revenue recognition to be an area of audit focus, as we consider the magnitude and the high volume of transactions may give rise to material misstatements in the timing and recognition of revenue. Specifically, we focused our audit efforts to determine the possibility of overstatement of revenue.

# **INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF NATIONWIDE EXPRESS HOLDINGS BERHAD (INCORPORATED IN MALAYSIA)**

## *Key audit matters (Cont'd)*

### **Revenue recognition (Cont'd) (Refer to Notes 2.18 and 4 to the financial statements)**

To address these areas of audit focus, we performed, amongst others, the following procedures:

- (a) We obtained an understanding of the Group's relevant internal controls and tested the controls over the timing and amount of revenue recognized;
- (b) We inspected the documents evidencing the delivery of goods to customers to determine the point of service was rendered; and
- (c) We tested the recording of sales transactions close to the year end, to establish whether the transactions were recorded in the correct accounting period.

### **Impairment of property, plant and equipment ("PPE") (Refer to Notes 2.8 and 13 to the financial statements)**

As at 31 March 2017, the carrying amount of the Group's PPE amounts to RM25,398,000 which represents 48% of the Group's total assets.

The Group is required to perform impairment test of the cash generating unit ("CGU") whenever there is an indication that the CGU may be impaired by comparing the carrying amount with its recoverable amount.

Due to the increased competition in the market, the Group's financial performance reported losses for the past many years, indicating that the carrying amount of the related property, plant and equipment may be impaired. Accordingly, the Group estimated the recoverable amount of the property, plant and equipment using fair value less cost of disposal.

For the purpose of the impairment assessment, the Group has treated the entire PPE as one CGU. The Group engaged an external valuer to determine the fair value of the leasehold land and properties at the reporting date.

This impairment review was significant to our audit because the assessment process is complex and is based on assumptions that are highly judgmental.

We focused on valuations performed by a firm of independent valuers, which included amongst others the following procedures:

- (a) We considered the objectivity, independence and expertise of the firm of independent valuers;
- (b) We obtained an understanding of the methodology adopted by the independent valuers in estimating the fair value of the leasehold land and buildings and assessed whether such methodology is consistent with those used in the industry;
- (c) As part of our evaluation of the fair values of leasehold land and buildings, we had discussions with the independent valuer to obtain an understanding of the property related data used as input to the valuation models; and
- (d) We also assessed the appropriateness of the valuation model, property related data, including estimates used by the external valuer.

# INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF NATIONWIDE EXPRESS HOLDINGS BERHAD (INCORPORATED IN MALAYSIA)

## *Key audit matters (Cont'd)*

### **Impairment of trade receivables (Refer to Notes 3.1(a) and 17 to the financial statements)**

As at 31 March 2017, the Gross carrying value of Group's trade receivables amounting to RM30,005,000 which represents 57% of the Group's total assets.

The Group assesses at each reporting date whether there are objective evidence that an impairment loss for trade receivables has been incurred. If such evidence exists, an impairment test for trade receivables is required. The aforementioned impairment review gave rise to allowance for impairment of RM12,812,000 for the year ended 31 March 2017.

The nature of the industry exposes the Group to credit risk. The assessment for impairment for trade receivables involves significant management judgement, taking into consideration the age of the trade debts, historical payment patterns, existence of disputes and other available information concerning the recoverability of the receivables. Accordingly, impairment of trade receivables has been identified as a key audit matter.

To address these areas of audit concern, we performed, amongst others, the following procedures:

- (a) We obtained an understanding of the relevant internal controls of the Group over the estimation of recoverable trade receivables;
- (b) For collective impairment, we considered the underlying assumptions to derive the Probability of Default rate based on the Group's profiling of trade receivables. As part of this, we assessed the reasonableness of the Group's estimates and assumptions, specifically in respect of the inputs to the impairment model; and
- (c) For specific impairment, we evaluated management's assessment on significant past due trade receivables whether the trade receivables are impaired by taking into consideration if there is any indication of significant financial difficulty of the customers and if there is any default or delinquency in the repayment by customers where legal action has been taken. In addition, we tested subsequent collections from customers, analysed the payment history of the slow paying customers and reviewed the status of legal actions taken against the customers

We also evaluated the adequacy of disclosures of trade and other receivables as disclosed in Note 17 to the financial statements.

### ***Information other than the financial statements and auditors' report thereon***

The directors of the Company are responsible for the other information. The other information comprises the Annual Report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon, which we obtained prior to the date of this auditors' report, and the Annual Report, which is expected to be made available to us after the date of this auditors' report.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF NATIONWIDE EXPRESS HOLDINGS BERHAD (INCORPORATED IN MALAYSIA)**

### *Information other than the financial statements and auditors' report thereon (Cont'd)*

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors of the Company and take appropriate action.

### *Responsibilities of the directors for the financial statements*

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

### *Auditors' responsibilities for the audit of the financial statements*

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

## INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF NATIONWIDE EXPRESS HOLDINGS BERHAD (INCORPORATED IN MALAYSIA)

### *Auditors' responsibilities for the audit of the financial statements (Cont'd)*

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also (Cont'd):

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### **Other reporting responsibilities**

The supplementary information set out in Note 33 on page 71 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

### **Other matters**

This report is made solely to the member of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Hanafiah Raslan & Mohamad  
AF:0002  
Chartered Accountants

Kuala Lumpur, Malaysia  
31st July 2017

Muhammad Affan bin Daud  
No. 3063/02/18(J)  
Chartered Accountant

# STATEMENTS OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

		Group	Company
	Note	2017 RM'000	27.04.2016 to 31.03.2017 RM'000
Revenue	4	86,576	91,919
Cost of services		(71,567)	(72,662)
<b>Gross profit</b>		15,009	19,257
Other income	5	413	510
<b>Other items of expense</b>			
Administrative expenses		(28,832)	(23,913)
Selling and marketing expenses		(1,473)	(1,492)
Other expenses		(110)	(164)
Finance costs	6	(157)	(286)
<b>Loss before tax</b>	7	(15,150)	(6,088)
Taxation	10	(687)	(70)
<b>Net loss for the year</b>		(15,837)	(6,158)
<b>Other comprehensive income</b>			
Foreign currency translation -to be reclassified subsequently to profit or loss		(117)	3
<b>Total comprehensive loss for the year</b>		(15,954)	(6,155)
Basic loss per share (sen)	11	(13.2)	(10.2)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

# STATEMENTS OF FINANCIAL POSITION

## AS AT 31 MARCH 2017

	Note	Group 2017 RM'000	2016 RM'000	Company 2017 RM'000
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	13	25,398	27,351	-
Investments in subsidiaries	14	-	-	60,116
Deferred tax assets	15	11	234	-
		25,409	27,585	60,116
<b>Current assets</b>				
Inventories	16	312	742	-
Trade and other receivables	17	21,611	30,439	-
Cash and bank balances	18	5,347	6,970	-
		27,270	38,151	-
<b>TOTAL ASSETS</b>		52,679	65,736	60,116
<b>EQUITY AND LIABILITIES</b>				
<b>Equity attributable to equity holders of the Company</b>				
Share capital	19	60,116	60,116	60,116
Other reserves	20	(20,243)	(4,289)	(550)
<b>Total Equity</b>		39,873	55,827	59,566
<b>Non-current liabilities</b>				
Deferred tax liabilities	15	-	-	-
Loans and borrowings	21	357	2,048	-
		357	2,048	-
<b>Current liabilities</b>				
Other payables	22	10,760	6,026	550
Loans and borrowings	21	1,689	1,835	-
		12,449	7,861	550
Total liabilities		12,806	9,909	550
<b>TOTAL EQUITY AND LIABILITIES</b>		52,679	65,736	60,116

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

## STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

Group	Equity, total RM'000	Share capital RM'000	Merger reserve RM'000	Non- distributable exchange translation reserve RM'000	Retained profits/ (accumulated losses) RM'000
<b>At 1 April 2015*</b>	61,982	60,116	413	54	1,399
Total comprehensive loss for the year	(6,155)	-	-	3	(6,158)
<b>At 31 March 2016</b>	55,827	60,116	413	57	(4,759)
<b>At 1 April 2016*</b>	55,827	60,116	413	57	(4,759)
Total comprehensive loss for the year	(15,954)	-	-	(117)	(15,837)
<b>At 31 March 2017</b>	39,873	60,116	413	(60)	(20,596)
<b>Company</b>					
At 27 April 2016 (date of incorporation)	#	#	-	-	-
Internal reorganisation	60,116	60,116	-	-	-
Total comprehensive loss for the period	(550)	-	-	-	(550)
<b>At 31 March 2017</b>	59,566	60,116	-	-	(550)

\* The acquisition is accounted for under the merger method of accounting. Consequently, merger related items are presented above as if the merger had been effected throughout the current and previous years in the Group's financial statements.

# Representing 2 shares of RM1.00 each

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.



## STATEMENTS OF CASH FLOWS

### FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

	Group	Company
	2017	27.04.2016
	RM'000	to
	2016	31.03.2017
	RM'000	RM'000
<b>OPERATING ACTIVITIES</b>		
Loss before tax	(15,150)	(6,088)
Adjustments for:		
Depreciation of property, plant and equipment	3,719	3,816
Gain on disposal of property, plant and equipment	(96)	(18)
Net impairment loss on trade and other receivables	5,489	5,389
Net Impairment loss/(write back) on inventories	9	(69)
Interest expense	157	286
Interest income	(86)	(263)
Operating (loss)/profit before working capital changes	(5,958)	3,053
Decrease/(increase) in inventories	421	(261)
Decrease/(increase) in receivables	2,990	(2,927)
Increase/(decrease) in payables	4,734	(2,831)
Cash generated from/(used in) operations	2,187	(2,966)
Interest paid	(157)	(286)
Tax paid	(547)	(632)
Tax refund	312	621
Net cash generated from/(used in) operating activities	1,795	(3,263)
<b>INVESTING ACTIVITIES</b>		
Interest received	86	263
Additions of property, plant and equipment	(1,811)	(908)
Proceeds from sale of property, plant and equipment	141	18
Deposits with licensed banks more than 90 days	726	(861)
Net cash used in investing activities	(858)	(1,488)
<b>FINANCING ACTIVITIES</b>		
Deposits pledged with licensed banks	(282)	800
Repayment of hire purchase financing	(1,837)	(2,389)
Net cash used in financing activities	(2,119)	(1,589)
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(1,182)</b>	<b>(6,340)</b>
<b>EFFECTS OF EXCHANGE RATE CHANGES</b>	<b>3</b>	<b>3</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR</b>	<b>5,762</b>	<b>12,099</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE YEAR (NOTE 18)</b>	<b>4,583</b>	<b>5,762</b>

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

## 31 MARCH 2017

### 1. CORPORATE INFORMATION

The Company was incorporated on 24 April 2016 and domiciled in Malaysia. The principal place of business of the Company is located at Lot 6 & 7, Jalan Utas 15/7, Seksyen 15, 40000 Shah Alam, Selangor Darul Ehsan.

On 27 December 2016, the Company was listed on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Malaysia") via an internal reorganisation exercise, as further disclosed in Note 30(a).

The principal activity of the Company is investment holding.

The principal activities of the subsidiaries are described in Note 14. There has been no significant change in the nature of the principal activities during the financial year.

The holding company of the Company is BHR Enterprise Sdn Bhd, a company incorporated in Malaysia.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 31st July 2017.

### 2. SIGNIFICANT ACCOUNTING POLICIES

#### 2.1 Basis of preparation

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards ("IFRSs") and the requirements of the Companies Act, 2016 in Malaysia.

The Companies Act 2016 ("New Act") was enacted to replace the Companies Act 1965 in Malaysia with the objectives of creating a legal and regulatory structure that will facilitate business and promote accountability as well as protection of corporate directors and shareholders, taking into consideration the interest of other stakeholders. The New Act was passed on 4 April 2016 by the Dewan Rakyat (House of Representatives) and gazetted on 15 September 2016. On 26 January 2017, the Minister of Domestic Trade, Co-operatives and Consumerism announced that the date on which the New Act comes into operation, except section 241 and Division 8 of Part III of the New Act, becomes effective on 31 January 2017.

Amongst the key changes introduced in the New Act which affects the financial statements of the Group and of the Company upon the commencement of the New Act on 31 January 2017 are:

- (a) Removal of the authorised share capital; and
- (b) Shares of the Company will cease to have par or nominal value.

The financial statements have been prepared on a historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Ringgit Malaysia ("RM"), which is also the functional currency of the Group and of the Company. All values are rounded to the nearest thousand (RM'000) except when otherwise indicated.

#### 2.2 Changes in accounting policies

On 1 April 2016, the Group and the Company adopted certain applicable new and amended MFRSs and IC Interpretations mandatory for annual financial periods beginning on or after 1 January 2016. The adoption of these standards and interpretations did not have any effect on the financial performance or position of the Group and of the Company.

# NOTES TO THE FINANCIAL STATEMENTS

## 31 MARCH 2017

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.2 Changes in accounting policies (Cont'd)

Description	Effective for financial period beginning on or after
Annual Improvements to MFRSs 2012-2014 Cycle	1 January 2016
Amendments to MFRS 116 and MFRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to MFRS 116 and MFRS 141: Agriculture: Bearer Plants	1 January 2016
Amendments to MFRS 11: Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
Amendments to MFRS 127: Equity Method in Separate Financial Statements	1 January 2016
Amendments to MFRS 101: Disclosure Initiative	1 January 2016
Amendments to MFRS 10, MFRS 12 and MFRS 128: Investment Entities: Applying the Consolidation Exception	1 January 2016
MFRS 14: Regulatory Deferral Accounts	1 January 2016

The adoption of the above new standards and interpretations do not have significant impact on the financial statements of the Group and of the Company.

### 2.3 Standards issued but not yet effective

The standards and interpretations that are issued but not yet effective up to the date of issuance of the Group's and the Company's financial statements are disclosed below. The Group and the Company intend to adopt these standards, if applicable, when they become effective.

Description	Effective for annual periods beginning on or after
Annual Improvements to MFRSs 2014-2016 Cycle	1 January 2017
Amendments to MFRS 107: Disclosure initiative	1 January 2017
Amendments to MFRS 112: Recognition of deferred tax assets for unrealised losses	1 January 2017
Amendments to MFRS 2: Classification and measurement of share-based payment transactions	1 January 2018
MFRS 15: Revenue from Contracts with Customers	1 January 2018
MFRS 9: Financial Instruments	1 January 2018
Amendments to MFRS 140: Type of Investment Property	1 January 2018
MFRS 16: Leases	1 January 2019
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

## NOTES TO THE FINANCIAL STATEMENTS

### 31 MARCH 2017

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.3 Standards issued but not yet effective (Cont'd)

The directors expect that the adoption of the above standards and interpretations will have no material impact on the financial statements in the period of initial application except as discussed below:

#### (i) MFRS 15 Revenue from Contracts with Customers

MFRS 15 establishes a new five-step models that will apply to revenue arising from contracts with customers. MFRS 15 will supersede the current revenue recognition guidance including MFRS 118 Revenue, and the related interpretations when it becomes effective.

The core principle of MFRS 15 is that an entity should recognise revenue which depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Under MFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when control of the goods or services underlying the particular performance obligation is transferred to the customer.

Either a full or modified retrospective application is required for annual periods beginning on or after 1 January 2018 with early adoption permitted. The Directors anticipate that the application of MFRS 15 will have a material impact on the amounts reported and disclosures made in the Group's and the Company's financial statements. The Group and the Company are currently assessing the impact of MFRS 15 and plans to adopt the new standard on the required effective date.

#### (ii) MFRS 9 Financial Instruments

In November 2014, MASB issued the final version of MFRS 9 Financial Instruments which reflects all phases of the financial instruments project and replaces MFRS 139 Financial Instruments: Recognition and Measurement and all previous versions of MFRS 9. The standard introduces new requirements for classification and measurement, impairment and hedge accounting. MFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory. The adoption of MFRS 9 will have an effect on the classification and measurement of the Group's financial assets, but no impact on the classification and measurement of the Group's financial liabilities.

### 2.4 Subsidiaries and basis of consolidation

#### (i) **Subsidiaries**

A subsidiary company is an entity over which the Group has the following:

- (i) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- (ii) Exposure, or rights, to variable returns from its investment with the investee; and
- (iii) The ability to use its power over the investee to affect its returns.

In the Company's separate financial statements, investments in subsidiary companies are accounted for at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

**2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**2.4 Subsidiaries and basis of consolidation (Cont'd)**

**(ii) Basis of consolidation**

The consolidated financial statements comprise the financial statements of the Company and its subsidiary companies as at the reporting date. The financial statements of the subsidiary companies used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied for like transactions and events in similar circumstances.

The Company controls an investee if and only if the Company has the following:

- (i) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- (ii) Exposure, or rights, to variable returns from its investment with the investee; and
- (iii) The ability to use its power over the investee to affect its returns.

When the Company has less than a majority of the voting rights of an investee, the Company considers the following in assessing whether or not the Company's voting rights in an investee are sufficient to give it power over the investee:

- (i) The size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- (ii) Potential voting rights held by the Company, other vote holders or other parties;
- (iii) Rights arising from other contractual arrangements; and
- (iv) Any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Subsidiary companies are consolidated when the Company obtains control over the subsidiary company and ceases when the Company loses control of the subsidiary company. All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

Losses within a subsidiary company are attributed to the non-controlling interests even if that results in a deficit balance.

Changes in the Group's ownership interests in subsidiary companies that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary company. The resulting difference is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary company, a gain or loss calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets and liabilities of the subsidiary company and any non-controlling interest, is recognised in profit or loss. The subsidiary company's cumulative gain or loss which has been recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss or where applicable, transferred directly to retained earnings. The fair value of any investment retained in the former subsidiary company at the date control is lost is regarded as the cost on initial recognition of the investment.

## NOTES TO THE FINANCIAL STATEMENTS

### 31 MARCH 2017

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.4 Subsidiaries and basis of consolidation (Cont'd)

#### (ii) Basis of consolidation (Cont'd)

##### Business combinations

Acquisitions of subsidiaries are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. The Group elects on a transaction-by-transaction basis whether to measure the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Transaction costs incurred are expensed and included in administrative expenses.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes in the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in accordance with MFRS 139 either in profit or loss or as a change to other comprehensive income. If the contingent consideration is classified as equity, it will not be remeasured. Subsequent settlement is accounted for within equity. In instances where the contingent consideration does not fall within the scope of MFRS 139, it is measured in accordance with the appropriate MFRS.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the acquisition date of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than fair value of the net assets of the subsidiary company acquired, the difference is recognised in profit or loss.

### 2.5 Business combination under common control

The Group applies merger accounting to account for business combinations under common control. Under the merger accounting, assets and liabilities acquired are not restated to their respective fair values but at their carrying amounts in the consolidated financial statements of the holding company. The difference between any consideration given and the aggregate carrying amounts of the assets and liabilities (at the date of the transaction) of the acquired business is recorded as merger reserve. No additional goodwill is recognised. The acquired business' results and the related assets and liabilities are recognised prospectively from the date on which the business combination between entities under common control occurred.

### 2.6 Foreign currencies

#### (a) Functional and presentation currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency.

**2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**2.6 Foreign currencies (Cont'd)**

**(b) Foreign currency transactions**

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items denominated in foreign currencies measured at fair value are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are recognised in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in equity. Exchange differences arising from such non-monetary items are also recognised directly in equity.

**(c) Foreign operations**

The assets and liabilities of foreign operations are translated into RM at the rate of exchange ruling at the reporting date and income and expenses are translated at exchange rates at the dates of the transactions. The exchange differences arising on the translation are taken directly to other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated at the closing rate at the reporting date.

**2.7 Property, plant and equipment**

All items of property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognises such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 2.8.



## NOTES TO THE FINANCIAL STATEMENTS

### 31 MARCH 2017

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.7 Property, plant and equipment (Cont'd)

Capital work-in-progress is not depreciated as these assets are not available for use. Depreciation of other property, plant and equipment is provided for on a straight line basis to write off the cost of each asset to its residual value over the estimated useful life at the following annual rates:

Leasehold buildings	4%
Leasehold land	Over the remaining period of 73 years
Leasehold improvements	33.33% Motor vehicles
14.28% Computers/machines/office equipment	14.28% - 33.33% Furniture and fittings14.28%

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any and the net carrying amount is recognised in the profit or loss.

### 2.8 Impairment of non-financial assets

The carrying amounts of the Group's assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated to determine the amount of impairment loss.

For the purpose of impairment testing of these assets, recoverable amount is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, recoverable amount is determined for the cash-generating unit ("CGU") to which the asset belongs to. Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's CGUs, or groups of CGUs, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

An impairment loss is recognised in profit or loss in the period in which it arises.

An impairment loss for an asset other than goodwill is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of an asset other than goodwill is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset other than goodwill is recognised in profit or loss.



**2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**2.9 Financial assets**

Financial assets are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument.

When financial assets are recognised initially, they are measured at fair value, plus directly attributable transaction costs.

The Group and the Company determine the classification of their financial assets at initial recognition.

**Loans and receivables**

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables.

Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

Loans and receivables are classified as current assets, except for those having maturity dates later than 12 months after the reporting date which are classified as non-current.

A financial asset is derecognised when the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received is recognised in profit or loss.

**2.10 Impairment of financial assets**

The Group and the Company assess at each reporting date whether there is any objective evidence that a financial asset is impaired.

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group and the Company consider factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments. For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis based on similar risk characteristics.

Objective evidence of impairment for a portfolio of receivables could include the Group's and the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period and observable changes in national or local economic conditions that correlate with default on receivables.

If any such evidence exists, the amount of impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The impairment loss is recognised in profit or loss.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable becomes uncollectible, it is written off against the allowance account.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

## NOTES TO THE FINANCIAL STATEMENTS

### 31 MARCH 2017

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.11 Cash and cash equivalents

For the purposes of the statements of cash flows, cash and cash equivalents include cash on hand and at bank, deposit at call and short term highly liquid investments which have an insignificant risk of changes in value.

### 2.12 Inventories

Inventories mainly comprise consumables and are stated at lower of cost and net realisable value. Cost is determined using the first in, first out method. The cost of inventories comprises costs of purchase. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

### 2.13 Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

Financial liabilities within the scope of MFRS 139 Financial Instruments: Recognition and Measurement, are recognised in the statement of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument. Financial liabilities are classified as other financial liabilities.

#### Other financial liabilities

The Group's and the Company's other financial liabilities include trade payables, other payables and loans and borrowings.

Trade and other payables are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

Loans and borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities, unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

A financial liability is derecognised when the obligation under the liability is extinguished. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

### 2.14 Provisions for liabilities

Provisions are recognised when the Group has a present obligation as a result of a past event and it is probable that an outflow of resource embodying economic benefits will be required to settle the obligation, and the amount of the obligation can be estimated reliably. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as finance cost.

**2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**2.15 Borrowing costs**

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period they are incurred. Borrowing costs consist of interest and other costs that the Group and the Company incurred in connection with the borrowing of funds.

**2.16 Employee benefits**

**(a) Short term benefits**

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

**(b) Defined contribution plan**

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities or funds and will have no legal or constructive obligation to pay further contributions if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years. Such contributions are recognised as expenses in the profit or loss as incurred. As required by law, companies in Malaysia make such contributions to the Employee Provident Fund ("EPF"). The Group's foreign subsidiary also makes contributions to its country's statutory pension scheme.

**2.17 Leases**

**Finance leases - the Group as lessee**

Assets acquired by way of hire purchase or finance leases are stated at an amount equals to the lower of their fair values and the present value of the minimum lease payments at the inception of the leases, less accumulated depreciation and impairment losses. The corresponding liability is included in the statement of financial position as borrowings. In calculating the present value of the minimum lease payments, the discount factor used is the interest rate implicit in the lease, when it is practicable to determine; otherwise, the Company's incremental borrowing rate is used. Any initial direct costs are also added to the carrying amount of such assets.

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

The depreciation policy for leased assets is consistent with that for depreciable property, plant and equipment as described in Note 2.7.

## NOTES TO THE FINANCIAL STATEMENTS

### 31 MARCH 2017

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.18 Revenue and other income

Revenue and other income are recognised to the extent that it is probable that the economic benefits will flow to the Group and the Company and they can be reliably measured. The following specific recognition criteria must also be met before revenue and other income are recognised:

(a) **Revenue from services**

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

(b) **Interest income**

Interest income is recognised on an accrual basis using the effective interest method.

(c) **Dividend income**

Dividend income is recognised when the Company's right to receive payment is established.

(d) **Rental income**

Rental income is accounted for on a straight-line basis over the lease terms. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

### 2.19 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the profit or loss except to the extent it relates to items recognised directly in equity, in which case it is recognised in equity.

(a) **Current tax**

Current tax expense is the expected tax payable on the taxable income for the period, using the statutory tax rate at the reporting date, and any adjustment to tax payable in respect of previous years.

(b) **Deferred tax**

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiary companies, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

**2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**2.19 Taxation (Cont'd)**

**(b) Deferred tax (Cont'd)**

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiary companies, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

**2.20 Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

## NOTES TO THE FINANCIAL STATEMENTS

### 31 MARCH 2017

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.20 Fair value measurement (Cont'd)

The Group and the Company use valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) prices in active markets for identical assets or liabilities
- Level 2 — Other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly
- Level 3 — Techniques that use inputs that have a significant effect on the recorded fair value that are not based on observable market data

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group and the Company determine whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

## 3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's and the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

### 3.1 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

#### (a) Impairment of loans and receivables

The Group assesses at each reporting date whether there is any objective evidence that a financial asset is impaired. The method applied by the Group in assessing impairment are as follows:

- i) For collective impairment, estimation and assumptions are used to derive probability of default rate based on the profiling of the Group's trade receivables.
- ii) For specific impairment, the Group assessed significant past due debts by taking into consideration customers' payment pattern and any default or delinquency in repayment by customers where legal action has been taken.

The Group's accumulated impairment of loans and receivables for the year as at 31 March 2017 was RM12,812,000 (2016: RM7,982,000) as disclosed in Note 17(a).

## NOTES TO THE FINANCIAL STATEMENTS

### 31 MARCH 2017

### 3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONT'D)

#### 3.1 Key sources of estimation uncertainty (Cont'd)

##### (b) Income taxes

Significant judgement is required in determining the allowances and deductibility of certain expenses during the estimation of the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group and the Company recognise liabilities for anticipated tax matters based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which the determination is made. The Group's tax expense for the year as at 31 March 2017 was RM687,000 (2016: RM70,000) as disclosed in Note 10.

##### (c) Deferred tax assets

Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The Group's deferred tax assets as at 31 March 2017 was RM1,857,000 (2016: RM2,064,000) as disclosed in Note 15.

##### (d) Depreciation of motor vehicles

The cost of motor vehicles is depreciated on a straight-line basis over the assets' useful lives. Management estimates the useful lives of these motor vehicles to be within 7 to 12 years. These are common life expectancies applied in courier services industry. Changes in the level of usage could impact the economic useful lives and the residual value of these assets, therefore future depreciation charges could be revised.

##### (e) Impairment of property, plan and equipment

The Group assesses at each reporting date whether there is any indication that the asset may be impaired. To determine whether there is objective evidence of impairment, the Group considers external and internal factors. Where there is objective evidence of impairment, the amount of impairment loss is measured at the difference between the asset's carrying amount and the recoverable amount. The recoverable amount of an asset is higher of the fair value less cost to sell and its value in use.

To determine fair value less cost to sell requires an estimation on price at which an orderly transaction to sell the asset would take place between market participants under current market condition. While to determine value in use requires estimation on the future cash flows from the asset and choose a suitable discount rate in order to calculate the present value of those cash flows.

### 4. REVENUE

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

	Group	
	2017 RM'000	2016 RM'000
Domestic courier services	85,713	90,955
Foreign courier services	863	964
	86,576	91,919

# NOTES TO THE FINANCIAL STATEMENTS

## 31 MARCH 2017

### 5. OTHER INCOME

	2017 RM'000	Group 2016 RM'000
Interest income	86	263
Gain on disposal of motor vehicles	96	18
Sundry income	231	229
	413	510

### 6. FINANCE COSTS

	2017 RM'000	Group 2016 RM'000
Interest expense on hire purchase and finance lease liabilities	157	286

### 7. LOSS BEFORE TAX

	Note	2017 RM'000	Group 2016 RM'000	Company 27.04.2016 to 31.03.2017 RM'000
Staff costs	8	33,203	35,322	-
Non-executive directors' remuneration	9	234	208	47
Auditors' remuneration:				
- Holding company's auditors				
- statutory audit		208	184	56
- non-audit fee		9	8	-
- Other auditors of foreign subsidiary		10	10	-
Rental of premises		2,988	3,009	-
Rental of equipment and motor vehicles		1,576	1,973	-
Net impairment loss on trade and other receivables	17	5,489	5,389	-
Impairment loss/(write back) on inventories	13	9	(69)	-
Depreciation of property, plant and equipment		3,719	3,816	-
Gain on disposal of property, plant and equipment		(96)	(18)	-
Realised income on foreign exchange, net		(335)	-	-



## NOTES TO THE FINANCIAL STATEMENTS

### 31 MARCH 2017

#### 8. STAFF COSTS

	Group 2017 RM'000	2016 RM'000
Wages and salaries	29,494	31,386
Social security contributions	439	455
Contributions to defined contribution plan	2,920	3,157
Other staff related expenses	350	324
	33,203	35,322

#### 9. DIRECTORS' REMUNERATION

	Note	Group 2017 RM'000	2016 RM'000	Company 27.04.2016 to 31.03.2017 RM'000
<b>Executive director's remuneration:</b>				
Salaries and other emoluments		539	449	-
Estimated money value of benefit-in-kind		11	8	-
		550	457	-
<b>Non-executive director's remuneration:</b>				
Fees		189	180	47
Other emoluments		45	28	-
		234	208	47
<b>Analysis excluding benefits-in-kind:</b>				
Total executive director's remuneration		539	449	-
Total non-executive director's remuneration		234	208	47
Total directors' remuneration		773	657	47

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

	Number of Directors 2017	2016
<b>Executive Director:</b>		
RM500,001 - RM550,000	1	-
RM450,001 - RM500,000	-	1
<b>Non-Executive Directors:</b>		
RM0 - RM50,000	4	4

## NOTES TO THE FINANCIAL STATEMENTS

### 31 MARCH 2017

#### 10. TAXATION

##### Major components of income tax expense

The major components of income tax expense for the years ended 31 March 2017 and 2016 are:

	<b>Group</b>	
	<b>2017</b>	<b>2016</b>
	<b>RM'000</b>	<b>RM'000</b>
Current income tax:		
Malaysian income tax	459	302
Under provision in prior year	5	51
	464	353
Deferred tax (Note 15):		
Relating to origination and reversal of temporary differences	1,123	(722)
(Over)/under provision of deferred tax in prior year	(900)	439
	223	(283)
<b>Total income tax expense</b>	<b>687</b>	<b>70</b>

Domestic current income tax is calculated at the Malaysian statutory tax rate of 24% (2016: 24%) of the estimated assessable profit for the year.

The corporate tax rate applicable to the subsidiary in Singapore was 17% (2016: 17%).

##### Reconciliation between tax expense and accounting profit

The reconciliation between tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the years ended 31 March 2017 and 2016 are as follows:

	<b>2017</b>	<b>2016</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Group</b>		
Loss before tax	(15,150)	(6,088)
Taxation at Malaysian statutory tax rate of 24% (2016: 24%)	(3,636)	(1,461)
Effect of different tax rates for subsidiary in Singapore	135	84
Income not subject to tax	(65)	-
Effect of expenses not deductible for tax purposes	1,657	308
Utilisation of previously unrecognised unabsorbed capital allowances and tax losses	(45)	-
Deferred tax assets not recognised on unabsorbed capital allowances unutilised tax losses and other temporary difference	3,536	649
(Over)/under provision of deferred tax in prior year	(900)	439
Under provision of income tax in prior year	5	51
<b>Tax expense for the year</b>	<b>687</b>	<b>70</b>

## NOTES TO THE FINANCIAL STATEMENTS

### 31 MARCH 2017

#### 10. TAXATION (CONT'D)

27.04.2016  
to  
31.03.2017  
RM'000

##### Company

Loss before tax	(550)
Taxation at Malaysian statutory tax rate of 24% (2016: 24%)	(132)
Effect of expenses not deductible for tax purposes	132
Tax for the year	-

#### 11. LOSS PER SHARE

##### Basic

Basic loss per share is calculated by dividing the loss net of tax attributable to shareholders of the Company by the weighted average number of ordinary shares in outstanding during the financial year.

	2017	2016
Loss net of tax attributable to shareholders (RM'000)	(15,837)	(6,158)
Weighted average number of ordinary shares in issue ('000)	120,232	60,116
Basic loss per share (sen)	(13.2)	(10.2)

#### 12. DIVIDENDS

The Directors do not recommend the payment of any dividends for the financial year ended 31 March 2017.

## NOTES TO THE FINANCIAL STATEMENTS

### 31 MARCH 2017

#### 13. PROPERTY, PLANT AND EQUIPMENT

	Capital work-in- progress RM'000	Leasehold buildings RM'000	Leasehold land RM'000	Leasehold improvements RM'000	Motor vehicles RM'000	Computers/ Machines/ Office equipment RM'000	Furniture and fittings RM'000	Total RM'000
<b>Group</b>								
<b>At 31 March 2017</b>								
<b>Cost</b>								
At 1 April 2016	-	11,572	16,824	5,570	21,451	25,327	2,595	83,339
Additions	1,540	-	-	27	-	219	25	1,811
Disposals	-	-	-	-	(390)	-	-	(390)
At 31 March 2017	1,540	11,572	16,824	5,597	21,061	25,546	2,620	84,760
<b>Accumulated Depreciation</b>								
At 1 April 2016	-	6,086	3,786	5,376	14,775	23,562	2,403	55,988
Charge for the year	-	521	230	163	1,825	926	54	3,719
Disposals	-	-	-	-	(345)	-	-	(345)
At 31 March 2017	-	6,607	4,016	5,539	16,255	24,488	2,457	59,362
<b>Net Carrying Amount</b>								
At 31 March 2017	1,540	4,965	12,808	58	4,806	1,058	163	25,398
<b>At 31 March 2016</b>								
<b>Cost</b>								
At 1 April 2015	230	11,572	16,824	5,283	21,405	24,706	2,552	82,572
Additions	247	-	-	63	16	566	16	908
Disposals	-	-	-	-	(141)	-	-	(141)
Transfers	(477)	-	-	224	171	55	27	-
At 31 March 2016	-	11,572	16,824	5,570	21,451	25,327	2,595	83,339
<b>Accumulated Depreciation</b>								
At 1 April 2015	-	5,566	3,556	5,032	13,261	22,561	2,337	52,313
Charge for the year	-	520	230	344	1,655	1,001	66	3,816
Disposals	-	-	-	-	(141)	-	-	(141)
At 31 March 2016	-	6,086	3,786	5,376	14,775	23,562	2,403	55,988
<b>Net Carrying Amount</b>								
At 31 March 2016	-	5,486	13,038	194	6,676	1,765	192	27,351

## NOTES TO THE FINANCIAL STATEMENTS

### 31 MARCH 2017

#### 13. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

The Group and the Company have not acquired property, plant and equipment during the financial year, by means of revolving credit and finance lease arrangement. The net carrying amount of assets under revolving credit and finance lease arrangements are as follows:

	Group 2017 RM'000	2016 RM'000
Motor vehicles	4,418	5,846
Computers/ machine/ office equipment	1,222	334

#### 14. INVESTMENTS IN SUBSIDIARIES

The Directors do not recommend the payment of any dividends for the financial year ended 31 March 2017.

	Company 2017 RM'000
Unquoted shares, at cost	60,116

Details of the subsidiaries are as follows:

Name of Company	Country of Incorporation	Proportion Interest (%)		Principal Activities
		2017	2016	
Held by the Company				
Nationwide Express Courier Services Berhad (“NECSB”)	Malaysia	100	-	Express courier services, freight forwarding and customised logistics service, and mailroom management services and warehousing
Held by the NECSB				
Nationwide Express Freight Forwarders Sdn. Bhd.	Malaysia	100	100	Trucking, freight forwarding and warehousing services
Nationwide Express Metro Sdn. Bhd.	Malaysia	100	100	Customised logistics and mailroom management services
Nationwide Express Courier Pte. Ltd.*	Singapore	100	100	Express courier and customised logistics services
Nationwide Express Distribution Sdn. Bhd.	Malaysia	100	100	Dormant
Nationwide Express Logistics Sdn. Bhd.	Malaysia	100	100	Freight forwarding and warehousing services
Nationwide Express Retail Sdn. Bhd.	Malaysia	100	100	Dormant

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

# NOTES TO THE FINANCIAL STATEMENTS

## 31 MARCH 2017

### 15. DEFERRED TAX

	Group 2017 RM'000	2016 RM'000	Company 2017 RM'000
At 1 April	(234)	49	-
Recognised in the profit or loss (Note 10)	223	(283)	-
At 31 March	(11)	(234)	-

Presented after appropriate offsetting as follows:

Deferred tax assets	(1,857)	(2,064)	-
Deferred tax liabilities	1,846	1,830	-
	(11)	(234)	-

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

	Property, Plant & Equipment RM'000
At 1 April 2016	1,830
Recognised in the profit or loss	16
At 31 March 2017	1,846
At 1 April 2015	1,317
Recognised in the profit or loss	513
At 31 March 2016	1,830

#### Deferred Tax Assets of the Group:

	Allowance for Impairment on Trade Receivables RM'000	Provisions for Liabilities RM'000	Unused Tax Losses and Unabsorbed Capital Allowance RM'000	Total RM'000
At 1 April 2016	(1,303)	(75)	(686)	(2,064)
Recognised in the profit or loss	835	74	(702)	207
At 31 March 2017	(468)	(1)	(1,388)	(1,857)
At 1 April 2015	(818)	(101)	(349)	(1,268)
Recognised in the profit or loss	(485)	26	(337)	(796)
At 31 March 2016	(1,303)	(75)	(686)	(2,064)

## NOTES TO THE FINANCIAL STATEMENTS

### 31 MARCH 2017

#### 15. DEFERRED TAX (CONT'D)

The availability of the unabsorbed capital allowance and unused tax losses for offsetting against future taxable profits of the respective subsidiaries are subject to no substantial changes in shareholdings of those subsidiaries and the Company under Section 44(5A) and (5B) of Income Tax Act, 1967.

#### 16. INVENTORIES

	Group 2017 RM'000	2016 RM'000
<b>Net realisable value</b>		
Consumables	312	742

#### 17. TRADE AND OTHER RECEIVABLES

	Group 2017 RM'000	2016 RM'000
<b>Trade receivables</b>		
Third parties	30,005	32,808
Less: Allowance for impairment	(12,812)	(7,982)
Trade receivables, net	17,193	24,826
<b>Other receivables</b>		
Tax recoverable	397	362
Deposits	2,563	2,525
Prepayments	2,404	2,688
Sundry receivables	2,084	2,409
	7,448	7,984
Less: Allowance for impairment	(3,030)	(2,371)
Other receivables, net	4,418	5,613
	21,611	30,439

##### (a) Trade receivables

Trade receivables are non-interest bearing and are generally on 30 to 90 days (2016: 30 to 90 days) terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

## NOTES TO THE FINANCIAL STATEMENTS

### 31 MARCH 2017

#### 17. TRADE AND OTHER RECEIVABLES (CONT'D)

##### (a) Trade receivables (Cont'd)

###### Ageing analysis of trade receivables

The ageing analysis of the Group's trade receivables is as follows:

	Group	
	2017 RM'000	2016 RM'000
Neither past due nor impaired	8,077	7,663
Past due but not impaired:		
1 to 30 days	1,754	3,548
31 to 90 days	1,945	5,194
91 to 120 days	1,887	2,428
More than 121 days	3,530	5,993
	9,116	17,163
Impaired	12,812	7,982
	30,005	32,808

###### Receivables that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group and the Company.

None of the Group's and the Company's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

###### Receivables that are past due but not impaired

The Group has trade receivables amounting to RM9,116,000 (2016: RM17,163,000) respectively that are past due at the reporting date but not impaired.

No allowance for impairment is made as in the opinion of the directors, the outstanding debts are expected to be collected in due course.

###### Movement in allowance accounts:

Group	Individually Impaired RM'000	Collectively Impaired RM'000	2017 RM'000	Individually Impaired RM'000	Collectively Impaired RM'000	2016 RM'000
At 1 April	4,268	3,714	7,982	2,788	1,932	4,720
Reversal of impairment	(652)	(5,155)	(5,807)	(37)	-	(37)
Charge for the year	7,616	3,021	10,637	1,517	1,782	3,299
	6,964	(2,134)	4,830	1,480	1,782	3,262
At 31 March	11,232	1,580	12,812	4,268	3,714	7,982



## NOTES TO THE FINANCIAL STATEMENTS

### 31 MARCH 2017

#### 17. TRADE AND OTHER RECEIVABLES (CONT'D)

##### (b) Credit risk

Other information on financial risk of trade receivables are disclosed in Note 27.

##### (c) Other receivables

Movement in allowance accounts:

	Group 2017 RM'000	2016 RM'000
At 1 April	2,371	1,330
Charge for the year	659	1,041
At 31 March	3,030	2,371

#### 18. CASH AND BANK BALANCES

	Group 2017 RM'000	2016 RM'000
Cash on hand and at banks	3,325	5,021
Deposits with licensed banks	2,022	1,949
Cash and bank balances	5,347	6,970

##### Cash at bank pledged as security

Cash at bank of the Group amounting to RM629,000 (2016: RM347,000) are mortgaged by way of Memorandum of Deposit to secure the Group's bank loans (Note 21).

The weighted average effective interest rate per annum of deposits of the Group at the reporting date are as follows:

	Group 2017 % p.a.	2016 % p.a.
Licensed banks	2.63	3.24

The average remaining maturity of deposits of the Group as at the end of the financial year were 154 days (2016: 27 days).

	Group 2017	2016
Cash and bank balances	5,347	6,970
Less: Cash at banks and deposits pledged with a licensed bank	(629)	(347)
Less: Deposits with licensed banks more than 90 days	(135)	(861)
Cash and cash equivalents	4,583	5,762

# NOTES TO THE FINANCIAL STATEMENTS

## 31 MARCH 2017

### 19. SHARE CAPITAL

	Group and Company		Group and Company	
	Number of ordinary shares	Amount	2017	2016
	2017 '000	2016 '000	2017 RM'000	2016 RM'000
<b>Authorised:</b>				
At 27 April/Date of incorporation (Note a)	400	-	400	-
Share split on existing share (Note b)	400	-	-	-
Created during the period (Note b)	199,200	-	99,600	-
	200,000	-	100,000	-
Abolishment of authorised share capital	-	-	(100,000)	-
At 31 March 2017	200,000	-	-	-

	Group and Company		Group and Company	
	Number of ordinary shares	Share capital	Share capital	Total Share capital
	Share capital (Issued and fully paid) '000	(Issued and fully paid) '000	Share premium RM'000	and share premium RM'000
At 27 April/Date of incorporation (Note a)	@	*	-	-
Internal Reorganisation (Note b and c)	120,232	60,116	-	60,116
At 31 March 2017	120,232	60,116	-	60,116

The new Companies Act, 2016 ("New Act"), which came into operation on 31 January 2017, abolished the concept of authorised share capital and par value of share capital. Consequently, the amounts standing to the credit of the share premium account becomes part of the Company's share capital pursuant to the transitional provisions set out in Section 618(2) of the New Act. There is no impact on the numbers of ordinary shares in issue or the relative entitlement of any of the members as a result of this transition.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank pari passu with regard to the Company's residual assets.

\* Representing RM2

@ Representing 2 shares

- At the date of incorporation of the Company on 27 April 2016, the par value of the authorised, issued and paid up ordinary shares of the Company was at RM1.00 each.
- On 17 May 2016, the Company increased its authorised share capital from RM400,000 to RM100,000,000 through the creation of 199,200,000 ordinary shares of RM0.50 each at par and rank in all respect pari-passu with the existing ordinary shares of the Company.
- On 14 December 2016, the Company issued 120,232,400 ordinary shares of RM0.50 each as consideration for the acquisition of Nationwide Express Courier Services Berhad and its subsidiaries. The acquisition is accounted for under the merger of accounting. Consequently, these issued and paid up share capital of the Group are presented as if the issuance had already been effected prior to the first day of the previous accounting period. The comparative figure of the issued and paid up share capital of the Group has therefore been restated accordingly.

## NOTES TO THE FINANCIAL STATEMENTS

### 31 MARCH 2017

#### 20. OTHER RESERVES

	Group 2017 RM'000	2016 RM'000	Company 2017 RM'000
Merger reserve	413	413	-
Exchange translation reserve			
- non-distributable	(60)	57	-
Accumulated losses			
- distributable	(20,596)	(4,759)	(550)
	(20,243)	(4,289)	(550)

Merger reserve represents the difference between the carrying value of the Company's cost of investment in subsidiaries and the nominal value of share capital of the subsidiaries acquired.

#### 21. LOANS AND BORROWINGS

	Group 2017 RM'000	2016 RM'000
<b>Current</b>		
Secured:		
Obligations under finance lease	1,689	1,689
Revolving credit	-	146
	1,689	1,835
<b>Non-current</b>		
Secured:		
Obligations under finance lease	357	2,048
Total loans and borrowings	2,046	3,883

The remaining maturities of the loans and borrowings are as follows:

	Group 2017 RM'000	2016 RM'000
On demand or within one year	1,689	1,835
More than 1 year and less than 2 years	357	1,689
More than 2 years and less than 5 years	-	359
	2,046	3,883

#### Obligations under finance leases

These obligations are secured by a charge over the Designated Account by way of Memorandum of Deposit (Note 18) and charge/ownership claim over the specific motor vehicles financed. The finance lease bears interest of 1.50% plus Islamic financial institution cost of fund per annum.

# NOTES TO THE FINANCIAL STATEMENTS

## 31 MARCH 2017

### 21. LOANS AND BORROWINGS (CONT'D)

Obligations under finance leases (Cont'd)

	Group	
	2017 RM'000	2016 RM'000
<b>Future minimum lease payments:</b>		
Not later than 1 year	1,753	1,837
Later than 1 year and not later than 2 years	362	1,753
Later than 2 years and not later than 5 years	-	362
	2,115	3,952
Less: Future finance charges	(69)	(215)
Present value of finance lease liabilities	2,046	3,737
<b>Present value of finance lease liabilities:</b>		
Not later than 1 year	1,689	1,689
Later than 1 year and not later than 2 years	357	1,689
Later than 2 years and not later than 5 years	-	359
	2,046	3,737

### 22. OTHER PAYABLES

	Group		Company
	2017 RM'000	2016 RM'000	2017 RM'000
Amount due to subsidiaries	-	-	37
Sundry payables	5,503	3,173	-
Accruals	5,257	2,853	513
	10,760	6,026	550

Other payables are non-interest bearing and the normal trade credit terms granted to the Group range from 1 month to 3 months (2016: 1 month to 3 months).

Amount due to subsidiaries are unsecured, non-interest bearing and repayable on demand.

### 23. RELATED PARTY TRANSACTIONS

#### (a) Sale and purchase of goods and services

In addition to the transactions detailed elsewhere in the financial statements, the Group and the Company had the following transactions with related parties during the financial year:

# NOTES TO THE FINANCIAL STATEMENTS

## 31 MARCH 2017

### 23. RELATED PARTY TRANSACTIONS (CONT'D)

#### (a) Sale and purchase of goods and services (Cont'd)

	Group 2017 RM'000	2016 RM'000
Delivery and courier charges receivable from related companies:		
- Percetakan Keselamatan Nasional Sdn. Bhd. *	191	218
- Fima Corporation Berhad *	11	344
Rental expense payable to related companies:		
- Percetakan Keselamatan Nasional Sdn. Bhd. *	(63)	(78)
- Kumpulan Fima Berhad *	(17)	(59)

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

#### (b) Compensation of key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities, directly or indirectly, including any director (whether executive or otherwise).

The key management personnel compensation is as follows:

	Group 2017 RM'000	2016 RM'000
Short-term employee benefits	1,224	1,218
Post-employment benefits:		
Defined contribution plan	149	139
	1,373	1,357

### 24. CAPITAL COMMITMENTS

	Group 2017 RM'000	2016 RM'000
Property, plant and equipment:		
Approved and contracted for	1,810	11
Approved but not contracted for	2,690	14,102
	4,500	14,113

# NOTES TO THE FINANCIAL STATEMENTS

## 31 MARCH 2017

### 25. CONTINGENT LIABILITIES - UNSECURED

	Group 2017 RM'000	2016 RM'000
Claims against the Company	218	103

### 26. SEGMENTAL REPORTING

For management purposes, the Group is organised into the following business segments:

- i Express courier services ("Courier") which consist of express courier services and mailroom management services;
- ii Freight forwarding and warehousing services ("Freight") consist of freight forwarding services, trucking services and warehousing services; and
- iii Others consist of investment holding, retail services and customised overseas logistics services.

Management monitors the operating results of its business separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain respects as explained below, is measured differently from the operating profit or loss in the consolidated financial statements. Group financing (including finance costs), income taxes and segmental reporting on assets and liabilities are managed on a group basis and not allocated to operating segments.

	Courier and freight RM'000	Others RM'000	Eliminations RM'000	As per consolidated financial statements RM'000
<b>2017</b>				
<b>Revenue</b>				
External	83,440	3,136	-	86,576
Inter-segment	2,838	-	(2,838)	-
Total revenue	86,278	3,136	(2,838)	86,576
<b>Results</b>				
Interest income	86	-	-	86
Dividend income	200	-	(200)	-
Depreciation	3,709	10	-	3,719
Segment loss net of tax	(19,942)	172	4,255	(15,515)
<b>Segment assets</b>	119,784	644	(67,428)	53,000
<b>Segment liabilities</b>	27,451	2,525	(17,170)	12,806

## NOTES TO THE FINANCIAL STATEMENTS

### 31 MARCH 2017

#### 26. SEGMENTAL REPORTING (CONT'D)

	Courier and freight RM'000	Others RM'000	Eliminations RM'000	As per consolidated financial statements RM'000
<b>2016</b>				
<b>Revenue</b>				
External	85,594	6,325	-	91,919
Inter-segment	1,992	1,085	(3,077)	-
Total revenue	87,586	7,410	(3,077)	91,919
<b>Results</b>				
Interest income	254	9	-	263
Dividend income	1,100	-	(1,100)	-
Depreciation	3,720	96	-	3,816
Segment loss net of tax	(3,096)	(1,963)	(1,099)	6,158
<b>Segment assets</b>	76,682	4,042	(14,988)	65,736
<b>Segment liabilities</b>	12,218	10,167	(12,476)	9,909

#### Geographical information

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

Consequently, revenue and non-current assets information based on the geographical location of customers and assets is predominantly in respect of Malaysia.

#### 27. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES

The Group's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's businesses whilst managing its interest rate foreign currency, liquidity funding and credit risks. The Board reviews and agrees policies for managing each of these risks and they are summarised below. It is, and has been throughout the year under review, the Group's policy that no trading in derivative financial instruments shall be undertaken.

##### (a) Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. As the Group has no significant interest-bearing financial assets, the Group's income and operating cash flows are substantially independent of changes in market interest rates. The Group's interest-bearing financial assets are mainly short term in nature and have been mostly placed in fixed deposits.

The Group's interest rate risk arises primarily from interest-bearing borrowings. Borrowings at floating rates expose the Group to cash flow interest rate risk.

# NOTES TO THE FINANCIAL STATEMENTS

## 31 MARCH 2017

### 27. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (CONT'D)

#### (a) Interest rate risk (Cont'd)

The interest rate profile of the Group's interest-bearing financial instruments, based on carrying amount as at reporting date was:

	2017 RM'000	Group 2016 RM'000
<b>Fixed rate instruments</b>		
Financial assets	2,022	1,949
<b>Floating rate instruments</b>		
Financial liabilities	2,046	3,883

#### Cash flow sensitivity analysis for floating rate instruments

The following table demonstrates the indicative pre-tax effects on the profit or loss and equity of applying reasonably foreseeable market movements in the following interbank offered rates:

	Increase/ decrease in basis points	Group Profit or loss and equity RM'000
<b>2017</b>		
Base financing rate	+25	(5)
Base financing rate	-25	5
<b>2016</b>		
Base financing rate	+25	(10)
Base financing rate	-25	10

#### (b) Foreign currency risk

The Group mainly operates in Malaysia. However, a proportion of the Group's purchases and sales are made in Singapore Dollars. Foreign exchange denominated liabilities and assets together with expected cash flows from highly probable purchases and sales give rise to foreign exchange exposure. The Group's exposure to foreign currency changes is not material.

#### (c) Liquidity/Funding risk

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

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



## NOTES TO THE FINANCIAL STATEMENTS

### 31 MARCH 2017

#### 27. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (CONT'D)

##### (c) Liquidity/Funding risk (Cont'd)

##### Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and the Company's liabilities at the reporting date based on contractual undiscounted repayment obligations.

	1-----Contractual cash flows-----1		
	On demand or within one year RM'000	One to five years RM'000	Total RM'000
<b>2017</b>			
<b>Group</b>			
<b>Financial liabilities:</b>			
Other payables	10,760	-	10,760
Obligations under finance lease	1,753	362	2,115
Total undiscounted financial liabilities	12,513	362	12,875
<b>Company</b>			
<b>Financial liabilities:</b>			
Other payables	550	-	550
Obligations under finance lease	1,753	362	2,115
Total undiscounted financial liabilities	2,303	362	2,665
<b>2016</b>			
<b>Group</b>			
<b>Financial liabilities:</b>			
Other payables	6,026	-	6,026
Obligations under finance lease	1,837	2,115	3,952
Revolving credit	146	-	146
Total undiscounted financial liabilities	8,009	2,115	10,124

##### (d) Credit risk

The Group's credit risk is primarily attributable to trade receivables. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant. For transactions that are not denominated in Ringgit Malaysia, the Group does not offer credit terms without the specific approval of the Head of Credit Control. Since the Group trades only with recognised and creditworthy third parties, there is no requirement of collateral.

The credit risk of the Group's other financial assets, which comprise cash and cash equivalents, arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these financial assets.

The Group does not have any significant exposure to any individual customer or counterparty nor does it have any major concentration on credit risk related to any financial assets.

## NOTES TO THE FINANCIAL STATEMENTS

### 31 MARCH 2017

#### 27. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (CONT'D)

##### (d) Credit risk (Cont'd)

###### Financial assets that are neither past due nor impaired

Information regarding trade and other receivables that are neither past due nor impaired is disclosed in Note 17(a). Deposits with banks and other financial institutions, that are neither past due nor impaired are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

###### Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 17(a).

#### 28. FINANCIAL INSTRUMENTS

##### (a) Determination of fair value

As stipulated in Amendments to MFRS 7: Improving Disclosures about Financial Instruments, the Group and the Company are required to classify fair value measurement using a fair value hierarchy. The fair value hierarchy would have the following levels:

Level 1	-	the fair value is measured using quoted prices (unadjusted) in active markets for identical assets or liabilities
Level 2	-	the fair value is measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
Level 3	-	the fair value is measured using inputs for the asset or liability that are not based on observable market data (unobservable inputs)

The following table analyses financial instruments not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the financial position. The different levels have been defined as follows:

	Fair value of financial instruments not carried at fair value				Carrying amount RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	
<b>Group</b>					
<b>2017</b>					
<b>Financial liabilities:</b>					
Obligations under finance lease	-	2,046	-	2,046	2,046
<b>2016</b>					
<b>Financial liabilities:</b>					
Obligations under finance lease	-	3,737	-	3,737	3,737
Revolving credit	-	146	-	146	2,374

## NOTES TO THE FINANCIAL STATEMENTS

### 31 MARCH 2017

#### 28. FINANCIAL INSTRUMENTS (CONT'D)

##### (a) Determination of fair value (Cont'd)

Fair values of the Group's interest-bearing borrowings and loans are determined using discounted cash flows method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period.

##### (b) Classes of financial assets and financial liabilities

The financial instruments of the Group and of the Company as at end of the financial year are categorised into the following classes:

	Group		
	2017 RM'000	2016 RM'000	
<b>Loans and receivables</b>			
Trade and other receivables (Note 17)	21,611	30,439	
Less: Prepayments (Note 17)	(2,404)	(2,688)	
Tax recoverable (Note 17)	(397)	(362)	
	18,810	27,389	
Add: Cash and bank balances (Note 18)	5,347	6,970	
Total loans and receivables	24,157	34,359	
	Group 2017 RM'000	Company 2016 RM'000	Company 2017 RM'000
<b>Financial liabilities measured at amortised cost</b>			
Other payables (Note 22)	10,760	6,026	550
Obligations under finance lease (Note 21)	2,046	3,737	-
Revolving credit (Note 21)	-	146	-
Total financial liabilities measured at amortised cost	12,806	9,909	550

#### 29. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains an optimal capital structure in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders. The Group's approach in managing capital based on defined guidelines that are approved by the Board.

There has been no change in the Group's approach to capital management during the year.

## NOTES TO THE FINANCIAL STATEMENTS

### 31 MARCH 2017

#### 30. SIGNIFICANT EVENTS

- (a) As at 27 December 2016, the implementation of share exchange of a proposed internal reorganization by way of a members' scheme of arrangement under Section 176 of the Companies Act, 1965 ("Internal reorganisation") have been completed comprising:
- (i) Exchange of the entire 60,116,200 issued and fully paid-up ordinary shares of RM1.00 each in NECSB ("NECSB Shares") with 120,232,400 new ordinary shares of RM0.50 each in the Company ("NEHB Shares"), on the basis of two (2) new NEHB Shares for every one (1) existing NECSB Share held ("Share exchange").
  - (ii) The listing status of NECSB by NEHB was transferred to the Company and the admission of the Company to and withdrawal of NECSB from the Official List of Bursa Malaysia Securities Berhad ("Bursa Securities"), with the listing of and quotation for the new NEHB Shares on the Main Market of Bursa Securities ("Transfer of Listing").
- (b) On 24 January 2017, the Board of Directors of the Company had announced that the Company had entered into a conditional share acquisition agreement ("SAA") with Wong Fok Lim and Foo Shiew Khiang (Collectively known as the "Vendors") to acquire the entire issued and paid-up share capital in the MTR the following companies, collectively known as MTR Group for a total purchase consideration of RM40.0 million to be satisfied entirely in cash, subject to the terms and conditions contained in the SAA.
- (i) Acquisition of 1,000,000 ordinary shares of RM1.00 each in MTR Services Sdn Bhd representing the entire issued and paid-up share capital;
  - (ii) Acquisition of 100,000 ordinary shares of RM1.00 each in MTR Freight Sdn Bhd representing the entire issued and paid-up share capital; and
  - (iii) Acquisition of 100,000 ordinary shares of RM1.00 each in MTR Services (Sarawak) Sdn Bhd representing the entire issued and paid-up share capital.
- (c) On 8 November 2016, the Board of Directors of NECSB has announced the Company had entered into a conditional share acquisition agreement ("Share Acquisitions Agreement") with Ong Eng Lee and Lim Kew Wan (Collectively known as the "Vendors") to acquire the entire issued and paid-up share capital of Airpak Express (M) Sdn Bhd ("Airpak") subject to the terms and conditions contained in the SAA ("SAA Conditions").

The proposed acquisition entails the acquisition of 657,001 ordinary shares of RM1.00 each and 73,000 ordinary shares of RM1.00 each from Ong Eng Lee and Lim Kew Wan respectively ("Sale shares"), representing the entire issued and paid-up capital of Airpak by NECSB for a total purchase consideration of approximately RM33.16 million to be satisfied in the following manner:

- (i) RM30.00 million in cash to be paid by NECSB; and
- (ii) Issuance and allotment of 6,328,021 new ordinary shares of RM0.50 each the Company at an issue price of RM0.50 per share, equivalent to approximately RM3.16 million.

#### 31. SUBSEQUENT EVENTS

On 8 May 2017 and 24 May 2017, the Board of Directors of the Company had announced that pursuant to the Board's deliberations during the course of the due diligence exercise conducted on Airpak and MTR Group, the Company and the Vendors have mutually agreed not to extend the time for the fulfilment of the SAA Conditions beyond 7 May 2017 and 23 May 2017 respectively.

Pursuant to the decision to allow the same to lapse, the Company is assessing for other possible alternative structures to acquire the business of Airpak and MTR Group.

## NOTES TO THE FINANCIAL STATEMENTS

### 31 MARCH 2017

#### **32. COMPARATIVE**

##### **(a) Group**

The acquisitions of the subsidiaries by the Company on 27 December 2016 as disclosed in Note 30 (a) have been accounted for under merger accounting. Consequently, merger related items are presented as if the merger had been effected throughout the current and previous financial years.

##### **(b) Company**

There were no comparative figures for the income statement, the cash flow statement, the statement of changes in equity and the related notes to financial statements, as the Company was incorporated on 27 April 2016.

# NOTES TO THE FINANCIAL STATEMENTS

## 31 MARCH 2017

### 30. SUPPLEMENTARY INFORMATION

The following analysis of realised and unrealised (accumulated loss)/retained earnings of the Group and the Company is prepared in accordance with Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits and Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad ("Bursa Malaysia") Listing Requirements as issued by the Malaysian Institute of Accountants and presented in accordance with the directive issued by Bursa Malaysia.

	<b>Group</b>		<b>Company</b>
	<b>2017</b>	<b>2016</b>	<b>27.04.2016</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>to</b>
			<b>31.03.2017</b>
			<b>RM'000</b>
Total (accumulated loss)/retained earnings of the Company and its subsidiaries			
Realised	(29,435)	(5,911)	(550)
Unrealised	11	234	-
	(29,424)	(5,677)	(550)
Add : Consolidation adjustments	8,828	918	-
Accumulated losses as per financial statements	(20,596)	(4,759)	(550)

The disclosure of realised and unrealised (accumulated loss)/retained earnings above is solely for compliance with the directive issued by the Bursa Malaysia and should not be used for any other purpose.

## SHAREHOLDINGS STATISTIC AS AT 24 JULY 2017

### LIST OF THIRTY (30) LARGEST SHAREHOLDERS

As at 24 July 2017

NO.	NAMES	COMPANY/IC NO.	SHAREHOLDINGS	%
1	BHR Enterprise Sdn Bhd	64889-A	65,899,358	54.81
2.	Naluri Haruman Sdn Bhd	408030-P	15,600,000	12.97
3.	Inter-Pacific Equity Nominees (Tempatan) Sdn Bhd - Arsam Bin Damis	178048D	5,650,000	4.70
4.	M&A Nominee (Tempatan) Sdn Bhd – Cik Rozilawati Binti Haji Basir (M&A)	320471T	3,806,512	3.17
5.	Hamidah Binti Abdul Rahman	410508-07-5022 2064201	3,056,000	2.54
6.	Amsec Nominess (Tempatan) Sdn Bhd - Tan Choon Lui	102918T	1,900,000	1.58
7.	Zalaraz Sdn Bhd	117907-W	1,170,600	0.97
8.	Inter-Pacific Equity Nominees (Tempatan) Sdn Bhd	178048D	600,000	0.50
9.	Tan Ng Tee @ Tan Cheng Yew	431022-10-5669 2650517	600,00	0.50
10.	Koo Tai Ping @ Koh Kian Tee	440810-01-5423	437,800	0.36
11.	Fabulous Channel Sdn Bhd	675295P	400,000	0.33
12.	Kenanga Nominees (Tempatan) Sdn Bhd – Chan Khim Gee @ Chang Khim Gee	16778M	375,000	0.31
13.	Gan Ah Tua	450207-01-5276 7652950	331,800	0.28
14.	Kenanga Nominees (Tempatan) Sdn Bhd	16778M	300,000	0.25
15	Maybank Nominees (Tempatan) Sdn Bhd (Kho Ping)	258939H	300,000	0.25
16.	RHB Nominees (Tempatan) Sdn Bhd (Kho Sik)	259064V	285,000	0.24
17.	Inter Pacific Equity Nominess (Tempatan) Sdn Bhd	178048D	250,000	0.21
18.	RHB Nominess (Tempatan) Sdn Bhd	259064V	245,000	0.20
19.	Teoh Seng Bee	500103-02-5034 3929217	241,600	0.20
20.	Tham Yoke Wah	650524-09-5093 A0080302	235,000	0.20
21	Citigroup Nominees (Tempatan) Sdn Bhd - Rosman Bin Haji Omar	267011M	232,200	0.19
22	Chiong Kin Peng	590916-13-5443 K735816	220,000	0.18
23.	Kho Sik	620725-13-5787 K817302	220,000	0.18
24.	RHB Nomiees (Tempatan) Sdn Bhd	259064V	210,000	0.17
25.	Loh Chang Lee	760426-14-5429 A3350472	205,000	0.17
26.	HLIB Nomiees (Tempatan) Sdn Bhd	270268W	179,000	0.15
27.	Lo Kwai Lee	680328-01-5372 A0966687	170,000	0.14

## ANALYSIS OF SHAREHOLDINGS AS AT 24 JULY 2017

### LIST OF THIRTY (30) LARGEST SHAREHOLDERS (CONT'D)

As at 24 July 2017

NO.	NAMES	COMPANY/IC NO.	SHAREHOLDINGS	%
28.	Chua Kim Nyee	670804-09-5010 A0614012	165,000	0.14
29.	MayBank Nominees (Tempatan) Sdn Bhd	259839H	165,000	0.14
30.	Toh Kam Choy	21322334	156,800	0.13
<b>TOTAL</b>			103,606,670	86.17

### LIST OF SUBSTANTIAL SHAREHOLDERS (5% AND ABOVE)

As at 24 July 2017

No.	Names	Shareholdings	%
1	BHR Enterprise Sdn Bhd	65,899,358	54.78
2	Naluri Haruman Sdn Bhd	15,600,000	12.97

### LIST OF DIRECTORS REGISTERED SHARES

As at 24 July 2017

Directors' Name	Direct Interest		Deemed Interest	
	No. Of Shares	%	No. Of Shares	%
Tan Sri Datin Siti Sa'adiah Binti Sheikh Bakir	0	0	0	0
Rozilawati Binti Haji Basir	3,806,512	0	3,806,512	3.17
Yong Kok Liew	0	0	0	0
Encik Mukhnizam Bin Mahmud	2,600	0	2,600	0
Azizah Binti Abdul Rahman	0	0	0	0

### ANALYSIS OF SHAREHOLDINGS

As at 24 July 2017

Size of holdings	No. of holders		No. of holdings		%	
	Malaysian	Foreign	Malaysian	Foreign	Malaysian	Foreign
1-99	102	2	2,231	24	0.00	0.00
100-1,000	163	1	57,659	100	0.05	0.00
1,001-10,000	788	8	4,200,460	36,600	3.49	0.03
10,001-100,000	358	5	10,113,560	176,600	8.41	0.15
100,001-6,011,619 (*)	43	1	24,033,212	112,600	19.99	0.09
6,011,620 and above (**)	2	0	81,499,358	0	67.78	0.00



## ANALYSIS OF SHAREHOLDINGS AS AT 24 JULY 2017

### DISTRIBUTION TABLE ACCORDING TO CATEGORY OF HOLDERS

As at 24 July 2017

Category Of Shareholders	No. Of Holders			No. Of Shares			%		
	Malaysian		Foreign	Malaysian		Foreign	Malaysian		Foreign
	Bumiputra	Non Bumiputra		Bumiputra	Non Bumiputra		Bumiputra	Non Bumiputra	
1. Individual	97	1,142	10	3,772,784	14,770,150	75,324	3.14	12.28	0.06
2. Body Corporate									
(a) Banks/ Finance Companies	0	1	0	0	1,400	0	0.00	0.00	0.00
(b) Investments Trusts/ Foundation/ Charities	0	0	0	0	0	0	0.00	0.00	0.00
(c) Other types of companies	9	15	0	82,748,378	632,647	0	68.82	0.53	0.00
3. Government agencies/ Institutions	0	0	0	0	0	0	0.00	0.00	0.00
4. Nominees	120	72	7	5,817,067	12,164,054	250,600	4.84	10.12	0.21
5. Others	0	0	0	0	0	325,924	0.00	0.00	0.00
<b>TOTAL</b>	226	1,230	17	92,338,229	27,568,251	325,924	76.80	22.93	0.27
<b>Grand Total</b>	1,473			120,232,404			100.00		

## LIST OF PROPERTIES

Location	Description Existing Use	Approximate Age Of Buildings (Years)	Tenure	Land Area (Sq. Ft)	Built-Up Area (Sq. Ft)	Net Book Value As At 31/03/2017
Lot 6, PN6411, Section 15, District of Petaling, Selangor Darul Ehsan	Industrial land / hub and office buildings	36	Leasehold expiring on 7/11/72	86,879	33,600	Building: RM1.44 Million
Lot 7, PN6412, Section 15, Daerah Petaling, Selangor Darul Ehsan	Industrial land/hub and office buildings	29	Leasehold expiring on 7/11/72	141,092	23,760	Land: RM10.59 Million
H.S(D) 168513, Within Town of Shah Alam, District of Petaling, Selangor Darul Ehsan.	Industrial land / warehouse and office building	30	Leasehold expiring 8/5/2072	145,500	67,553	Building: RM2.83 Million Land: RM2.21 Million

## NETWORK LISTING AS AUGUST 2017

### HEAD QUARTERS

#### CORPORATE OFFICE

Lot 11A,  
Persiaran Selangor, Section 15  
40200 Shah Alam,  
Selangor Darul Ehsan  
Tel : 03-5163 3333  
Fax : 03-5180 2080

#### LOGISTICS CENTRE

Lot 6 & 7, Jalan Utas 15/7,  
Section 15, 40000 Shah Alam,  
Selangor Darul Ehsan  
Tel : 03-5512 1000 / 1-300 222 777  
Fax : 03-5031 8896/5031 8897

#### BUSINESS SERVICE CENTRES MALURI

No. 24, Jalan Jejaka 5,  
Taman Maluri  
55100 Cheras,  
Kuala Lumpur  
Tel : 03-9200 5658  
Fax : 03-9200 5697  
Contact : Venayaga Muthu Maran  
Tangappah

#### MANJALARA/SG BULOH - DSB

No. 35, Jalan 3/62A,  
Bandar Seri Manjalara,  
52200 Kuala Lumpur.  
Tel : 03-6280 1931  
Fax : 03-6261 7846  
Contact : Siti Khadijah Mohamed  
Yusof

#### PUCHONG

No. 9, Jalan TPP 1/1,  
Taman Perindustrian Puchong  
47100 Puchong,  
Selangor Darul Ehsan  
Tel : 03-8062 1008  
Fax : 03-8061 0608  
Contact : Shamsudin Othman

#### SHAH ALAM

Lot 6 & 7, Jalan Utas 15/7,  
Section 15, 40000 Shah Alam,  
Selangor Darul Ehsan  
Tel : 03-5512 1000  
Fax : 03-5031 8896/5031 8897  
Contact : Hamir Jantan

### PETALING JAYA

Lot 8230-8231,  
Jalan 222 / 225,  
46100 Petaling Jaya,  
Selangor.  
Tel : 03-7931 1434/1433/1427/4728  
Fax : 03-7954 1410  
Contact : Mohd Rosdi Subudin/  
Mohd Azmi Abd Aziz

### CENTRAL REGION

#### STATION

#### BANTING

No. 444, Jalan Jugra  
42700 Banting,  
Selangor Darul Ehsan.  
Tel : 03-3187 4887  
Fax : 03-3187 9902  
Contact : Kamaruddin Abu

#### KAJANG

Lot 6, Jalan P/1A, Sec 13,  
Kawasan Perindustrian Bangi,  
43650 Bandar Baru Bangi,  
Selangor Darul Ehsan  
Tel : 03-8925 8689  
Fax : 03-8925 5682  
Contact : Sazali Salim

#### KLANG

35, Jalan Kapar,  
41400 Klang,  
Selangor Darul Ehsan  
Tel : 03-3344 0441/ 0442  
Fax : 03-3344 3472  
Contact : S.Malarvannan

#### PORT KLANG

No. 31, Jalan Melaka,  
Off Persiaran Raja Muda Musa,  
42000 Port Klang,  
Selangor Darul Ehsan.  
Tel : 03-3168 0237/3165 4985  
Fax : 03-3165 6313  
Contact : S. Malarvannan

#### RAWANG

No.20, Jalan RS1  
Rawang Sentral  
48000 Rawang,  
Selangor Darul Ehsan  
Tel : 03-6091 5293  
Fax : 03-6092 7306  
Contact : V. Subramaniam

### TANJUNG MALIM

ZM ADVERTISING  
No.17 Arked Majlis Daerah  
Jalan Rumah Rehat  
35900 Tanjung Malim, Perak  
Tel : 012-3155957  
Contact : Zamri Mohd Nor

### SOUTHERN

#### STATION

#### BATU PAHAT

No. 53, Jalan Penjaja 3,  
Kim's Park Business Centre,  
83000 Batu Pahat,  
Johor Darul Takzim.  
Tel : 07-431 4869  
Fax : 07-432 1445  
Contact : Mohd Razib Othman

#### JOHOR BAHRU

No. 1 & 3, Jalan Bayu 2/4,  
Taman Perindustrian Tampoi Jaya,  
81200 Johor Bahru,  
Johor Darul Takzim.  
Tel : 07-235 4896/4901/4903  
Fax : 07-2354908  
Contact : Mohd Sharif Kunjali

#### KLUANG

No 27, Susur 1, Jalan Johor Tenggara,  
86000 Kluang,  
Johor Darul Takzim.  
Tel : 07- 7721026  
Fax : 07- 7720600  
Contact : Ahmad Hairul Ahmad  
Arpan

#### MELAKA

No. 7 Jalan IKS-M4  
Taman IKS Merdeka  
75370 Batu Berendam ,Melaka.  
Tel : 06-3361800/1803/1813/1814  
Fax : 06-3361815  
PIC : Faieza Long Chek

## NETWORK LISTING AS AUGUST 2017

### MUAR

No. 5-7, Ground Floor,  
Jalan Ibrahim, 84000 Muar,  
Johor Darul Takzim.  
Tel : 06-9513069  
Fax : 06-9516301  
Contact : Nur Hidayah Tapri

### NILAI

No. Pt 7264, Putra Point,  
Jalan BBN 1/2B,  
71800 Bandar Baru Nilai,  
Negeri Sembilan Darul Khusus.  
Tel : 06 -7941030  
Fax : 06-794 1032  
Contact : Padzilah Salleh

### SEGAMAT

No. 40F Jalan Genuang Kampung,  
85000 Segamat ,Johor Darul Takzim.  
Tel : 607-9317406 / 7407  
Fax : 607-9318408  
Contact : Siti Rohayu Muhidin

### SEREMBAN

No. 28, Ground Floor & 1st Floor,  
Jalan MSJ 1,  
Medan Perniagaan Senawang Jaya,  
70450 Senawang,  
Negeri Sembilan Darul Khusus .  
Tel : 06-7627759 / 019-3907574  
Fax : 06-789720  
Contact : Noremawati Mohd Nordin

### KULAI

4010 Jalan Iris 7, Indahpura  
81000 Kulai, Johor  
Tel : 07-6637268/013-7790242  
Fax : 07-6637269  
Contact : Encik Sharil Elias

### PONTIAN

No. 4G Jalan Delima 8  
Pusat Perdagangan Pontian,  
82000 Pontian, Johor  
Tel :07-6874310  
Fax :07-6874329  
Contact : Norhayati

### ALOR GAJAH/TAMPIN

No.KM 2-TT 7556  
Kompleks Perniagaan 1  
Jelatang Business Park  
78000 Alor Gajah, Melaka  
Tel : 018-3824287  
PIC : Osman Samail

### KOTA TINGGI

No. 12 Jalan Niaga  
81900 Kota Tinggi, Johor Darul  
Takzim.  
Tel : 07-8801500  
Fax : 07-8801800  
Contact : Muhd Riduwan Mohd Ali

### PASIR GUDANG

No.39 Jalan Semerbok 20  
Taman Bukit Dahlia  
81700 Pasir Gudang, Johor  
Tel: 607-2557970/0193882084  
Contact : Arul A/L Baskaran

### SERVICE CENTRES

#### KUALA PILAH

No. 47D Jalan Besar,  
72100 Kuala Pilah,  
Negeri Sembilan Darul Khusus.  
Tel : 06-4541385/019 6823997  
Contact : M Subramaniam A/L  
Velayudhan

#### MERSING

Gemilang Budimas Enterprise,  
No.25D Plaza D'Jetty Jln Abu Bakar  
86800 Mersing,  
Johor Darul Takzim.  
Tel : 013-770 6276  
Contact : A. Rashid A. Rahman

#### YONG PENG

No 4. Lorong Timah 8,  
Kampung Kenangan Dato Onn  
Pesta,  
83000 Yong Peng,  
Johor Darul Takzim.  
Tel : 017-7368277  
Contact : Eddie Faizal Rubain

#### RENGIT

T19 Kmpg Parit Haji Salleh Ros  
Batu 11 Parit Raja  
86400 Batu Pahat, Johor  
Tel: 011-27667359  
Contact : Roslee Mohd Duan

### NUSAJAYA/GELANG PATAH

No.52, Jln Nusaria 6/3  
Taman Nusaria,  
81500 Gelang Patah, Johor  
Tel : 0111-3383430  
Contact: Mohd Nizam Ahmad

### NORTHERN

#### STATION

#### ALOR SETAR

Lot 135 & 136, Tingkat Bawah,  
Kompleks Alor Setar,  
Lebuhraya Darulaman,  
05150 Alor Setar,  
Kedah Darul Aman.  
Tel : 04-731 2205  
Fax : 04-733 3603  
Contact : Kamal Abd. Jalil

#### BUTTERWORTH

Lot 5356 Jalan Jelawat,  
Seberang Jaya Industrial Park,  
13700 Seberang Jaya,  
Pulau Pinang.  
Tel : 04-399 5568 / 5569  
Fax : 04-399 5542  
PIC : Norhidayu Mohamad Din

#### IPOH

No 2-2A Medan Istana 5,  
Bandar Ipoh Raya,  
30000 Ipoh Perak Darul Ridzuan.  
Tel -05-255 4916 / 0666  
Fax -05-254 6221  
Contact : Norpadil Nizam Padilah  
Kamal

#### KUALA KANGSAR

No. 42, Taman Raja Idris, Jalan Idris,  
33000 Kuala Kangsar,  
Perak Darul Ridzuan.  
Tel : 05-7763897  
Fax : 05-7773268  
Contact : Wan Zulkifli Ahmad

#### PARIT BUNTAR

12, Jalan Wawasan Dua,  
Taman Wawasan Jaya,  
34200 Parit Buntar, Perak.  
Tel : 05-716 9882  
Fax : 05-717 4882  
Contact : Rosli Hamad

## NETWORK LISTING AS AUGUST 2017

### **PENANG**

No. 2, Jalan Perusahaan Jelutong 2,  
Fortune Park, 11600 Penang,  
Pulau Pinang.  
Tel : 04-281 3107  
Fax : 04-281 6403  
Contact : Norazlina Othman

### **SITIAWAN**

No. 33, Jalan Haji Mohd Ali,  
32000 Sitiawan,  
Perak Darul Ridzuan.  
Tel : 05-691 6832  
Fax : 05-692 8269  
Contact : Alex Yu

### **SUNGAI PETANI**

No. 20, Jalan Pahlawan,  
Taman Lagenda Indah,  
08000 Sungai Petani,  
Kedah Darul Aman.  
Tel : 04-422 2504  
Fax : 04-424 4868  
Contact : Dalilah Mat Isa

### **TAIPING**

16, Jalan Medan Taiping 4,  
Medan Taiping,  
34000 Taiping, Perak.  
Tel : 05-807 6332  
Fax : 05-808 8322  
Contact : Sia Ming Kong

### **TELUK INTAN**

69B, Jalan Changkat Jong,  
36000 Teluk Intan,  
Perak Darul Ridzuan.  
Tel : 05-621 0266 / 019-392 1573  
Fax : 05-621 5066  
Contact : Abd Aziz Janni

### **SERVICE CENTRES**

#### **JITRA**

PMC Enterprise,  
No. E04 & E05, Arked Mara Jitra,  
Jalan Sungai Korok,  
06000 Jitra, Kedah Darul Aman.  
Tel : 04-917 9325 / 013-437 8653  
Fax : 04-917 9325  
Contact : Azimah Omar

### **KANGAR**

Movan Express,  
No. 148, Persiaran Jubli Emas,  
01000 Kangar, Perlis.  
Tel : 04-976 1562 / 012-427 3359  
Fax : 04-978 1645  
Contact : Nooraishah Ahmad

### **LANGKAWI**

No.9 & 10 Taman Dayang  
Jalan Air Hangat,  
07000 Kuah  
Langkawi, Kedah  
Tel: 04-9666906  
Fax: 04-9665567  
Contact : Sahidi Saat

### **KUALA KEDAH**

No.22A Rumah Kedai Peremba,  
Jalan Tunku Abdul Rahman  
05400 Alor Setar, Kedah  
Tel: 04-7713471/013-4212798  
Contact : Noor Haslinda Hussin

---

### **EAST COAST**

---

#### **STATION**

#### **KEMAMAN**

PT 21689 Ground Floor  
Jalan Kubang Kurus,  
24000 Kemaman,  
Terengganu Darul Iman.  
Tel : 09-850 3270 / 71/72  
Fax : 09-8504005  
Contact : Zulkifli Khalid

#### **KOTA BHARU**

Lot 234, Jalan Tengku Besar,  
15000 Kota Bharu,  
Kelantan Darul Naim.  
Tel : 09-741 7070 / 71/76  
Fax : 09-747 7255  
Contact : Azman Awang

#### **KUALA TERENGGANU**

Lot 4211 Grd Floor & Mezz Floor  
Ladang Sihat  
20400 K. Terengganu Darul Iman  
Tel : 09-63300130/131/134  
Fax : 09-6251792  
Contact : Nurul Amira Baharuddin

### **KUANTAN**

B184 Gound & 2nd Floor  
Jalan Dato' Lim Hoe Lek,  
25200 Kuantan,  
Pahang Darul Makmur.  
Tel : 09-5121285/86/87/88/89  
Contact : Kamarulzaman Abdul  
Rahman

### **TEMERLOH**

No. 18, Jalan Sudirman 7,  
Bandar Sri Semantan,  
28000 Temerloh,  
Pahang Darul Makmur.  
Tel : 09-296 2122/290 1655  
Fax : 09-296 0810  
Contact : Azlina Basir

### **SERVICE CENTRES**

#### **GUA MUSANG**

Aik Cheong,  
No. 51, Jalan Besar,  
18300 Gua Musang,  
Kelantan Darul Naim.  
Tel : 09-912 1775/019-91225745  
Contact : Ang Koon Choe

#### **JENGKA**

Norih Agency  
C4 Basar Nadi Kota  
26400 Jengka  
Pahang Darul Makmur  
Tel : 014-8254905  
Contact : Mohd Kuzairi Mohamed

#### **JERANTUT**

SAM MAH AGENCY  
No.41, Gerai Mini Stesen Teksi,  
Jalan Diwangsa 27000 Jerantut  
Tel : 017-9400205  
Contact : Muhammad Hasrun Mohd  
Hassan

#### **JERTEH**

Aziha Aziz Enterprise  
No. 5,Tkt 1, Stesen Bas  
Jertih Seiq  
22000 Jerteh, Terengganu  
Tel : 019-4992983  
Contact : Tengku Aziha Tengku  
Aziz

## NETWORK LISTING AS AUGUST 2017

### **KUALA KRAI/MACHANG/ PASIR PUTEH**

Ad Ikatan Padu Enterprise  
PT 3181 Batu 23  
Taman Labok Jaya  
18500 Machang, Kelantan  
Tel: 010-92942143  
Contact : Mohd Din Yaacob

### **KUALA BERANG**

RMF Rezeki Enterprse  
A-382, Kpg Tok Jamal  
Wakaf Mempelam  
20050 Kuala Terengganu  
Tel : 019-9586001  
Contact : Roshalwa Mohamed

### **KUALA LIPIS**

Dianas Enterprise  
No.1 Kedai MDL Bandar Baru  
27200 Kuala Lipis  
Pahang Darul Makmur  
Tel : 09-3122251/019-9047378  
Contact Nordiana Yusoff

### **BENTONG**

Anjerida Enterprise,  
No. B6, Arked Mara,  
Jalan Ah Peng,  
28700 Bentong, Pahang.  
Tel : 017-9212293/013-9102263  
Contact :Ahmad Daud Nor

### **DUNGUN**

PT 4241, Jalan Bunga Raya  
23000 Dungun, Terengganu  
Tel: 019-9366241  
Contact : Alias Ali

### **MARAN**

Phang Kim Seong  
No. 20, Bangunan LKNP,  
Bandar Baru, 26500 Maran,  
Pahang Darul Makmur.  
Tel : 09-477 1310/019-9169683  
Contact : Phang Kim Seong

### **MARANG**

Amy Arrow Enterprise,  
Lot PT 2791 K-6 Rama Desa MPKT  
Jalan Kubang, Kuala Terengganu  
21080 Terengganu Darul Iman.  
Tel : 019-9034115  
Contact : Mohd Amy Solihin Mohd  
Yusof

### **CHINI/GAMBANG**

Rumah Tinggi Enterprise  
KM35, Lorong Bukit Setongkol 2  
Perkampungan Cenderawasih  
25200 Kuantan, Pahang  
Tel: 013-9411689/019-9302551  
Contact : Ridzuan Abdul Malik

### **KERTEH**

Ai Semat Enterprise  
812-1 Jalan Besar Kg Baru Kerteh  
24300 Kerteh, Kemaman,  
Terengganu  
Tel :09-8265131  
Contact : Mohd Hasbullah Shaput  
Abas

### **PAKA**

Lot PT 6591 jalan Kuini  
Bukit Merah, Paka  
23100 Dungun, Terengganu  
Tel : 019-4783660  
Contact : Rozita Abu Bakar

### **SETIU**

NQR Enterprise  
No. 111 Kampong Seladang  
Setiu  
22100 Permaisuri  
Tel : 013-9298834  
Contact : Nor Sasmayati

### **TANAH MERAH**

Alatulis Nan Lee,  
310, Jalan Besar  
17500 Tanah Merah,  
Kelantan Darul Naim.  
Tel : 09-955 5233/019-9393968  
Contact : Chan Kong Chai

### **TRIANG**

TOS Office Communication  
Lot 6316, Taman Kerayong  
28200 Bera Pahang Darul Makmur.  
Tel : 013-9227565  
Contact : Muhammad Nor Aziha

### **KARAK**

Karak Herba,  
P-20-1A, Taman Karak Indah  
28600 Karak, Pahang  
Tel : 019-9358758  
Contact : Siti Nurzaity Muhd Zakaria

### **RAUB**

Gaduhlorat Enterprise  
No.104, Lorong 4/2  
Taman Sri Layang  
28400 Mentakab, Pahang  
Tel : 014-8454917  
Contact : Zaini Salleh

---

## **EAST MALAYSIA**

---

### **SABAH-STATION**

#### **KOTA KINABALU**

Lot 15,Grd Floor, Lot 16, Ground &  
1st Floor HS Commercial Centre  
88300 Kota Kinabalu, Sabah.  
Tel : 088-71 8036/72 6876  
Fax : 088-71 1059  
Contact : Remegius Benedict

#### **LABUAN**

Lot 12, Ground Floor,  
Lazenda Phase 3,  
87008 Labuan.  
Tel : 087-415893 / 087-415923  
Fax : 087-425893  
Contact : Liling Diring

#### **LAHAD DATU**

MDLD 3979, Lot 94  
Ground Floor, Fajar Centre  
Jalan Segama,  
91100 Lahad Datu, Sabah.  
Tel : 089-88 3953  
Fax : 089-88 3939  
Contact : Tony Liew Kok Leong

#### **SANDAKAN**

Block 35, Lot No.6,  
Ground Flooor,  
Bandar Indah Ph 06, Mile 4,  
North Road, 90000 Sandakan.  
Tel : 089-217113 / 089-218795  
Fax : 089-311182  
Contact : John Kafly

## NETWORK LISTING AS AUGUST 2017

### **TAWAU**

MPT 4404, Lot 4, Ground Floor  
Bloc A, Bandaran Baru,  
91000 Tawau, Sabah.  
Tel : 089-77 8851/77 8852  
Fax : 089-76 5497  
Contact : Tapar Duriangta Abd Rajak

### **SERVICE CENTRES**

#### **KENINGAU**

Lot Kedai Hospital Keningau  
P.O.Box 1172  
89008 Keningau, Sabah.  
Tel : 087-391268 / 016-815 6981  
Contact : Mohd Shafie Rusim

#### **KOTA BELUD**

Chian Siong Eng,  
Driving School Centre ,  
Jalan Kota Kinabalu,  
P.O. Box 90  
89157 Kota Belud, Sabah.  
Tel : 088-97 7126/019-8519588  
Contact : Chian Siong Eng

#### **KOTA MARUDU/PITAS**

Kampong Salimandut, Jln Damai  
Post Box 529, 89108 Kota Marudu,  
Sabah.  
H/P : 010-954 5841  
Contact : Juanito Emilio

#### **KUDAT**

Syarikat Len Niap (Kudat) Sdn Bhd,  
Block C, Lot 17, SEDCO Shophouse,  
Pekan Tomborungus,  
P.O. Box 72, 89059 Kudat, Sabah.  
Tel : 088-61 1626/61 2487/019-  
8103932  
Fax : 088-61 2486  
Contact : Lee Sip Kim

#### **KUNAK**

DNC Enterprise  
TB 5752 Taman Da Hua 2  
Jalan Bunga Raya,  
91007, Tawau Sabah  
H/P : 012-8148781  
Contact : Irawati Dominikus

### **PAPAR/BEAUFORT/SIPITANG/ KUALA PENYU**

17 Taman Ganang Kepayang  
P.O Box 13500,  
88839 Kota Kinabalu, Sabah.  
Tel : 088-212131 / 019-8511775  
Contact : Lim Vui Lip

### **RANAU/ TAMPARULI/ TUARAN/ TELIPIK/ SEPANGGAR/ MENGKATAL**

Masdi Bin Hamzah  
Lot 5, Tgk 1 KM 0.5 Wisma TSK  
Ranau, Tamparuli Road,,  
89308 Ranau Sabah.  
Tel : 019-8022788  
Contact : Masdi Hamzah

#### **SEMPORNA**

Mohd Adnan bin Surip,  
Kg Jawa Kongsu 10,  
Jalan Apas  
91000 Tawau, Sabah.  
H/P : 019-899 7582  
Contact : Mohd Adnan Surip

#### **TENOM**

Tham Ken Sing,  
Jalan Kolam, Taman Bahagia,  
P.O. Box 132, 89907 Tenom, Sabah.  
Tel : 087-73 6041/019-83 8287  
Contact : Tham Ken Sing

#### **BELURAN**

Mohd Salleh Abdullah  
Block 34, Lot 5C, Batu 4  
Taman Mesra  
90000 Sandakan Sabah  
Tel : 019-8036896  
Contact : Mohd Salleh Abdullah

#### **KOTA KINABATANGAN**

WDT 385  
Kota Kinabatangan  
90200 Sabah  
Tel : 013-8729655/010-5134264  
Contact : Guspini Hj Odat

### **SARAWAK-STATION**

#### **KUCHING**

Lot 4577 & 4578 Taman Borneo,  
Lorong Lapangan Terbang 4,  
Greenheight,  
93350 Kuching, Sarawak.  
Tel : 082-46 4605/574387/574407  
Fax : 082-57 2466  
Contact : Donald Stanly

### **MIRI**

Lot 1083, Ground Floor & 1st Floor,  
Jalan Merpati,  
98000 Miri, Sarawak.  
Tel : 085-41 0408  
Fax : 085-41 0478  
Contact : Kamarul Zaman Yusup

### **SIBU**

No. 2B & 2C, Ground Floor,  
Hua Kiew Road,  
96000 Sibu, Sarawak.  
Tel : 6084-325 072 / 75  
Fax : 6084-325 076  
Contact : Sherina

### **BINTULU**

Lot 311, Ground Floor,  
Parkcity Commercial Square,  
Phase 4, Jalan Tun Ahmas Zaidi,  
97000 Bintulu, Sarawak.  
Tel : 086-33 7433 / 40  
Fax : 086-33 7440  
Contact : Siti Nur Natasya

### **SERVICE CENTRES**

#### **BINTANGOR/MERADONG**

Wong King Tee Services,  
No.6 Jalan Dermaga,  
96500 Bintangor, Sarawak.  
Tel : 084-69 2353 / 019-8830364  
Fax : 084-69 2353  
Contact : Wong King Tee

#### **DALAT**

Ngia Heng Trading Company,  
Lot 490 Dalat New Township,  
96300 Dalat, Sarawak.  
Tel : 084-863010/014-8837625  
Fax : 084-86 3010  
Contact : Kho Kok Seng

#### **SRI AMAN**

No.88A Jalan Datuk Kg Hilir  
95000 Sri Aman Sarawak  
Tel : 019-2219769  
Contact Person : Kusumawati Noh



## NETWORK LISTING AS AUGUST 2017

### **DARO**

140, Kampung Itol,  
96200 Daro, Sibul, Sarawak.  
Tel : 084-864250 / 013-8946902  
Contact : Shahrul Liza Tiong b  
Abdullah

### **KANOWIT**

Chop Chip Bee, General Shop  
10, Main Bazaar,  
96700 Sibul, Sarawak.  
Tel : 084-75 2128  
Contact : Wong Ing Kiat

### **KAPIT**

Syarikat Agastan Trading,  
7, Jalan Tan Sit Leong,  
P.O. Box 6, 96800 Kapit,  
Sibul, Sarawak.  
Tel : 084-79 7330/79 7332  
Contact : Augustine Leo Agas

### **LAWAS**

Kowas Transport  
No. 20 Jalan Datu Tale  
98850 Lawas, Miri, Sarawak  
Tel : 085- 285 450 / 372  
Fax : 085 -285 841  
H/Phone No :019 – 8546456  
Contact : Yee Ching Wai

### **LUNDU**

No. 32, Taman Lundu Jaya,  
94500 Lundu, Sarawak.  
Tel : 082-735525/013-5752422  
Contact : Uwet Ak Barba

### **LIMBANG**

Lot 1204, Grd Flr, Limbang Town  
District 98700 Limbang Sarawak  
Tel: 013-8306516  
Contact : Phey Suk Ping

### **MARUDI**

Putra Jaya / Smart Mobile Sdn Bhd,  
Lot 88 B Mtd Jalan Kampung Cina,  
98050 Marudi, Sarawak.  
Tel No : 085-756115 / 019-8856860  
Contact Person : Wong Yick Ling

### **MUKAH**

No.26 Mukah Newtownship  
96400 Mukah, Sarawak.  
Tel : 084-872808  
Contact : Tang Ting ping

### **SARIKEI**

Chan's Office  
9A 1st Floor,  
Jalan Abdul Razak,  
96100 Sarikei, Sarawak.  
Tel : 084-65 4479  
Fax : 084-65 5057  
Contact : Lily Chan Law Feng

### **SERIAN**

Room 101, 1st Floor,  
Serian Co-Operative Building,  
Jalan Pekan Baru, 94700 Serian,  
Sarawak.  
Tel : 082-874401/019-883 0364  
Contact : Linten Renya

### **KOTA SAMARAHAN**

No.78, Kpg Pulau Kandis  
Batu 21, Jalan Kuching/Serian  
94200 Kuching, Sarawak  
Tel : 082-238258/016-8883160  
Contact Person : Lennon A/K Juray

### **BAU**

No.103 Phase 3, Lorong Greenwood  
Greenwood Park, 9th Mile Penrissen  
Road, 93250 Kuching, Sarawak  
Tel: 016-8165862/016-4406018  
Contact : Nancy Anak Pungat



*This page is intentionally left blank.*

*This page is intentionally left blank.*

# PROXY FORM



NATIONWIDE EXPRESS HOLDINGS BERHAD  
(Company No. 1185457-K)  
(Incorporated In Malaysia)

A. I/We \_\_\_\_\_ NRIC No. \_\_\_\_\_  
(FULL NAME IN CAPITALS LETTERS)

of \_\_\_\_\_  
(FULL ADDRESS)

being a member/members of **NATIONWIDE EXPRESS HOLDINGS BERHAD** do hereby appoint \_\_\_\_\_  
NRIC No. \_\_\_\_\_

(FULL NAME IN CAPITALS LETTERS)  
of \_\_\_\_\_  
(FULL ADDRESS)

Where it is decided to appoint a second proxy, this section must also be completed. Otherwise, it should be deleted.

B. I/We \_\_\_\_\_ NRIC No. \_\_\_\_\_  
(FULL NAME IN CAPITALS LETTERS)

of \_\_\_\_\_  
(FULL ADDRESS)

being a member/members of **NATIONWIDE EXPRESS HOLDINGS BERHAD** do hereby appoint \_\_\_\_\_  
NRIC No. \_\_\_\_\_

(FULL NAME IN CAPITALS LETTERS)  
of \_\_\_\_\_  
(FULL ADDRESS)

or failing him/her, THE CHAIRMAN OF THE MEETING as my/our first proxy to vote for me/us on my/our behalf at the **1st Annual General Meeting** of the Company to be held Training Room, Nationwide Express Holdings Berhad, Lot 11A, Persiaran Selangor, Section 15, 40200 Shah Alam, Selangor Darul Ehsan on **Wednesday, 30th August 2017 at 03.00 p.m.**, and at any adjournment thereof.

The proportions of my/our proxy holdings to be represented by my/our proxies are as follows:-

First Proxy A	%	In case of a vote by a show of hands, First Proxy A/Second Proxy B shall vote on my/our behalf.
Second Proxy B	%	
	100%	

Resolutions		First Proxy A		Second Proxy B	
AS ORDINARY BUSINESS		For	Against	For	Against
Ordinary Resolution 1	To approve the payment of <b>Directors' fees</b> for the ensuing financial year				
Ordinary Resolution 2	To re-elect a Director, <b>Tan Sri Datin Paduka Siti Sa'diah binti Sheikh Bakir</b> , who retires in accordance with <b>Article 75 of the Company's Articles of Association</b> .				
Ordinary Resolution 3	To re-elect a Director, <b>Puan Azizah binti Abdul Rahman</b> , who retires in accordance with <b>Article 75 of the Company's Articles of Association</b> .				
Ordinary Resolution 4	To re-elect a Director, <b>Cik Rozilawati binti Haji Basir</b> , who retires in accordance with <b>Article 75 of the Company's Articles of Association</b> .				
Ordinary Resolution 5	To re-elect a Director, <b>Encik Mukhnizam bin Mahmud</b> , who retires in accordance with <b>Article 75 of the Company's Articles of Association</b> .				
Ordinary Resolution 6	To re-elect a Director, <b>Mr. Yong Kok Liew</b> , who retires in accordance with <b>Article 75 of the Company's Articles of Association</b> .				
Ordinary Resolution 7	To re-appoint Messrs. <b>Hanafiah Raslan &amp; Mohamad</b> as Auditors of the Company and to authorise the Directors to fix their remuneration To transact any other ordinary business of which due notice shall have been given.				

(Please indicate with an "X" on the spaces provided on how you wish your votes to be casted. If the absence of specific directions, your proxy will vote or abstain at his/her discretion.)

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2017.

\_\_\_\_\_  
Signature of Members/Common Seal

CDS Account No.	
No. of Shares held	

**NOTES:-**

- (i) A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy may but need not be a member of the Company.
- (ii) Where a member appoints two (2) proxies, the appointment shall be invalid unless he/she specifies the proportion of his/her shareholdings to be represented by each proxy.
- (iii) A member who is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, may appoint one (1) proxy in respect of each securities account.
- (iv) Where a member in an exempt authorised nominee which holds shares in the Company for multiple beneficial owners in one (1) securities account ('omnibus') as defined under the Securities Industry (Central Depositories) Act, 1991, there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
- (v) The instrument appointing a proxy in the case of an individual shall be signed by the appointer or his attorney duly authorised in writing and in the case a corporation, the instrument appointing a proxy must be under seal or under the hand of an officer or attorney duly authorised.
- (vi) Only members whose names appear in the Record of Depositors as at 23rd August 2017 will be entitled to attend and vote at the meeting or proxy to attend and vote in his/her stead.
- (vii) To be valid, the original instrument appointing a proxy must be deposited at tSymphony Share Registrars Sdn Bhd at Level 6, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan, Malaysia, not less than forty eight (48) hours before the time appointed for holding the meeting and any adjournment thereof.

*Fold here*

---

**STAMP**

**NATIONWIDE EXPRESS HOLDINGS BERHAD**

(Company No. 1185457-K)

**Symphony Share Registrars Sdn. Bhd.**

(378993-D)

Level 6, Symphony House,

Pusat Dagangan Dana 1,

Jalan PJU 1A/46,

47301 Petaling Jaya,

Selangor Darul Ehsan.

Tel No. : +603 7841 8000

Fax No. : +603 7841 8151 / 8152

*Fold here*

---

[www.nationwide2u.com](http://www.nationwide2u.com)

---

**Nationwide Express Holdings Berhad** (1185457-K)

Lot 11A, Persiaran Selangor  
Section 15  
40200 Shah Alam  
Selangor Darul Ehsan

Tel : 03-5163 3333  
Fax : 03-5518 2084

Customer Service Hotline no. **1300-222-777 (NationCare)**