



GD Express Carrier Berhad

(Company No. 630579-A)

(Incorporated in Malaysia under the Companies Act, 1965)

Unaudited Condensed Consolidated Statement of Comprehensive Income For the Six Months Ended 31 December 2011

	Current Quarter Three Months Ended 31 December		Cumulative Quarter Six Months Ended 31 December	
	2011	2010	2011	2010
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
1. Revenue	29,867	23,332	56,148	44,656
2. Operating expenses	(26,619)	(21,084)	(50,364)	(40,690)
3. Other operating income	79	108	142	228
4. Profit from operations	3,327	2,356	5,926	4,194
5. Finance costs	(388)	(254)	(790)	(356)
6. Profit before tax	2,939	2,102	5,136	3,838
7. Taxation	(833)	(486)	(1,448)	(981)
8. Net profit for the period	2,106	1,616	3,688	2,857
Other comprehensive income:				
9. Realisation from revaluation reserve to retained earnings	1	1	2	2
10. Foreign currency translation differences for foreign operation	9	(17)	8	(31)
	10	(16)	10	(29)
11. Total comprehensive income for the period	2,116	1,600	3,698	2,828
12. Profit attributable to shareholders of the company	2,106	1,616	3,688	2,857
13. Earnings per share :				
(a) Basic EPS (sen)	0.82	0.63	1.43	1.11
(b) Fully diluted EPS (sen)	0.76	-	1.34	-

The Unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2011 and the accompanying explanatory notes attached to the interim financial statements.



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Unaudited Condensed Consolidated Statement of Financial Position As At 31 December 2011

	31.12.2011 (RM'000)	Audited 30.06.2011 (RM'000)
Assets		
Non-current assets		
Property, plant and equipment	26,658	23,817
Prepaid lease payments	23,071	23,322
Intangible assets – Goodwill	137	137
	49,866	47,276
Current assets		
Inventories	508	478
Trade and other receivables	29,731	26,574
Deposits with licensed banks	6,471	5,393
Cash and bank balances	5,374	6,876
	42,084	39,321
Current liabilities		
Trade and other payables	10,215	8,741
Hire-purchase payables - current portion	2,057	2,343
Short term borrowings (secured) - current portion	6,763	7,068
Provision for taxation	1,536	684
	20,571	18,836
Net current assets	21,513	20,485
	71,379	67,761
Financed by:		
Capital and reserves		
Share capital	25,719	25,719
Reserves	24,710	21,012
Shareholders' funds	50,429	46,731
Non-Current Liabilities		
Provision for retirement benefits	165	163
Hire-purchase payables	3,921	2,970
Term loans (secured)	15,754	16,786
Deferred tax liabilities	1,110	1,111
Total Non-current liabilities	20,950	21,030
	71,379	67,761
Net Assets per share attributable to owners of the company (RM)	0.20	0.18

The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2011 and the accompanying explanatory notes attached to the interim financial statements.



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**Unaudited Condensed Consolidated Statement of Cash Flows
For The Six Months Ended 31 December 2011**

	Six Months Ended 31 December	
	2011	2010
	(RM'000)	(RM'000)
Cash flows from operating activities		
Profit for the year	3,688	2,857
Adjustments for non-cash items	4,641	3,158
Operating profit before changes in working capital (Increase)/Decrease in working capital	8,329	6,015
Inventories	(30)	110
Receivables, deposits and prepayment	(3,156)	(1,173)
Payables and accruals	1,473	1,107
Cash generated from operations	6,616	6,059
Income tax paid	(597)	(1,296)
Net cash from operating activities	6,019	4,763
Cash flows from investing activities		
Acquisition of property, plant and equipment	(3,046)	(24,860)
Deposit for acquisition of property	-	2,164
Proceeds from disposal of property, plant and equipment	-	57
Interest received	106	111
Net cash used in investing activities	(2,940)	(22,528)
Cash flows from financing activities		
Term loan facilities drawdown	1,500	17,680
Dividends paid to shareholders of the Company	-	(2,571)
Repayment of term loans and Islamic bank facilities	(2,835)	(337)
Net payment of hire purchase payables	(1,385)	(519)
Finance costs paid	(790)	(356)
Net cash from / (used in) financing activities	(3,510)	13,897
Net change in cash and cash equivalents	(431)	(3,868)
Effect of exchange difference	7	6
Cash and cash equivalents at beginning of year	11,607	11,161
Cash and cash equivalents at end of year	11,183	7,299

The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2011 and the accompanying explanatory notes attached to the interim financial statements.



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**Unaudited Condensed Consolidated Statement of Changes in Equity
For the Six Months Ended 31 December 2011**

	Issued Share capital (RM'000)	←-----Non – Distributable-----→ Share Premium (RM'000)	Revaluation Reserve (RM'000)	Translation Reserve (RM'000)	Distributable Retained Earnings (RM'000)	Total Equity (RM'000)
(Audited)						
Balance as at 1 July 2010	25,719	618	409	2	15,639	42,387
Total comprehensive income for the period	-	-	(9)	(64)	6,989	6,916
Transactions with owners						
Dividends	-	-	-	-	(2,572)	(2,572)
Balance as at 30 June 2011	<u>25,719</u>	<u>618</u>	<u>400</u>	<u>(62)</u>	<u>20,056</u>	<u>46,731</u>
(Unaudited)						
Balance as at 1 July 2011	25,719	618	400	(62)	20,056	46,731
Total comprehensive income for the period	-	-	(4)	8	3,694	3,698
Transactions with owners						
Dividends	-	-	-	-	-	-
Balance as at 31 December 2011	<u>25,719</u>	<u>618</u>	<u>396</u>	<u>(54)</u>	<u>23,750</u>	<u>50,429</u>

The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2011 and the accompanying explanatory notes attached to the interim financial statements.



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PART A – EXPLANATORY NOTES PURSUANT TO FINANCIAL REPORTING STANDARDS 134 (“FRS 134”)

A1. Basis of Preparation

The interim financial reports are unaudited and have been prepared in accordance with the requirements of Financial Reporting Standards (“FRS”) 134 “Interim Financial Reporting” issued by the Malaysian Accounting Standards Board and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the Group’s annual audited financial statements for the year ended 30 June 2011.

A2. Significant Accounting Policies

The significant accounting policies and methods of computation adopted by the Group in these condensed consolidated financial statements are the same as those applied by the Group in its consolidated financial statements for the year ended 30 June 2011.

Adoption of New and Revised Financial Reporting Standards

In the current financial period, the Group adopted all the new and revised FRSs and Issues Committee Interpretations (“IC Interpretations”) issued by the Malaysian Accounting Standards Board (“MASB”) that are effective for quarter period beginning on or after 1 July 2011 as follows:

FRS 1	First-time Adoption of Financial Reporting Standards (Amendments relating to limited exemption from Comparative FRS 7 Disclosures for First-time Adopters)
FRS 1	First-time Adoption of Financial Reporting Standards (Amendments relating to additional exemptions for First-time Adopters)
FRS 2	Share-based Payment (Amendments relating to group cash-settled share based payment transaction)
FRS 7	Financial Instruments: Disclosures (Amendments relating to improving disclosures about financial instruments)
Improvements to FRSs 2010	
IC Interpretation 4	Determining whether an arrangement contains a lease
IC Interpretation 18	Transfers of Assets from Customers
IC Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments

The adoption of the new and revised FRSs and IC Interpretations did not have any effect on financial performance or position of the Group.



A2. Significant Accounting Policies (*Continued*)

FRSs, Amendments to FRSs and IC Interpretations issued but not yet effective

At the date of this report, the new and revised Standards and IC Interpretations which were issued but not yet effective and not early adopted by the Group are as listed below:

FRS 124	Related Party Disclosure (Revised) ¹
MFRS 101	Presentation of Financial Statements – Presentations of items of other comprehensive income ³

Improvement to FRSs 2010 ¹	
IC Interpretation 15	Agreements for the Construction of Real Estate ²

- ¹ Effective for annual periods beginning on or after 1 January 2012
- ² Original effective date of 1 July 2010 deferred to 1 January 2012 via amendment issued by MASB on 31 August 2010
- ³ Effective for annual periods beginning on or after 1 July 2012

The Directors anticipate that the adoption of the above standards and interpretations, when they become effective, are not expected to be relevant or have material impact on the financial statements of the Group in the period of initial application.

A3. Audit Report on Preceding Annual Financial Statements

The audit report of the Group's annual financial statements for the year ended 30 June 2011 was not subject to any audit qualification.

A4. Seasonality or Cyclicity of Interim Operations

The business operations of the Group are generally affected by lower deliveries during the month with numerous public and festive holidays.

A5. Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows

There are no items affecting assets, liabilities, equity, net income or cash flows that are unusual because of their nature, size, or incidence during the current quarter under review.

A6. Changes in Estimates Reported in Prior Interim Periods or in Prior Financial Year

The Group revised its depreciation rates for motor vehicles from 20% to 12.5% with effect from 1 July 2010 to reflect more realistically the estimated remaining economic useful lives of the assets. The period of depreciation was also revised from 5 years to 8 years. The effect of the change in depreciation rate in accounting estimate was a decrease in depreciation charge for the prior financial year amounted to approximately RM1,795,400.

Saved as disclosed above, there were no other changes in estimates that have had any material effect on current quarter under review.

A7. Changes in Debt And Equity Securities

There were no issuances or repayment of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares during the current quarter under review.



A8. Dividend Paid

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

A9. Operating Segments

The Group has two reportable segments and operates predominantly in Malaysia and Singapore as described below, which are the Group's strategic business units. The strategic business units offer different services, and are managed separately because they require different resources management and marketing strategies. For each of the strategic business units, the Chief Executive Officer reviews internal management reports on at least a quarterly basis. The following summary describes the operations in each of the Group's reportable segments:

- Courier services - Provision of express delivery services
- Logistic services - Provision of customized logistics solutions services

The segmental revenue, results and total assets for the financial period ended 31 December 2011 are tabulated below:

Operating segments

	← Express Delivery →		Logistic Malaysia (RM'000)	Elimination (RM'000)	Total (RM'000)
	Malaysia (RM'000)	Singapore (RM'000)			
<u>Revenue</u>					
External sales	55,512	1,247	847	(1,458)	56,148
Inter-segment sales	(682)	(44)	(732)	1,458	-
External sales	54,830	1,203	115	-	56,148
<u>Results</u>					
Profit from operations	6,147	34	(255)	-	5,926
Finance costs	(782)	(8)	-	-	(790)
Profit before tax	5,365	26	(255)	-	5,136
<u>Total assets</u>					
Segment assets/ Consolidated total assets	89,361	1,791	798	-	91,950

A10. Property, Plant and Equipment Valuation

There were no changes in the valuation of property, plant and equipment since the last annual financial statements.

A11. Events Subsequent to the End of the Period

Between the end of the second quarter and the date of this announcement, there has not been any item, transaction or event of a material and unusual nature which, in the opinion of the Directors is likely to affect substantially the results of the operations of the Group for the period ended 31 December 2011.



A12. Changes in the Composition of the Group

There were no changes in the composition of the Group during the current quarter under review including business combination, acquisition or disposal of subsidiaries and long-term investments, restructuring and discontinuing operations.

A13. Changes in Contingent Liabilities or Contingent Assets

There were no changes in contingent liabilities or contingent assets as at the date of this report.

A14. Capital Commitments

All capital commitments undertaken have been included in the financial statements for the current quarter under review.

A15. Related Party Transactions

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

	Transaction Value Six Months Ended		Balance Outstanding	
	2011 31 December (RM'000)	2010 31 December (RM'000)	31 December 2011 (RM'000)	30 June 2010 (RM'000)
Revenue				
Singapore Post Limited				
- Provision of express delivery services	140	37	42	24
Expenses				
GDx Private Limited				
- Software training	291	291	93	25
- Software update and maintenance	148	148	74	(6)



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PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B1. Review of Performance

Performance for the quarter ended 31 December 2011 versus the same quarter in Year 2010

Group revenue for the second quarter ended 31 December increased by RM6.535 million or 28.0% compared to the corresponding quarter in the previous financial year. Over the six months period, Group revenue increased by RM11.492 million or 25.7% from RM44.656 million reported in the corresponding financial period ended 31 December 2010 to RMRM56.148 million in current financial period ended 31 December 2011.

Group profit before tax for the same quarter was higher by RM0.837 million or 39.8% compared to the corresponding quarter in the previous financial year. Over the six months period, Group profit before tax increased by RM1.298 million or 33.8% from RM3.838 million reported in the corresponding financial period ended 31 December 2010 to RM5.136 million in current financial period ended 31 December 2011.

This improved performance was mainly due to growth in customer base and increase in business from existing customers. Completion of transshipment hub upgrading at the end of the preceding quarter was timely to support the increased business volume as the handling capacity was increased almost three fold. The high capacity helped to overcome bottleneck in the operational process and thereby leading to improvement in service quality. Positive virtuous cycle followed suit. The Group has always reviewed its investment policies to ensure that further investment in infrastructure, processes and people are able to facilitate higher business growth and improved performance. However, the Group continues to be cautious in cost control while maintaining a high standard in service quality.

B2. Comparison of Results with Preceding Quarter

Group revenue for the quarter under review was higher by RM3.586 million or 13.6% compared to RM26.281 million recorded for the preceding quarter.

Profit before tax for the Group for this quarter was higher by RM0.741 million or 33.7% compared to the preceding quarter.

The improved performance was attributed to higher business volume from new and existing customers. It was also in line with the seasonal factor in which the quarter was experiencing the year-end effect, which usually saw higher movement of goods and services. Increase in profit before tax was a result of higher business volume and hence the result of economic of scale. Cost control also contributed to the improvement in bottom-line.

B3. Prospects

As proposed in the 2012 National Budget, to stimulate domestic economic activities, the Malaysian Government proposes to further liberalize the foreign equity participation up to 100% in selected services industries which include the courier services. The entries of domestic giants from various regions into Malaysia demonstrate the encouraging business potential in the express carrier industry. This inevitably



intensifies competition in the express carrier industry but it has also provides the opportunities for collaboration with these new players. As such, the Group expects the domestic economy to remain healthy, with the implementation of various government initiatives. However, the Malaysia economy and the express carrier industry may face serious slow-down if the world economy situation deteriorate further. The Group will continue to focus on its core business in improving service quality and gain greater trust from the customers.

B4. Variance from Profit Forecast

No profit forecast was issued during the current quarter under review.

B5. Profit for the Period

Profit for the period is arrived at after charging/(crediting):

	Current Quarter		Cumulative Quarter	
	Three Months Ended		Six Months Ended	
	31 December		31 December	
	2011	2010	2011	2010
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Interest income	(56)	(66)	(107)	(111)
Other income	(23)	(42)	(35)	(117)
Depreciation and amortisation	1,261	899	2,500	2,149
Allowance for doubtful debts	241	-	241	-

B6. Taxation

Taxation in respect of the current financial period comprises the following:

	Current Quarter		Cumulative Quarter	
	Three Months Ended		Six Months Ended	
	31 December		31 December	
	2011	2010	2011	2010
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Current tax	833	486	1,448	981

Tax expense is recognised based on management's best estimate of the weighted average annual tax rate expected for the full financial year applied to the pre-tax income of the interim period. The Group's effective tax rate for the current quarter under review was higher than the statutory tax rate mainly due to certain expenses were disallowed for tax purposes.

B7. Sale of Unquoted Investments and/or Properties

There were no sales of unquoted investments or properties for the current quarter under review.

B8. Quoted Securities

There were no purchases or disposal of quoted securities for the current quarter under review.



B9. Status of Corporate Proposals

Save as disclosed below, there were no corporate proposals announced as at the date of this announcement:

On 10 November 2010, Hong Leong Investment Bank Berhad (“HLIB”) had, on behalf of the Board announced that the Company proposed to undertake the following:-

Proposed Special Bumiputera Issue of up to 36,740,863 new GDEX Shares (“Special Issue Shares”), representing 12.5% of the enlarged issued and paid-up share capital of the Company, to Bumiputera investors to be identified and / or approved by the Ministry of International Trade and Industry (“MITI”) (“proposed Special Bumiputera Issue”).

The approvals on the Proposed Special Bumiputera Issue had been obtained from the following parties:-

- Shareholders of the Company;
- Bursa Malaysia Securities Berhad (“Bursa Securities”);
- Securities Commission; and
- Ministry of International Trade and Industry.

As of to date, the Proposed Special Bumiputera Issue has not been implemented.

B10. Group Borrowings and Debt Securities

The Group borrowings consist of the following:

	(S\$'000)	Cumulative Quarter Six Months Ended 31 December 2011 (RM'000)
Short term borrowings (secured):		
Denominated in Ringgit Malaysia		
Hire purchase payables	-	1,825
Short term revolving credit	-	5,500
Term loans	-	1,263
Denominated in Singapore Dollar		
Hire purchase payables	95	232
Long term borrowings (secured):		
Denominated in Ringgit Malaysia		
Hire purchase payables	-	3,913
Term loans	-	15,754
Denominated in Singapore Dollar		
Hire purchase payables	3	8
Total borrowings	98	28,495

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

B11. Financial Instruments

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



B12. Fair value changes of financial liabilities

The Group does not have any financial liabilities that are measured at fair value through profit or loss for the current quarter and cumulative quarter ended 31 December 2011.

B13. Material Litigation

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.

B14. Dividend

The Company had declared a final single tier dividend of 12.5% amounting to RM3,214,825 in respect of the financial year ended 30 June 2011 and was approved by the shareholders in the Eighth Annual General Meeting held on 7 December 2011. The final single tier dividend was paid on 5 January 2012. The dividend has not been included as a liability in the Financial Statements.

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

B15. Earnings Per Share

i. Basic Earnings Per Share

	Individual Quarter Current Year Quarter 31.012.2011 (RM'000)	Cumulative Quarter Current Year To-Date 31.12.2011 (RM'000)
Net profit attributable to ordinary shareholders	2,106	3,688
Weighted average number of ordinary share of RM0.10 each in issue (units)	257,186,038	257,186,038
Basic earnings per share (sen)	0.82	1.43

ii. Diluted Earnings Per Share

	Individual Quarter Current Year Quarter 31.12.2011 (RM'000)	Cumulative Quarter Current Year To-Date 31.12.2011 (RM'000)
Net profit attributable to ordinary shareholders	2,106	3,688
Weighted average number of ordinary share in issue (units)	257,186,038	257,186,038
Adjustment for share warrants	19,326,118	19,026,518
Weighted average number of ordinary shares (units)	276,512,156	276,212,556
Diluted earnings per share (sen)	0.76	1.34



B16. Realised and Unrealised Earnings Disclosure

	At the End of Current Quarter 31.12.2011 (RM'000)	At the End of Preceding Financial Year 30.06.2011 (RM'000)
Total Retained Earnings of the Group:		
- Realised	18,873	15,188
- Unrealised	<u>(1,110)</u>	<u>(1,111)</u>
	17,763	14,077
Consolidation adjustments	<u>5,987</u>	<u>5,979</u>
Total retained earnings	<u><u>23,750</u></u>	<u><u>20,056</u></u>

The determination of realized and unrealized profits is based on Guidance of 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*, issued by Malaysian Institute of Accountants on 20 December 2010.

B17. Authorisation for Issue

The Unaudited Condensed Interim Financial Statements were authorized for issue by the Board in accordance with a resolution of the Directors on 15 February 2012.

By Order of the Board

Wong Wai Foong (MAICSA 7001358)
Lim Lee Kuan (MAICSA 7017753)
Soo Shiow Fang (MAICSA 7044946)
Secretaries
Date: 15 February 2012