



GD Express Carrier Berhad

(Company No. 630579-A)

(Incorporated in Malaysia under the Companies Act, 1965)

The Quarterly Report on consolidated results for the second quarter ended 31 December 2005.

The figures have not been audited.

Condensed Consolidated Income Statement

For the Second Quarter Ended 31 December 2005

(The figures have not been audited)

	Individual Quarter Current Year Quarter 31.12.2005 (RM'000)	Cumulative Quarter Current Year To Date 31.12.2005 (RM'000)
Revenue	11,254	21,791
Operating expenses	(10,683)	(21,004)
Other operating income	117	231
Profit from operations	688	1,018
Finance cost	(62)	(113)
Profit before tax	626	905
Income tax expense	(195)	(282)
Net profit	<u>431</u>	<u>623</u>
Earnings per share of RM0.10 each (sen)	<u>0.21</u>	<u>0.30</u>

Note: The preceding year comparative figures are not available as the Group only commenced reporting the results from the quarter ended 31 March 2005.

The Condensed Consolidated Income Statement should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2005.



Condensed Consolidated Balance Sheet
As at 31 December 2005
 (The figures have not been audited)

	As At End Of Current Quarter 31.12.2005 (RM'000)	Audited As At Preceding Financial Year Ended 30.6.2005 (RM'000)
Property, plant and equipment	13,457	13,307
Goodwill	142	150
Current Assets		
Inventories	361	295
Trade receivables	11,483	10,396
Other receivables and prepaid expenses	3,951	3,765
Deposits with licenced banks	10,158	10,941
Cash and bank balances	1,454	933
Total Current Assets	27,407	26,330
Current Liabilities		
Trade payables	2,919	3,015
Other payables and accrued expenses	2,252	1,994
Hire-purchase payables - current portion	740	733
Borrowings (secured) - current portion	239	239
Total Current Liabilities	6,150	5,981
Net Current Assets	21,257	20,349
Non-Current and Deferred Liabilities		
Hire-purchase payables - non-current portion	1,208	663
Borrowings (secured) - non-current portion	1,047	1,165
Deferred tax liabilities	293	293
Total Long-term and Deferred Liabilities	2,548	2,121
Net Assets	32,308	31,685
Represented by:		
Issued capital	20,575	20,575
Reserves	11,733	11,110
	32,308	31,685
Net assets per share of RM0.10 each (RM)	0.16	0.15

The Condensed Consolidated Balance Sheet should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2005.

Condensed Consolidated Statement of Changes in Equity
For the Second Quarter Ended 31 December 2005
(The figures have not been audited)

	Issued capital (RM'000)	Share premium (RM'000)	Reserve On consolidation (RM'000)	Unappropriated profit (RM'000)	Total (RM'000)
Balance as of 1 July 2005	20,575	5,972	2,970	2,168	31,685
Net profit for the period	-	-	-	623	623
Balance as of 31 December 2005	<u>20,575</u>	<u>5,972</u>	<u>2,970</u>	<u>2,791</u>	<u>32,308</u>

Note: The preceding year comparative figures are not available as the Group only commenced reporting the results from the quarter ended 31 March 2005.

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2005.



**Condensed Consolidated Cash Flow Statement
For the Second Quarter Ended 31 December 2005
(The figures have not been audited)**

	6 Months Ended 31.12.2005 (RM'000)
Cash flows from/(used in) operating activities	
Profit before tax	905
Adjustments for non-cash items	1,480
Operating profit before working capital changes	<u>2,385</u>
Changes in working capital:	
Net change in current assets	(1,340)
Net change in current liabilities	339
Cash flows from operations	<u>1,384</u>
Income tax paid	<u>(459)</u>
Net cash from operating activities	925
Cash flows from/(used in) investing activities	
Additions to property, plant and equipment	(584)
Others	145
Net cash used in investing activities	<u>(439)</u>
Cash flows used in financing activity	
Repayment of term loans and payments of hire purchase payables	(749)
Net decrease in cash and cash equivalents	(263)
Cash and cash equivalents at beginning of period	11,530
Cash and cash equivalents at end of period	<u><u>11,267</u></u>
Cash and bank balances	1,454
Deposits with licensed bank	10,158
	11,612
Less: fixed deposits pledged with a licensed bank	<u>(345)</u>
	<u><u>11,267</u></u>

Note: The preceding year comparative figures are not available as the Group only commenced reporting the results from the quarter ended 31 March 2005.

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Audited Financial Statements for the year ended 30 June 2005.

Notes

1. Accounting Policies

The interim financial statements have been prepared in accordance with the FRS 134 Interim Financial Reporting and Chapter 7 Part VI (Appendix 7A) of the Listing Requirements for the MESDAQ Market of Bursa Malaysia Securities Berhad. The same accounting policies and methods of computation are followed in these interim financial statements as compared with the annual financial statements for the year ended 30 June 2005.

2. Auditor's Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the year ended 30 June 2005 was not qualified.

3. Comments on Seasonal and Cyclical Factors

The Group's performance is affected by the lower deliveries during the months with numerous public and festive holidays.

4. Unusual Items Due to their Nature, Size or Incidence

There were no unusual items affecting the assets, liabilities, equity, net income or cash flow for the quarter and financial period year to date.

5. Changes in Estimates

There were no changes in estimates that have a material effect on the current quarter and financial period year to date.

6. Debt and Equity Securities

There were no issuances, cancellations, repurchases, resale and repayments of debts and equity securities for the quarter and financial period year to date.

7. Dividends Paid

There were no dividends paid in the current quarter and the financial period year to date.

8. Segmental Information

The Group operates predominantly in Malaysia and is principally involved in the provision of express delivery and customised logistics solutions services.

9. Carrying Amount of Revalued Assets

All the property, plant and equipment of the Group are stated at historical cost in the financial statements.

10. Subsequent Events

There were no material events occurred subsequent to the end of the quarter under review.

11. Changes in the Composition of the Group

There are no changes in the composition of the Group in the current quarter and financial year to date other than the following:

- a. On 21 November 2005, the Company incorporated a wholly-owned subsidiary in Singapore, namely GD Express (Singapore) Pte Ltd with an authorised share capital of SGD1 million and paid-up share capital of SGD2.00 comprising of 2 ordinary shares SGD1.00 each.
- b. On 15 December 2005, the Company through its wholly owned subsidiary, GD Express Sdn Bhd acquired the entire issued and paid-up share capital of GD Materials Distribution Sdn Bhd comprising 2 ordinary shares of RM1.00 each for a total cash consideration of RM2.00.

12. Contingent Liabilities

There were no changes in the contingent liabilities since the last annual balance sheet date.

13. Taxation

The taxation figures are as follows:

	Current Quarter (RM'000)	Cumulative Year to Date (RM'000)
Estimated current tax payable	195	282
	195	282

The effective tax rate for the quarter and year to date is 31% as compared to the statutory tax rate of 28%. The higher effective tax rate was due mainly to certain expenses that are not deductible in determining taxable profit.

14. Unquoted Securities and/or Properties

There were no purchases or disposal of any unquoted securities and/or properties for the current quarter and financial period year to date.

15. Quoted Securities

There were no purchases or disposal of any quoted securities for the current quarter and financial period year to date.

16. Status of Corporate Proposals

There were no corporate proposals announced but not completed as at the date of this announcement other than the following:

A) Utilisation of Proceeds

The utilisation of proceeds from the Initial Public Offer ("IPO") is as follows:

Purpose	Proposed Utilisation RM'000	Re-allocation RM'000	Total RM'000	Actual Utilisation RM'000	Balance RM'000
Proposed upgrading of GDEX's network and infrastructure	4,800		4,800	674	4,126
Working capital	3,700	972	4,672	2,627	2,045
Estimated listing expenses	2,000	-972	1,028	1,028	0
	10,500	0	10,500	4,329	6,171

The unutilised proceeds for the listing expenses of RM0.972 million shall be re-allocated for the working capital purposes of the Group.

B) Proposed Private Placement and Bonus Issue

- 1) On 12 October 2005, the Company announced its intention to undertake the following:
 - a) Proposed private placement of up to 20,574,883 new ordinary shares of RM0.10 each in GD Express Carrier Berhad ("GDEX") (or up to 25,718,604 placement shares if the proposed bonus issue is implemented before the proposed placement), representing up to ten percent (10%) of the issued and paid up capital of the Company at issue price(s) to be determined and announced later.
 - b) Proposed bonus issue of up to 56,580,928 new GDEX shares (or 51,437,208 bonus shares if the proposed bonus issue is implemented before the proposed placement), to be credited as fully paid-up, on the basis of one (1) bonus share for every four (4) existing GDEX shares held on an entitlement date to be determined and announced later.
- 2) On 9 November 2005, the Company further announced that part of the proceeds from the proposed private placement, which was initially intended for the business expansion in Thailand, has been reduced from RM9.658 million as originally proposed to RM6.0 million. This is due to the investment in Thailand may be subject to foreign shareholdings restriction. The remaining balances of RM3.658 million will be used to finance the Group's working capital requirements which is expected to be utilised to finance, amongst others, the anticipated business expansion of the Group in Malaysia as well as for the development of new products and services.
- 3) The Securities Commission has via its letter dated 8 December 2005, approved the Proposed Placement under Section 32(5) of the SC Act 1993, Listing Requirements of the Bursa Malaysia Securities Berhad for the MESDAQ Market and Guideline on the Acquisition of Interest, Mergers and Take-Overs by Local and Foreign Interest.
- 4) The shareholders approved the resolutions relating to the proposed private placement and bonus issue at the Extraordinary General Meeting, which was held on 25 January 2006.

17. Group Borrowings

The Group borrowings consist of the following:

	RM'000
Hire purchase payables	
Payable within 12 months	740
Payable after 12 months	1,208
Long-term borrowings (secured):	
Payable within 12 months	239
Payable after 12 months	1,047
Total borrowings	<u><u>3,234</u></u>

All the above borrowings are denominated in Ringgit Malaysia.

18. Financial Instruments

There are no off balance sheet financial instruments as at the date of the quarterly report.

19. Material Litigations

There were no further developments to matters previously disclosed in the audited financial statements for the year ended 30 June 2005.

20. Material Change in Profit Before Tax as Compared to the Immediate Preceding Quarter

The Group recorded a higher profit before tax ("PBT") of RM0.6 million for the second quarter ended 31 December 2005. As compared to the immediate preceding quarter ended 30 September 2005, the PBT for the second quarter increased by 124%. The revenue for the quarter has increased by 7% as compared to the immediate preceding quarter due to the higher demands for the Group's services.

21. Performance of the Group

The Group achieved the revenue of RM21.8 million for the six months ended 31 December 2005. For the period under review, the Group recorded a PBT and profit after tax ("PAT") of RM0.9 million and RM0.6 million respectively. The Group's revenue continues to grow with higher demands for the Group's express carrier and customised logistics services.

22. Prospect of the Group

The Directors are of the opinion that the results for the financial year ending 30 June 2006 will be satisfactory. The Group will continue to upgrade the existing network and infrastructure, employ additional sales, marketing and technical staff to enhance the service standard, which will enable the Group to secure more business.

23. Variance from Profit Forecast

The Company did not disclose any profit forecast or guarantee for this financial period.

24. Dividends

No dividends were declared during the quarter or the financial period year to date.

25. Earnings Per Share

i. Basic

The basic earnings per share is calculated by dividing the net profit for the period by the number of ordinary shares in issue during the period.

	Current Year Quarter 31.12.2005 (RM'000)	Current Year To Date 31.12.2005 (RM'000)
Net profit attributable to to ordinary shareholders	431	623
Number of ordinary shares of RM0.10 each in issue (units)	205,748,830	205,748,830
Basic earnings per share of RM0.10 each (sen)	<u>0.21</u>	<u>0.30</u>

ii. Diluted

The Company does not have any convertible shares or convertible financial instruments for the current quarter and financial period year to date.



By Order of the Board

Nuruluyun Binti Abdul Jabar (MIA 9113)
Woo Ying Pun (MIACSA 7001280)
Secretaries
21 February 2006