



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 FIRST QUARTER AND PERIOD ENDED 30 SEPTEMBER 2020

	Current Quarter Three Months Ended 30 September		Current Year To-Date 30 September	
	2020 (RM'000)	2019 (RM'000)	2020 (RM'000)	2019 (RM'000)
Revenue	108,609	83,040	108,609	83,040
Operating expenses	(101,149)	(79,352)	(101,149)	(79,352)
Other operating income	2,446	2,713	2,446	2,713
Profit from operations	9,906	6,401	9,906	6,401
Finance costs	(1,326)	(488)	(1,326)	(488)
Share of post-tax profit of associated company	1,056	741	1,056	741
Profit before tax	9,636	6,654	9,636	6,654
Taxation	(2,240)	(1,893)	(2,240)	(1,893)
Net profit for the period	7,396	4,761	7,396	4,761
Other comprehensive income:				
Foreign currency translation differences for foreign operations	(1,146)	(53)	(1,146)	(53)
	(1,146)	(53)	(1,146)	(53)
Total comprehensive income for the period	6,250	4,708	6,250	4,708
Profit attributable to:				
Owners of the company	7,194	4,761	7,194	4,761
Non-controlling interest	202	-	202	-
	7,396	4,761	7,396	4,761
Total comprehensive income attributable to:				
Owners of the company	6,048	4,708	6,048	4,708
Non-controlling interest	202	-	202	-
	6,250	4,708	6,250	4,708
Earnings per share :				
Basic EPS (sen)	0.13	0.08	0.13	0.08

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 2020 and the accompanying explanatory notes attached to the interim financial statements



GD EXPRESS CARRIER BHD (Company No. 630579-A)
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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2020

	Unaudited 30.09.2020 (RM'000)	Audited 30.06.2020 (RM'000)
ASSETS		
Non-current Assets		
Property, plant and equipment	109,328	114,096
Right-of-use assets	92,361	97,021
Investment properties	17,425	17,425
Investment in associates	36,100	35,044
Goodwill arising from consolidation	3,249	3,455
Loan to an associate	2,050	2,050
Investment in redeemable convertible preference shares	500	500
	261,013	269,591
Current Assets		
Inventories	1,706	1,223
Trade receivables	69,715	72,156
Other receivables and prepaid expenses	22,466	23,656
Tax recoverable	20,551	21,746
Short-term funds	79,323	78,768
Deposits with licensed banks	151,444	151,077
Cash and bank balances	43,628	37,839
	388,833	386,465
Total Assets	649,846	656,056
EQUITY AND LIABILITIES		
Capital and reserves		
Share capital	337,896	337,896
Treasury shares	(1,782)	(905)
Reserves	152,238	146,190
Non-controlling interests	13,654	13,246
Total Equity	502,006	496,427
Non-Current Liabilities		
Hire-purchase payables	6,817	10,722
Bank borrowings	160	54
Lease liabilities	43,942	60,055
Provision for retirement benefits	637	638
Deferred tax liabilities	6,263	6,627
Total Non-current Liabilities	57,819	78,096



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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2020 (cont'd)

	Unaudited 30.09.2020 (RM'000)	Audited 30.06.2020 (RM'000)
Current liabilities		
Trade payables	11,616	11,047
Other payables and accrued expenses	30,291	33,370
Hire-purchase payables	17,217	18,811
Bank borrowings	605	888
Lease liabilities	29,139	17,154
Provision for taxation	1,153	263
Total Current Liabilities	<u>90,021</u>	<u>81,533</u>
Total Liabilities	<u>147,840</u>	<u>159,629</u>
Total Equity And Liabilities	<u>649,846</u>	<u>656,056</u>
Net Assets per share attributable to owners of the company (RM)	<u>0.09</u>	<u>0.09</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 2020 and the accompanying explanatory notes attached to the interim financial statements.



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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE FIRST QUARTER AND PERIOD ENDED 30 SEPTEMBER 2020

	Issued Share capital (RM'000)	Treasury Shares (RM'000)	Non- distributable reserves- Translation reserve (RM'000)	Distributable reserve – Retained earnings (RM'000)	Attributable to the owners of the parent (RM'000)	Non- controlling interests (RM'000)	Total (RM'000)
As of 1 July 2019	337,888	-	346	140,930	479,164	-	479,164
Profit for the period	-	-	-	4,761	4,761	-	4,761
Other comprehensive income	-	-	(53)	-	(53)	-	(53)
Total comprehensive income for the period	-	-	(53)	4,761	4,708	-	4,708
As of 30 September 2019	337,888	-	293	145,691	483,872	-	483,872
As of 1 July 2020	337,896	(905)	1,149	145,041	483,181	13,246	496,427
Profit for the period	-	-	-	7,194	7,194	202	7,396
Other comprehensive income	-	-	(1,146)	-	(1,146)	-	(1,146)
Total comprehensive income for the period	-	-	(1,146)	7,194	6,048	202	6,250
Effect of adjustments for Purchase Price Allocation (“PPA”)	-	-	-	-	-	206	206
Shares repurchased	-	(877)	-	-	(877)	-	(877)
As of 30 September 2020	337,896	(1,782)	3	152,235	488,352	13,654	502,006

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 2020 and the accompanying explanatory notes attached to the interim financial statements.



GD EXPRESS CARRIER BHD (Company No. 630579-A)
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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FIRST QUARTER AND PERIOD ENDED 30 SEPTEMBER 2020

	2020 (RM'000)	Current Quarter Ended 30 September 2019 (RM'000)
Cash flows from operating activities		
Profit for the year	7,396	4,761
Adjustments for non-cash items	11,470	4,522
Operating profit before changes in working capital	<u>18,866</u>	<u>9,283</u>
(Increase)/Decrease in working capital		
Inventories	(482)	234
Receivables, deposits and prepayment	3,785	463
Payables and accruals	(2,508)	(2,915)
Cash generated from operations	<u>19,661</u>	<u>7,065</u>
Income tax paid	(156)	(2,129)
Net cash generated from operating activities	<u>19,505</u>	<u>4,936</u>
 Cash flows from investing activities		
Interest received	1,266	2,431
Proceeds from disposal of property, plant and equipment	440	98
Decrease in deposits with licensed bank	35,892	44,314
(Increase)/Decrease in short term funds	-	(22,147)
Additions to property, plant and equipment	(1,690)	(2,326)
Net cash generated from investing activities	<u>35,908</u>	<u>22,370</u>
 Cash flows from financing activities		
Consideration paid for share repurchased	(877)	-
Net payment of hire purchase payables	(5,500)	(5,172)
Payment of lease liabilities	(5,311)	-
Repayment of bank borrowings	(177)	-
Finance costs paid	(354)	(488)
Net cash used in financing activities	<u>(12,219)</u>	<u>(5,660)</u>
 Net change in cash and cash equivalents	<u>43,194</u>	<u>21,646</u>
Effect of exchange difference	(1,147)	(53)
Cash and cash equivalents at beginning of period	<u>37,947</u>	<u>30,060</u>
Cash and cash equivalents at end of period	<u>79,994</u>	<u>51,653</u>



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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FIRST QUARTER AND PERIOD ENDED 30 SEPTEMBER 2020 (cont'd)

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

	2019 (RM'000)	Current Quarter Ended 30 September 2019 (RM'000)
Purchase of :		
Property, plant and equipment	1,690	6,056
Financed by:		
Cash payments and other payables	1,690	2,326
Hire-purchase	-	3,730
	<u>1,690</u>	<u>6,056</u>

The above Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 30 June 2020 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 2020.

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 2020.

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 2020 as follows:

MFRSs	Amendments to References to the Conceptual Framework in MFRS Standards
Amendments to MFRS 3	Definition of a Business
Amendments to MFRS 16	Covid-19-Related Rent Concessions
Amendments to MFRS 101 and MFRS 108	Definition of Material
Amendments to MFRS 9, MFRS 139, and MFRS 7	Interest Rate benchmark Reform

The adoption of these Standards, Amendments to MFRSs and IC Interpretation did not have any material impact on the financial statements of the Group in the period of initial application

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 17	Insurance Contracts ²
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 3	Reference to the Conceptual Framework ¹
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current ²



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Amendments to MFRS 116	Property, Plant and Equipment – Proceeds before Intended Use ¹
Amendments to MFRS 137	Onerous Contracts – Cost of Fulfilling a Contract ¹
Amendments to MFRSs	Annual Improvements to MFRSs 2018 – 2020 ¹

- ¹ Effective for annual periods beginning on or after 1 January 2022.
² Effective for annual periods beginning on or after 1 January 2023.
⁴ 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.

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 financial period ended 30 September 2020 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 financial period ended 30 September 2020 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 financial period ended 30 September 2020 under review, except for the following:-

Repurchased 2,140,000 of its issued ordinary shares by the company from the open market at prices ranging from RM0.320 to RM0.375 per share. The total consideration paid for the repurchases was RM877,562 and was financed by internally generated funds. The shares repurchased are being held as treasury shares in accordance with Section 127 of the Companies Act 2016 in Malaysia. The details of shares repurchased were as follows:-



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	Number of shares	Total consideration RM	Highest RM	Lowest RM	Average RM
Share repurchased during the period :					
August 2020	2,000,000	741,873	0.375	0.365	0.371
September 2020	410,000	135,689	0.335	0.320	0.331
	<u>2,410,000</u>	<u>877,562</u>	<u>0.340</u>	<u>0.330</u>	<u>0.364</u>

7. DIVIDEND PAID

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

	2021	Year Ended 30 June 2020
First and final dividend for the financial year	30 June 2020	30 June 2019
Approved and declared on	-	5 December 2019
Date paid	-	21 February 2020
Number of ordinary shares on which dividends were paid	-	5,641,388,335
Amount per share (Single-tier)	-	0.25 sen
Net dividend paid in cash (RM'000)	<u>-</u>	<u>14,103</u>

No comparison in dividend paid is available for the current quarter and period ended 30 September 2020 under review as the proposed final single tier dividend of 0.20 sen per share amounting to approximately RM11.3 million in respect of the current financial year ended 30 June 2020, which subject to the approval of shareholders at the forthcoming Annual General Meeting (AGM) of the company which to be held on 3 December 2020.

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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 30 September		Current Year To-Date Ended 30 September	
	2020 (RM'000)	2019 (RM'000)	2020 (RM'000)	2019 (RM'000)
Interest income	1,266	2,431	1,266	2,431
Other income	1,180	282	1,180	282
Interest expense	(1,326)	(488)	(1,326)	(488)
Depreciation and amortization	(10,987)	(5,378)	(10,987)	(5,378)
Reversal of impairment loss on trade receivables	154	(9)	154	(9)
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, Singapore and Vietnam 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 30 September 2020.

Operating Segments

	Segment Revenue Year To-Date Ended 30 September		Segment Profit / (Loss) Year To-Date Ended 30 September	
	2020 (RM'000)	2019 (RM'000)	2020 (RM'000)	2019 (RM'000)
Express delivery	100,727	77,445	9,288	6,429
Logistics	7,816	5,455	1,195	550
Investment properties	66	140	(731)	(569)
Total	108,609	83,040	9,752	6,410
Finance costs			(1,326)	(488)
Reversal of Impairment loss on trade receivables			154	(9)
Share of profit of associated company			1,056	741
Profit before tax			9,636	6,654

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 September	
	2020 (RM'000)	2019 (RM'000)
Segment Assets		
Express delivery	545,674	477,218
Logistics	34,567	8,102
Property Investment	49,054	51,101
	629,295	536,421
Unallocated corporate assets		
- Tax recoverable	20,551	19,635
	649,846	556,056
Segment Liabilities		
Express delivery	116,456	63,567
Logistics	23,237	863
Property Investment	729	794
	140,422	65,224
Unallocated liabilities		
- Tax liabilities	1,153	532
- Deferred tax liabilities	6,263	6,428
	147,838	72,184
	2020 (RM'000)	2019 (RM'000)
Other Segment Information		
Additions to Non-current assets		
- Express delivery	1,494	5,249
- Logistics	120	510
- Property investment	76	297
Depreciation and amortisation		
- Express delivery	8,674	4,789
- Logistics	1,852	284
- Property investment	461	305

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



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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 Period Ended 30 September		Carrying Amount of Segment Non-Current Assets As At 30 September	
	2020	2019	2020	2019
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Malaysia	92,176	82,643	252,035	182,191
Singapore	518	397	369	25
Vietnam	15,915	-	8,609	-
Total	<u>108,609</u>	<u>83,040</u>	<u>261,013</u>	<u>182,216</u>

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 financial period ended 30 September 2020 under review except for the events as announced on 21 October 2019, 30 October 2020 and 6 November 2020, the Company proposes to undertake an issuance of up to 705,176,354 free Warrants C on the basis of one (1) Warrant C for every eight (8) existing GDEX Shares held in which the entitlement date to be determined and announced later.

11. CHANGES IN THE COMPOSITION OF THE GROUP

There were no changes in the composition of the Group during the quarter and financial period ended 30 September 2020 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 financial period ended 30 September 2020 under review.



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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 30 September		Balance Outstanding As At 30 September	
	2020 (RM'000)	2019 (RM'000)	2020 (RM'000)	2019 (RM'000)
<u>Revenue</u>				
Provision of express delivery services				
- Singapore Post Limited	27	4	18	3
- Quantum Solutions International(Malaysia) Sdn Bhd	1,055	506	815	301
- Quantum Solutions Singapore Pte Ltd	-	-	-	-
- Yamato Transport (M) Sdn Bhd	7	254	10	
<u>Expenses</u>				249
Provision of advisory services				
-Yamato Asia Pte Ltd	-	(30)	-	
-Yamato Holdings Co.,Ltd	(30)	-	(11)	(11)
Provision and development of software solution				
-Web Bytes Sdn Bhd	-	(65)	(17)	(30)

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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 first quarter ended 30 September 2020 versus the same quarter in Financial Year
Ended 30 June 2020**

Group Performance

	Current Quarter Three Months Ended 30 September		Year To-Date Ended 30 September	
	2020	2019	2020	2019
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Revenue	108,609	83,040	108,609	83,040
Profit Before Taxation	9,636	6,654	9,636	6,654

Group revenue and the profit before tax for the current quarter and period ended 30 September 2020 increased 30.8% and 44.8% respectively, as compared to the preceding year corresponding quarter and period ended 30 September 2019.

Higher revenue reported in the current quarter and period ended 30 September 2020 was mainly due to increase in demand for the delivery services from online business activities, especially under the current Covid-19 pandemic, and also increase in demand for the logistics and warehousing services as well as contribution of sales revenue from Vietnam subsidiary company. Improvement in sales revenue and profit before tax also due to operational efficiencies as a result of digitalisation of internal system and processes. Improvement in group results was also contributed by the better performance of the associated companies during the current quarter under review.

Segmental Performance

	Courier Services Current Quarter Ended 30 September		Logistics Services Current Quarter Ended 30 September		Property Investment Current Quarter Ended 30 September	
	2020	2019	2020	2019	2020	2019
	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Revenue	100,727	77,445	7,816	5,455	66	140
Profit/(loss) Before Taxation	9,172	6,673	1,195	550	(731)	(569)



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Courier Services

The revenue and profit before tax reported in courier services segment for the current quarter ended 30 September 2020 increased 30.1% and 37.4% respectively as compared to the corresponding quarter ended 30 September 2019.

Better performance for the current quarter under review due to increase in demand for the delivery services from the online business activities under current Covid-19 pandemic, improvement in operational efficiencies as a result of digitalisation of internal system and processes as well as contributed by the improved performance of Vietnam subsidiary company.

Logistics Services

The revenue and profit before taxation reported in the logistics services segment increased 43.3%, and 117.3% respectively as compared to the corresponding quarter ended 30 September 2019.

Improvement in the performance of logistics services segment was due to increase in demand for the logistics and warehousing services during the current quarter under review to support the delivery services segment as well as improvement in the operational efficiencies.

Property Investment

The revenue of the property investment was derived from external rental income. Loss before tax reported in property investment segment was due to decline in rental income as a results of cessation of tenancy agreement by the tenant, and also due to increase in property maintenance expenses during the current quarter ended 30 September 2020 under review.

2. **COMPARISON WITH IMMEDIATE PRECEDING QUARTER'S RESULTS**

Group Performance

	30.09.2020 (RM'000)	3 Months Ended 30.06.2020 (RM'000)
Revenue	108,609	105,334
Profit Before Taxation	9,636	9,312

Group revenue for the current quarter under review increased 3.1% as compared to the preceding quarter ended 30 June 2020, mainly due to increase in demand for the delivery services from the online business activities, especially under current Covid-19 pandemic, as well as contributed by the improved performance of the Vietnam subsidiary company.

Profit before tax for the Group increased 3.5% as compared to the immediate preceding quarter ended 30 June 2020, besides increased in the demand for delivery services, it was also due to operational efficiencies as a result of digitalisation of internal system and processes, as well as contributed by the better performance of the associated companies during the current quarter under review.



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Segmental Performance

	Courier Services		Logistics Services		Property Investment	
	Current Quarter Ended 30.09.2020 (RM'000)	Ended 30.06.2020 (RM'000)	Current Quarter Ended 30.09.2020 (RM'000)	30.06.2020 (RM'000)	Current Quarter Ended 30.09.2020 (RM'000)	30.06.2020 (RM'000)
Revenue	100,727	96,648	7,816	8,571	66	115
Profit/(Loss) Before Taxation	9,172	9,077	1,195	1,517	(731)	(1,282)

Courier Services

The total revenue generated from courier services segment for the current quarter under review increased 4.2% as compared to the immediate preceding quarter ended 30 June 2020.

The profit before taxation increased 1.0% as compared to the immediate preceding quarter, besides increased in demand for the delivery services, improvement in operational efficiencies was also due to digitalisation of internal system and processes, as well as contributed by the improved performance of the Vietnam subsidiary company.

Logistics Services

The revenue and profit before taxation from logistics services segment for the current quarter under review declined 8.8% and 21.2% respectively as compared to the immediate preceding quarter ended 30 June 2020. The declined in performance in logistics services segment as compared to immediate preceding quarter ended 30 June 2020 was due to the exceptional demand from marketplace during the MCO period in last quarter ended 30 June 2020; Besides, it was also due to higher overhead costs incurred in the pick & pack activities to support the volume surge in express delivery activities during current CMCO period.

Property Investment

The revenue of the property investment was derived from rental income for properties rented. The revenue for the current quarter ended 30 September 2020 declined 42.6% and the loss before taxation had reduced 43.0%.

3. COMMENTARY ON PROSPECTS

The Group foresee the demand for the express delivery services will continue to increase from the online business activities under current conditional movement control order, and the Group expect this trend to continue throughout the rest of the year.

The Group will continue to invest in human capital, IT infrastructure, network expansion, and strengthen intra-ASEAN delivery network to achieve sustainable business growth.



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4. VARIANCE FROM PROFIT FORECAST

No profit forecast was issued during the financial quarter and period ended 30 September 2020 under review.

5. TAXATION

Taxation in respect of the current financial quarter and financial period ended 30 September 2020 comprises the following:

	Current Quarter Three Months Ended 30 September		Year To-Date Ended 30 September	
	2020 (RM'000)	2019 (RM'000)	2020 (RM'000)	2019 (RM'000)
Income Tax:-				
Current quarter/period	2,610	1,738	2,610	1,738
Overprovision in prior quarter/period	(3)	-	(3)	-
	<u>2,607</u>	<u>1,738</u>	<u>2,607</u>	<u>1,738</u>
Deferred Tax:-				
Current quarter/period	(367)	155	(367)	155
Overprovision in prior quarter/period	-	-	-	-
	<u>(367)</u>	<u>155</u>	<u>(367)</u>	<u>155</u>
	<u>2,240</u>	<u>1,893</u>	<u>2,240</u>	<u>1,893</u>

6. UTILISATION OF PROCEEDS

The Group has not raised any proceeds from any of its corporate exercise during the current quarter and period ended 30 September 2020 under review.

7. STATUS OF CORPORATE PROPOSALS

There were no corporate proposals announced during the current quarter and period ended 30 September 2020 but not completed as at the reporting date except for the events as announced on 21 October 2019, the Company proposes to undertake an issuance of up to 705,176,354 free Warrants C on the basis of one (1) Warrant C for every eight (8) existing GDEX Shares held in which the entitlement date to be determined and announced later.



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8. GROUP BORROWINGS AND DEBT SECURITIES

The Group borrowings consist of the following:

	2020 (RM'000)	As at 30 September 2019 (RM'000)
Short term borrowings (secured):		
Denominated in Ringgit Malaysia		
Hire purchase payables	17,217	16,929
Borrowings	605	-
Long term borrowings (secured):		
Denominated in Ringgit Malaysia		
Hire purchase payables	6,817	21,816
Borrowings	160	-
Total borrowings	24,799	38,745

There was no unsecured debt during the current quarter and financial period ended 30 September 2020.

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 Directors proposed a final single tier dividend of 0.20 sen per share in respect of the financial year ended 30 June 2020. The proposed dividend which subject to the approval of the shareholders at the forthcoming Annual general Meeting (AGM) of the Company to be held on 3 December 2020, had not been included as a liability in the financial statements for the financial year ended 30 June 2020.

Save as disclosed above, there were no other dividends declared during the current quarter and financial period ended 30 September 2020 under review.



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11. EARNINGS PER SHARE

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 30 September		Year To-Date Ended 30 September	
	2020 (RM'000)	2019 (RM'000)	2020 (RM'000)	2019 (RM'000)
Net profit attributable to ordinary shareholders	7,194	4,761	7,194	4,761
Weighted average number of ordinary shares in issue (units)	5,641,410,835	5,641,388,335	5,641,410,835	5,641,388,335
Basic Earnings per share (sen)	0.13	0.08	0.13	0.08

There is no effect of dilution on diluted earnings per share as the Warrants 2015/2020 had expired and lapsed on 11 February 2020.

12. AUDIT REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The audit report of the Group's annual financial statements for the year ended 30 June 2020 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 26 November 2020.

By Order of the Board

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

Selangor Darul Ehsan
Date: 26 November 2020