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 2018

		Current Quarter Three Months Ended 31 December		Current Year To-Date 31 December
	2018	2017	2018	2017
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Revenue	82,809	76,459	157,318	145,226
Operating expenses	(78,698)	(67,410)	(146,367)	(129,380)
Other operating income	10,973	3,436	14,048	6,338
Profit from operations	15,084	12,485	24,999	22,184
Finance costs	(532)	(445)	(1,035)	(846)
Share of post-tax profit of associated company	61	(17)	11	6
Profit before tax	14,613	12,023	23,975	21,344
Income tax expense	(3,927)	(5,434)	(6,817)	(6,861)
Net profit for the period	10,686	6,589	17,158	14,483
Other comprehensive income:				
Foreign currency translation differences for foreign operations	-	(52)	44	(68)
Fair value adjustments	44,982	-	44,982	-
	44,982	(52)	45,026	(68)
Total comprehensive income for the period	55,668	6,537	62,184	14,415
Profit attributable to owners of the company	10,686	6,589	17,158	14,483
Comprehensive income attributable to owners of the company	55,668	6,537	62,184	14,415
Earnings per share :				
Basic EPS (sen)	0.19	0.12	0.31	0.26
Fully Diluted EPS (sen)	0.19	0.11	0.30	0.25

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 2018 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 2018

	Unaudited 31.12.2018 (RM'000)	Audited 30.06.2018 (RM'000)
ASSETS		
Non-current Assets		
Property, plant and equipment	99,475	85,850
Prepaid lease payments	21,241	21,507
Investment properties	17,900	17,900
Investment in associated company	5,688	5,677
Investment in convertible bonds	-	10,380
Goodwill arising from consolidation	398	398
Investment in quoted shares	71,589	-
	216,291	141,712
Current Assets		
Inventories	1,172	1,078
Trade receivables	56,181	51,011
Other receivables and prepaid expenses	22,505	17,558
Loan to associated company	2,000	-
Tax recoverable	7,771	3,383
Short-term funds	2,044	17,036
Deposits with licensed banks	240,460	253,637
Cash and bank balances	40,967	32,640
	373,100	376,343
Total Assets	589,391	518,055
EQUITY AND LIABILITIES		
Capital and reserves		
Share capital	327,809	327,809
Reserves	184,056	121,872
Total Equity	511,865	449,681
Non-Current Liabilities		
Hire-purchase payables – non-current portion	22,808	26,063
Provision for retirement benefits	326	326
Deferred tax liabilities	4,851	4,943
Total Non-current Liabilities	27,985	31,332
Current liabilities		
Trade payables	4,464	2,037
Other payables and accrued expenses	23,574	19,666
Hire-purchase payables - current portion	19,550	15,155
Provision for taxation	1,953	184
Total Current Liabilities	49,541	37,042
Total Liabilities	77,526	68,374
Total Equity And Liabilities	589,391	518,055

Net Assets per share attributable to owners of Company (RM)	0.09	0.08

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 2018 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 CHANGES IN EQUITY FOR THE SECOND QUARTER AND SIX MONTHS ENDED 31 DECEMBER 2018

	Issued Share capital (RM'000)	Non-distributable reserves- Translation reserve (RM'000)	Non-distributable reserves- Fair Value reserve (RM'000)	Distributable reserve – Retained earnings (RM'000)	Total (RM'000)
As of 1 July 2017	313,837	414	-	111,897	426,148
Profit for the period	-	-	-	14,483	14,483
Other comprehensive income	-	(68)	-	-	(68)
Total comprehensive income for the period	-	(68)	-	14,483	14,415
As of 31 December 2017	313,837	346	-	126,380	440,563
As of 1 July 2018	327,809	290	-	121,582	449,681
Profit for the period	-	-	-	17,158	17,158
Other comprehensive income	-	44	44,982	-	45,026
Total comprehensive income for the period	-	44	44,982	17,158	62,184
As of 31 December 2018	327,809	334	44,982	138,740	511,865

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 2018 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 SECOND QUARTER AND SIX MONTHS ENDED 31 DECEMBER 2018

		Current Quarter Ended 31 December
	2018 (RM'000)	2017 (RM'000)
Cash flows from operating activities		
Profit for the year	17,158	14,483
Adjustments for non-cash items	3,316	8,474
Operating profit before changes in working capital	20,474	22,957
(Increase)/Decrease in working capital		
Inventories	(94)	329
Receivables, deposits and prepayment	(11,072)	(17,488)
Payables and accruals	6,335	12,246
Cash generated from operations	15,643	18,044
Income tax paid	(9,528)	(3,235)
Net cash from operating activities	6,115	14,809
Cash flows from investing activities		
Acquisition of property, plant and equipment	(16,328)	(5,219)
Proceeds from disposal of property, plant and equipment	349	99
Interest received	5,385	6,187
Subscription of shares in SAP Express	(26,607)	-
Proceeds from redemption of convertible bonds	17,284	-
Decreased in short term funds	14,992	-
Decrease / (increased) in fixed deposit pledged with licensed bank	13,109	(23,578)
Net cash generated from / (used in) investing activities	8,184	(22,511)
Cash flows from financing activities		
Net payment of hire purchase payables	(5,049)	(4,887)
Finance cost	(1,036)	(846)
Net cash used in financing activities	(6,085)	(5,733)
Net change in cash and cash equivalents	8,214	(13,435)
Effect of exchange difference	45	(94)
Cash and cash equivalents at beginning of period	32,708	74,772
Cash and cash equivalents at end of period	40,967	61,243

GD EXPRESS CARRIER BHD (Company No. 630579-A)
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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE SECOND QUARTER AND SIX MONTHS ENDED 31 DECEMBER 2018 *(Continued)*

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

	Current Quarter Ended	
	31 December 2018 (RM'000)	**31 December 2017 (RM'000)**
Purchase of :		
Property, plant and equipment	22,517	13,366
Financed by:		
Cash payments and other payables	16,328	5,219
Hire-purchase	6,189	8,147
	22,517	13,366

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 2018 and the accompanying explanatory notes attached to the interim financial statements.

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 2018.

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 2018.

Adoption of New and Revised Malaysian Financial Reporting Standards ("MFRSs")

In the current financial period, the Group have applied the following Amendments to MFRSs issued by the Malaysian Accounting Standards Board ("MASB") that are mandatorily effective for accounting periods that begin on or after 1 July 2018 as follows:

MFRS 9	Financial Instruments
MFRS 15	Revenue from Contracts with Customers
Amendments to MFRS 2	Classification and Measurement of Share-Based Payment Transactions
Amendments to MFRS 4	Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts
Amendments to MFRS 140	Transfer of Investment Property
IC Interpretation 22	Foreign Currency Transactions and Advance Consideration
Amendments to MFRSs	Annual Improvements to MFRSs 2015 - 2017 Cycle

The adoption of these Amendments to MFRSs did not have any effect on the financial performance or position of the Group in the current year and prior period except as disclosed below:-.

MFRS 9 Financial Instruments

MFRS 9 issued in November 2009 introduced new requirements for the classification and measurement of financial assets. MFRS 9 was subsequently amended in October 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition, and in November 2013 to include the new requirements for general hedge accounting. Another revised version of MFRS 9 was issued in July 2014 mainly to include a) impairment requirements for financial assets and b) limited amendments to the classification and measurement requirements by introducing a 'fair value through other comprehensive income' (FVTOCI) measurement category for certain simple debt instruments.

Key requirements of MFRS 9:

- All recognised financial assets that are within the scope of MFRS 139 *Financial Instruments: Recognition and Measurement* 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 their 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 fair value of equity instrument (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

- With regards 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 liabilities, be 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 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 any entity's risk management activities have also been introduced.

The directors of the Group anticipate that the application of the above mentioned Standards in the future may have an impact on the amounts reported and disclosures made in the Group's financial statements. The Group is currently assessing the financial impact that may arise from the adoption of MFRS 9.

MFRS 15 Revenue from Contract with Customers

In May 2014, MFRS 15 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. Subsequently, amendments to MFRS 15 were issued in April 2016 which provide clarifications on certain requirements of MFRS 15 and provide additional transitional relief upon implementing MFRS 15. MFRS 15 will supersede the current revenue recognition guidance including MFRS 118 *Revenue*, MFRS 111 *Construction Contracts* and the related interpretation 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(s) 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 obligations 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 Group currently recognises revenue from the following major sources of which revenue is recognised when rendering of services has been completed:

- Provision of express delivery services.
- Provision of logistics services.

The directors of the Group anticipate that the application of the above mentioned Standards in the future may have an impact on the amounts reported and disclosures made in theGroup's financial statements.

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 and Amendments, which were in issue but not yet effective and not early adopted by the Group are as listed below.

MFRS 16	Leases[1]
MFRS 17	Insurance Contracts[2]
Amendments to MFRS 9	Prepayment Features with Negative Compensation[1]
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[3]
Amendments to MFRS 119	Plan Amendment, Curtailment or Settlement[1]
Amendments to MFRS 128	Long-term Interests in Associates and Joint Ventures[1]
IC Interpretation 23	Uncertainty over Income Tax Payments[1]

[1] Effective for annual periods beginning on or after 1 January 2019.
[2] Effective for annual periods beginning on or after 1 January 2021.
[3] Effective for annual periods beginning on or after a date to be determined.

The directors anticipate that the abovementioned Standards and Amendments will be adopted in the annual financial statements of the Group when they become effective and that the adoption of these Standards and Amendments will have no material impact on the financial statements of the Group in the period of initial application except as discussed and disclosed in the audited financial statements for the financial year ended 30 June 2018.

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 normally be affected by the numerous public and festive holidays during the quarter and financial 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 2018 under review,

5. SIGNIFICANT ESTIMATES AND CHANGES IN ESTIMATES

There were no changes in estimates that have had any material effect on the current quarter and six months ended 31 December 2018 under review.

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 2018 under review.

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7. DIVIDEND PAID

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

	Year Ended 30 June	
	2019	**2018**
First and final dividend for the financial year	30 June 2018	30 June 2017
Approved and declared on	6 December 2018	6 December 2017
Date paid	22 February 2019	12 February 2018
Number of ordinary shares on which dividends were paid	5,602,624,193	5,576,861,284
Amount per share (Single-tier)	0.20 sen	0.25 sen
Dividend Reinvestment Plan (Total shares issued)*	38,764,142	24,552,737
Net dividend paid in cash (RM'000)	1,127*	672

* As announced on 20 February 2019, the Company had issued 38,764,142 new ordinary shares pursuant to the Dividend Reinvestment Plan ("DRP).

The new shares represented approximately 90.0% of the total number of 43,092,108 new ordinary 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 during the financial year ended 30 June 2018. The said new shares were listed on the Main Market of Bursa Malaysia Securities Berhad on 22 February 2019. The net dividend in cash after the new shares issued amounted to RM1,126,565 was paid on 22 February 2019.

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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 Three Months Ended 31 December		Current Year To-Date Ended 31 December	
	2018 (RM'000)	2017 (RM'000)	2018 (RM'000)	2017 (RM'000)
Interest income	2,812	3,371	5,385	6,187
Other income	8,161	65	8,663	151
Interest expense	(532)	(445)	(1,035)	(846)
Depreciation and amortization	(4,767)	(3,608)	(9,094)	(6,938)
Reversal of impairment loss/impairment loss on trade receivables	-	-	-	-
Bad debts written off	-	-	-	-
Realised foreign exchange gain or loss	-	-	-	-
Provision for retirement benefits	-	-	-	-
Provision for and write off of inventories	N/A	N/A	N/A	N/A
Property, plant and equipment written off	N/A	N/A	N/A	N/A
Impairment of property, plant and equipment	N/A	N/A	N/A	N/A
Exceptional items	N/A	N/A	N/A	N/A

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9. OPERATING SEGMENTS

The Group has three (3) 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 period ended 31 December 2018.

Operating Segments

	Segment Revenue Year To-Date Ended 31 December		Segment Profit / (Loss) Year To-Date Ended 31 December	
	2018 (RM'000)	**2017 (RM'000)**	**2018 (RM'000)**	**2017 (RM'000)**
Express delivery	153,320	141,897	26,397	21,670
Logistics	3,718	3,329	(301)	514
Property investment	280	-	(1,097)	-
Total	157,318	145,226	24,999	22,184
Finance costs			(1,035)	(846)
Reversal of Impairment loss/(impairment loss) on trade receivables			-	-
Share of profit of associated company			11	6
Profit before tax			23,975	21,344

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

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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 And Liabilities As At 30 December	
	2018 (RM'000)	2017 (RM'000)
Segment Assets		
Express delivery	524,712	506,399
Logistics	7,293	3,264
Property investment	49,615	-
	581,620	509,663
Unallocated corporate assets		
- Tax recoverable	7,771	1,514
	589,391	511,177
Segment Liabilities		
Express delivery	69,564	62,367
Logistics	595	509
Property investment	563	-
	70,722	62,876
Unallocated liabilities		
- Tax liabilities	1,953	3,927
- Deferred tax liabilities	4,851	3,811
	77,526	70,614

	2018 (RM'000)	2017 (RM'000)
Other Segment Information		
Additions to Non-current assets		
- Express delivery	17,709	13,188
- Logistics	3,816	144
- Property investment	992	-
Depreciation and amortisation		
- Express delivery	8,132	6,723
- Logistics	426	215
- Property investment	536	-

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 assets by the geographical market.

Geographical Segments

	Revenue by Geographical Market For the Six Months Ended 31 December		Carrying Amount of Segment Non-Current Assets As At 31 December	
	2018 (RM'000)	**2017 (RM'000)**	**2018 (RM'000)**	**2017 (RM'000)**
Malaysia	156,673	144,673	216,260	112,380
Singapore	645	553	31	100
Total	157,318	145,226	216,291	112,480

10. MATERIAL EVENTS SUBSEQUENT TO END OF THE PERIOD

Between the end of the financial period 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 2018 under review except for the events relating to the acquisition of leasehold land and building and IPO subscription of new ordinary shares in PT Satria Antaran Prima TBK as disclosed in the audited financial statements for the financial year ended 30 June 2018.

11. 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 2018 under review which including business combination, acquisition or disposal of subsidiaries and long-term investments, restructuring and discontinuing operations.

12. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There were no changes in contingent liabilities or contingent assets as at the date of this report.

13. CAPITAL COMMITMENTS

All capital commitments undertaken have been included in the financial statements for the current quarter and six months ended 31 December 2018 under review.

14. RELATED PARTY TRANSACTIONS

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

	Transaction Value Three Months Ended 31 December		Balance Outstanding As At 31 December	
	2018 (RM'000)	2017 (RM'000)	2018 (RM'000)	2017 (RM'000)
Revenue				
Provision of express delivery services				
- Singapore Post Limited	1	1	-	1
- Quantium Solutions International(Malaysia) Sdn Bhd	683	673	689	474
- Quantium Solutions Singapore Pte Ltd	22	28	10	7
- Yamato Transport (M) Sdn Bhd	399	256	511	265
Expenses				
Provision of advisory services				
-Yamato Asia Pte Ltd	(20)	(26)	(2)	(25)
Provision and development of software solution				
-Web Bytes Sdn Bhd	(44)	-	(30)	-

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GD EXPRESS CARRIER BHD (Company No. 630579-A)
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PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISITING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

1. REVIEW OF PERFORMANCE

Performance for the second (2nd) quarter ended 31 December 2018 versus the same quarter in Financial Year Ended 30 June 2018

Group Performance

	Current Quarter Three Months Ended 31 December		Year To-Date Six Months Ended 31 December	
	2018 (RM'000)	**2017 (RM'000)**	**2018 (RM'000)**	**2017 (RM'000)**
Revenue	82,809	76,459	157,318	145,226
Profit Before Taxation	14,613	12,023	23,975	21,344

Group revenue for the current quarter ended and six months ended 31 December 2018 increased 8.3% and the group profit before tax increased 21.5% and 12.3% respectively as compared to the preceding year corresponding quarter and six months ended 31 December 2017.

Higher revenue reported in the current quarter and six months ended 31 December 2018 was mainly due to increase in demand of the courier services for e-commerce business.

Segmental Performance

	Courier Services Current Quarter Ended 31 December		Logistics Services Current Quarter Ended 31 December		Property Investment Current Quarter Ended 31 December	
	2018 (RM'000)	**2017 (RM'000)**	**2018 (RM'000)**	**2017 (RM'000)**	**2018 (RM'000)**	**2017 (RM'000)**
Revenue	80,635	74,819	2,034	1,640	140	-
Profit/(loss) Before Taxation	24,726	11,815	(106)	208	(645)	-

Courier Services

The revenue reported in courier services segment for the current quarter and six months ended 31 December 2018 increased 7.8% and the profit before taxation increased 109.3% as compared to the corresponding quarter and six months ended 31 December 2017.

The improved in performance for the current period under review was mainly due to gain from redemption of convertible bonds in SAP Express.

Logistics Services

The revenue reported in the logistics services segment increased 24.0%, and the profit before taxation reported decreased 151.0% as compared to the corresponding quarter and six months ended 31 December 2017.

The declined in performance in logistics services segment in the current quarter and six months ended 31 December 2018 under review was mainly due expenses incurred for warehouse expansion.

Property Investment

No comparison figures for revenue in property investment is available for the current quarter and six month ended 31 December 18 under review as the Group only ventured into this segment in January 2018. The revenue mainly contributed by the rental income of the properties.

2. COMPARISON WITH IMMEDIATE PRECEDING QUARTER'S RESULTS

Group Performance

		3 Months Ended
	30.12. 2018 (RM'000)	30.09. 2018 (RM'000)
Revenue	82,809	74,509
Profit Before Taxation	14,613	9,362

Group revenue for the current quarter under review increased 11.1% as compared to the immediate preceding quarter, mainly due to increase in demand for e-commerce business as compared to immediate preceding quarter.

Profit before tax for the Group increased 56.1% in the current quarter under review as compared to the preceding quarter, mainly due to gain from redemption of convertible bonds in SAP Express.

Segmental Performance

	Courier Services Current Quarter Ended		Logistics Services Current Quarter Ended		Property Investment Current Quarter Ended	
	31.12.2018 (RM'000)	30.09.2018 (RM'000)	31.12.2018 (RM'000)	30.09.2018 (RM'000)	31.12.2018 (RM'000)	30.09.2018 (RM'000)
Revenue	80,635	72,685	2,034	1,684	140	140
Profit/(loss) Before Taxation	24,726	10,009	(106)	(195)	(645)	(452)

Courier Services

The total revenue generated from courier services segment for the current quarter under review was increased 10.9% as compared to the immediate preceding quarter ended 30 September 2018.

The profit before taxation reported in current quarter increased 147.0% as compared to the immediate preceding quarter, due to gain from redemption of convertible bonds in SAP Express.

Logistics Services

The revenue generated from logistics services segment for the current quarter under review increased 20.8% and the loss before taxation reported decreased by 45.6% as compared to the immediate preceding quarter ended 30 September 2018.

Property Investment

The loss before tax for the current quarter ended 31 December 2018 increased 42.7%. Declined in performance mainly due to expenses incurred for building maintenance.

3. COMMENTARY ON PROSPECTS

Despite the current challenging market environment, the Group will relentlessly review cost rationalization and operational efficiency while at the same time looking at innovative way to overcome the competition. The Group will cautiously invest in resources and infrastructure to expand its domestic and regional network, as well as pro-actively seek further strategic investment opportunities to enhance its business sustainability.

4. VARIANCE FROM PROFIT FORECAST

No profit forecast was issued during the financial quarter and six months ended 31 December 2018 under review.

5. INCOME TAX EXPENSE

Income tax expense in respect of the current financial quarter and six months ended 31 December 2018 comprises the following:

	Current Quarter Three Months Ended 31 December		Year To-Date Ended 31 December	
	2018 (RM'000)	**2017 (RM'000)**	**2018 (RM'000)**	**2017 (RM'000)**
Income Tax:-				
Current quarter/period	4,138	5,494	6,909	7,097
Overprovision in prior quarter/period		-	-	-
	4,138	5,494	6,909	7,097
Deferred Tax:-				
Current quarter/period	(211)	(60)	(92)	(236)
Overprovision in prior quarter/period	-	-	-	-
	(211)	(60)	(92)	(236)
	3,927	5,434	6,817	6,861

On 14 December 2017, GD Express Sdn Bhd ("GD Express"), a wholly owned subsidiary company of GD Express Carrier Bhd ("GDEX"), was notified that the pioneer status was rescinded as GD Express's equity structure had not met the requirements of the pioneer status. The rescindment took effect retrospectively from 12 February 2016 onwards. This has resulted higher tax expense for the current quarter and six months ended 31 December 2018 under review.

6. UTILISATION OF PROCEEDS

The Group has not raised any proceeds from any of its corporate exercise during the current quarter and six months ended 31 December 2018 under review.

7. STATUS OF CORPORATE PROPOSALS

As announced by the Board of Directors of GDEX ("Board") on 2 October 2018 that the Company and two of its wholly-owned subsidiaries namely, GDEX SEA and GD Valueguard (collectively known as "GDEX Companies"), had on the same date confirmed their participation in the IPO of SAP Express for a total cash consideration of approximately IDR92,708,325,000 (equivalent to approximately MYR25.8 Million) from the Initial Public Offering ("IPO") of SAP Express ("Proposed IPO Subscription").

As announced on 3 October 2018, further to the Company's announcement dated 2 October 2018 in relation to the Proposed IPO Subscription, the Company wishes to announce that the Proposed IPO Subscription was completed on 3 October 2018. Upon completion of the Proposed IPO Subscription, GDEX and its two wholly-owned subsidiaries companies namely, GDEX Sea Sdn Bhd and GD Valueguard Sdn Bhd will hold approximately 16.5%, 18% and 10% respectively of the total number of issued shares of SAP Express.

Further to the Company's amended announcement made on 11 October 2018 in respect of Proposed IPO Subscription, the Company wishes to confirm that the total consideration paid by GDEX for the subscription of 137,500,000 ordinary shares in SAP Express is MYR9,556,250 (equivalent to IDR34,375,000,000).

There were no corporate proposals announced during the current quarter and six months ended 31 December 2018 but not completed as at the reporting date.

8. GROUP BORROWINGS AND DEBT SECURITIES

The Group borrowings consist of the following:

	As at 31 December	
	2018 (RM'000)	**2017 (RM'000)**
Short term borrowings (secured):		
Denominated in Ringgit Malaysia		
Hire purchase payables	19,550	12,214
Long term borrowings (secured):		
Denominated in Ringgit Malaysia		
Hire purchase payables	22,808	20,719
Total borrowings	42,358	32,933

There was no unsecured debt during the current quarter and six months ended 31 December 2018.

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 final single tier dividend of 0.20 sen per share in respect of the financial year ended 30 June 2018 amounting to approximately RM11.2 million was approved by the shareholders at the Fifteenth (15th) Annual general Meeting (AGM) of the Company held on 6 December 2018. The dividend was paid on 22 February 2019 as stated in PART A, Note 7.

Save as disclosed above, there were no other dividends declared during the current quarter and six months ended 31 December 2018 under review.

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.

	Current Quarter Three Months Ended 31 December		Year To-Date Ended 31 December	
	2018 (RM'000)	2017 (RM'000)	2018 (RM'000)	2017 (RM'000)
Net profit attributable to ordinary shareholders	10,686	6,589	17,158	14,483
Weighted average number of ordinary shares in issue (units)	5,602,624,193	5,576,236,692	5,602,624,193	5,576,236,692
Basic Earnings per share (sen)	0.19	0.12	0.31	0.26

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:-

	Current Quarter Three Months Ended 31 December		Year To-Date Ended 31 December	
	2018 (RM'000)	2017 (RM'000)	2018 (RM'000)	2017 (RM'000)
Net profit attributable to ordinary shareholders	10,686	6,589	17,158	14,483
Weighted average number of ordinary shares in issue (units)	5,602,624,193	5,576,236,692	5,602,624,193	5,576,236,692
Adjustment for share warrants	(38,632,435)	283,038,650	24,447,042	271,939,320
Weighted average number of ordinary share in issue (units)	5,563,991,758	5,859,275,342	5,627,071,235	5,848,176,012
Basic Earnings per share (sen)	0.19	0.11	0.30	0.25

12. AUDIT REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The audit report of the Group's annual financial statements for the year ended 30 June 2018 was not subject to any audit qualification.

13. 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 25 February 2019.

By Order of the Board

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

Selangor Darul Ehsan
Date: 25 February 2019