



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 2014

	Individual Quarter		Cumulative Quarter	
	Current Year	Preceding Year	Current Year	Preceding Year
	Quarter	Corresponding Quarter	To-Date	Corresponding Period
	31.12.2014	31.12.2013	31.12.2014	31.12.2013
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Revenue	50,098	40,304	93,839	77,408
Operating expenses	(42,119)	(33,624)	(80,210)	(65,388)
Other operating income	362	229	675	355
Profit from operations	8,341	6,909	14,304	12,375
Finance costs	(335)	(346)	(676)	(697)
Profit before tax	8,006	6,563	13,628	11,678
Taxation	(795)	2,159	(1,434)	727
Net profit for the period	7,211	8,722	12,194	12,405
Other comprehensive income:				
Foreign currency translation differences for foreign operation	53	17	54	52
	53	17	54	52
Total comprehensive income for the period	7,264	8,739	12,248	12,457
Profit attributable to owners of the company	7,211	8,722	12,194	12,405
Comprehensive income attributable to owners of the company	7,264	8,739	12,248	12,457
Earnings per share :				
Basic EPS (sen)	0.84	1.08	1.44	1.55
Fully diluted EPS (sen)	0.81	0.98	1.38	1.41

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 2014 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 2014

	31.12.2014 (RM'000)	30.06.2014 (RM'000)
ASSETS		
Non-current Assets		
Property, plant and equipment	37,901	35,840
Prepaid lease payments	21,466	21,716
	<u>59,367</u>	<u>57,556</u>
Current Assets		
Inventories	1,121	1,320
Trade receivables	41,902	32,060
Other receivables and prepaid expenses	5,580	5,351
Tax recoverable	975	1,133
Deposits with licensed banks	42,427	34,372
Cash and bank balances	13,980	7,985
	<u>105,985</u>	<u>82,221</u>
Total Assets	<u>165,352</u>	<u>139,777</u>
EQUITY AND LIABILITIES		
Capital and reserves		
Share capital	44,758	41,935
Reserves	75,678	55,416
Total Equity	<u>120,436</u>	<u>97,351</u>
Non-Current Liabilities		
Hire-purchase payables – non-current portion	6,542	5,569
Borrowings (secured) – non-current portion	11,442	15,474
Provision for retirement benefits	112	112
Deferred tax liabilities	2,732	2,732
Total Non-current Liabilities	<u>20,828</u>	<u>23,887</u>
Current liabilities		
Trade payables	4,279	4,037
Other payables and accrued expenses	13,645	9,923
Hire-purchase payables - current portion	3,077	2,741
Short term borrowings (secured) - current portion	2,763	1,507
Provision for taxation	324	331
Total Current Liabilities	<u>24,088</u>	<u>18,539</u>
Total Liabilities	<u>44,916</u>	<u>42,426</u>
Total Equity And Liabilities	<u>165,352</u>	<u>139,777</u>
Net Assets per share attributable to owners of the company (RM)	<u>0.13</u>	<u>0.12</u>



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 2014 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 2014

	31.12.2014 (RM'000)	Six Months Ended 31.12.2013 (RM'000)
Cash flows from operating activities		
Profit for the period	13,628	11,678
Adjustments for non-cash items	4,137	3,778
Operating profit before changes in working capital (Increase)/Decrease in working capital	<u>17,765</u>	<u>15,456</u>
Inventories	199	(115)
Receivables, deposits and prepayment	(10,070)	(4,387)
Payables and accruals	3,964	(250)
Cash generated from operations	<u>11,858</u>	<u>10,704</u>
Income tax paid	(1,284)	(2,384)
Net cash from operating activities	<u>10,574</u>	<u>8,320</u>
Cash flows from investing activities		
Acquisition of property, plant and equipment	(3,164)	(1,376)
Proceeds from disposal of property, plant and equipment	16	-
Interest received	633	235
Decreased in fixed deposit pledged with licensed bank	(1)	-
Net cash used in investing activities	<u>(2,516)</u>	<u>(1,141)</u>
Cash flows from financing activities		
Net drawdown/(repayment) of short term revolving credit	500	(1,500)
Repayment of term loans	(3,276)	(223)
Net payment of hire purchase payables	(1,433)	(1,494)
Proceed from allotment of share	10,838	7,711
Finance costs paid	(676)	(697)
Net cash generated from financing activities	<u>5,953</u>	<u>3,797</u>
Net change in cash and cash equivalents	14,011	10,976
Effect of exchange difference	37	65
Cash and cash equivalents at beginning of year	<u>42,298</u>	<u>18,080</u>
Cash and cash equivalents at end of period	<u>56,346</u>	<u>29,121</u>

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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE SECOND QUARTER ENDED 31 DECEMBER 2014 (Continued)

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

	31.12.2014 (RM'000)	Six Months Ended 31.12.2013 (RM'000)
Purchase of :		
Property, plant and equipment	5,905	3,918
Financed by:		
Cash payments and other payables	3,164	1,376
Hire-purchase	2,741	2,542
	<u>5,905</u>	<u>3,918</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 2014 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 2014

	Issued Share capital (RM'000)	Distributable Share Premium (RM'000)	Translation Reserve (RM'000)	Retained Earnings (RM'000)	Total Equity (RM'000)
At 1 July 2014	41,935	6,632	23	48,761	97,351
Total comprehensive income for the period	-		54	12,194	12,248
Transactions with owners					
Arising from warrants exercised	2,823	8,187	-	-	11,010
Shares issue expenses	-	(173)	-	-	(173)
	2,823	8,014	54	12,194	23,085
At 31 December 2014	44,758	14,646	77	60,955	120,436
At 1 July 2013	26,171	2,642	(13)	36,271	65,071
Total comprehensive income for the period	-	-	52	12,405	12,457
Transactions with owners					
Arising from warrants exercised	1,318	6,393	-	-	7,711
Arising from bonus share issue	13,745	(9,035)	-	(4,710)	-
	15,063	(2,642)	52	7,695	20,168
At 31 December 2013	41,234	-	39	43,966	85,239

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 2014 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 2014.

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 2014.

Adoption of New and Revised Financial Reporting Standards ("FRSs")

In the current financial period ended 31 December 2014, the Group adopted all the new and revised FRSs issued by the Malaysian Accounting Standards Board ("MASB") that are effective for the annual period beginning on or after 1 July 2014 as follows:-

Amendments to MFRS 10, MFRS 12 and MFRS 127	Investments Entities
MFRS 119	Employee Benefits (Amendments relating to Defined Benefit Plans: Employee Contributions)
Amendments to MFRS 132	Financial Instruments: Presentation (Amendments relating to Offsetting Financial Assets and Financial Liabilities)
Amendments to MFRS 136	Impairment of assets (Amendments relating to Recoverable Amounts Disclosure for Non-Financial Assets)
Amendments to FRS 139	Financial Instruments: Recognition and Measurement (Amendments relating to Novation of Derivations and Continuation of Hedge Accounting)
Amendments to MFRSs contained in the document entitled Annual Improvements to MFRSs 2010 – 2012 Cycle	
Amendments to MFRSs contained in the document entitled Annual Improvements to MFRSs 2011 – 2013 Cycle	

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



At the date of authorisation for issue of these financial statements, the new and revised Standards 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) ¹
MFRS 9	Financial Instruments (IFRS 9 issued by IASB in October 2010) ¹
MFRS 9	Financial Instruments (Hedge Accounting and amendments to MFRS 9, MFRS 7 and MFRS 139) ¹
Amendments to MFRS 7 and MFRS 9	Mandatory Effective Date of MFRS 9 (IFRS 9 issued by IASB in November 2009 and October 2010 respectively) and Transition Disclosure ¹
Amendments to MFRS 5, MFRS 7, MFRS 119 and MFRS 134	Annual Improvements to MFRSs 2012-2014 Cycle ²
MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and Associate or Joint Venture (Amendments to MFRS 10 and MFRS 128) ²
MFRS 10, MFRS 12 and MFRS 128	Investment Entities: Applying the Consolidation Exception (Amendments to MFRS 10, MFRS 12 and MFRS 128) ²
MFRS 11	Accounting for Acquisitions of Interests in Joint Operations (Amendments to MFRS 11) ²
MFRS 14	Regulatory Deferral Accounts ²
MFRS 15	Revenue from Contracts with Customers ³
MFRS 101	Disclosure Initiative (Amendments to MFRS 101) ²
MFRS 116 and MFRS 138	Clarifications of Acceptable Methods of Depreciation and Amortisation (Amendments to MFRS 116 and MFRS 138) ²
MFRS 127	Equity Method in Separate Financial Statements (Amendments to MFRS 127) ²

¹ The mandatory effective date of MFRS 9 (IFRS 9 issued by IASB in November 2009 and October 2010 respectively) which was for annual period beginning on or after 1 January 2015 has been removed with the issuance of MFRS 9 Financial Instruments: Hedge Accounting and amendments to MFRS 9, MFRS 7 and MFRS 139. The effective date of MFRS 9 will be decided when IASB's IFRS 9 (July 2014) is approved by MASB. However, each version of the MFRS 9 is available for early adoption. It is expected that the mandatory effective date of the revised MFRS 9 will be for annual periods beginning on or after 1 January 2018 (the mandatory effective date of IFRS 9)

² Effective for annual periods beginning on or after 1 January 2016

³ Effective for annual periods beginning on or after 1 January 2017

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 and period under review.

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 2014.

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 2014.

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 2014 under review except for the following:-

- (i) Issuance of 959,000 ordinary share capital of RM0.05 each pursuant to the exercised of 959,000 warrants at an exercise price of RM0.195 per ordinary share. The issued and paid up share capital increased from RM41,934,561 comprising of 838,691,219 ordinary share capital of RM0.05 each to RM41,982,511 comprising of 839,650,219 ordinary share capital of RM0.05 each during the first quarter ended 30 September 2014.
- (ii) Issuance of 55,506,589 ordinary share capital of RM0.05 each pursuant to the exercised of 55,506,589 warrants at an exercise price of RM0.195 per ordinary share during the current quarter under review. Accordingly, the issued and paid up share capital increased from RM41,982,511 comprising of 839,650,219 ordinary share capital of RM0.05 each to RM44,757,840 comprising of 895,156,808 ordinary share capital of RM0.05 each.

The new shares issued as rank pari passu with the existing ordinary shares of the Company and the resulting share premium of RM8,187,510 arising from the shares issued as stated above was credited to share premium account.

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7. DIVIDEND PAID

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

	Year Ended 30 June	
	2015	2014
First and final dividend for the financial year	30 June 2014	30 June 2013
Approved and declared on	3 December 2014	3 December 2013
Date paid	6 February 2015	23 January 2014
Number of ordinary shares on which dividends were paid	895,156,808	549,780,296
Amount per share (Single-tier)	1.125 sen	1.125 sen
Net dividend paid (RM'000)	<u>10,071*</u>	<u>6,185*</u>

* As announced on 6 February 2015, the Company had issued 6,931,026 (30 June 2013: 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 95.68% of the total number of 7,243,963 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 9 February 2015. The net dividend in cash after the new shares issued amounted to RM436,283 was paid on 6 February 2015.

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

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

	Current Quarter		Year To-Date	
	Three Months Ended		Six Months Ended	
	31 December		31 December	
	2014	2013	2014	2013
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Interest income	344	127	632	236
Other income	18	103	43	120
Interest expense	(335)	(346)	(677)	(697)
Depreciation and amortization	(2,059)	(1,671)	(4,069)	(3,312)
Provision for doubtful debts	-	(129)	-	(135)
Gain or loss on disposal of quoted or unquoted investments or properties	-	-	-	-
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	23	20	23	20
Gain or loss on derivatives	N/A	N/A	N/A	N/A
Exceptional items	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>



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 2014.

Operating Segments

	Group			
	Segment Revenue Six Months Ended		Segment Profit / (Loss) Six Months Ended	
	31.12.2014 (RM'000)	31.12.2013 (RM'000)	31.12.2014 (RM'000)	31.12.2013 (RM'000)
Express delivery	89,663	74,920	12,522	11,566
Logistics	4,176	2,488	1,782	809
Total	93,839	77,408	14,304	12,375
Finance costs			(676)	(697)
Profit before tax			13,628	11,678

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:

	Carrying Amount of Segment Assets	
	As at 31.12.2014 (RM'000)	As at 31.12.2013 (RM'000)
	Segment Assets	
Express delivery	159,750	119,740
Logistics	4,627	2,912
	164,377	122,652
Unallocated corporate assets		
- Tax recoverable	975	3,111
	165,352	125,763



	Carrying Amount of Segment Liabilities	
	As at 31.12.2014 (RM'000)	As at 31.12.2013 (RM'000)
Segment Liabilities		
Express delivery	41,366	37,596
Logistics	494	136
	41,860	37,732
Unallocated liabilities		
- Tax liabilities	324	543
- Deferred tax liabilities	2,732	2,249
	44,916	40,524

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

Geographical Segments

	Group		Carrying Amount of Segment Non-Current Assets as at	
	Revenue by Geographical Market For the Six Months Ended		31.12.2014	31.12.2013
	31.12.2014 (RM'000)	31.12.2013 (RM'000)	(RM'000)	(RM'000)
Malaysia	92,966	76,681	58,902	54,519
Singapore	873	727	465	442
Total	93,839	77,408	59,367	54,961

10. PROPERTY, PLANT AND EQUIPMENT VALUATION

The property, plant and equipment of the Group are stated at cost / valuation less accumulated depreciation or impairment loss, if any. There was no revaluation of property, plant and equipment during the current quarter under review.

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 2014.

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 2014 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.

14. CAPITAL COMMITMENTS

All capital commitments undertaken have been included in the financial statements for the current quarter and six months ended 31 December 2014 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	
	Three Months Ended			
	31.12.2014	31.12.2013	31.12.2014	31.12.2013
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Revenue				
Singapore Post Limited				
- Provision of express delivery services	57	140	37	129

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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 2014 versus the same quarter in Year 2014

Group Performance

	Current Quarter Three Months Ended 31 December		Cumulative Quarter Six Months Ended 31 December	
	2014	2013	2014	2013
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Revenue	50,098	40,304	93,839	77,408
Profit Before Taxation	8,006	6,563	13,628	11,678

Group revenue for the current quarter ended 31 December 2014 increased by RM 9.794 million or 24.3% as compared to the preceding year corresponding quarter.

Group profit before tax increased by 22.0% or RM 1.443 million from RM6.563 million reported in the preceding year corresponding quarter to RM 8.006 million in the current quarter ended 31 December 2014.

The improved performance was mainly due to increase in business volume as a result of the increase in demand of the courier and logistics services for e-commerce business during the current quarter under review as compared to preceding year corresponding quarter.

Segmental Performance

	Courier Services Cumulative Quarter Six Months Ended 31 December		Logistic Services Cumulative Quarter Six Months Ended 31 December	
	2014	2013	2014	2013
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Revenue	89,663	74,920	4,176	2,488
Profit Before Taxation	11,846	10,869	1,782	809

Courier Services

The revenue reported in courier services for the current period ended 31 December 2014 increased by 19.7% or RM 14.743 million as compared to RM74.920 million reported in the corresponding quarter ended 31 December 2013. The profit before taxation for the current period ended 31 December 2014 increased by 9.0% or RM0.977 million as compared to RM 10.869 million reported in the corresponding period ended 31 December 2013 which due mainly to strong sales volume during the six months under review.



Logistics Services

The revenue reported in the logistics services for the current period ended 31 December 2014 was RM4.176 million, increased by 67.8% or RM1.688 million as compared to the corresponding quarter ended 31 December 2013. The profit before taxation reported in the current period under review was RM1.782 million as compared to the profit before tax of RM 0.809 million reported in the previous corresponding quarter ended 31 December 2013.

The improved performance in the logistics segment was mainly due to the increase in demand from the 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 2014 (RM'000)	3 Months Ended 30 September 2014 (RM'000)
Revenue	50,098	43,741
Profit Before Taxation	8,006	5,622

Group revenue for the quarter under review was higher by RM6.357 million or 14.5% compared to RM 43.741million recorded for the preceding quarter. Profit before tax for the Group increased by RM2.384 million or 42.4% in the current quarter under review as compared to the preceding quarter.

The increase in sales volume for both courier and logistics services especially from the e-commerce business had contributed the improvement of the group results for the current quarter.

Segmental Performance

	Courier Services		Logistic Services	
	Three Months Ended		Three Months Ended	
	31 December 2014 (RM'000)	30 September 2014 (RM'000)	31 December 2014 (RM'000)	30 September 2014 (RM'000)
Revenue	47,879	41,784	2,219	1,957
Profit Before Taxation	7,282	4,564	724	1,058

Courier Services

The total revenue generated from courier services for the current quarter under review was RM 47.879 million, which was RM6.095 million or 14.6% higher than the immediate preceding quarter of RM 41.784 million. The profit before taxation reported in current quarter was RM 7.282 million, which was RM 2.718 million or 59.6% higher than the immediate preceding quarter of RM 4.564 million.

Better performance in current quarter as compared to the immediate preceding quarter due mainly to the highest demand of courier services especially for the increase in e-commerce business volume.



Logistics Services

The revenue generated from logistics services for the current quarter under review was RM 2.219 million, which was RM0.262 million or 13.4% higher than the immediate preceding quarter of RM 1.957 million. The profit before taxation reported in the current quarter was RM 0.724 million, and the profit reduced by RM 0.334 million or 31.6 % as compared to the immediate preceding quarter of RM 1.058 million.

The decline in performance of logistics services in current quarter under review due mainly to additional cost incurred to improve and enhance the existing warehouse management system and facilities in order to cater for volume surge.

3. COMMENTARY ON PROSPECTS

Malaysia's economy is expected to grow at a slower pace in 2015 due to a confluence of weaker domestic demand, a fall in oil price and exports, as well as the depreciation of the Ringgit Malaysia against the US Dollar. The current economic conditions which continue to be challenging, growing popularity in e-commerce worldwide as well as in Malaysia has ensured a continued demand for express delivery services.

The Group will continue to enhance its competitiveness and improve its service quality, and at the same time look for opportunities for business expansion and 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:

	Current Year Quarter 31.12. 2014 (RM'000)	Individual Quarter Preceding Year Corresponding Quarter 31 .12. 2013 (RM'000)	Current Year To-Date 31 12. 2014 (RM'000)	Cumulative Quarter Preceding Year Corresponding Period 31 12. 2013 (RM'000)
Current quarter/period provision	(795)	(192)	(1,434)	(1,624)
Over provision in prior year	-	2,351	-	2,351
	(795)	2,159	(1,434)	727

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 an adjustment of tax over provision of RM2.351 million reported in the financial period ended 31 December 2013.



6. UTILISATION OF PROCEEDS

During the current period under review, the Company has received the proceeds of RM 11.010 million from the exercised and conversion of 56,465,589 warrants at an exercise price of RM0.195 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

As announced on 16 December 2014, Bursa Malaysia Securities Berhad via its letter dated 15 December 2014, which was received on 16 December 2014, had approved the following proposals, pursuant to the announcements made by the Company under the current period under review:

- (i) As announced on 13 November 2014,
 - (a) Bonus issue of up to 310,845,988 new ordinary shares of RM0.05 each in the Company ("**GDEX Shares**") ("**Bonus Shares**") on the basis of 1 Bonus Share for every 3 existing GDEX Shares held on an entitlement date to be determined later ("**Entitlement Date**") ("**Proposed Bonus Issue**");
 - (b) Issue of up to 186,507,593 free warrants in GDEX ("**Warrants-B**") on the basis of 1 Warrant-B for every 5 existing GDEX Shares held on the same Entitlement Date as the Proposed Bonus Issue;
 - (c) Increase in authorised share capital; and
 - (d) Amendments to the Memorandum and Articles of Association of GDEX.

Subsequently, the above proposals were approved by the shareholders in the Extraordinary General Meeting held on 13 January 2015.

- (ii) As announced on 3 December 2014, the second Dividend Reinvestment Plan for the entire Dividend (as approved by the shareholders on 3 December 2014 at the Company's 11th Annual General Meeting) which will provide the shareholders of the Company with the option to reinvest the Dividend into new ordinary shares of RM0.05 each in GDEX ("**GDEX Shares**"). The proposal was completed on 9 February 2015.

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

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8. GROUP BORROWINGS AND DEBT SECURITIES

The Group borrowings consist of the following:

	2014 (RM'000)	As at 31 December 2013 (RM'000)
Short term borrowings (secured):		
Denominated in Ringgit Malaysia		
Hire purchase payables	3,077	2,610
Short term revolving credit	1,500	3,000
Term loans	1,263	1,263
Long term borrowings (secured):		
Denominated in Ringgit Malaysia		
Hire purchase payables	6,542	3,903
Term loans	11,442	14,971
Total borrowings	<u>23,824</u>	<u>25,747</u>

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 proposed single tier first and final dividend of 22.5% or 1.125 sen per share in respect of the financial year ended 30 June 2014 was approved by the shareholders at the Eleventh Annual General Meeting of the Company held on 3 December 2014 and was paid on 6 February 2015 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.

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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 period.

	Three Months Ended		Six months Ended	
	31.12.2014 (RM'000)	31.12.2013 (RM'000)	31.12.2014 (RM'000)	31.12.2013 (RM'000)
Net profit attributable to ordinary shareholders	7,211	8,722	12,194	12,405
Weighted average number of ordinary share in issue (units)	858,005,395	808,453,769	846,592,026	798,769,916
Basic earnings per share (sen)	0.84	1.08	1.44	1.55

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	
	31.12.2014 (RM'000)	31.12.2013 (RM'000)	31.12.2014 (RM'000)	31.12.2013 (RM'000)
Net profit attributable to ordinary shareholders	7,211	8,722	12,194	12,405
Weighted average number of ordinary share in issue (units)	858,005,395	808,453,769	846,592,026	798,769,916
Adjustment for share warrants	33,772,863	81,909,103	33,846,247	80,165,753
Weighted average number of ordinary share in issue (units)	891,778,258	890,362,872	880,438,273	878,935,669
Diluted earnings per share (sen)	0.81	0.98	1.38	1.41

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12. REALISED AND UNREALISED EARNINGS DISCLOSURE

	As at 31.12.2014 (RM'000)	As at 30.06.2014 (RM'000)
Total Retained Earnings of the Group:		
- Realised	58,323	45,379
- Unrealised	(2,732)	(2,732)
	55,591	42,647
Consolidation adjustments	5,364	6,114
Total retained earnings	60,955	48,761

13. AUDIT REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The audit report of the Group's annual financial statements for the year ended 30 June 2014 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 12 February 2015.

By Order of the Board

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

Selangor Darul Ehsan
Date: 12 February 2015