



## 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 SECOND QUARTER AND SIX MONTHS ENDED 31 DECEMBER 2015

	Individual Quarter Preceding Year Current Year Quarter 31.12.2015 (RM'000)	Corresponding Quarter 31.12.2014 (RM'000)	Cumulative Quarter Preceding Year Current Year To-Date 31.12.2015 (RM'000)	Corresponding Period 31.12.2014 (RM'000)
Revenue	55,485	50,098	106,951	93,839
Operating expenses	(46,475)	(42,119)	(90,968)	(80,210)
Other operating income	594	362	1,180	675
Profit from operations	9,604	8,341	17,163	14,304
Finance costs	(365)	(335)	(744)	(676)
Profit before tax	9,239	8,006	16,419	13,628
Taxation	(1,435)	(795)	(2,325)	(1,434)
Net profit for the period	7,804	7,211	14,094	12,194
Other comprehensive income:				
Foreign currency translation differences for foreign operation	(54)	53	149	54
	(54)	53	149	54
Total comprehensive income for the period	7,750	7,264	14,243	12,248
Profit attributable to owners of the company	7,804	7,211	14,094	12,194
Comprehensive income attributable to owners of the company	7,750	7,264	14,243	12,248
Earnings per share :				
Basic EPS (sen)	0.63	0.63	1.14	1.08
Fully diluted EPS (sen)	0.63	0.62	1.14	1.06

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 2015 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 2015

	31.12.2015 (RM'000)	30.06.2015 (RM'000)
<b>ASSETS</b>		
<b>Non-current Assets</b>		
Property, plant and equipment	43,132	45,861
Prepaid lease payments	20,966	21,216
	<u>64,098</u>	<u>67,077</u>
<b>Current Assets</b>		
Inventories	1,643	1,626
Trade receivables	48,815	49,163
Other receivables and prepaid expenses	5,577	5,682
Tax recoverable	1,595	1,036
Deposits with licensed banks	70,674	53,333
Cash and bank balances	10,457	11,268
	<u>138,761</u>	<u>122,108</u>
<b>Total Assets</b>	<u>202,859</u>	<u>189,185</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Capital and reserves</b>		
Share capital	62,441	61,816
Reserves	95,034	79,543
<b>Total Equity</b>	<u>157,475</u>	<u>141,359</u>
<b>Non-Current Liabilities</b>		
Hire-purchase payables – non-current portion	9,825	12,447
Borrowings (secured) – non-current portion	11,542	11,745
Provision for retirement benefits	212	210
Deferred tax liabilities	2,439	2,439
<b>Total Non-current Liabilities</b>	<u>24,018</u>	<u>26,841</u>
<b>Current liabilities</b>		
Trade payables	4,189	3,219
Other payables and accrued expenses	12,097	13,083
Hire-purchase payables - current portion	4,536	3,892
Short term borrowings (secured) - current portion	532	646
Provision for taxation	12	145
<b>Total Current Liabilities</b>	<u>21,366</u>	<u>20,985</u>
<b>Total Liabilities</b>	<u>45,384</u>	<u>47,826</u>
<b>Total Equity And Liabilities</b>	<u>202,859</u>	<u>189,185</u>
Net Assets per share attributable to owners of the company (RM)	<u>0.13</u>	<u>0.11</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 2015 and the accompanying explanatory notes attached to the interim financial statements.

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK



## GD EXPRESS CARRIER BHD

(Company No. 630579-A)

(Incorporated in Malaysia under the Companies Act, 1965)

### UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 31 DECEMBER 2015

	Issued Share capital (RM'000)	Distributable Share Premium (RM'000)	Translation Reserve (RM'000)	Retained Earnings (RM'000)	Total Equity (RM'000)
<b>At 1 July 2014</b>	41,935	6,632	23	48,761	97,351
<b>Total comprehensive income for the period</b>	-	-	54	12,194	12,248
<b>Transactions with owners</b>					
Arising from warrants exercised	2,823	8,187	-	-	11,010
Shares issue expenses	-	(173)	-	-	(173)
	2,823	8,014	54	12,194	23,085
<b>At 31 December 2014</b>	44,758	14,646	77	60,955	120,436
<b>At 1 July 2015</b>	61,816	12,388	189	66,966	141,359
<b>Total comprehensive income for the period</b>	-	-	149	14,094	14,243
<b>Transactions with owners</b>					
Arising from warrants exercised	625	1,248	-	-	1,873
Shares issue expenses	-	-	-	-	-
Dividend	-	-	-	-	-
	625	1,248	149	14,094	16,116
<b>At 31 December 2015</b>	62,441	13,636	338	81,060	157,475

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 2015 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 CASH FLOWS FOR THE SIX MONTHS ENDED 31 DECEMBER 2015

	31.12.2015 (RM'000)	Six Months Ended 31.12.2014 (RM'000)
<b>Cash flows from operating activities</b>		
Profit for the period	14,094	12,194
Adjustments for non-cash items	6,179	5,571
<b>Operating profit before changes in working capital (Increase)/Decrease in working capital</b>	<u>20,273</u>	<u>17,765</u>
Inventories	(18)	199
Receivables, deposits and prepayment	454	(10,070)
Payables and accruals	(16)	3,964
<b>Cash generated from operations</b>	<u>20,693</u>	<u>11,858</u>
Income tax paid	(3,014)	(1,284)
<b>Net cash from operating activities</b>	<u>17,679</u>	<u>10,574</u>
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(1,223)	(3,164)
Proceeds from disposal of property, plant and equipment	17	16
Interest received	1,077	633
Increased in fixed deposit with licensed bank	(30,006)	(7,798)
<b>Net cash used in investing activities</b>	<u>(30,135)</u>	<u>(10,313)</u>
<b>Cash flows from financing activities</b>		
Net drawdown of short term revolving credit	-	500
Repayment of term loans	(317)	(3,276)
Net payment of hire purchase payables	(1,978)	(1,433)
Proceed from allotment of share	1,872	10,838
Finance costs paid	(744)	(676)
<b>Net cash(used in) / generated from financing activities</b>	<u>(1,167)</u>	<u>5,953</u>
<b>Net change in cash and cash equivalents</b>	<u>(13,623)</u>	<u>6,214</u>
Effect of exchange difference	146	37
<b>Cash and cash equivalents at beginning of period</b>	<u>31,672</u>	<u>23,924</u>
<b>Cash and cash equivalents at end of period</b>	<u>18,195</u>	<u>30,175</u>

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK



**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE SECOND QUARTER ENDED 31 DECEMBER 2015 (Continued)**

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

	<b>31.12.2015</b> <b>(RM'000)</b>	<b>Six Months Ended</b> <b>31.12.2014</b> <b>(RM'000)</b>
<b>Purchase of :</b>		
Property, plant and equipment	1,223	5,905
<b>Financed by:</b>		
Cash payments and other payables	1,223	3,164
Hire-purchase	-	2,741
	<u>1,223</u>	<u>5,905</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 2015 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)

### **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 2015.

#### **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 2015.

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

In the current financial period ended 30 September 2015, 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 2015 as follows:-

Amendments to Defined Benefit Plans: Employee Contributions  
MFRS 119

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 <sup>2</sup>
MFRS 14	Regulatory Deferral Accounts <sup>1</sup>
MFRS 15	Revenue from Contracts with Customers <sup>2</sup>



Amendments to MFRS 7 and MFRS 9	Mandatory Effective Date of MFRS 9 and Transition Disclosure <sup>2</sup>
Amendments to MFRS 10, MFRS 12 and MFRS 128	Investment Entities: Applying the Consolidation Exception <sup>1</sup>
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>1</sup>
Amendments to MFRS 11	Accounting for Acquisitions of Interests in Joint Operations <sup>1</sup>
Amendments to MFRS 101	Disclosure Initiative <sup>1</sup>
Amendments to MFRS 116 and MFRS 138	Clarifications of Acceptable Methods of Depreciation and Amortisation <sup>1</sup>
Amendments to MFRS 116 and MFRS 141	Agriculture: Bearer Plants <sup>1</sup>
Amendments to MFRS 127	Equity Method in Separate Financial Statements <sup>1</sup>
Amendments to MFRSs contained in the document entitled Annual Improvements to MFRSs 2012 – 2014 Cycle.	

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2016

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2018

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 current quarter and six months ended 31 December 2015.





## 5. SIGNIFICANT ESTIMATES AND CHANGES IN ESTIMATES

There were no changes in estimates that have had any material effect on current quarter and six months ended 31 December 2015.

## 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 current quarter and six months ended 31 December 2015 under review except for the following:-

- (i) Issuance of 3,640 ordinary share capital of RM0.05 each pursuant to the exercise of 3,640 Warrants "A" at an exercise price of RM0.15 per ordinary share. The issued and paid up share capital increased from RM61,816,413 comprising of 1,236,328,268 ordinary share capital of RM0.05 each to RM61,816,595 comprising of 1,236,331,908 ordinary share capital of RM0.05 each during the first quarter ended 30 September 2015.
- (ii) Issuance of 12,477,076 ordinary shares capital of RM0.05 each pursuant to the exercise of 12,477,076 Warrants "A" at an exercise price of RM0.15 per ordinary share during the second quarter ended 31 December 2015. Accordingly, the issued and paid up share capital increased from RM61,816,595 comprising of 1,236,331,908 ordinary share capital of RM0.05 each to RM62,440,449 comprising of 1,248,808,984 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 RM1,248,072 arising from the shares issued as stated above was credited to share premium account.

## 7. DIVIDEND PAID

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

	<b>Year Ended 30 June</b>	
	<b>2016</b>	<b>2015</b>
First and final dividend for the financial year	30 June 2015	30 June 2014
Approved and declared on	2 December 2015	3 December 2014
Date paid	10 February 2016	6 February 2015
Number of ordinary shares on which dividends were paid	1,248,851,284	549,780,296
Amount per share (Single-tier)	1.000 sen	1.125 sen
Dividend Reinvestment Plan (Total shares issued)	8,329,099	6,931,026
Net dividend paid in cash (RM'000)	<u>677*</u>	<u>436*</u>

\* As announced on, the Company had issued 8,329,099 (30 June 2014: 6,931,026) new ordinary shares of RM0.05 each in the Company pursuant to the Dividend Reinvestment Plan ("DRP").

The new shares issued represent approximately 94.59% (30 June 2014: 95.68%) of the total number of 8,805,147 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 11 February 2016. The net dividend in cash after



the new shares issued amounted to RM677,388.53 (30 June 2014: RM436,283) was paid on 10 February 2016.

## 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	
	2015	2014	2015	2014
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Interest income	571	344	1,077	633
Other income	23	18	103	43
Interest expense	(365)	(335)	(744)	(676)
Depreciation and amortization	(2,104)	(2,059)	(4,228)	(4,069)
Provision for doubtful debts	-	-	-	-
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	N/A	23	N/A	23
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 2015.

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK



## Operating Segments

	Group			
	Segment Revenue Six Months Ended		Segment Profit / (Loss) Six Months Ended	
	31.12.2015 (RM'000)	31.12.2014 (RM'000)	31.12.2015 (RM'000)	31.12.2014 (RM'000)
Express delivery	103,580	89,663	15,679	12,522
Logistics	3,371	4,176	1,484	1,782
Total	<u>106,951</u>	<u>93,839</u>	<u>17,163</u>	<u>14,304</u>
Finance costs			(744)	(676)
Profit before tax			<u>16,419</u>	<u>13,628</u>

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 31.12.2015 (RM'000)	As at 31.12.2014 (RM'000)
	<b>Segment Assets</b>	
Express delivery	196,263	159,750
Logistics	5,001	4,627
	<u>201,264</u>	<u>164,377</u>
Unallocated corporate assets		
- Tax recoverable	1,595	975
	<u>202,859</u>	<u>165,352</u>

	Carrying Amount of Segment Liabilities	
	As at 31.12.2015 (RM'000)	As at 31.12.2014 (RM'000)
	<b>Segment Liabilities</b>	
Express delivery	42,799	41,366
Logistics	134	494
	<u>42,933</u>	<u>41,860</u>
Unallocated liabilities		
- Tax liabilities	12	324
- Deferred tax liabilities	2,439	2,732
	<u>45,384</u>	<u>44,916</u>



	31.12.2015 (RM'000)	31.12.2014 (RM'000)
<b>Other segment information</b>		
Additions to non-current assets		
- Express delivery	1,082	5,313
- Logistics	141	592
Depreciation and amortisation		
- Express delivery	4,037	3,933
- Logistics	191	136

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

The following is an analysis of the group's revenue and carrying amount of segment non-current asset by the geographical market.

#### Geographical Segments

	Group		Carrying Amount of	
	Revenue by		Segment Non-Current	
	Geographical Market		Assets As at	
	For the Six Months Ended	For the Six Months Ended	31.12.2015	31.12.2014
	31.12.2015	31.12.2014	(RM'000)	(RM'000)
	(RM'000)	(RM'000)		
Malaysia	106,323	92,966	63,737	58,902
Singapore	628	873	361	465
Total	<u>106,951</u>	<u>93,839</u>	<u>64,098</u>	<u>59,367</u>

#### 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 2015.

#### 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 2015 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**

As at the date of this report, there is an additional corporate guarantee of RM5,000,000 given to a bank for banking facilities granted to subsidiary company.

**14. CAPITAL COMMITMENTS**

All capital commitments undertaken have been included in the financial statements for the current quarter and six months ended 31 December 2015 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	
	31.12.2015 (RM'000)	31.12.2014 (RM'000)	31.12.2015 (RM'000)	31.12.2014 (RM'000)
<b>Revenue</b>				
Provision of express delivery services				
- Singapore Post Limited	18	57	25	37
- Quantum Solutions International (Malaysia) Sdn Bhd	740	-	1,196	-
- Quantum Solutions Singapore Pte Ltd	67	-	180	-

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK



## GD EXPRESS CARRIER BHD

(Company No. 630579-A)

(Incorporated in Malaysia under the Companies Act, 1965)

### 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 2015 versus the same quarter in Year 2015

##### Group Performance

	Current Quarter Three Months Ended 31 December		Cumulative Quarter Six Months Ended 31 December	
	2015	2014	2015	2014
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Revenue	55,485	50,098	106,951	93,839
Profit Before Taxation	9,239	8,006	16,419	13,628

Group revenue for the current quarter ended 31 December 2015 increased by RM 5.387 million or 10.8% as compared to the preceding year corresponding quarter. Group profit before tax increased by 15.4% or RM 1.233 million from RM 8.006 million reported in the preceding year corresponding quarter to RM 9.239 million in the current quarter ended 31 December 2015.

For the six months ended 31 December 2015, the Group revenue increased by 14.0% or RM 13.112 million and the Group profit before taxation increased by RM 2.791 million or 20.5% respectively, as compared to the Group revenue of RM 93.839 million and Group profit before tax of RM 13.628 million reported in preceding year corresponding period ended 31 December 2014.

The improved performance during the current quarter and financial period under review was mainly due to increase in business volume as a result of the increased in demand of the courier services, especially for the e-commerce business.

##### Segmental Performance

	Courier Services Cumulative Quarter Six Months Ended 31 December		Logistics Services Cumulative Quarter Six Months Ended 31 December	
	2015	2014	2015	2014
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Revenue	103,580	89,663	3,371	4,176
Profit Before Taxation	14,935	11,846	1,484	1,782



### Courier Services

The revenue reported in courier services for the current period ended 31 December 2015 increased by 15.5% or RM 13.917 million as compared to RM 89.663 million reported in the corresponding quarter ended 31 December 2014. The profit before taxation for the current period ended 31 December 2015 increased by 26.1% or RM 3.089 million as compared to RM 11.846 million reported in the corresponding period ended 31 December 2014, which was mainly due to strong demand of delivery services during the six months under review.

### Logistics Services

The revenue reported in the logistics services for the current period ended 31 December 2015 was RM 3.371 million, declined by 19.3% or RM 0.805 million as compared to the corresponding quarter ended 31 December 2014. The profit before taxation reported in the current period under review was RM 1.484 million as compared to the profit before tax of RM1.782 million reported in the previous corresponding quarter ended 31 December 2014, i.e. declined by 16.7%.

As the result of the decreased in the demand of the existing customers, the performance of the logistics had declined under the current quarter under review. However, it played an important role to support courier services by providing forwarding, warehousing and distribution services.

## 2. COMPARISON WITH PRECEDING QUARTER'S RESULTS

### Group Performance

	31 December 2015 (RM'000)	3 Months Ended 30 September 2015 (RM'000)
Revenue	55,485	51,466
Profit Before Taxation	9,239	7,180

Group revenue for the current quarter under review increased by RM 4.019 million or 7.8% as compared to RM 51.466 million reported in the preceding quarter. Profit before tax for the Group increased by RM 2.059 million or 28.7% in the current quarter under review as compared to the preceding quarter.

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

### Segmental Performance

	Courier Services		Logistics Services	
	Three Months Ended		Three Months Ended	
	31 December 2015 (RM'000)	30 September 2015 (RM'000)	31 December 2015 (RM'000)	30 September 2015 (RM'000)
Revenue	53,897	49,683	1,588	1,783
Profit Before Taxation	8,592	6,343	647	837



### **Courier Services**

The total revenue generated from courier services for the current quarter under review was RM 53.897 million, which was RM 4.214 million or 8.5 % higher than the immediate preceding quarter of RM 49.683 million. The profit before taxation reported in current quarter was RM 8.592 million, which was RM 2.249 million or 35.5% higher than the immediate preceding quarter of RM 6.343 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 1.588 million, which was RM 0.195 million or 10.9% lower than the immediate preceding quarter of RM 1.783 million. The profit before taxation reported in the current quarter was RM 0.647 million, and the profit reduced by RM 0.190 million or 22.7% as compared to the immediate preceding quarter of RM 0.837million.

The decline in performance of logistics services in current quarter under review due mainly to decreased in demand and sales volume for logistics services.

## **3. COMMENTARY ON PROSPECTS**

Malaysia's economy is expected to grow at a slower pace in year 2016 and business environment will remain challenging with the dampening of consumer sentiment as a result of higher cost of living, weak global crude oil and commodity prices, impact from GST implementation and also the weakening of the Ringgit Malaysia against the US Dollar.

Despite the challenging outlook in year 2016, growing popularity in e-commerce business has ensured a continued demand for express delivery services. The Group will continue to enhance its competitiveness, improve service quality and build capacity to sustain growth.

## **4. VARIANCE FROM PROFIT FORECAST**

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

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK





## 5. TAXATION

Taxation in respect of the current financial quarter and period ended 31 December 2015 comprises the following:

	Current Year Quarter 31.12. 2015 (RM'000)	Individual Quarter Preceding Year Corresponding Quarter 31 .12. 2014 (RM'000)	Current Year To-Date 31 12. 2015 (RM'000)	Cumulative Quarter Preceding Year Corresponding Period 31 12. 2014 (RM'000)
Current quarter/period provision	(1,435)	(795)	(2,325)	(1,434)
Over provision in prior year	-	-	-	-
	(1,435)	(795)	(2,325)	(1,434)

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.

## 6. UTILISATION OF PROCEEDS

During the current period under review, the Company has received the proceeds of RM 1,872 million from the exercised and conversion of 12,480,716 Warrants "A" at an exercise price of RM0.15 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

- (i) As announced on 2 December 2015, the Third Dividend Reinvestment Plan for the entire Dividend (as approved by the shareholders on 2 December 2015 at the Company's Twelfth 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 11 February 2016.
- (ii) On 10 July 2015, the Group had submitted an application to Bursa Malaysia Securities Berhad on 10 July 2015 for an extension of time to complete the implementation of the Private Placement. Subsequent to that, as announced on 15 July 2015, Bursa Malaysia Securities Berhad had via its letter dated 15 July 2015 approved the application for an extension of time of 6 months from 6 August 2015 to 5 February 2016 to complete the implementation of the Private Placement.

As announced on 21 January 2016, the Group fixed the issue price for 124,893,548 Placement Shares at RM1.74 each, which represents a premium of approximately 0.09% to the 5-Day VWAMP of GDEX Shares up to and including 20 January 2016, being the last traded day for GDEX Shares prior to this



announcement, of RM1.7385 per GDEX Share. On the same day, Hong Leong Investment Bank Berhad (“HLIB”), on behalf of the Company, had made an offer to Yamato Asia Pte. Ltd. (“**Yamato Asia**”) to subscribe for 124,893,548 Placement Shares, which has been duly accepted by Yamato Asia on the same date. The offer to Yamato Asia is intended to promote business collaboration between GDEX and Yamato Asia. The proposal was completed on 10 February 2016.

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:

	2015 (RM'000)	As at 31 December 2014 (RM'000)
<b>Short term borrowings (secured):</b>		
<b>Denominated in Ringgit Malaysia</b>		
Hire purchase payables	4,536	3,077
Short term revolving credit	-	1,500
Term loans	532	1,263
<b>Long term borrowings (secured):</b>		
<b>Denominated in Ringgit Malaysia</b>		
Hire purchase payables	9,825	6,542
Term loans	11,542	11,442
<b>Total borrowings</b>	<b>26,435</b>	<b>23,824</b>

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 and final dividend of 20.0% or 1.0 sen per share in respect of the financial year ended 30 June 2015 was approved by the shareholders at the Twelfth Annual General Meeting of the Company held on 2 December 2015 and was paid on 10 February 2016 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 period.

	Three Months Ended		Six months Ended	
	31.12.2015 (RM'000)	31.12.2014 (RM'000)	31.12.2015 (RM'000)	31.12.2014 (RM'000)
Net profit attributable to ordinary shareholders	7,804	7,211	14,094	12,194
Weighted average number of ordinary share in issue (units)	1,240,402,187	1,144,007,193	1,238,266,661	1,128,789,368
Basic earnings per share (sen)	0.63	0.63	1.14	1.08

### 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	
	31.12.2015 (RM'000)	31.12.2014 (RM'000)	31.12.2015 (RM'000)	31.12.2014 (RM'000)
Net profit attributable to ordinary shareholders	7,804	7,211	14,094	12,194
Weighted average number of ordinary share in issue (units)	1,240,402,187	1,144,007,193	1,238,266,661	1,128,789,368
Adjustment for share warrants	1,349,934	25,260,257	1,334,857	25,316,706
Weighted average number of ordinary share in issue (units)	1,241,752,121	1,169,267,450	1,239,601,518	1,154,106,074
Diluted earnings per share (sen)	0.63	0.62	1.14	1.06

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK



## 12. REALISED AND UNREALISED EARNINGS DISCLOSURE

	As at 31.12.2015 (RM'000)	As at 30.06.2015 (RM'000)
Total Retained Earnings of the Group:		
- Realised	77,402	63,273
- Unrealised	(2,439)	(2,439)
	<hr/> 74,963	<hr/> 60,834
Consolidation adjustments	6,097	6,132
Total retained earnings	<hr/> <hr/> 81,060	<hr/> <hr/> 66,966

## 13. AUDIT REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The audit report of the Group's annual financial statements for the year ended 30 June 2015 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 24 February 2016.

By Order of the Board

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

Selangor Darul Ehsan  
Date: 24 February 2016