



## GD Express Carrier Berhad

(Company No. 630579-A)

(Incorporated in Malaysia under the Companies Act, 1965)

### Condensed Consolidated Income Statement

For the Second Quarter ended 31 December 2008

(The figures have not been audited)

	Individual		Cumulative	
	Current Year Second Quarter 31.12.2008 (RM'000)	Preceding Year Corresponding Quarter 31.12.2007 (RM'000)	Current Year To Date 31.12.2008 (RM'000)	Preceding Year To Date 31.12.2007 (RM'000)
Revenue	19,596	16,230	39,632	32,112
Operating expenses	(18,515)	(15,327)	(37,261)	(30,129)
Other operating income	90	58	195	125
Profit from operations	1,171	961	2,566	2,108
Finance cost	(197)	(108)	(337)	(204)
Profit before tax	974	853	2,229	1,904
Income tax expense	(277)	(222)	(632)	(495)
Net profit	697	631	1,597	1,409
Earnings per share (sen)	0.27	0.25	0.62	0.55

The Condensed Consolidated Income Statement should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2008 and the accompanying explanatory notes attached to the interim financial statements.

**Condensed Consolidated Balance Sheet**  
**As at 31 December 2008**  
(The figures have not been audited)

	As At End Of Current Quarter 31.12.2008 (RM'000)	Audited As At Preceding Financial Year Ended 30.06.2008 (RM'000)
<b>Non-Current Assets</b>		
Property, plant and equipment	17,139	17,547
Investment property	2,722	2,750
Goodwill	137	137
Prepaid lease payments	4,459	4,506
<b>Total Non-Current Assets</b>	<u>24,457</u>	<u>24,940</u>
<b>Current Assets</b>		
Inventories	478	315
Trade receivables	17,388	18,166
Other receivables and prepaid expenses	4,148	3,581
Deposits with licensed banks	7,323	5,624
Cash and bank balances	1,452	528
<b>Total Current Assets</b>	<u>30,789</u>	<u>28,214</u>
<b>Total Assets</b>	<u>55,246</u>	<u>53,154</u>
<b>Equity</b>		
Share capital	25,719	25,719
Share premium	618	618
Other reserves	511	539
Retained earnings	13,009	11,406
<b>Total equity attributable to shareholders</b>	<u>39,857</u>	<u>38,282</u>
<b>Non-Current Liabilities</b>		
Hire-purchase payables	2,164	2,285
Borrowings (secured)	3,462	3,719
Deferred tax liabilities	82	82
<b>Total Non-Current Liabilities</b>	<u>5,708</u>	<u>6,086</u>
<b>Current Liabilities</b>		
Trade payables	2,656	2,571
Other payables and accrued expenses	4,063	2,830
Hire-purchase payables - current portion	2,469	2,864
Borrowings (secured) - current portion	493	521
<b>Total Current Liabilities</b>	<u>9,681</u>	<u>8,786</u>
<b>Total Liabilities</b>	<u>15,389</u>	<u>14,872</u>
<b>Total Equity and Liabilities</b>	<u>55,246</u>	<u>53,154</u>
Net assets per share (RM)	<u>0.15</u>	<u>0.15</u>

The Condensed Consolidated Balance Sheet should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2008 and the accompanying explanatory notes attached to the interim financial statements.



**Condensed Consolidated Statement of Changes in Equity**  
**For the Second Quarter ended 31 December 2008**  
 (The figures have not been audited)

	Issued capital (RM'000)	Share premium (RM'000)	Retained earnings (RM'000)	Other reserves (RM'000)	Total (RM'000)
Balance as of 1 July 2008	25,719	618	11,406	539	38,282
Foreign currency translation		-	-	(22)	(22)
Transfer to retained earnings		-	6	(6)	-
Net profit for the period		-	1,597	-	1,597
Balance as at 31 December 2008	<u>25,719</u>	<u>618</u>	<u>13,009</u>	<u>511</u>	<u>39,857</u>
Balance as of 1 July 2007	25,719	618	8,431	(10)	34,758
Foreign currency translation		-	-	(20)	(20)
Revaluation surplus at fair value		-	-	569	569
Net profit for the year		-	2,975	-	2,975
Balance as of 30 June 2008	<u>25,719</u>	<u>618</u>	<u>11,406</u>	<u>539</u>	<u>38,282</u>

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2008 and the accompanying explanatory notes attached to the interim financial statements.

**Condensed Consolidated Cash Flow Statement  
For the Second Quarter Ended 31 December 2008  
(The figures have not been audited)**

	Current Year To date Ended 31.12.2008 (RM'000)	Audited As At Preceding Financial Year Ended 30.06.2008 (RM'000)
<b>Cash flows from operating activities</b>		
Profit before tax	2,229	2,975
Adjustments for non-cash items	3,052	7,063
Operating profit before working capital changes	5,281	10,038
Changes in working capital:		
Net change in current assets	123	(5,083)
Net change in current liabilities	1,004	(173)
<b>Cash flows from operations</b>	6,408	4,782
Income tax paid	(393)	(661)
<b>Net cash from operating activities</b>	6,015	4,121
<b>Cash flows used in investing activities</b>		
Additions of property, plant and equipment	(2,401)	(2,773)
Proceeds from disposal of property, plant and equipment	78	41
Interest and rental received	91	144
<b>Net cash used in investing activities</b>	(2,232)	(2,588)
<b>Cash flows used in financing activities</b>		
Proceeds from Islamic debt facilities	-	3,500
Repayment of term loan and hire purchase payables	(2,266)	(2,968)
Increase in bank borrowings and hire purchase payables	1,465	(673)
Finance cost paid	(337)	(671)
<b>Net cash used in financing activities</b>	(1,138)	(812)
<b>Net increase in cash and cash equivalents</b>	2,645	721
Foreign reserve	(22)	(42)
Cash and cash equivalents at beginning of period	5,499	4,820
<b>Cash and cash equivalents at end of period</b>	8,122	5,499
Cash and bank balances	1,452	528
Deposits with licensed banks	7,323	5,624
	8,775	6,152
Less: Fixed deposits pledged with a licensed bank	(653)	(653)
	8,122	5,499

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2008 and the accompanying explanatory notes attached to the interim financial statements.

## **Notes To The Interim Financial Report** **For the financial period ended 31 December 2008**

### **1. Accounting Policies and Basis of Preparation**

The interim financial statements of the Group have been prepared in accordance with Financial Reporting Standard (FRS) 134 Interim Financial Reporting and Chapter 9 Paragraph 9.22 (Appendix 9B) of the Listing Requirements for the MESDAQ Market of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 30 June 2008. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 30 June 2008. The significant accounting policies and methods of computation adopted by the Group in these interim financial statements are consistent with those of the audited financial statements for the financial year ended 30 June 2008.

As at the date of this report, the Group has not adopted the new FRS 139 Financial Instruments: Recognition and Measurement, as the Malaysian Accounting Standards Board has deferred the effective date of the said FRS to 1 January 2010. It is expected that there will be no material impact on the financial statements when the Group adopts this new standard.

### **2. Auditor's Report on Preceding Annual Financial Statements**

The auditors' report on the financial statements for the financial year ended 30 June 2008 was not qualified.

### **3. Comments on Seasonal and Cyclical Factors**

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

### **4. Unusual Items Affecting Assets, Liabilities, Equity, Net Income Or Cash Flow**

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

### **5. Material Changes in Estimates**

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

### **6. Debt and Equity Securities**

There were no issuances, cancellations, repurchases, resale or repayments of debts and/or equity securities, share buy-back, share cancellation and/or resale of treasury shares for the current quarter and financial year-to-date.

## 7. Dividends Paid

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

## 8. Segmental Information

The Group operates predominantly in Malaysia and Singapore and is principally involved in the provision of express delivery and customised logistics solutions services. The segmental revenue and results for the financial period ended 31 December 2008 are tabulated below:-

<u>Geographical segments</u>	Malaysia (RM'000)	Singapore (RM'000)	Total (RM'000)
Revenue	39,100	532	39,632
Profit/(Loss) before taxation	2,453	(224)	2,229
Taxation	(632)	-	(632)
Net Profit for the financial period			<u>1,597</u>

## 9. Valuation of Property, Plant and Equipment

The valuation of property, plant and equipment has been stated at cost, except for the leasehold building which has been restated at fair value with the revaluation surplus included as other reserves.

## 10. Material Events Subsequent To Period End

There were no material events occurring subsequent to the end of financial period ended 31 December 2008 that has not been reflected in this quarterly report.

## 11. Changes in the Composition of the Group

There were no changes in the composition of the Group in the current quarter and financial year-to-date.

## 12. Contingent Assets or Liabilities

There were no changes in contingent liabilities or contingent assets since the last annual balance sheet as at 30 June 2008.

## 13. Capital Commitments

There were no capital commitments not provided for in the financial statements for the quarter under review.

#### 14. Recurrent Related Party Transactions

a) GDEX relationship with the interested related parties:-

- (i) Mr Teong Teck Lean is a common director and substantial shareholder in GD Express Carrier Berhad and GDX Private Limited; and
- (ii) Mr Leong Chee Tong is a common director in GD Express Carrier Berhad and GDX Private Limited.

b) The related party transactions between GDEX Group and the interested related parties are as follows:-

	Current Quarter Ended 31 December 2008 (RM'000)	Cumulative Current Year Ended 31 December 2008 (RM'000)
<b><u>GDX Private Limited</u></b>		
GD Technosystem Sdn Bhd - Software update and maintenance	74	147
GD Express Sdn Bhd - Software training	146	293

## Additional Information Required Pursuant to the Listing Requirements for the MESDAQ Market of Bursa Malaysia Securities Berhad

### **1. Review of Performance for the current quarter and financial year-to-date**

For the second quarter ended 31 December 2008, the Group recorded revenue and profit before taxation ("PBT") of RM19.60 million and RM0.97 million respectively, representing an increase of 21% and 14% respectively as compared to the same quarter in the preceding financial year. On a year-to-date basis, the Group's revenue increased by 23% to RM39.63 million, while PBT increased by 17% to RM2.23 million as compared to the preceding year-to-date.

The increase in revenue was mainly contributed by the increase in fuel surcharge and greater demand for cost effective logistical solutions offered by the Group as a result of the increase in fuel prices as experienced by consumers during the financial period under review. The increase in PBT was relatively lower than the increase in revenue as the Group was required to absorb part of the inflationary pressures triggered by the slowdown in global economy.

### **2. Material Change in the Profit Before Tax for the Current Quarter as compared to the Immediate Preceding Quarter**

The Group recorded a PBT of RM0.97 million for the second quarter ended 31 December 2008. As compared to the immediate preceding quarter ended 30 September 2008, the PBT for the second quarter decreased by RM0.28 million or 22%, attributed to the lower business volume as a result of numerous public and festive holidays during the quarter under review.

### **3. Prospects of the Group**

With the weakening economic condition, the Group expects a challenging environment for the second half of the financial year as the global financial crisis deepens. Competition in the express carrier industry is expected to be stiffer and price erosion may occur, attributable to the slowdown in global economy and inflationary pressures. Hence, many players in the express carrier industry may resort to price undercutting strategies.

Barring unforeseen circumstances, the Directors are of the opinion that the Group's performance for the second half of the financial year ending 30 June 2009 will not be as promising as the first half. However, the impact of the economic slowdown should be manageable as the management continues to undertake various precautionary and defensive measures to ensure the sustainability of the Group.

### **4. Profit Forecast**

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



## 5. Taxation

The taxation figures are as follows:-

	Individual		Cumulative	
	Current Year Second Quarter 31.12.2008 (RM'000)	Preceding Year Corresponding Quarter 31.12.2007 (RM'000)	Current Year To Date 31.12.2008 (RM'000)	Preceding Year To Date 31.12.2007 (RM'000)
Estimated tax payable	277	284	632	557
Deferred tax	-	(62)	-	(62)
	<u>277</u>	<u>222</u>	<u>632</u>	<u>495</u>

The effective tax rate is higher than the statutory corporate tax rate of 25%, due to certain expenses being non-deductible for tax and the tax loss arising from GDEX's Singapore subsidiary unable to be offset against taxable profit in Malaysia.

## 6. Unquoted Securities and/or Properties

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

## 7. Quoted Securities

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

## 8. Status of Corporate Proposals

On 8 January 2009, the Company entered into a Memorandum of Understanding ("MOU") with Entrepise Des Postes Lao ("EPL") for the feasibility study of conducting express delivery services in Laos and the existing operation mode, system and procedure adopted by EPL to enter into a strategic partner relationship, to develop international and domestic express delivery services under shared brands for the Laos market. During the financial period under review, there was no further development on the said feasibility study subsequent to the signing of the MOU.

## 9. Group Borrowings

The Group borrowings consist of the following:-

	S\$'000	RM'000
<b>Short term borrowings (secured) :</b>		
<b>Denominated in Ringgit Malaysia</b>		
Trust receipt		-
Hire purchase payables		2,406
Term loans		493
<b>Denominated in Singapore Dollar</b>		
Hire purchase payables	26	63
<b>Long- term borrowings (secured):</b>		
<b>Denominated in Ringgit Malaysia</b>		
Hire purchase payables		2,126
Term loans		3,462
<b>Denominated in Singapore Dollar</b>		
Hire purchase payables	16	38
Total borrowings	42	8,588

There was no unsecured debt during the current quarter and financial year-to-date.

## 10. Financial Instruments

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

## 11. Material Litigations

There were no further developments to matters previously disclosed in the audited financial statements for the financial year ended 30 June 2008.

## 12. Dividends

On 15 January 2009, the Company paid a final dividend of 5% or 0.5 sen per share less tax totaling RM1,269,860 (2007 : Nil) for the financial year ended 30 June 2008. The said amount differs from the final dividend totaling RM1,285,930 as disclosed in the previous quarterly report for the financial period ended 30 September 2008 due to tax credits available for the franking of dividends.

No dividend was declared or paid during the current quarter under review and financial year-to-date.

### 13. 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 Quarter 31.12.2008 (RM'000)	Current Year To Date 31.12.2008 (RM'000)
Net profit attributable to ordinary shareholders	697	1,597
Weighted average number of ordinary share of RM0.10 each in issue (units)	257,186,038	257,186,038
Basic earnings per share (sen)	0.27	0.62

#### ii. Diluted

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

By Order of the Board

Wong Wei Fong (MAICSA 7006751)  
Lim Lee Kuan (MAICSA 7017753)  
Secretaries  
11 February 2009