



## GD EXPRESS CARRIER BHD

(Company No. 630579-A)

(Incorporated in Malaysia under the Companies Act, 1965)

### UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE QUARTER AND SIX MONTHS ENDED 31 DECEMBER 2013

	Individual Quarter		Cumulative Quarter	
	Current Year	Preceding Year	Current Year	Preceding Year
	Quarter	Corresponding Quarter	To-Date	Corresponding Period
	31.12.2013	31.12.2012	31.12.2013	31.12.2012
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Revenue	40,304	34,244	77,408	66,250
Operating expenses	(33,624)	(29,142)	(65,388)	(56,030)
Other operating income	229	117	355	257
Profit from operations	6,909	5,219	12,375	10,477
Finance costs	(346)	(329)	(697)	(706)
Profit before tax	6,563	4,890	11,678	9,771
Taxation	2,159	(1,427)	727	(2,810)
Net profit for the period	8,722	3,463	12,405	6,961
Other comprehensive income:				
Foreign currency translation differences for foreign operation	17	8	52	15
	17	8	52	15
Total comprehensive income for the period	8,739	3,471	12,457	6,976
Profit attributable to owners of the company	8,722	3,463	12,405	6,961
Comprehensive income attributable to owners of the company	8,739	3,471	12,457	6,976
Earnings per share :				
Basic EPS (sen)	1.08	0.44	1.55	0.89
Fully diluted EPS (sen)	0.98	0.40	1.41	0.81

The above Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2013 and the accompanying explanatory notes attached to the interim financial statements.



## GD EXPRESS CARRIER BHD

(Company No. 630579-A)

(Incorporated in Malaysia under the Companies Act, 1965)

### UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2013

	31.12.2013 (RM'000)	30.06.2013 (RM'000)	01.07.2012 (RM'000)
<b>ASSETS</b>			
<b>Non-current Assets</b>			
Property, plant and equipment	32,995	32,160	28,898
Prepaid lease payments	21,966	22,217	22,717
Intangible assets – Goodwill	-	-	137
	54,961	54,377	51,752
<b>Current Assets</b>			
Inventories	763	648	406
Trade receivables	32,832	29,541	27,039
Other receivables and prepaid expenses	4,916	3,820	3,559
Tax recoverable	3,111	574	515
Deposits with licensed banks	23,245	13,585	7,955
Cash and bank balances	5,935	4,553	4,371
	70,802	52,721	43,845
<b>Total Assets</b>	125,763	107,098	95,597
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves</b>			
Share capital	41,234	26,171	25,719
Reserves	44,005	38,900	26,507
<b>Total Equity</b>	85,239	65,071	52,226
<b>Non-Current Liabilities</b>			
Hire-purchase payables – non-current portion	3,903	2,966	2,168
Borrowings (secured) – non-current portion	14,971	15,973	16,241
Provision for retirement benefits	83	83	81
Deferred tax liabilities	2,249	2,249	1,809
<b>Total Non-current Liabilities</b>	21,206	21,271	20,299
<b>Current liabilities</b>			
Trade payables	4,206	3,353	2,559
Other payables and accrued expenses	7,696	8,799	10,468
Hire-purchase payables - current portion	2,610	2,499	2,549
Short term borrowings (secured) - current portion	4,263	4,984	7,169
Provision for taxation	543	1,121	327
<b>Total Current Liabilities</b>	19,318	20,756	23,072
<b>Total Liabilities</b>	40,524	42,027	43,371
<b>Total Equity And Liabilities</b>	125,763	107,098	95,597
Net Assets per share attributable to owners of the company (RM)	0.10	0.25	0.20



The above Condensed Consolidated Statements of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2013 and the accompanying explanatory notes attached to the interim financial statements.

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## GD EXPRESS CARRIER BHD

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### UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE SIX MONTHS ENDED 31 DECEMBER 2013

	31.12.2013 (RM'000)	Six Months Ended 31.12.2012 (RM'000)
<b>Cash flows from operating activities</b>		
Profit for the period	11,678	6,961
Adjustments for non-cash items	3,778	6,187
<b>Operating profit before changes in working capital (Increase)/Decrease in working capital</b>	<u>15,456</u>	<u>13,148</u>
Inventories	(115)	(159)
Receivables, deposits and prepayment	(4,387)	(1,407)
Payables and accruals	(250)	(1,158)
<b>Cash generated from operations</b>	<u>10,704</u>	<u>10,424</u>
Income tax paid	(2,384)	(1,253)
<b>Net cash from operating activities</b>	<u>8,320</u>	<u>9,171</u>
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(1,376)	(941)
Proceeds from disposal of property, plant and equipment	-	57
Interest received	235	162
<b>Net cash used in investing activities</b>	<u>(1,141)</u>	<u>(722)</u>
<b>Cash flows from financing activities</b>		
Net (repayment)/drawdown of short term revolving credit	(1,500)	2,500
Repayment of term loans and Islamic bank facilities	(223)	(3,721)
Net payment of hire purchase payables	(1,494)	(2,231)
Proceed from allotment of share	7,711	2,477
Finance costs paid	(697)	(706)
Dividend paid	-	(3,271)
<b>Net cash generated from / (used in) financing activities</b>	<u>3,797</u>	<u>(4,952)</u>
<b>Net change in cash and cash equivalents</b>	10,976	3,497
Effect of exchange difference	65	33
<b>Cash and cash equivalents at beginning of year</b>	<u>18,080</u>	<u>11,970</u>
<b>Cash and cash equivalents at end of period</b>	<u>29,121</u>	<u>15,500</u>

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FIRST QUARTER ENDED 30 SEPTEMBER 2013 (Continued)**

\*During the financial period under review, the Group acquired property, plant and equipment and prepaid lease payments by the following means:-

	<b>31.12.2013</b> <b>(RM'000)</b>	<b>Six Months Ended</b> <b>31.12.2012</b> <b>(RM'000)</b>
<b>Purchase of :</b>		
Property, plant and equipment	3,918	1,775
<b>Financed by:</b>		
Cash payments and other payables	1,376	941
Hire-purchase	2,542	834
	<u>3,918</u>	<u>1,775</u>

The above Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2013 and the accompanying explanatory notes attached to the interim financial statements.



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### UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 31 DECEMBER 2013

	Issued Share capital (RM'000)	<-----Non – Distributable----->		Translation Reserve (RM'000)	Distributable Retained Earnings (RM'000)	Total Equity (RM'000)
		Share Premium (RM'000)	Revaluation Reserve (RM'000)			
<b>At 1 July 2013</b>	26,171	2,642	-	(13)	36,271	65,071
<b>Total comprehensive income for the period</b>	-	-	-	52	12,405	12,457
<b>Transactions with owners</b>				-	-	-
Arising from warrants exercised	1,318	6,393	-	-	-	7,711
Arising from bonus share issue	13,745	(9,035)	-	-	(4,710)	-
Shares issue expenses	-	-	-	-	-	-
	15,063	(2,642)	-	52	6,344	20,168
<b>At 31 December 2013</b>	<b>41,234</b>	<b>-</b>	<b>-</b>	<b>39</b>	<b>42,502</b>	<b>85,239</b>
<b>At 1 July 2012, as restated</b>	25,719	618	-	-	25,889	52,226
<b>Total comprehensive income for the period</b>	-	-	-	15	6,961	6,976
<b>Transactions with owners</b>				-	-	-
Arising from warrants exercised	452	2,193	-	-	-	2,645
Shares issue expenses	-	(169)	-	-	-	(169)
Dividend	-	-	-	-	(3,271)	(3,271)
	452	2,024	-	15	3,690	6,181
<b>At 31 December 2012</b>	<b>26,171</b>	<b>2,642</b>	<b>-</b>	<b>15</b>	<b>29,579</b>	<b>58,407</b>

The above Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2013 and the accompanying explanatory notes attached to the interim financial statements.



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### PART A – EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS 134 ("MFRS 134")

#### 1. BASIS OF PREPARATION

This unaudited condensed consolidated interim financial statements have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS") 134 "Interim Financial Reporting" issued by the Malaysian Accounting Standards Board and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad. This Condensed consolidated interim financial statements also complies with International Accounting Standard 34: Interim Financial Reporting issued by the International Accounting Standards Board (IASB). The condensed consolidated interim financial statements should be read in conjunction with the audited financial statements of the Group for the financial year ended 30 June 2013.

#### 2. 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 audited consolidated financial statements for the financial year ended 30 June 2013.

#### **Adoption of New and Revised Malaysian Financial Reporting Standards ("MFRSs"), Amendments and IC Interpretations**

In the current financial period ended 31 December 2013, the Group adopted all the new and revised MFRSs, Amendments and IC Interpretations issued by the Malaysian Accounting Standards Board ("MASB") that are effective for the annual period beginning on or after 1 July 2013 as follows:-

MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards (Amendments relating to government loans)
MFRS 7	Financial Instruments: Disclosures (Amendments relating to Disclosures - Offsetting Financial Assets and Liabilities)
MFRS 10	Consolidated Financial Statements
MFRS 10	Consolidated Financial Statements (Amendments relating to Transition Guidance)
MFRS 11	Joint Arrangements
MFRS 11	Joint Arrangements (Amendments relating to Transition Guidance)
MFRS 12	Disclosures of Interests in Other Entities
MFRS 12	Disclosures of Interests in Other Entities (Amendments relating to Transition Guidance)
MFRS 13	Fair Value Measurement
MFRS 119	Employee Benefits (IAS 19 as amended by IASB in June 2011)
MFRS 127	Separate Financial Statements (IAS 27 as amended by IASB in May 2011)
MFRS 128	Investments in Associates and Joint Ventures (IAS 28 as amended by IASB in May 2011)

Amendments to MFRSs contained in the document entitled Annual Improvements 2009 - 2011 cycle

The Directors anticipate that the adoption of the abovementioned Standards did not have any material impact on the financial statements of the Group.



### **MFRSs, Amendments to MFRSs and IC Interpretations issued but not yet effective**

At the date of authorisation for issue of these financial statements, the new and revised MFRSs and IC Interpretations which were in issue but not yet effective and not early adopted by the Group and the Company are as listed below.

MFRS 9	Financial Instruments (IFRS 9 issued by IASB in November 2009) <sup>1</sup>
MFRS 9	Financial Instruments (IFRS 9 issued by IASB in October 2010) <sup>1</sup>
MFRS 10	Consolidated Financial Statements: Investment Entities <sup>2</sup>
MFRS 12	Disclosure of Interests in Other Entities: Investment Entities <sup>2</sup>
MFRS 127	Consolidated and Separate Financial Statements: Investment Entities <sup>2</sup>
MFRS 132	Financial Instruments: presentation (Amendments relating to Offsetting Financial Assets and Financial Liabilities) <sup>2</sup>
MFRS 136	Impairment of Assets – Recoverable Amount Disclosures for Non-Financial Assets <sup>2</sup>
MFRS 139	Novation of Derivatives and Continuation of Hedge Accounting <sup>2</sup>
IC Interpretation 21	Levies <sup>2</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2015 instead of 1 January 2013 immediately upon the issuance of Amendments to MFRS 9 (IFRS 9 issued by IASB in November 2009 and October 2010 respectively) and MFRS 7 relating to “Mandatory Effective Date of MFRS 9 and Transition Disclosures” on 1 March 2012

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2014

The Directors anticipate that abovementioned Standards will be adopted in the annual financial statements of the Group when they become effective and that the adoption of these Standards will have no material impact on the financial statements of the Group in the period of initial application.

### **3. COMMENTS ABOUT SEASONAL OR CYCLICAL FACTORS**

The Group’s business operations cover primarily the express delivery and logistics services. The revenue of the Group will be affected by the numerous public and festive holidays in the quarter.

### **4. UNUSUAL ITEMS DUE TO THEIR NATURE, SIZE OR INCIDENCE**

There were no items affecting assets, liabilities, equity, net income or cash flows that were unusual because of their nature, size or incidence during the quarter and the six months ended 31 December 2013.

### **5. SIGNIFICANT ESTIMATES AND CHANGES IN ESTIMATES**

There were no changes in estimates that have had any material effect on the quarter and six months ended 31 December 2013.

### **6. DEBTS 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 quarter and six months ended 31 December 2013 under review except for the following:

- (i) Issuance of 2,821,145 ordinary share capital of RM0.10 each pursuant to the exercise of 2,821,145 warrants at an exercise price of RM0.585 per ordinary share during the 1<sup>st</sup> Quarter ended 30 September 2013. Accordingly, the issued and paid up ordinary share capital of the Company increased from 261,709,983 ordinary share capital of RM0.10 each to 264,531,128 ordinary share capital of RM0.10 each.



- (ii) Issuance of 10,340,800 ordinary share capital of RM0.10 each pursuant to the exercised of 10,340,800 warrants at an exercise price of RM0.585 per ordinary share during the period from 1 October 2013 to 13 December 2013. Hence, the issued and paid up share capital increased from 264,531,128 ordinary share capital of RM0.10 each to 274,871,928 ordinary share capital of RM0.10 each.
- (iii) As announced by the Company on 17 December 2013, the Share Split has been completed following the listing of and quotation for 549,743,856 Subdivided Shares and 33,751,317 additional Warrants arising from the adjustments made in accordance with the provisions under the Deed Poll constituting the Warrants dated 11 January 2011 consequential to the Share Split, on the Main Market of Bursa Malaysia Securities Berhad at 9:00a.m. on 18 December 2013.
- (iv) On 24 December 2013, the Company issued 36,440 ordinary share capital of RM0.05 each pursuant to the exercise of 36,440 warrants at an exercise price of RM0.2925 per ordinary share. The issued and paid up share capital increased from 549,743,856 ordinary share capital of RM0.05 each to 549,780,296 ordinary share capital of RM0.05 each.
- (v) As announced by the Company on 26 December 2013 that 274,890,147 Bonus Shares and 33,733,096 additional Warrants (arising from the adjustments made in accordance with the provisions under the Deed Poll constituting the Warrants date 11 January 2011) consequential to the Bonus Issue had be listed and quoted on the Main Market of Bursa Malaysia Securities Berhad at 9.00 a.m. on 27 December 2013.

The new shares issued as rank pari passu with the existing ordinary shares of the Company and the resulting share premium of RM6,392,380 arising from the shares issued as stated in (i), (ii) and (iv) above was credited to share premium account.

## 7. DIVIDEND PAID

The following dividends were paid during the current and previous financial year:-

	Year Ended 30 June	
	2014	2013
First and final dividend for the financial year	30 June 2013	30 June 2012
Approved and declared on	3 December 2013	29 November 2012
Date paid	23 January 2014	30 December 2012
Number of ordinary shares on which dividends were paid	549,780,296	261,709,983
Amount per share (Single-tier)	1.125 sen	1.25 sen
Net dividend paid (RM'000)	<u>6,185*</u>	<u>3,271</u>

\* As announced on 16 January 2014, the Company had issued 6,668,231 new ordinary shares of RM0.05 each in the Company pursuant to the Dividend Reinvestment Plan ("DRP").

The new shares issued represent approximately 95.40% of the total number of 6,990,079 new shares that would have been issued pursuant to the DRP had all the entitled shareholders elected to reinvest their respective Electable Portions into new Shares. The said new shares were listed on the Main Market of Bursa Malaysia Securities Berhad on 24 January 2014. The net dividend in cash after the new shares issued was RM285,645.66.



**8. NOTES TO THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

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

	Current Quarter		Year To-Date	
	Three Months Ended		Six Months Ended	
	31 December		31 December	
	2013	2012	2013	2012
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Interest income	127	87	236	162
Other income	103	183	120	230
Interest expense	(346)	(329)	(697)	(706)
Depreciation and amortization	(1,671)	(1,472)	(3,312)	(2,862)
Provision for doubtful debts	(129)	(312)	(135)	(452)
Gain or loss on disposal of quoted or unquoted investments or properties	-	9	-	27
Provision for and write off of inventories	N/A	N/A	N/A	N/A
Impairment of assets	N/A	N/A	N/A	N/A
Foreign exchange gain or loss	20	-	20	-
Gain or loss on derivatives	N/A	N/A	N/A	N/A
Exceptional items	N/A	N/A	N/A	N/A

**9. OPERATING SEGMENTS**

The Group has two reportable business 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.

The following is an analysis of the Group's revenue and results by the reportable business segments for the six months ended 31 December 2013.

**Operating Segments**

	Group			
	Segment Revenue		Segment Profit / (Loss)	
	Six Months Ended		Six Months Ended	
	31.12.2013	31.12.2012	31.12.2013	31.12.2012
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Express delivery	74,920	65,733	11,566	10,714
Logistics	2,488	517	809	(237)
Total	77,408	66,250	12,375	10,477
Finance costs			(697)	(706)
Profit before tax			11,678	9,771



Revenue shown above represents revenue generated from external customers. All inter-company transactions have been eliminated on consolidation level.

The following is an analysis of the carrying amount of segment assets and liabilities by the business segments in which the assets and liabilities are located:

	<b>Carrying Amount of Segment Assets</b>	
	As at	As at
	31.12.2013 (RM'000)	31.12.2012 (RM'000)
<b>Segment Assets</b>		
Express delivery	119,740	97,291
Logistics	2,912	2,587
	122,652	99,878
Unallocated corporate assets		
- Tax recoverable	3,111	788
	125,763	100,666
	<b>Carrying Amount of Segment Liabilities</b>	
	As at	As at
	31.12.2013 (RM'000)	31.12.2012 (RM'000)
<b>Segment Liabilities</b>		
Express delivery	37,596	38,028
Logistics	136	264
	37,732	38,292
Unallocated liabilities		
- Tax liabilities	543	2,157
- Deferred tax liabilities	2,249	1,809
	40,524	42,258

For the purposes of monitoring segment performance and allocating resources between segments, all assets and liabilities are allocated directly to reportable segments.

#### Geographical Segments

	<b>Group</b>		<b>Carrying Amount of Segment Non-Current Assets as at</b>	
	<b>Revenue by Geographical Market For the Six Months Ended</b>		<b>31.12.2013 31.12.2012</b>	
	31.12.2013 (RM'000)	31.12.2012 (RM'000)	31.12.2013 (RM'000)	31.12.2012 (RM'000)
Malaysia	76,681	65,761	54,519	50,886
Singapore	727	489	442	565
Total	77,408	66,250	54,961	51,451



**10. PROPERTY, PLANT AND EQUIPMENT VALUATION**

Upon transition to MFRS, the Group used the previous revaluation at or before the date of transition as deemed cost for property, plant and equipment. The valuations of property, plant and equipment have been brought forward without amendments from the financial year ended 30 June 2013.

**11. MATERIAL EVENTS SUBSEQUENT TO END OF THE PERIOD**

Between the end of the 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 current quarter and six months ended 31 December 2013.

**12. CHANGES IN THE COMPOSITION OF THE GROUP**

There were no changes in the composition of the Group during the quarter and six months ended 31 December 2013 under review which including business combination, acquisition or disposal of subsidiaries and long-term investments, restructuring and discontinuing operations.

**13. CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

There were no changes in contingent liabilities or contingent assets as at the date of this report except for the corporate guarantee given by the Company to the financial institution for the additional banking facilities of RM10,000,000 granted to a subsidiary company during the six months under review.

**14. CAPITAL COMMITMENTS**

All capital commitments undertaken have been included in the financial statements for the quarter and six months ended 31 December 2013 under review.

**15. RELATED PARTY TRANSACTIONS**

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

	Transaction Value		Balance Outstanding	
	31.12.2013 (RM'000)	31.12.2012 (RM'000)	31.12.2013 (RM'000)	31.12.2012 (RM'000)
<b>Revenue</b>				
Singapore Post Limited				
- Provision of express delivery services	140	42	129	27
<b>Expenses</b>				
GDx Private Limited				
- Software training	-	146	-	46
- Software update and maintenance	-	74	-	74



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

#### 1. REVIEW OF PERFORMANCE

Performance for the quarter ended 31 December 2013 versus the same quarter in Year 2012

##### Group Performance

	Current Quarter Three Months Ended 31 December		Cumulative Quarter Six Months Ended 31 December	
	2013	2012	2013	2012
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Revenue	40,304	34,244	77,408	66,250
Profit Before Taxation	6,563	4,890	11,678	9,971

Group revenue for the current quarter ended 31 December 2013 increased by RM 6.060 million or 17.7% as compared to the preceding year corresponding quarter.

Group profit before tax increased by 34.2% or RM 1.673 million from RM 4.890 million reported in the preceding year corresponding quarter to RM6.563 million in the current quarter ended 31 December 2013.

The improved performance was mainly due to increase in the business volume as a result the increase in demand of the courier and logistics services before the festive seasons.

##### Segmental Performance

	Courier Services Cumulative Quarter Six Months Ended 31 December		Logistic Services Cumulative Quarter Six Months Ended 31 December	
	2013	2012	2013	2012
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Revenue	74,920	65,733	2,488	517
Profit Before Taxation	10,869	10,008	809	(237)

##### Courier Services

The revenue reported in courier services for the current period ended 31 December 2013 increased by 14.0 % or RM 9.187 million as compared to RM 65.733 million reported in the corresponding quarter ended 31 December 2012. The profit before taxation for the current period ended 31 December 2013 increased by 8.6% or RM0.861 million as compared to RM 10.008 million reported in the corresponding period ended 31 December 2012 which due mainly to strong sales volume during the six months under review.



### Logistic Services

The revenue reported in the logistic services for the current period ended 31 December 2013 was RM2.488 million, increased by 381.2% or RM 1.971 million as compared to the corresponding quarter ended 31 December 2012. The profit before taxation reported in the current period under review was RM0.809 million as compared to the loss before tax of RM 0.237 million reported in the previous corresponding quarter ended 31 December 2012.

The improved performance in the logistics segment was mainly due to the demand from some new key e-commerce customers to the supply chain services ranging from import, to forwarding, warehousing and distribution. This will increase the business volume and, hence improve the bottom line of the logistics segment.

## 2. COMPARISON WITH PRECEDING QUARTER'S RESULTS

### Group Performance

	31 December 2013 (RM'000)	3 Months Ended 30 September 2013 (RM'000)
Revenue	40,304	37,104
Profit Before Taxation	6,563	5,115

Group revenue for the quarter under review was higher by RM 3.200 million or 8.6 % compared to RM37.104 million recorded for the preceding quarter. Profit before tax for the Group increased by RM 1.448 million or 28.3% in the current quarter under review as compared to the preceding quarter.

The increase in sales volume for both courier and logistics services had contributed the improvement of the group results for the current quarter.

### Segmental Performance

	Courier Services Three Months Ended		Logistic Services Three Months Ended	
	31 December 2013 (RM'000)	30 September 2013 (RM'000)	31 December 2013 (RM'000)	30 September 2013 (RM'000)
Revenue	38,693	36,227	1,611	877
Profit Before Taxation	5,837	5,032	726	83

### Courier Services

The total revenue generated from courier services for the current quarter under review was RM 38.693 million, which was RM 2.466 million or 6.8% higher than the immediate preceding quarter of RM 36.227 million. The profit before taxation reported in current quarter was RM 5.837 million, which was RM 0.805 million or 16.0% higher than the immediate preceding quarter of RM 5.032million.

Better performance in current quarter as compared to the immediate preceding quarter due mainly to the highest demand of courier services before the festive seasons.



### Logistic Services

The revenue generated from logistic services for the current quarter under review was RM 1.611million, which was RM 0.734 million or 83.7% higher than the immediate preceding quarter of RM 0.877 million. The profit before taxation reported in the current quarter was RM 0.726 million, and the profit increased by RM 0.643 million or 774.7 % as compared to the immediate preceding quarter of RM 0.083 million.

The improved performance in logistics services in current quarter under review due mainly to the increase in the sales volume as a result of increase in the e-commerce businesses ordering before the festive season, which required the supply chain services ranging from import, to forwarding, warehousing, pick and pack, and the distribution.

### 3. COMMENTARY ON PROSPECTS

We expect the global economic conditions continue to be challenging. Malaysia's economy is however expected to remain resilient, due to its fundamentals and domestic demand. While the risk of a slowdown has not subsided, the express delivery service sector posts an opportunity for growth with the growing popularity of e-commerce.

The Group will remain focused on its readiness for heightened domestic and regional competition, and to continue its efforts to enhance its competitiveness and improving its service quality, in order to gain greater trust from the customers. It will also look for opportunities for better utilisation of its resources.

### 4. VARIANCE FROM PROFIT FORECAST

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

### 5. TAXATION

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

	Individual Quarter Preceding Year Corresponding Quarter	Cumulative Quarter Preceding Year Corresponding Period		
Current Year Quarter 31.12. 2013 (RM'000)	31 .12. 2012 (RM'000)	Current Year To-Date 31 12. 2013 (RM'000)	31 12. 2012 (RM'000)	
Current quarter/period provision	(192)	(1,427)	(1,624)	(2,810)
Over provision in prior year	2,351	-	2,351	-
	<u>2,159</u>	<u>(1,427)</u>	<u>727</u>	<u>(2,810)</u>

GD Express Sdn Bhd ("GD Express"), the subsidiary company of GD Express Carrier Bhd ("GDEX"), had obtained the Pioneer Certificate from Malaysian Investment Development Authority ("MIDA") on 24 January 2014, where the benefits includes, amongst others, the eligibility of GD Express for tax exemption of 70% of its statutory income for five (5) years on its Integrated Logistics Services ("ILS") related activities, with effect from 26 September 2012 to 25 September 2017.

As the result of the above, there was a tax over provision of RM2.351 million in prior year.



## 6. UTILISATION OF PROCEEDS

During the current period under review, the Company has received the proceeds of RM7.711 million from the exercised and conversion of 13,161,945 warrants at an exercise price of RM0.585 per ordinary share into the ordinary share capital of RM0.10 each and 36,440 warrants at an exercise price of RM0.2925 per ordinary share into the ordinary share capital of RM0.05 each, for its working capital and business expansion.

Saved as disclosed above, the Company has not raised any proceeds from any of its corporate exercise during the current quarter and financial period under review.

## 7. STATUS OF CORPORATE PROPOSALS

On 11 November 2013, the Company announced that Bursa Malaysia Securities Berhad had via its letter dated 8 November 2013, resolved to approve the Proposed Share Split, Proposed Bonus Issue and Proposed DRP, and the listing and quotation of GDEX securities to be issued pursuant to these proposals. A Circular To The Shareholders in relation to these proposals has been issued on 11 November 2013.

The abovementioned Proposals were completed as per Note 6 (iii) and (v), and Note 7 stated in Part A - EXPLANATORY NOTES PURSUANT TO MFRS 134 above.

Saved as disclosed above, there were no corporate proposals announced but not completed as at the reporting date.

## 8. GROUP BORROWINGS AND DEBT SECURITIES

The Group borrowings consist of the following:

	2013 (RM'000)	As at 31 December 2012 (RM'000)
<b>Short term borrowings (secured):</b>		
<b>Denominated in Ringgit Malaysia</b>		
Hire purchase payables	2,610	2,445
Short term revolving credit	3,000	5,500
Term loans	1,263	1,263
<b>Long term borrowings (secured):</b>		
<b>Denominated in Ringgit Malaysia</b>		
Hire purchase payables	3,903	1,708
Term loans	14,971	15,426
<b>Total borrowings</b>	25,747	26,342

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

## 9. 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.



## 10. DIVIDEND

The 22.5% single tier dividend proposed by the Directors in respect of the financial year ended 30 June 2013 was approved by the shareholders at the Tenth Annual General Meeting of the Company on 3 December 2013 and was paid on 23 January 2014 as mentioned in Note 7 in Part A - EXPLANATORY NOTES PURSUANT TO MFRS 134 above.

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

## 11. EARNINGS PER SHARE

### i. Basic Earnings Per Share

The basic earnings per ordinary shares of the Group has been calculated by dividing profit attributable to owners of the Company by the number of ordinary shares in issue during the current quarter and financial year.

	Three Months Ended		Six months Ended	
	31.12.2013 (RM'000)	31.12.2012 (RM'000)	31.12.2013 (RM'000)	31.12.2012 (RM'000)
Net profit attributable to ordinary shareholders	8,722	3,463	12,405	6,961
Weighted average number of ordinary share in issue (units)	808,453,769	785,112,057	798,769,916	784,392,131
Basic earnings per share (sen)	1.08	0.44	1.55	0.89

### ii. Diluted Earnings Per Share

The dilutive earnings per share of the Group has been calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares that would have been issued upon full exercise of the remaining warrants, adjusted by the number of such shares that would have been issued at fair value as follows:-

	Three Months Ended		Six months Ended	
	31.12.2013 (RM'000)	31.12.2012 (RM'000)	31.12.2013 (RM'000)	31.12.2012 (RM'000)
Net profit attributable to ordinary shareholders	8,722	3,463	12,405	6,961
Weighted average number of ordinary share in issue (units)	808,453,769	785,112,057	798,769,916	784,392,131
Adjustment for share warrants	81,909,103	86,186,434	80,165,753	73,821,660
Weighted average number of ordinary share in issue (units)	890,362,872	871,298,491	878,935,669	858,213,791
Diluted earnings per share (sen)	0.98	0.40	1.41	0.81



## 12. REALISED AND UNREALISED EARNINGS DISCLOSURE

	As at 31.12.2013 (RM'000)	As at 30.06.2013 (RM'000)
Total Retained Earnings of the Group:		
- Realised	40,562	32,453
- Unrealised	(2,249)	(2,249)
	38,313	30,204
Consolidation adjustments	5,692	6,067
Total retained earnings	44,005	36,271

## 13. AUDIT REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The audit report of the Group's annual financial statements for the year ended 30 June 2013 was not subject to any audit qualification.

## 14. 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 19 February 2014.

By Order of the Board

Tai Yit Chan (MAICSA 7009143)  
Tan Ai Ning (MAICSA 7015852)  
Company Secretaries

Selangor Darul Ehsan  
Date: 19 February 2014