**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 YEAR ENDED 30 JUNE 2016**

| | Current Quarter Three Months Ended 30 June | | Year Ended 30 June | |
|---|---|---|---|---|
| | Unaudited | Audited | Unaudited | Audited |
| | 2016 | 2015 | 2016 | 2015 |
| | (RM'000) | (RM'000) | (RM'000) | (RM'000) |
| Revenue | 58,862 | 51,823 | 219,757 | 196,751 |
| Operating expenses | (46,496) | (41,611) | (184,624) | (165,699) |
| Other operating income | 3,403 | 571 | 6,544 | 1,649 |
| Profit from operations | 15,769 | 10,783 | 41,677 | 32,701 |
| Finance costs | (332) | (379) | (1,494) | (1,395) |
| Profit before tax | 15,437 | 10,404 | 40,183 | 31,306 |
| Taxation | (2,418) | (908) | (5,739) | (3,010) |
| Net profit for the period | 13,019 | 9,496 | 34,444 | 28,296 |
| Other comprehensive income: | | | | |
| Foreign currency translation differences for foreign operation | 49 | 66 | 115 | 166 |
| | 49 | 66 | 115 | 166 |
| Total comprehensive income for the period | 13,068 | 9,562 | 34,559 | 28,462 |
| Profit attributable to owners of the company | 13,019 | 9,496 | 34,444 | 28,296 |
| Comprehensive income attributable to owners of the company | 13,068 | 9,562 | 34,559 | 28,462 |
| Earnings per share : | | | | |
| Basic EPS (sen) | 0.94 | 0.79 | 2.66 | 2.43 |
| Fully diluted EPS (sen) | 0.94 | 0.78 | 2.66 | 2.39 |

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 30 JUNE 2016

| | Unaudited 30.06.2016 (RM'000) | Audited 30.06.2015 (RM'000) |
|---|---|---|
| **ASSETS** | | |
| **Non-current Assets** | | |
| Property, plant and equipment | 47,315 | 45,861 |
| Prepaid lease payments | 20,716 | 21,216 |
| | 68,031 | 67,077 |
| **Current Assets** | | |
| Inventories | 1,216 | 1,626 |
| Trade receivables | 47,552 | 49,163 |
| Other receivables and prepaid expenses | 9,590 | 5,682 |
| Tax recoverable | 1,489 | 1,036 |
| Deposits with licensed banks | 285,317 | 53,333 |
| Cash and bank balances | 22,127 | 11,268 |
| | 367,291 | 122,108 |
| **Total Assets** | 435,322 | 189,185 |
| **EQUITY AND LIABILITIES** | | |
| **Capital and reserves** | | |
| Share capital | 69,162 | 61,816 |
| Reserves | 317,647 | 79,544 |
| **Total Equity** | 386,809 | 141,360 |
| **Non-Current Liabilities** | | |
| Hire-purchase payables – non-current portion | 13,688 | 12,447 |
| Borrowings (secured) – non-current portion | 5,716 | 11,744 |
| Provision for retirement benefits | 246 | 210 |
| Deferred tax liabilities | 3,048 | 2,439 |
| **Total Non-current Liabilities** | 22,698 | 26,840 |
| **Current liabilities** | | |
| Trade payables | 1,937 | 3,219 |
| Other payables and accrued expenses | 17,497 | 13,083 |
| Hire-purchase payables - current portion | 5,101 | 3,892 |
| Short term borrowings (secured) - current portion | 945 | 646 |
| Provision for taxation | 335 | 145 |
| **Total Current Liabilities** | 25,815 | 20,985 |
| **Total Liabilities** | 48,513 | 47,825 |
| **Total Equity And Liabilities** | 435,322 | 189,185 |
| Net Assets per share attributable to owners of the company (RM) | 0.28 | 0.11 |

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

(Company No. 630579-A)

**(Incorporated in Malaysia under the Companies Act, 1965)**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2016**

| | | ←Non-Distributable→ | | Distributable | |
|---|---|---|---|---|---|
| | Issued Share capital (RM'000) | 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** | - | - | 166 | 28,296 | 28,462 |
| **Transactions with owners** | | | | | |
| Arising from warrants exercise | 4,606 | 11,780 | - | - | 16,386 |
| Arising from bonus share issue | 14,929 | (14,909) | - | (20) | - |
| Arising from dividend reinvestment plan | 346 | 9,288 | | (9,634) | - |
| Shares issue expenses | - | (402) | - | - | (402) |
| Dividend | - | - | - | (437) | (437) |
| | 19,881 | 5,757 | 166 | 18,205 | 44,009 |
| **At 30 June 2015 (Audited)** | 61,816 | 12,389 | 189 | 66,966 | 141,360 |
| **At 1 July 2015** | 61,816 | 12,389 | 189 | 66,966 | 141,360 |
| **Total comprehensive income for the period** | | | | | |
| **Transactions with owners** | - | - | 115 | 34,444 | 34,559 |
| Arising from warrants exercise | 685 | 1,370 | - | - | 2,055 |
| Arising from private placement | 6,245 | 211,070 | - | - | 217,315 |
| Arising from dividend reinvestment plan | 416 | 11,395 | - | (11,811) | - |
| Shares issue expenses | - | (7,803) | - | - | (7,803) |
| Dividend | - | - | - | (677) | (677) |
| | 7,346 | 216,032 | 115 | 21,956 | 245,449 |
| **At 30 June 2016 (Unaudited)** | 69,162 | 228,421 | 304 | 89,922 | 386,809 |

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 YEAR ENDED 30 JUNE 2016**

| | Year Ended 30 June | |
|---|---|---|
| | Unaudited | Audited |
| | 2016 | 2015 |
| | (RM'000) | (RM'000) |
| **Cash flows from operating activities** | | |
| Profit for the period | 34,444 | 28,296 |
| Adjustments for non-cash items | 10,476 | 12,169 |
| **Operating profit before changes in working capital** | 44,920 | 40,465 |
| **(Increase)/Decrease in working capital** | | |
| Inventories | 409 | (306) |
| Receivables, deposits and prepayment | (2,297) | (17,756) |
| Payables and accruals | 3,133 | 2,342 |
| **Cash generated from operations** | 46,165 | 24,745 |
| Retirement benefits paid | - | (2) |
| Income tax paid | (5,394) | (3,391) |
| **Net cash from operating activities** | 40,771 | 21,352 |
| | | |
| **Cash flows from investing activities** | | |
| Acquisition of property, plant and equipment | (3,866) | (7,010) |
| Proceeds from disposal of property, plant and equipment | 224 | 38 |
| Interest received | 6,208 | 1,382 |
| Increased in fixed deposit with licensed bank | (236,554) | (14,497) |
| **Net cash used in investing activities** | (233,988) | (20,087) |
| | | |
| **Cash flows from financing activities** | | |
| Net drawdown/(repayment) of short term revolving credit | - | (1,000) |
| Repayment of term loans | (5,730) | (3,590) |
| Net payment of hire purchase payables | (4,272) | (3,221) |
| Proceed from allotment of share | 2,055 | 15,984 |
| Proceed from private placement | 217,315 | - |
| Finance costs paid | (1,494) | (1,395) |
| Share issue expenses paid | (7,803) | - |
| Dividend paid | (677) | (437) |
| **Net cash generated from financing activities** | 199,394 | 6,341 |
| | | |
| **Net change in cash and cash equivalents** | 6,177 | 7,606 |
| Effect of exchange difference | 111 | 142 |
| **Cash and cash equivalents at beginning of year** | 31,672 | 23,924 |
| **Cash and cash equivalents at end of year** | 37,960 | 31,672 |

## UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2016 (Continued)

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

| | Year Ended 30 June | |
|---|---|---|
| | **Unaudited 2016 (RM'000)** | **Audited 2015 (RM'000)** |
| **Purchase of :** | | |
| Property, plant and equipment | 10,588 | 18,260 |
| **Financed by:** | | |
| Cash payments and other payables | 3,866 | 7,010 |
| Hire-purchase | 6,722 | 11,250 |
| | 10,588 | 18,260 |

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 year, the Group and the Company have adopted revised Standards and Amendments issued by the Malaysian Accounting Standards Board ("MASB") that are relevant to their operations and effective for annual periods beginning on or after 1 July 2015 as follows:

| | |
|---|---|
| Amendments to MFRS 119 | Defined Benefit Plants - Employee Contributions |
| Amendments to MFRSs | Annual Improvements to MFRSs 2011 - 2013 Cycle |
| Amendments to MFRSs | Annual Improvements to MFRSs 2012 - 2014 Cycle |

The adoption of these revised Standards and Amendments has not affected the amounts reported in the financial statements of the Group and of the Company for the current and prior years.

**Standards and Amendments in Issue but Not Yet Effective**

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 9 and MFRS 7 | Mandatory Effective Date of MFRS 9 and Transition Disclosures[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 | Clarification 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 | Annual Improvements to MFRSs 2013 - 2015 Cycle[1] |

[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 year of initial application except as discussed below:

**MFRS 9 Financial Instruments**

MFRS 9 (IFRS 9 issued by IASB in July 2015) introduces new requirements for the classification and measurement of financial assets and financial liabilities and for de-recognition.

Key requirements of MFRS 9:

- all recognised financial assets that are within the scope of MFRS 139 Financial Instruments: Recognition and Measurement are required to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at fair values at the end of subsequent accounting periods. In addition, under MFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of equity instruments (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

- with regard to the measurement of financial liabilities designated as at fair value through profit or loss, MFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability, is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Previously, under MFRS 139, the entire amount of the change in the fair value of the financial liability designated as at fair value through profit or loss was presented in profit or loss.

- in relation to the impairment of financial assets, MFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under MFRS 139. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

- the new general hedge accounting requirements retain the three types of hedge accounting mechanisms currently available in MFRS 139. Under MFRS 9, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an 'economic relationship'. Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

The Directors are currently assessing the impact of adoption of MFRS 9 and have not made any accounting policy decision. Thus, the impact of adopting the new MFRS 9 on the Group's annual financial statements cannot be determined now until the process is completed.

**MFRS 15 Revenue from Contracts with Customers**

In May 2015, MFRS 15 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contract with customers. MFRS 15 will supersede the current revenue recognition guidance including MFRS 118 Revenue, MFRS 111 Construction Contracts and the related interpretations when it becomes effective.

The core principle of MFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Standard introduces a 5-step approach to revenue recognition.

Step 1: Identify the contract with a customer
Step 2: Identify the performance obligations in the contract
Step 3: Determine the transaction price
Step 4: Allocate the transaction price to the performance obligations in the contract
Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under MFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in MFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by MFRS 15.

The Directors are currently assessing the impact on adoption of MFRS 15 on the amounts reported and disclosures in the financial statements. However, it is not practicable to provide a reasonable estimate of the effect of MFRS 15 until the Group completes a detailed review.

## 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 year 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 year ended 30 June 2016.

## 5. SIGNIFICANT ESTIMATES AND CHANGES IN ESTIMATES

There were no changes in estimates that have had any material effect on the quarter and year ended 30 June 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 year ended 30 June 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 RM216.032 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) | 677* | 436* |

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.

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

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

| | Current Quarter Three Months Ended 30 June | | Year Ended 30 June | |
|---|---|---|---|---|
| | 2016 (RM'000) | 2015 (RM'000) | 2016 (RM'000) | 2015 (RM'000) |
| Foreign exchange gain or loss | (53) | (7) | (53) | (7) |
| Interest income | 3,216 | 437 | 6,208 | 1,381 |
| Other income | 187 | 134 | 336 | 268 |
| Bad debts written off | - | (5) | - | (5) |
| Depreciation and amortization | (3,154) | (2,171) | (9,442) | (8,719) |
| Impairment loss on trade receivables | (513) | (302) | (513) | (302) |
| Interest expense | (332) | (379) | (1,494) | (1,395) |
| Property, plant and equipment written off | - | (29) | - | (29) |
| Provision for retirement benefits | (36) | (99) | (36) | (99) |
| Exceptional items | N/A | N/A | N/A | N/A |
| Gain or loss on derivatives | N/A | N/A | N/A | N/A |
| Gain or loss on disposal of quoted or unquoted investments or properties | N/A | N/A | N/A | N/A |
| Impairment of assets | N/A | N/A | N/A | N/A |
| Provision for and write off of inventories | N/A | N/A | N/A | N/A |

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## 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 Group has determined the two reportable segments based on reports reviewed by the chief operating decision maker in making its strategic decision.

The following is an analysis of the Group's revenue and results by the reportable business segments for the year ended 30 June 2016.

**Operating Segments**

| | Group | | | |
|---|---|---|---|---|
| | Segment Revenue Year Ended 30 June | | Segment Profit / (Loss) Year Ended 30 June | |
| | 2016 (RM'000) | 2015 (RM'000) | 2016 | 2015 (RM'000) |
| Express delivery | 213,917 | 188,401 | 40,298 | 29,168 |
| Logistics | 5,840 | 8,350 | 1,892 | 3,835 |
| Total | 219,757 | 196,751 | 42,190 | 33,003 |
| Finance costs | | | (1,494) | (1,395) |
| Impairment loss on trade receivables | | | (513) | (302) |
| Profit before tax | | | 40,183 | 31,306 |

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 30 June | |
|---|---|---|
| | 2016 (RM'000) | 2015 (RM'000) |
| **Segment Assets** | | |
| Express delivery | 428,547 | 182,364 |
| Logistics | 5,286 | 5,786 |
| | 433,833 | 188,150 |
| Unallocated corporate assets | | |
| - Tax recoverable | 1,489 | 1,036 |
| | 435,322 | 189,186 |

| | Carrying Amount of Segment Liabilities As at 30 June | |
|---|---|---|
| | 2016 (RM'000) | 2015 (RM'000) |
| **Segment Liabilities** | | |
| Express delivery | 44,908 | 45,035 |
| Logistics | 222 | 207 |
| | 45,130 | 45,242 |
| Unallocated liabilities | | |
| - Tax liabilities | 335 | 145 |
| - Deferred tax liabilities | 3,048 | 2,439 |
| | 48,513 | 47,826 |
| **Other Segment Information** | | |
| Additions to non-current assets | | |
| - Express delivery | 10,397 | 17,400 |
| - Logistics | 191 | 860 |
| Depreciation and amortisation | | |
| - Express delivery | 9,050 | 8,400 |
| - Logistics | 392 | 319 |

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 | | | |
|---|---|---|---|---|
| | Revenue by Geographical Market For the Year Ended 30 June | | Carrying Amount of Segment Non-Current Assets as at 30 June | |
| | 2016 (RM'000) | 2015 (RM'000) | 2016 (RM'000) | 2015 (RM'000) |
| Malaysia | 218,688 | 194,886 | 67,718 | 66,660 |
| Singapore | 1,069 | 1,865 | 313 | 417 |
| Total | 219,757 | 196,751 | 68,031 | 67,077 |

## 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 year ended 30 June 2016 under review.

## 11. MATERIAL EVENTS SUBSEQUENT TO END OF THE YEAR

Between 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 year ended 30 June 2016.

## 12. CHANGES IN THE COMPOSITION OF THE GROUP

There were no changes in the composition of the Group during the quarter and year ended 30 June 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 year ended 30 June 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 Three Months Ended 30 June | | Balance Outstanding as at 30 June | |
|---|---|---|---|---|
| | **2016 (RM'000)** | **2015 (RM'000)** | **2016 (RM'000)** | **2015 (RM'000)** |
| **Revenue** | | | | |
| Provision of express delivery services | | | | |
| - Singapore Post Limited | 10 | 24 | 14 | 46 |
| - Quantium Solutions International(Malaysia) Sdn Bhd | 756 | 1,165 | 1,063 | 810 |
| - Quantium Solutions Singapore Pte Ltd | 31 | 505 | 596 | 134 |

## 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 LISITING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

### 1. REVIEW OF PERFORMANCE

**Performance for the quarter ended 30 June 2016 versus the same quarter in Year 2015**

**<u>Group Performance</u>**

| | Current Quarter Three Months Ended 30 June | | Year Ended 30 June | |
|---|---|---|---|---|
| | **2016 (RM'000)** | **2015 (RM'000)** | **2016 (RM'000)** | **2015 (RM'000)** |
| Revenue | 58,862 | 51,823 | 219,757 | 196,751 |
| Profit Before Taxation | 15,437 | 10,404 | 40,183 | 31,306 |

Group revenue for the current quarter ended 30 June 2016 increased by RM7.039 million or 13.6% as compared to the preceding year corresponding quarter. Group profit before tax increased by 48.4% or RM5.033 million from RM10.404 million reported in the preceding year corresponding quarter to RM15.437 million in the current quarter ended 30 June 2016.

For the year ended 30 June 2016, the Group revenue and profit before taxation increased by 11.7% or RM23.006 million and 28.4% or RM8.877 million respectively, as compared to the Group revenue of RM196.751 million and profit before taxation of RM31.306 million reported on preceding year corresponding period ended 30 June 2015.

Higher sales growth for the current quarter under review as compared to preceding year corresponding quarter mainly due to increase in the demand of delivery services as a result of higher volume of e-commerce transactions, especially the increase in on-line purchases before the festive seasons. Better performance in profit before taxation is mainly due to improvement of sales revenue as mentioned above, and higher fixed deposit interest income earned during the current quarter under review.

**<u>Segmental Performance</u>**

| | Courier Services Quarter ended 30 June | | Logistics Services Quarter Ended 30 June | |
|---|---|---|---|---|
| | **2016 (RM'000)** | **2015 (RM'000)** | **2016 (RM'000)** | **2015 (RM'000)** |
| Revenue | 57,843 | 49,980 | 1,019 | 1,843 |
| Profit Before Taxation | 15,406 | 9,045 | 31 | 1,359 |

**Courier Services**

The revenue reported in courier services for the current financial quarter ended 30 June 2016 increased by 15.7% or RM7.863 million as compared to RM49.980 million reported in corresponding quarter ended 30 June 2015. The profit before taxation for the current quarter ended 30 June 2016 increased by 70.3% or RM6.361 million as compared to RM9.045 million reported in the corresponding quarter ended 30 June 2015 which was mainly due to higher sales volume during the current quarter under review as a result of increase in demand of courier services before the festive seasons, especially the e-commerce business.

**Logistics Services**

The revenue reported in the logistics services for the current quarter ended 30 June 2016 was RM1.019 million, decreased by 44.7% or RM 0.824million as compared to the RM1.843 million reported in the corresponding quarter ended 30 June 2015. The profit before taxation reported in the current quarter under review was RM 0.031 million, decreased by 97.7% as compared to the profit before tax of RM 1.359 million reported in the corresponding quarter ended 30 June 2015.

The performance in the logistics segment had declined under the current quarter under review is mainly due to the warehouse space constraint as well as the decline in the business of some existing customers who are using the warehousing services. However, the logistics segment will continue to play an important role to support the courier services segment by providing warehousing, forwarding, distribution and pick and pack services.

## 2. COMPARISON WITH PRECEDING QUARTER'S RESULTS

**Group Performance**

| | | 3 Months Ended |
|---|---|---|
| | **30 June 2016 (RM'000)** | **31 March 2016 (RM'000)** |
| Revenue | 58,862 | 53,944 |
| Profit Before Taxation | 15,437 | 8,327 |

Group revenue for the current quarter under review was increased by RM 4.918 million or 9.1% as compared to RM53.944 million reported in the preceding quarter. Profit before tax for the Group increased by RM 7.110 million or 85.4% in the current quarter under review as compared to the preceding quarter.

The improved in performance was mainly due to higher volume of transactions, especially the e-commerce business before the festive seasons, the fixed deposit interest income earned as well as improvement in operating costs management during the current quarter under review.

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**Segmental Performance**

| | Courier Services Three Months Ended | | Logistics Services Three Months Ended | |
|---|---|---|---|---|
| | 30 June 2016 (RM'000) | 31 March 2016 (RM'000) | 30 June 2016 (RM'000) | 31 March 2016 (RM'000) |
| Revenue | 57,843 | 52,494 | 1,019 | 1,450 |
| Profit/(loss) Before Taxation | 15,406 | 7,900 | 31 | 427 |

**Courier Services**

The total revenue generated from courier services for the current quarter under review was RM57.843 million, which was RM 5.349 million or 10.2% higher than the immediate preceding quarter of M52.494 million. The profit before taxation reported in current quarter was RM15.406 million, which was RM7.506 million or 95.0% higher than the immediate preceding quarter of RM7.900 million. The improvement in performance was due mainly due to higher fixed deposit interest income as well as improvement in operating costs management during the current quarter under review.

**Logistics Services**

The revenue generated from logistics services for the current quarter under review was RM1.019 million, which was RM 0.431 million or 29.7% lower than the immediate preceding quarter of RM1.450 million. Profit before taxation reported was RM 0.031 million, decreased by 92.7% or RM0.396 million as compared to the immediate preceding quarter of RM0.427 million. This was mainly due to warehouse space constraint as well as the decline in the business of some existing customers who are using the warehousing services..

## 3. COMMENTARY ON PROSPECTS

Given the uncertainty over the pace of recovery in major global economies as well as the impact of Brexit, the global economic conditions are expected to remain increasingly unpredictable and challenging. As a result, Malaysia's economy is expected to grow at a slower pace in year 2016. The 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 remains optimistic on its performance for the next financial year and 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 and year under review.

## 5. TAXATION

Taxation in respect of the current financial quarter and financial year ended 30 June 2016 comprises the following:

| | Current Quarter Three Months Ended 30 June | | Year Ended 30 June | |
|---|---|---|---|---|
| | 2016 (RM'000) | 2015 (RM'000) | 2016 (RM'000) | 2015 (RM'000) |
| Income Tax:- | | | | |
| Current quarter/year provision | 2,181 | 1,262 | 5,502 | 3,364 |
| Under / (Over) provision in prior year | (372) | (61) | (372) | (61) |
| | 1,809 | 1,201 | 5,130 | 3,303 |
| Deferred Tax:- | | | | |
| Current quarter/year provision | 395 | 491 | 395 | 491 |
| Under / (Over) provision in prior year | 214 | (784) | 214 | (784) |
| | 2,418 | 908 | 5,739 | 3,010 |

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 include, 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 year under review.

(i) Received the proceeds of RM2.055 million from the exercise and conversion of 13,687,402 Warrants "A" and 1,220 Warrant "B" at an exercised 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:

| | | **As at 30 June** |
|---|---|---|
| | **2016** | **2015** |
| | **(RM'000)** | **(RM'000)** |
| **Short term borrowings (secured):** | | |
| **Denominated in Ringgit Malaysia** | | |
| Hire purchase payables | 5,101 | 3,892 |
| Term loans | 945 | 646 |
| **Long term borrowings (secured):** | | |
| **Denominated in Ringgit Malaysia** | | |
| Hire purchase payables | 13,688 | 12,447 |
| Term loans | 5,716 | 11,745 |
| **Total borrowings** | 25,450 | 28,730 |

There was no unsecured debt during the current quarter and financial year-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.

The Directors proposed a single tier and final dividend of 20.0% or 1.0 sen per share in respect of the current financial year ended 30 June 2016. The proposed dividend which subject to the approval of the shareholders at the forthcoming Annual General Meeting of the Company, had not been included as a liability in the financial statements for the year ended 30 June 2016.

Save as disclosed above, there were no other dividends declared during the current quarter and financial year ended 30 June 2016 under review.

## 11. EARNINGS PER SHARE

i. Basic Earnings Per Share

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

| | **Three Months Ended 30 June** | | **Year Ended 30 June** | |
|---|---|---|---|---|
| | **2016 (RM'000)** | **2015 (RM'000)** | **2016 (RM'000)** | **2015 (RM'000)** |
| Net profit attributable to ordinary shareholders | 13,019 | 9,496 | 34,444 | 28,296 |
| Weighted average number of ordinary share in issue (units) | 1,383,239,537 | 1,207,460,087 | 1,295,458,756 | 1,165,545,851 |
| Basic earnings per share (sen) | 0.94 | 0.79 | 2.66 | 2.43 |

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ii. Diluted Earnings Per Share

The dilutive earnings per share of the Group has been calculated by dividing the Group's 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 30 June | | Year Ended 30 June | |
|---|---|---|---|---|
| | 2016 (RM'000) | 2015 (RM'000) | 2016 (RM'000) | 2015 (RM'000) |
| Net profit attributable to ordinary shareholders | 13,019 | 9,496 | 34,444 | 28,296 |
| Weighted average number of ordinary share in issue (units) | 1,383,239,537 | 1,207,460,087 | 1,295,458,756 | 1,165,545,851 |
| Adjustment for share warrants | 4,078,806 | 15,761,788 | - | 16,323,568 |
| Weighted average number of ordinary share in issue (units) | 1,387,318,343 | 1,223,221,875 | 1,295,458,756 | 1,181,869,419 |
| Diluted earnings per share (sen) | 0.94 | 0.78 | 2.66 | 2.39 |

## 12. REALISED AND UNREALISED EARNINGS DISCLOSURE

| | As at 30 June | |
|---|---|---|
| | 2016 (RM'000) | 2015 (RM'000) |
| Total Retained Earnings of the Group: | | |
| - Realised | 86,815 | 63,273 |
| - Unrealised | (3,048) | (2,439) |
| | 83,767 | 60,834 |
| Consolidation adjustments | 6,155 | 6,132 |
| Total retained earnings | 89,922 | 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.

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## 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 August 2016.

By Order of the Board

Tai Yit Chan (MAICSA 7009143)
Tan Ai Ning (MAICSA 7015852)
Company Secretaries
Selangor Darul Ehsan
Date: 26 August 2016