



## GD Express Carrier Berhad

(Company No. 630579-A)

(Incorporated in Malaysia under the Companies Act, 1965)

### Condensed Consolidated Income Statement

For the First Quarter ended 30 September 2009

(The figures have not been audited)

	Individual		Cumulative	
	Current Financial Year First Quarter 30.09.2009 (RM'000)	Preceding Financial Year Corresponding Quarter 30.09.2008 (RM'000)	Current Financial Year To Date 30.09.2009 (RM'000)	Preceding Financial Year To Date 30.09.2008 (RM'000)
Revenue	19,739	20,036	19,739	20,036
Operating expenses	(18,293)	(18,746)	(18,293)	(18,746)
Other operating income	221	105	221	105
Profit from operations	1,667	1,395	1,667	1,395
Finance costs	(127)	(140)	(127)	(140)
Profit before tax	1,540	1,255	1,540	1,255
Taxation	(447)	(355)	(447)	(355)
Net profit after tax	1,093	900	1,093	900
Earnings per share (sen)	0.42	0.35	0.42	0.35

The Condensed Consolidated Income Statement should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2009 and the accompanying explanatory notes attached to the interim financial statements.

**Condensed Consolidated Balance Sheet**  
**As at 30 September 2009**  
**(The figures have not been audited)**

	As At End Of Current Quarter 30.09.2009 (RM'000)	Audited As At Preceding Financial Year Ended 30.06.2009 (RM'000)
<b>Non-Current Assets</b>		
Property, plant and equipment	15,264	16,455
Investment property	2,736	2,750
Goodwill	137	137
Prepaid lease payments	4,389	4,413
<b>Total Non-Current Assets</b>	<u>22,526</u>	<u>23,755</u>
<b>Current Assets</b>		
Inventories	437	383
Trade receivables	17,773	16,135
Other receivables and prepaid expenses	2,190	2,137
Deposits with licensed banks	10,241	9,335
Cash and bank balances	1,760	1,950
Tax Recoverable	148	115
<b>Total Current Assets</b>	<u>32,549</u>	<u>30,055</u>
<b>Total Assets</b>	<u>55,075</u>	<u>53,810</u>
<b>Equity</b>		
Share capital	25,719	25,719
Share premium	618	618
Revaluation reserve	414	417
Translation reserve	(68)	(56)
Retained earnings	13,342	12,246
<b>Total equity attributable to shareholders</b>	<u>40,025</u>	<u>38,944</u>
<b>Non-Current Liabilities</b>		
Provision for retirement benefit	246	246
Hire-purchase payables	1,445	2,135
Term loans (secured)	2,813	2,925
Deferred tax liabilities	251	251
<b>Total Non-Current Liabilities</b>	<u>4,755</u>	<u>5,557</u>
<b>Current Liabilities</b>		
Trade payables	3,655	3,153
Other payables and accrued expenses	3,938	3,157
Hire-purchase payables - current portion	2,394	2,714
Term loans (secured) - current portion	278	268
Provision for taxation	30	17
<b>Total Current Liabilities</b>	<u>10,295</u>	<u>9,309</u>
<b>Total Liabilities</b>	<u>15,050</u>	<u>14,866</u>
<b>Total Equity and Liabilities</b>	<u>55,075</u>	<u>53,810</u>
Net assets per share (RM)	<u>0.16</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 2009 and the accompanying explanatory notes attached to the interim financial statements.

## Condensed Consolidated Statement of Changes in Equity

For the First Quarter ended 30 September 2009

(The figures have not been audited)

	Issued share capital (RM'000)	Share premium (RM'000)	Retained earnings (RM'000)	Revaluation reserve (RM'000)	Translation reserve (RM'000)	Total (RM'000)
Balance as at 1 July 2009	25,719	618	12,246	417	(56)	38,944
Foreign currency translation	-	-	-	-	(12)	(12)
Transfer to retained earnings	-	-	3	(3)	-	-
Net profit for the period	-	-	1,093	-	-	1,093
Balance as at 30 September 2009	25,719	618	13,342	414	(68)	40,025
Balance as at 1 July 2008	25,719	618	11,406	569	(30)	38,282
Foreign currency translation	-	-	-	-	(26)	(26)
Deferred tax liability on revaluation of building	-	-	-	(140)	-	(140)
Transfer to retained earnings	-	-	12	(12)	-	-
Net profit for the year	-	-	2,082	-	-	2,082
Dividends	-	-	(1,254)	-	-	(1,254)
Balance as at 30 June 2009	25,719	618	12,246	417	(56)	38,944

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 2009 and the accompanying explanatory notes attached to the interim financial statements.

**Condensed Consolidated Cash Flow Statement**  
**For the First Quarter Ended 30 September 2009**  
**(The figures have not been audited)**

	Current Year To date Ended 30.09.2009 (RM'000)	Audited As At Preceding Financial Year Ended 30.06.2009 (RM'000)
<b>Cash flows from/ (used in) operating activities</b>		
Profit for the period/ year	1,093	2,082
Adjustments for non-cash items	1,844	8,146
Operating profit before working capital changes	<u>2,937</u>	<u>10,228</u>
Changes in working capital:		
Net change in current assets	(1,745)	3,010
Net change in current liabilities	<u>1,283</u>	<u>1,323</u>
<b>Cash flows from operations</b>	<u>2,475</u>	<u>14,561</u>
Income tax paid	<u>(467)</u>	<u>(1,839)</u>
<b>Net cash from operating activities</b>	<u>2,008</u>	<u>12,722</u>
<b>Cash flows from/ ( used in) investing activities</b>		
Additions to property, plant and equipment	(201)	(1,469)
Proceeds from disposal of property, plant and equipment	183	80
Interest received	60	199
Decrease in fixed deposits pledged with licensed bank	<u>-</u>	<u>45</u>
<b>Net cash from/ ( used in) investing activities</b>	<u>42</u>	<u>(1,145)</u>
<b>Cash flows from/ (used in) financing activities</b>		
Dividends paid to shareholders of the Company	-	(1,254)
Repayment of term loans and Islamic bank facilities	(102)	(1,047)
Payment of hire purchase payables	(1,087)	(3,413)
Finance costs paid	<u>(127)</u>	<u>(655)</u>
<b>Net cash used in financing activities</b>	<u>(1,316)</u>	<u>(6,369)</u>
<b>Net increase in cash and cash equivalents</b>	734	5,208
Revaluation reserve	(3)	-
Translation reserve	(15)	(30)
Cash and cash equivalents at beginning of year	<u>10,677</u>	<u>5,499</u>
<b>Cash and cash equivalents at end of period/ year</b>	<u>11,393</u>	<u>10,677</u>
Cash and bank balances	1,760	1,950
Deposits with licensed banks	<u>10,241</u>	<u>9,335</u>
	12,001	11,285
Less: Fixed deposits pledged with licensed banks	<u>(608)</u>	<u>(608)</u>
	<u>11,393</u>	<u>10,677</u>

The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2009 and the accompanying explanatory notes attached to the interim financial statements.

## Notes To The Interim Financial Report For the financial period ended 30 September 2009

### 1. Accounting Policies and Basis of Preparation

The interim financial statements of the Group are unaudited and have been prepared in accordance with the requirements of Financial Reporting Standard (FRS) 134: "Interim Financial Reporting" and Rule 9.22 and Appendix 9B of the ACE Market Listing Requirements 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 2009. 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 2009. 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 2009.

As at the date of this report, the followings FRSs and Issues Committee ("IC") Interpretations were in issue but were yet to be effective (the effective dates of which are listed below) and have not been applied by the Group:

<u>FRS / Interpretation</u>	<u>Effective Date</u>
FRS 4 Insurance Contracts	1 January 2010
FRS 7 Financial Instruments: Disclosures	1 January 2010
FRS 123 Borrowing Costs	1 January 2010
FRS 127 Consolidated and Separate Financial Statements	1 January 2010
FRS 139 Financial Instruments: Recognition and Measurement	1 January 2010
IC Interpretation 9 Reassessment of Embedded Derivatives	1 January 2010
IC Interpretation 10 Interim Financial Reporting and Impairment	1 January 2010
IC Interpretation 11 FRS 2- Group and Treasury share Transactions	1 January 2010
IC Interpretation 13 Customer Loyalty Programmes	1 January 2010
IC Interpretation 14 FRS 119 – The Limit on a Defined Benefit Asset, Minimum	1 January 2010

The new FRSs and IC Interpretations above are not expected to have any significant financial impact on the financial statements of the Group upon the initial application, except for the changes in disclosures arising from the adoption of FRS 7.

The Group is exempted from disclosing the possible impact, if any, to its financial statements upon the initial application of FRS 139.

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

The auditors' report on the financial statements for the financial year ended 30 June 2009 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, results and total assets for the financial period ended 30 September 2009 are tabulated below:-

#### Geographical segments

	Malaysia (RM'000)	Singapore (RM'000)	Elimination (RM'000)	Total (RM'000)
<u>Revenue</u>				
External sales	19,597	142	-	19,739
Inter-segment sales	1,110	154	(1,264)	-
External sales	<u>20,707</u>	<u>296</u>	<u>(1,264)</u>	<u>19,739</u>
<u>Results</u>				
Profit/(Loss) from operations	1,767	(100)	-	1,667
Finance costs	(125)	(2)	-	(127)
Profit/(Loss) before tax	<u>1,642</u>	<u>(102)</u>	<u>-</u>	<u>1,540</u>
<u>Total assets</u>				
Segment assets/ Consolidated total assets	<u>54,399</u>	<u>676</u>	<u>-</u>	<u>55,075</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 revaluation reserves.

#### **10. Material Events Subsequent To Period End**

There were no material events occurring subsequent to the end of the financial period ended 30 September 2009 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**

On 30 October 2009, Shah Alam High Court has dismissed the legal claims filed by a former business partner with costs. Hence, this litigation matter has reached its finality and has been resolved.

Saved as disclosed above, there were no changes in contingent liabilities or contingent assets of the Group since the last annual balance sheet as at 30 June 2009.

#### **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 GD Private Limited; and
  - (ii) Mr Leong Chee Tong is a common director in GD Express Carrier Berhad and GD Private Limited.
- b) The related party transactions between the GDEX Group and the interested related parties are as follows:-

	Current Quarter Ended 30 September 2009 (RM'000)	Cumulative Current Quarter Ended 30 September 2009 (RM'000)
<b><u>GDX Private Limited</u></b>		
GD Technosystem Sdn Bhd - Software update and maintenance	74	74
GD Express Sdn Bhd - Software training	146	146



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

### 1. Review of Performance for the Current Quarter and Financial Year-to-Date

For the first quarter ended 30 September 2009, the Group recorded revenue of approximately RM19.74 million, representing a marginal decrease of approximately 1.48% as compared to the same quarter in the preceding financial year.

The lower revenue recorded by the Group was due to the following factors:-

- (a) lower fuel surcharge from 25% for the same quarter in the preceding financial year to 10% with additional 10% handling charge for the current quarter under review; and
- (b) provision for prompt payment rebates was set-off against the Group's revenue during the current quarter under review, whereas the said rebates were charged out as operating expenses from the Group's revenue during the same quarter in the preceding financial year.

Pursuant to the abovementioned factors, the Group's business volume improved despite the festive holidays, i.e. Hari Raya in mid September 2009.

The Group's profit before tax ("PBT") for the period increased by approximately 22.71% to approximately RM1.54 million, as compared to the PBT of RM1.26 million for the same quarter in the preceding financial year. The increase in PBT was mainly attributable to the cost control exercise undertaken by the Group during the previous financial quarters which yielded positive results in the subsequent quarter and lower prompt payment rebates offered to the customers.

### 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 approximately RM1.54 million for the first quarter ended 30 September 2009. As compared to the immediate preceding quarter ended 30 June 2009, the PBT for the first quarter increased by approximately RM0.48 million or approximately 45.15%. Such increase was mainly contributed by higher revenue achieved by the Group during the quarter under review as most of the Group's customers experienced modest recovery from the global economic crisis starting from the second quarter of the preceding financial year.

### 3. Prospects of the Group

The Group expects stiffer market competition and inflationary pressures due to rising fuel prices, which are expected to be a relevant concern for the remaining quarters of the current financial year. Under such an environment, the Group will continue to exercise various cost control measures and shall adopt prudence in implementing capital expenditure and business expansion plans to ensure long-term sustainability. The Group will continue to develop its human resources and groom future leaders at all levels of management by implementing a sustainable career development program.

Barring unforeseen circumstances, the Directors are of the opinion that the demand for logistics solutions will continue to grow and the Group's prospects will remain positive in the long term.

#### 4. Profit Forecast

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

#### 5. Taxation

The taxation figures are as follows:-

	Individual		Cumulative	
	Current Year First Quarter 30.09.2009 (RM'000)	Preceding Year Corresponding Quarter 30.09.2008 (RM'000)	Current Year To Date 30.09.2009 (RM'000)	Preceding Year To Date 30.09.2008 (RM'000)
Estimated tax payable	447	355	447	355
Deferred tax	-	-	-	-
	<u>447</u>	<u>355</u>	<u>447</u>	<u>355</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 being unable to be offset against the taxable profit from its Malaysian operations.

#### 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 Entreprise Des Postes Lao ("EPL") to conduct a feasibility study on express delivery services in Laos as well as 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, both parties have completed the said feasibility study and are in the midst of finalising the proposed strategic partnership. The findings and conclusions from the study will be announced in due course.

## 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>		
Hire purchase payables		2,373
Term loans		278
<b>Denominated in Singapore Dollar</b>		
Hire purchase payables	9	21
<b>Long- term borrowings (secured):</b>		
<b>Denominated in Ringgit Malaysia</b>		
Hire purchase payables		1,418
Term loans		2,813
<b>Denominated in Singapore Dollar</b>		
Hire purchase payables	11	27
<b>Total borrowings</b>	20	6,930

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

Save as disclosed below, the Directors of GDEX confirm that the Group is not engaged in any material litigation, claim or arbitration, either as plaintiff or defendant, and the Directors of GDEX do not have any knowledge of proceedings pending or threatened against GDEX and/or its subsidiaries, or of any fact likely to give rise to any proceeding, which might materially and adversely affect the financial position or business of the Group as at the date of this report.

(a) **Panglima Ribuan Sdn Bhd (“PRSB” or the “Plaintiff”) vs GD Express Sdn Bhd, a wholly-owned subsidiary of GDEX (“GDSB”) (the “Defendant”)**

On 10 May 2004, PRSB, a former business partner of GDSB commenced legal proceedings against GDSB for alleged failure by GDSB to erect a signboard. PRSB is also claiming for loss of business due to GDSB’s alleged encroachment in the area of service exclusively given by GDSB to PRSB and the refund of the franchise fee paid to GDSB. The total amount claimed by PRSB is RM966,000.

On 30 October 2009, Shah Alam High Court has dismissed the Plaintiff’s claim with costs. Hence, this matter has reached its finality and the Defendant’s counter claim was allowed with interest and cost and, general damages was awarded at a fixed amount of RM10,000.

(b) **T & T Travel & Cargo Sdn Bhd (“T&T” or the “Plaintiff”) vs GDSB (the “Defendant”)**

On 14 September 2005, T&T, a former business agent of GDSB commenced legal proceedings against GDSB for disputes on the amount owing for services rendered in the course of courier business. Based on GDSB’s record, T&T has double claimed for certain transactions and was also reluctant to compensate for shipment lost in their possession. The total amount claimed by T&T is RM181,000. However, GDSB had made a payment into Court for RM98,000 which has been paid out to the Plaintiff. Currently, there is an outstanding balance of RM83,000 claimed by them to be determined at the judgement date fixed on 14 December 2009.

The Directors of GDEX, in consultation with GDEX’s solicitors, are of the view that GDEX has a good defence against the abovementioned legal claim.

## 12. Dividends

The Board proposed a final single tier dividend of 5% or 0.5 sen per share and a special single tier dividend of 5% or 0.5 sen per share, totaling 10% or 1 sen per share amounting to RM2,571,860 (2008: RM1,253,784) for the financial year ended 30 June 2009, subject to the approval of the shareholders at the forthcoming Annual General Meeting on 10 December 2009. The book closure date is fixed on 29 December 2009 and the payment date will be on 11 January 2010.

Save as disclosed above, there were no other dividends declared during the current quarter under review and financial period-to-date.

## 13. Earnings Per Share

### i. Basic

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

	Current Quarter 30.09.2009 (RM'000)	Current Year To Date 30.06.2009 (RM'000)
Net profit attributable to ordinary shareholders	1,093	1,093
Weighted average number of ordinary share of RM0.10 each in issue (units)	257,186,038	257,186,038
Basic earnings per share (sen)	<u>0.42</u>	<u>0.42</u>

### ii. Diluted

The Company does not have any convertible share or convertible financial instrument 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  
20 November 2009