



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 NINE MONTHS ENDED 31 MARCH 2016

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31.03.2016 (RM'000)	Preceding Year Corresponding Quarter 31.03.2015 (RM'000)	Current Year To-Date 31.03.2016 (RM'000)	Preceding Year Corresponding Period 31.03.2015 (RM'000)
Revenue	53,944	51,089	160,895	144,928
Operating expenses	(47,160)	(43,878)	(138,128)	(124,088)
Other operating income	1,961	403	3,141	1,078
Profit from operations	8,745	7,614	25,908	21,918
Finance costs	(418)	(340)	(1,162)	(1,016)
Profit before tax	8,327	7,274	24,746	20,902
Taxation	(996)	(668)	(3,321)	(2,102)
Net profit for the period	7,331	6,606	21,425	18,800
Other comprehensive income:				
Foreign currency translation differences for foreign operation	(83)	46	66	100
	(83)	46	66	100
Total comprehensive income for the period	7,248	6,652	21,491	18,900
Profit attributable to owners of the company	7,331	6,606	21,425	18,800
Comprehensive income attributable to owners of the company	7,248	6,652	21,491	18,900
Earnings per share :				
Basic EPS (sen)	0.55	0.55	1.69	1.63
Fully diluted EPS (sen)	0.55	0.53	1.69	1.57

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.



(Company No. 630579-A)
(Incorporated in Malaysia under the Companies Act, 1965)

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2016

	31.03.2016 (RM'000)	30.06.2015 (RM'000)
ASSETS		
Non-current Assets		
Property, plant and equipment	43,204	45,861
Prepaid lease payments	20,841	21,216
	<u>64,045</u>	<u>67,077</u>
Current Assets		
Inventories	1,350	1,626
Trade receivables	43,695	49,163
Other receivables and prepaid expenses	6,386	5,682
Tax recoverable	1,894	1,036
Deposits with licensed banks	284,667	53,333
Cash and bank balances	13,233	11,268
	<u>351,225</u>	<u>122,108</u>
Total Assets	<u><u>415,270</u></u>	<u><u>189,185</u></u>
EQUITY AND LIABILITIES		
Capital and reserves		
Share capital	69,162	61,816
Reserves	304,578	79,543
Total Equity	<u><u>373,740</u></u>	<u><u>141,359</u></u>
Non-Current Liabilities		
Hire-purchase payables – non-current portion	9,362	12,447
Borrowings (secured) – non-current portion	6,377	11,745
Provision for retirement benefits	210	210
Deferred tax liabilities	2,439	2,439
Total Non-current Liabilities	<u><u>18,388</u></u>	<u><u>26,841</u></u>
Current liabilities		
Trade payables	3,579	3,219
Other payables and accrued expenses	13,552	13,083
Hire-purchase payables - current portion	5,181	3,892
Short term borrowings (secured) - current portion	532	646
Provision for taxation	298	145
Total Current Liabilities	<u><u>23,142</u></u>	<u><u>20,985</u></u>
Total Liabilities	<u><u>41,530</u></u>	<u><u>47,826</u></u>
Total Equity And Liabilities	<u><u>415,270</u></u>	<u><u>189,185</u></u>
Net Assets per share attributable to owners of the company (RM)	<u><u>0.27</u></u>	<u><u>0.11</u></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.

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GD EXPRESS CARRIER BHD

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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE NINE MONTHS ENDED 31 MARCH 2016

	Issued Share capital (RM'000)	Non-Distributable € Share Premium (RM'000)	Translation Reserve (RM'000)	Distributable 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	-	-	100	18,800	18,900
Transactions with owners					
Arising from warrants exercised	2,855	8,279	-	-	11,134
Arising from bonus share issue	14,930	(14,930)	-	-	-
Shares issue expenses	-	(343)	-	-	(343)
Dividend	346	9,288	-	(10,071)	(437)
	18,131	2,294	100	8,729	29,254
At 31 March 2015	60,066	8,926	123	57,490	126,605
At 1 July 2015	61,816	12,388	189	66,966	141,359
Total comprehensive income for the period	-	-	66	21,425	21,491
Transactions with owners					
Arising from warrants exercised	684	1,371	-	-	2,055
Arising from private placement	6,245	211,070	-	-	217,315
Shares issue expenses	-	(7,803)	-	-	(7,803)
Dividend	417	11,395	-	(12,489)	(677)
	7,346	216,033	66	8,936	232,381
At 31 March 2016	69,162	228,421	255	75,902	373,740

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.



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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE NINE MONTHS ENDED 31 MARCH 2016

	Nine Months Ended	
	31.03.2016	31.03.2015
	(RM'000)	(RM'000)
Cash flows from operating activities		
Profit for the period	21,425	18,800
Adjustments for non-cash items	9,649	8,682
Operating profit before changes in working capital	31,074	27,482
(Increase)/Decrease in working capital		
Inventories	275	(73)
Receivables, deposits and prepayment	4,763	(13,638)
Payables and accruals	830	3,248
Cash generated from operations	36,942	17,019
Income tax paid	(4,022)	(2,081)
Net cash from operating activities	32,920	14,938
Cash flows from investing activities		
Acquisition of property, plant and equipment	(2,111)	(5,347)
Proceeds from disposal of property, plant and equipment	239	59
Interest received	1,077	945
Increased in fixed deposit pledged with licensed bank	(160,594)	(18,375)
Net cash used in investing activities	(161,389)	(22,718)
Cash flows from financing activities		
Net drawdown/(repayment) of short term revolving credit	-	500
Repayment of term loans	(5,482)	(4,434)
Net payment of hire purchase payables	(3,134)	(2,251)
Proceed from allotment of share	2,055	11,134
Proceed from private placement	217,315	-
Finance costs paid	(1,162)	(1,016)
Share issue expenses paid	(7,803)	(343)
Dividend paid	(677)	(437)
Net cash generated from financing activities	201,112	3,153
Net change in cash and cash equivalents	72,643	(4,627)
Effect of exchange difference	61	73
Cash and cash equivalents at beginning of period	31,672	23,924
Cash and cash equivalents at end of period	104,376	19,370

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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE NINE MONTHS ENDED 31 MARCH 2016 (Continued)

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

	Nine Months Ended	
	31.03.2016	31.03.2015
	(RM'000)	(RM'000)
Purchase of :		
Property, plant and equipment	3,449	12,113
Financed by:		
Cash payments and other payables	2,111	5,347
Hire-purchase	1,338	6,766
	3,449	12,113

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.



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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 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 31 March 2016, the Group have adopted revised Standards and Amendments issued by the Malaysian Accounting Standards Board ("MASB") that are relevant to its operations and 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 ²

MFRS 14 Regulatory Deferral Accounts ¹

MFRS 15 Revenue from Contracts with Customers ²



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

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

² 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 quarter and the nine months ended 31 March 2016.

5. SIGNIFICANT ESTIMATES AND CHANGES IN ESTIMATES

There were no changes in estimates that have had any material effect on the quarter and nine months ended 31 March 2016.



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 nine months ended 31 March 2016 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 share 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.
- (iii) From 5 January 2016 to 5 February 2016, the Company had issued 1,106,986 ordinary shares capital of RM0.05 each pursuant to the exercise of 1,106,986 Warrants "A" at an exercise price of RM0.15 per ordinary share, and 1,220 ordinary share capital of RM0.05 each pursuant to the exercise of 1,220 warrants "B" at an exercise price of RM1.53 per ordinary shares respectively. Accordingly, the issued and paid up share capital increased from RM62,440,449.20 comprising of 1,248,808,984 ordinary share capital of RM0.05 each to RM62,495,859.50 comprising of 1,249,917,190 ordinary share capital of RM0.05 each.
- (iv) On 10 February 2016, the Company had issued 124,893,548 ordinary share capital of RM0.05 each pursuant to the subscribed of 124,893,548 Placement Shares by Yamato Asia Pte Ltd ("Yamato Asia") at the issue price of RM1.74 per ordinary share. The issued and paid up share capital increased from RM62,459,859.50 comprising of 1,249,917,190 ordinary share capital of RM0.05 each to RM68,740,536.90 comprising of 1,374,810,738 ordinary share capital of RM0.05 each.
- (v) As announced on 11 February 2016 that the Company had issued 8,329,099 ordinary share capital of RM0.05 each at the issue price of RM1.4181 per ordinary share, pursuant to the Dividend Reinvestment Plan ("DRP"). The issued and paid up share capital increased from RM68,740,536.90 comprising of 1,374,810,738 ordinary share capital of RM0.05 each to RM69,156,991.85 comprising of 1,383,139,837 ordinary share capital of RM0.05 each.
- (vi) On 19 February 2016, the Company had issued 99,700 ordinary shares capital of RM0.05 each pursuant to the exercise of 99,700 Warrants "A" at an exercise price of RM0.15 per ordinary share. Accordingly, the issued and paid up share capital increased from RM69,156,991.85 comprising of 1,383,139,837 ordinary share capital of RM0.05 each to RM69,161,976.85 comprising of 1,383,239,537 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 RM216.033 million 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:-

	Year Ended 30 June	
	2016	2015
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 RM677,020 (30 June 2014: RM436,383) 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		Nine Months Ended	
	31 March		31 March	
	2016	2015	2016	2015
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Interest income	1,915	312	2,992	944
Other income	46	91	149	134
Interest expense	(418)	(340)	(1,162)	(1,016)
Depreciation and amortization	(2,060)	(2,479)	(6,288)	(6,548)
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	(13)	N/A	(13)
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 Nine months ended 31 March 2016.

Operating Segments

	Group			
	Segment Revenue Nine Months Ended		Segment Profit / (Loss) Nine Months Ended	
	31.03.2016 (RM'000)	31.03.2015 (RM'000)	31.03.2016	31.03.2015 (RM'000)
Express delivery	156,074	138,413	23,997	19,434
Logistics	4,821	6,515	1,911	2,484
Total	160,895	144,928	25,908	21,918
Finance costs			(1,162)	(1,016)
Profit before tax			24,746	20,902

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	As at
	31.03.2016 (RM'000)	31.03.2015 (RM'000)
Segment Assets		
Express delivery	408,278	168,555
Logistics	5,098	5,130
	413,376	173,685
Unallocated corporate assets		
- Tax recoverable	1,894	935
	415,270	174,620



	Carrying Amount of Segment Liabilities	
	As at 31.03.2016 (RM'000)	As at 31.03.2015 (RM'000)
Segment Liabilities		
Express delivery	38,591	44,796
Logistics	202	333
	<u>38,793</u>	<u>45,129</u>
Unallocated liabilities		
- Tax liabilities	298	154
- Deferred tax liabilities	2,439	2,732
	<u>41,530</u>	<u>48,015</u>

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

	31.03.2016 (RM'000)	31.03.2015 (RM'000)
Other Segment Information		
Additions to non-current assets		
- Express delivery	3,258	11,291
- Logistics	191	822
Depreciation and amortisation		
- Express delivery	5,997	6,323
- Logistics	291	225

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 Segment	
	Revenue by Geographical Market		Non-Current Assets as at	
	For the Nine Months Ended 31.03.2016 (RM'000)	31.03.2015 (RM'000)	31.03.2016 (RM'000)	31.03.2015 (RM'000)
Malaysia	160,003	143,527	63,704	62,691
Singapore	892	1,401	341	438
Total	<u>160,895</u>	<u>144,928</u>	<u>64,045</u>	<u>63,129</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 and nine months ended 31 March 2016 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 nine months ended 31 March 2016.

12. CHANGES IN THE COMPOSITION OF THE GROUP

There were no changes in the composition of the Group during the quarter and nine months ended 31 March 2016 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 bank guarantee of RM3.0 million given by the wholly owned subsidiary company, GD Express Sdn Bhd to third party for the security of Cash-On-Delivery (COD) transactions.

14. CAPITAL COMMITMENTS

All capital commitments undertaken have been included in the financial statements for the current quarter and nine months ended 31 March 2016 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	
	31.03.2016 (RM'000)	31.03.2015 (RM'000)	31.03.2016 (RM'000)	31.03.2015 (RM'000)
<u>Revenue</u>				
Provision of express delivery services				
- Singapore Post Limited	12	25	35	36
- Quantium Solutions International(Malaysia) Sdn Bhd	645	506	661	506
- Quantium Solutions Singapore Pte Ltd	47	188	-	190



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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 March 2016 versus the same quarter in Year 2015

Group Performance

	Current Quarter Three Months Ended 31 March		Cumulative Quarter Nine Months Ended 31 March	
	2016 (RM'000)	2015 (RM'000)	2016 (RM'000)	2015 (RM'000)
Revenue	53,944	51,089	160,895	144,928
Profit Before Taxation	8,327	7,274	24,746	20,902

Group revenue for the current quarter ended 31 March 2016 increased by RM2.855 million or 5.6% as compared to the preceding year corresponding quarter. Group profit before tax increased by 14.5% or RM1.053 million from RM7.274 million reported in the preceding year corresponding quarter to RM8.327 million in the current quarter ended 31 March 2016.

For the nine months ended 31 March 2016, the Group revenue and profit before taxation increased by 11.0% or RM 15,967 million and 18.4% or RM 3,844 million respectively, as compared to the Group revenue of RM 144,928 million and profit before taxation of RM 20,902 million reported on preceding year corresponding period ended 31 March 2015.

Lower sales growth for the current quarter under review as compared to preceding year corresponding quarter is due to more competitive landscape and capacity constraint at the operations hub. Better performance in profit before taxation is mainly due to higher fixed deposit interest income as well as improvement in operating costs management during the current quarter under review.

Segmental Performance

	Courier Services Cumulative Quarter Nine Months Ended 31 March		Logistics Services Cumulative Quarter Nine Months Ended 31 March	
	2016 (RM'000)	2015 (RM'000)	2016 (RM'000)	2015 (RM'000)
Revenue	156,074	138,413	4,821	6,515
Profit Before Taxation	22,835	18,418	1,911	2,484



Courier Services

The revenue reported in courier services for the current period ended 31 March 2016 increased by 12.8% or RM17.661 million as compared to RM138.413 million reported in the corresponding quarter ended 31 March 2015. The profit before taxation for the current period ended 31 March 2016 increased by 24.0% or RM4,417 million as compared to RM18.418 million reported in the corresponding period ended 31 March 2015 which was mainly due to higher sales volume during the nine months under review as a result of increase in demand of courier services by e-commerce customers.

Logistics Services

The revenue reported in the logistics services for the current period ended 31 March 2016 was RM4.821 million, decreased by 26% or RM1.694 million as compared to the corresponding quarter ended 31 March 2015. The profit before taxation reported in the current period under review was RM1.911 million, decreased by 23% as compared to the profit before tax of RM 2.484 million reported in the previous corresponding quarter ended 31 March 2015.

The performance in the logistics segment had declined under the current quarter under review is mainly due to the warehouse space constraint and increased in "value added "services to support the Courier services segment.

2. COMPARISON WITH PRECEDING QUARTER'S RESULTS

Group Performance

	31 March 2016 (RM'000)	3 Months Ended 31 December 2015 (RM'000)
Revenue	53,944	55,485
Profit Before Taxation	8,327	9,239

Group revenue for the current quarter under review was reduced by RM1.541 million or 2.8% as compared to RM 53.944 million recorded for the preceding quarter. Profit before tax for the Group reduced by RM0.912 million or 9.9% in the current quarter under review as compared to the preceding quarter.

The decline in performance was due to lesser working days as a result of few days festival break in February and also the adjustment of salary and incentive for the operational staff during the current quarter under review.

Segmental Performance

	Courier Services		Logistics Services	
	Three Months Ended		Three Months Ended	
	31 March 2016 (RM'000)	31 December 2015 (RM'000)	31 March 2016 (RM'000)	31 December 2015 (RM'000)
Revenue	52,494	53,897	1,450	1,588
Profit Before Taxation	7,900	8,592	427	647



Courier Services

The total revenue generated from courier services for the current quarter under review was RM52.494 million, which was RM1.403 million or 2.6% slightly lower than the immediate preceding quarter of RM53.897 million. The profit before taxation reported in current quarter was RM 7.900 million, which was RM0.692 million or 8.1% lower than the immediate preceding quarter of RM 8.592 million. The decline in performance was due to lesser working days as a result of few days festival break in February and also the salary and incentive adjustments for the operational staff in the current quarter under review.

Logistics Services

The revenue generated from logistics services for the current quarter under review was RM1.450 million, which was RM0.138 million or 8.7% lower than the immediate preceding quarter of RM1.588 million. Profit before taxation reported was RM0.427 million, reduced by 34.0% or RM0.22 million as compared to the immediate preceding quarter of RM0.647 million. This was mainly due to warehouse space constraint and increased in "value added" services to support the Courier services segment.

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.

5. TAXATION

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

	Individual Quarter Preceding Year Corresponding Quarter	Current Year To-Date 31.03.2016 (RM'000)	Cumulative Quarter Preceding Year Corresponding Period 31.03.2015 (RM'000)
	Current Year Quarter 31.03.2016 (RM'000)		
Current quarter/period provision	(996)	(3,321)	(2,102)
Over provision in prior year	-	-	-
	(996)	(3,321)	(2,102)



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

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

- (i) Received the proceeds of RM2.055 million from the exercised and conversion of 13,687,402 Warrants "A" and 1,220 Warrant "B" at an exercise price of RM0.15 per ordinary share and RM1.53 per ordinary share respectively, into the ordinary share capital of RM0.05 each.
- (ii) Received the proceeds of RM217.315 million from the issuance of 124,893,548 Private Shares at an issue price of RM1.74 per ordinary share.
- (iii) Received the proceeds of RM11.812 million from the issuance of 8,329,099 new ordinary share capital of RM0.05 each pursuant to the DRP.

The above proceeds received shall be used for the Group's working capital and business expansion.

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 RM1.74 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:

	2016 (RM'000)	As at 31 March 2015 (RM'000)
Short term borrowings (secured):		
Denominated in Ringgit Malaysia		
Hire purchase payables	5,181	3,803
Short term revolving credit	-	500
Term loans	532	1,263
Long term borrowings (secured):		
Denominated in Ringgit Malaysia		
Hire purchase payables	9,362	9,023
Term loans	6,377	11,284
Total borrowings	<u>21,452</u>	<u>25,873</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 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.



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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		Nine months Ended	
	31.03.2016 (RM'000)	31.03.2015 (RM'000)	31.03.2016 (RM'000)	31.03.2015 (RM'000)
Net profit attributable to ordinary shareholders	7,331	6,606	21,425	18,800
Weighted average number of ordinary share in issue (units)	1,322,739,972	1,199,244,322	1,266,007,818	1,151,619,439
Basic earnings per share (sen)	0.55	0.55	1.69	1.63

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		Nine months Ended	
	31.03.2016 (RM'000)	31.03.2015 (RM'000)	31.03.2016 (RM'000)	31.03.2015 (RM'000)
Net profit attributable to ordinary shareholders	7,331	6,606	21,425	18,800
Weighted average number of ordinary share in issue (units)	1,322,739,972	1,199,244,322	1,266,007,818	1,151,619,439
Adjustment for share warrants	14,372,405	52,386,067	-	48,170,818
Weighted average number of ordinary share in issue (units)	1,337,112,377	1,251,630,389	1,266,007,818	1,199,790,257
Diluted earnings per share (sen)	0.55	0.53	1.69	1.57



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12. REALISED AND UNREALISED EARNINGS DISCLOSURE

	As at 31.03.2016 (RM'000)	As at 30.06.2015 (RM'000)
Total Retained Earnings of the Group:		
- Realised	72,237	63,273
- Unrealised	(2,439)	(2,439)
	<hr/>	<hr/>
	69,798	60,834
Consolidation adjustments	6,104	6,132
Total retained earnings	<hr/> <hr/>	<hr/> <hr/>
	75,902	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 26 May 2016.

By Order of the Board

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

Selangor Darul Ehsan
Date: 26 May 2016